COPYRIGHT REVISION: PREEMPTION AS A PANACEA*

The present United States Copyright Law has not been substantially changed since its initial enactment in 1909. As a result, the Copyright Office has studied the major problem areas over a period of ten years, and has recommended a comprehensive bill[1] to revise title 17 of the United States Code.

One of the highlights of the current bill is section 301[2] which preempts common law copyright and makes those works protected under the common law subject to protection under title 17. In order to assess the effects of preemption it is necessary to review the distinctions between common law and statutory copyright, examine the revision program, and analyze section 301.

Basic Distinctions Between Common Law and Statutory Copyright

At common law an intellectual creation is an absolute and incorporeal property right which is governed by the same rules that govern personal property.[3] Copyright secured by title 17 is also incorporeal,[4] but the exclusive rights are enumerated in the statute and limited, subject to judicial gloss, to the right to make other ver-

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[1] S. 1006, H.R. 4347, 89th Cong., 1st Sess. (1965).

[2] S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 301 (1965):

(a) On and after January 1, 1967, all rights in the nature of copyright in works that come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to copyright, literary property rights, or any equivalent legal or equitable right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the law of any State with respect to:

(1) unpublished material that does not come within the subject matter of copyright as specified by sections 102 and 103;

(2) any cause of action arising from undertakings commenced before January 1, 1967;

(3) activities violating rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106, including breaches of contract, breaches of trust, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation.

[3] Echevarria v. Warner Bros. Pictures, Inc., 12 F. Supp. 632 (S.D. Cal. 1935); Palmer v. De Witt, 47 N.Y. 532 (1872); Drone, Copyright 104 (1879).

[4] American Tobacco Co. v. Werckmeister, 207 U.S. 284 (1907).

sions of and to copy, vend, print, publish, record, and perform the copyrighted work.[5]

A common law copyright will not vest until an original work is created and developed beyond an abstract idea.[6] Statutory copyright also requires originality but exacts a higher standard of concreteness; the work must qualify as a writing.[7] It therefore is apparent that the scope of protection is greater at common law.[8] Statutory copyright has one basic requirement that distinguishes it from common law copyright: the former requires a publication[9] whereas the latter, though attaching immediately upon creation of the work,[10] is lost upon publication. Also, there are certain formalities which must be complied with before statutory copyright is vested: the work must be published with notice of copyright[11] or there must be registration and deposit of specified unpublished works.[12]

One principal difference between the two forms of protection is that at common law the author has a perpetual right to prevent an unauthorized use as long as the work is unpublished,[13] while under the statute the right is limited to a specific term of years.[14]

The Copyright Revision

The primary aim of preemption is to eliminate the concept of publication which is the dividing line between statutory and common law copyright. Publication, which is traditionally defined as making copies "unconditionally available to the public at large,"[15] has become

[5] 17 U.S.C. § 1 (1964). Merely because the statutory rights have been enumerated does not mean that the corresponding protection will be interstitial in form. On the contrary, it has been asserted that any use of literary property which has some value is apparently protected by the statute and in that sense the common law and statutory copyright would be equivalent in their protection of rights under most circumstances. Ball, The Law of Copyright and Literary Property 58 (1944). *But see* Nimmer, Copyright § 111 (1964).

[6] Nimmer, Copyright § 11.2 (1964).

[7] 17 U.S.C. § 4 (1964).

[8] Nimmer, Copyright § 111 (1964). The most patent examples of this are records which cannot be copyrighted since they are not writings within the meaning of the statute, but which are afforded protection by the common law copyright. Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657 (2d Cir. 1955).

[9] Nimmer, Copyright § 11.2 (1964).

[10] Weil, Copyright Law 117 (1917).

[11] 17 U.S.C. § 10 (1964).

[12] 17 U.S.C. § 12 (1964).

[13] Ferris v. Frohman, 223 U.S. 424 (1912); Wheaton v. Peters, 33 U.S. (8 Pet.) 591 (1834); Weil, *op. cit. supra* note 10, at 109.

[14] 17 U.S.C. § 24 (1947).

[15] Register of Copyrights, 89th Cong., 1st Sess., Copyright Law Revision Report pt. 6, at 81 (Comm. Print 1965) [hereinafter cited as 1965 Report].

obsolete due to the revolution in communications.[16] The public dissemination of records[17] and the performance of a work before several million people on television does not result in publication, but the sale of a single copy can prohibit common law protection and make the work subject to the federal copyright statute.[18] Since common law protection continues until there is a publication, these works which avoided the traditional definition of publication could reap commercial benefits in perpetuity. It was this perpetual right of the common law owner which conflicted with the policy of the "limited times" provision of article one, section eight of the Constitution and prompted the revision program.[19]

The impetus for revision of the present dual system began with the Strauss Study of 1957[20] which recommended three alternative revisions of the copyright statute. The first proposal recommended that the privilege of registering under the copyright statute be extended to all unpublished works.[21] The study secondly recommended a redefinition of publication to include public dissemination and thereby remove the common law protection afforded a recorded work after it had been sold or a play after it had been publicly performed. The third alternative suggested the preemption of common law protection by making the statute applicable to all works and, as a result, avoid altogether the concept of publication.

The recommendation of the Copyright Office was a combination of the first and second proposals which would extend the privilege of registration under statutory copyright to all unpublished works and terminate the common law protection when the work is publicly disseminated.[22] The preemption of all common law rights was felt to be undesirable for the reason that private papers would fall into the public domain after the fixed statutory time limit expired and "the right of privacy should be paramount in this situation."[23] A further reason for avoiding preemption was that the change would involve exclusive

16 *Ibid.*

17 Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657 (2d Cir. 1955).

18 1965 Report 81.

19 Register of Copyrights, 87th Cong., 1st Sess., Copyright Law Revision Report pt. 1, at 39-40 (Comm. Print 1961) [hereinafter cited as 1961 Report].

20 Strauss, "Protection of Unpublished Works," Copyright Law Revision Study No. 29 (1957).

21 Presently, only a limited class of unpublished works can be protected under the statute. Examples of this class are lectures, motion pictures, and dramatic and musical compositions which are usually performed or exhibited before being published in the form of copies. *Id.* at 7.

22 1961 Report 41.

23 *Ibid.*

federal jurisdiction over undisseminated works which are ordinarily a matter of private and local concern and should not require the attention of a federal court.[24]

One argument in favor of preemption is that under the present dual system, the courts in enforcing a particular common law right may reach anomalous results.[25] With the electronic era and its simultaneous broadcasts, infringement may result in many states and the remedy may consequently differ depending on where the suit is brought.[26] The goal of achieving uniformity in result necessitates the establishment of a single system to administer the many facets of copyright. In rebuttal to the argument that the federal courts will be overwhelmed with small cases or cases primarily of local concern as a result of preemption, the state courts could be given concurrent jurisdiction over private matters but the federal law would remain decisive of all legal questions.[27]

Another argument in favor of preemption which neutralizes the privacy contention relates to the interest of scholars, historians, and the general public in unpublished works.[28] The Copyright Office proposed a provision which would have limited the duration of rights in unpublished manuscripts placed in libraries,[29] but this compromise with total preemption appeared to be inadequate since the vast amount of scholarly papers may never be placed in a library. The remedy of self-help is probably the most persuasive argument against the invasion of privacy: if the materials are especially sensitive, the author or his heirs can destroy the writings rather than have them disclosed at the end of the statutory period.[30]

The commentators were in favor of the more rigorous preemption because the advantages of a uniform system outweighed the need for the preservation of common law rights.[31] Further, administration of a new concept of public dissemination raised numerous difficulties.[32] The Copyright Office, therefore, withdrew its prior compromise and

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[24] *Id.* at 42.

[25] Sargoy, "An Exclusive Federal Statutory System for Literary and Artistic Works: The Confusions in the Diversity of our Present Federal and State Systems," 8 Bulletin of the Copyright Society 6, 8 (1960).

[26] *Ibid.*

[27] *Id.* at 19.

[28] Strauss, *supra* note 20, at 33.

[29] 1961 Report 41-42.

[30] Strauss, *supra* note 20, at 33.

[31] Register of Copyrights, 88th Cong., 2d Sess., Copyright Law Revision Report pt. 4, at 2 (Comm. Print 1964).

[32] 1965 Report 83.

submitted the recommendation for preemption which is embodied in the current bill.[33]

THE BILL

The purpose of section 301 is to "preempt and abolish any rights under State law (whether common law or statutory) that are equivalent to copyright and that extend to works coming within the scope of the copyright law."[34]The scope of this preemption is limited by section 301 to "works that come within the subject matter of copyright as specified by sections 102 and 103." The test under section 102[35] is whether or not the work is "fixed in any tangible medium of expression." This "medium of fixation is irrelevant as long as it is tangible enough for the work to be perceived or made perceptible to the human senses, directly or with the aid of any machine or device 'now known or later developed.' "[36] Therefore, "the pre-emptive effect of section 301 is not intended to extend to unfixed works such as, for example, a piece of choreography that has never been notated or filmed, an impromptu speech, or a musical composition that has been performed from memory but never written down or recorded. These would continue to be protected indefinitely at common law until fixed in some form . . . ."[37]

The stated purpose of section 102 is to cover only those "classes of works that are copyrightable under the present law, to designate pantomimes and choreographic works as a specific category, and to add the new category of 'sound recordings.' "[38] The language of the

[33] S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 301 (1965). See *supra* note 2 for the text of the section.

[34] 1965 Report 83.

[35] The text of § 102 follows:

Subject matter of copyright: In general

Copyright protection subsists, in accordance with this title, 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. Works of authorship include the following categories:

(1) literary works;
(2) musical works, including any accompanying words;
(3) dramatic works, including any accompanying music;
(4) pantomimes and choreographic works;
(5) pictorial, graphic, and sculptural works;
(6) motion pictures;
(7) sound recordings.

Section 103 concerns compilations and derivative works and is not relevant to this discussion.

[36] 1965 Report 4.

[37] *Id.* at 84.

[38] *Id.* at 5.

bill, however, requires only an original work of authorship and fixation in a tangible medium of expression; furthermore, the enumerated categories of section 102 are illustrative and do not limit the categories according to the definition of the term "including" in section 101. It appears that the language of the section has a broader scope than the stated purpose. The courts will probably construe the enumerated categories as a limitation on the introductory clause of section 102.[39] With such a limitation, section 102 amounts to nothing more than a reenactment of the prior law with the additional inclusion of sound recordings.[40]

Section 102(5), which includes "pictorial, graphic, and sculptural works," is intended to codify the result in *Mazer v. Stein*[41] and permit one to copyright a work which is to be employed as a design or decoration of a useful article but to exclude the useful article as such from copyright protection.[42] As a result, a painting of a flower used on a dress can be copyrighted but the dress itself cannot be protected.[43] Other types of works which do not fall within section 102 and could be protected at common law are typography, industrial designs, and broadcast emissions.[44]

Works which come within the subject matter of copyright are totally preempted even though the work is minimal or lacking in originality.[45] This could result in a work being uncopyrightable under the statute and also being preempted from any possible common law protection.

Not only must the particular work fall within the subject matter of section 102 to be preempted, but the rights which are at issue must be in the nature of copyright. This follows from section 301(b)(3) which permits a cause of action in a state court for the violation of a right if such a right is not equivalent to any of the exclusive rights enumerated in section 106.[46] Sections 107 through 114 provide certain limitations, qualifications, and exceptions to the exclusive rights of

[39] The categories of the current law, 17 U.S.C. § 5 (1964), have been construed as limits on the statutory term "writings." 1961 Report 10-11.

[40] This limitation is consistent with the purpose of excluding industrial designs, typography, and broadcast emissions which would appear to be subject to protection under the broad language of § 102. See 1965 Report 3.

[41] 347 U.S. 201 (1954).

[42] 1961 Report 13-14.

[43] *Id.* at 14. The concept of "useful article" also serves to prevent the copyright of designs of functional architectural structures. *Id.* at 15-16.

[44] 1965 Report 3.

[45] *Id.* at 84.

[46] Section 106 permits the owner of the copyright to reproduce, record, adapt, publish, perform, and exhibit.

section 106, but if a particular right falls within one of the exceptions it cannot be protected at common law because it would still be within the general scope of section 106. For example, section 112(b) limits the exclusive right of reproduction of a sound recording to total duplication. Under this section if a record pirate appropriated the recording with minor changes, he would not be liable under the statute because the record was not duplicated. He would not be liable under common law copyright since it is preempted by the inclusion of sound recordings within the subject matter of section 102, nor would he be liable under the common law remedy of unfair competition since the appropriation is equivalent to the exclusive right of reproduction under section 106(a)(1).

If, however, the objectionable behavior was not a misappropriation of the work product but rather a "passing off" of a record as though it were the plaintiff's, then a traditional cause of action for unfair competition has been stated and the right violated is not equivalent to any of the exclusive rights within section 106. Under section 301(b)(3) this cause of action is not preempted and the state can provide protection.[47]

To further illustrate this dual criteria of preemption, *i.e.*, subject matter and equivalent rights, assume the following hypothetical: *B* has developed a dress design and *C*, a style pirate, has copied the design and is using it in a competitive garment. The state law has both a copyright and an unfair competition statute which would give *B* protection under these facts. Under section 301(a) the state law is not preempted because a dress design is a work of utility and is not within the subject matter of copyright. This is true even though the activities in question deal with the right to copy or reproduce which is a right in the nature of copyright. If the dress design is unpublished then the state copyright law could protect it by virtue of section 301(b)(1). If, however, the garment is marketed and, therefore, published, does it lose its common law protection? The Copyright Office states that the "word 'unpublished' was therefore added to [section 301(b)(1)] . . . to avoid any implication that common law protection equivalent to copyright, for material not coming within the subject matter of the statute, might continue after its publication."[48]

Section 301(b)(1) is drafted in a negative manner as a proviso, exception, or savings clause to section 301(a) and does not prohibit protection after publication unless the word "unpublished" is construed in its negative implications. If it were construed in this manner

[47] 1965 Report 85.

[48] *Ibid.*

then subsection (b) would be an extension of the preemptive effect of subsection (a). From the language of the bill this would be an awkward interpretation and it is arguable that our dress design, which is not within the subject matter of copyright, can be protected by the common law after publication.

The dictate against protecting a work by common law copyright after it is published appears to be derived from the previous case authority and not from the bill itself. Conceding that this would be a permissible interpretation of the bill, the question is, who can determine when a work is published?

The bill under section 101 defines publication as "the distribution of copies . . . to the public by sale or other transfer of ownership . . . ." Does this definition apply to a work which is not preempted by section 301(a)? The Copyright Office asserts that the definition is applicable[49] but under the *Capitol Records* case[50] it is arguable that the state law definition should be determinative. Although Congress certainly has the power to define when publication occurs for the common law copyright, the question is whether it has done so under section 301. It is submitted that the language of the bill only preempts state law in its definition of unpublished works in a negative fashion and that a permissible interpretation of the bill would allow the states to regulate and define their own concepts of publication in such a way that the sale of a dress would not be a publication of the design.[51]

The common law remedy of unfair competition is not prohibited by the bill even if the work is published, but "to the extent that a right against 'unfair competition' is merely copyright by another name, section 301 is intended to abolish it as a common law cause of action."[52] One possible construction of this statement might be that the work must fall within the subject matter of section 102 before the unfair-competition remedy is precluded. In that situation it would be clear that the remedy is prohibited because the requirements of section 301(a), *i.e.*, subject matter and equivalent rights, have been met.

With our dress design the requirement of subject matter is not present and so how can the bill itself preempt this state remedy? Subsection (b)(3) certainly should not be construed as an extension of the preemptive effect of subsection (a). The dictate against conferring equivalent rights must, as in the case of the published work, come from

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[49] *Ibid.*

[50] Capitol Records, Inc. v. Mercury Records Corp., *supra* note 8.

[51] The states have molded their common law remedies to give protection to certain "uncopyrightables." Note, "Copyright Protection for Uncopyrightables: The Common-Law Doctrines," 108 U. Pa. L. Rev. 699 (1960).

[52] 1965 Report 85.

previous judicial authority such as the Supreme Court's decisions in *Sears, Roebuck & Co. v. Stiffel Co.*,[53] and *Compco Corp. v. Day-Brite Lighting, Inc.*[54] In those cases the Court held that a design, which could not be patented because it lacked invention, could not be protected against copying by the state's unfair competition law because this would encroach on the federal patent system. The Court held that the state remedy was preempted, but the state's power "to impose liability upon those who . . . deceive the public by palming off their copies as the original" was left intact.[55] The test under these cases was whether Congress could have protected the works, for if it could, then Congressional silence is enough to preempt the area. The analogy of a copyright to a patent is inescapable and under this test if the work would qualify as a writing under article one, section eight of the Constitution, then Congress has authority to protect it, and if it chooses not to do so, the states will not be permitted to confer equivalent rights. Since our dress design has been published and Congress has decided not to confer protection, the states may not use their remedy of unfair competition to protect the designer from mere misappropriation because that is a right in the nature of copyright.

It would seem that a redrafting of section 301, omitting the criterion of subject matter in subsection (a), would resolve many of these problems by making explicit what now remains implicit. The following simplified draft is submitted: "On and after January 1, 1967, all rights in the nature of copyright are governed exclusively by this title." Section 301(b) should then be set forth as it now exists. This redrafting would eliminate the criterion of subject matter and would make equivalent rights the sole test of preemption. The criterion of subject matter would, however, reenter the interpretive scheme in the proviso of section 301(b)(1). This would make section 301(b) truly a savings provision rather than a negative extension of preemption and this result seems to coincide more exactly with the purpose of preemption. The other language in the statutory proposal appears to be surplusage since the results are implied from the preemptive clause, and for purposes of clarity and conciseness, it should be eliminated from the draft.

Although the results achieved under this submitted draft should be equivalent to the expected interpretation of the new bill, the change would simplify the language and would not leave to inference the definition of publication or require reliance on case authority prior to enactment.

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[53] 376 U.S. 225 (1964).

[54] 376 U.S. 234 (1964).

[55] *Id.* at 238.

PREEMPTIVE EFFECTS

Privacy and Jurisdiction

The invasion of privacy was the primary concern of the Copyright Office in its original recommendation for revision.[56] The privacy issue was inserted because unpublished works such as diaries, letters, manuscripts and other personal material would go into the public domain at the end of the statutory term. Under the current bill, *i.e.*, sections 302 and 303, the statutory term has been lengthened to the life of the author plus fifty years and the Copyright Office believes that "the terms provided in those sections are long enough to avoid any questions of invasion of privacy."[57] Even if this duration does not eliminate all privacy contentions, section 301(b)(3) expressly permits a cause of action for invasion of privacy as long as it is not equivalent to any of the rights of copyright. This action at common law should be valid after the elapse of the statutory term.

One of the arguments against revision was that the federal courts would be swamped with cases primarily of local concern; this argument is still valid since the bill does not provide for concurrent jurisdiction with the state courts. This, however, is only an illusory fear since the scarcity of opinions suggests few cases of this nature are ever litigated. Furthermore, the purpose of the preemption is to provide uniformity and this is best served by allowing federal courts, which have a measure of expertise in the area of copyright, to decide these cases.

Statutory Limitations

One of the considerations leading to preemption was the absence of any limitations on the common law copyright. Statutory copyright is circumscribed by the limitations of fair use, for profit, and compulsory license, but these do not apply to common law copyright[58] which prohibits any unauthorized use of the unpublished work.[59] There is one patent exception to the exclusive use of common law copyright: the test of substantial similarity which is used to establish the act of copying. This test, which has been held to apply to common law copyright, as well as statutory copyright, necessarily permits a certain amount of copying which does not amount to an infringement.[60]

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[56] See text accompanying note 23 *supra.*

[57] 1965 Report 86.

[58] 1961 Report 40.

[59] Stanley v. Columbia Broadcasting Sys., 35 Cal. 2d 653, 221 P.2d 73 (1950).

[60] Fendler v. Morosco, 253 N.Y. 281, 171 N.E. 56 (1930); Malkin v. Dubinsky, 25 Misc. 2d 460, 203 N.Y.S.2d 501 (Sup. Ct. 1960).

Fair Use

Although there are many conflicting theories on the application of fair use, Nimmer summarizes the defense as applicable where the use of the infringing work does not adversely affect the value of any rights in the copyrighted work by competing with it for a market.[61] Although the authority is either extrajudicial or dictum, the consensus is that the defense is unavailable for common law copyright infringement.[62] But even if the defense does not apply, the issue would be moot in certain situations. For example, if the use does not adversely affect the value of any of the rights in the unpublished work, and the pirate has not made a profit, as in a private reading of an unpublished poem, then the owner has suffered no damages and should not recover unless he can prove the malicious intent required for punitive damages.[63] In this situation the result is the same: either the defense is recognized or there is no remedy provided.

The preemption of common law copyright will necessarily make unpublished works subject to the defense of fair use which will be codified under proposed section 107. The question is whether this is desirable from a policy standpoint. The limitation of fair use is a necessary compromise between public needs and the limited monopoly accorded the statutory owner. Since the statutory owner is actively exploiting his work on the available markets, permitting public criticism, comment, and scholarship to have a free ride is a fair price for such a commercial monopoly. If this limitation is applied in toto to the common law copyright, fair use may be the only use for certain types of works such as diaries, letters, and manuscripts. The author may not be engaged in exploitation of the work and if scholarship piracy is permitted, the author will not recoup his quid pro quo which is normally the case with the statutory copyright owner. If the work is being disseminated, then, of course, the same criteria should apply to the unpublished work as is applied to the published work since the author has voluntarily relinquished his work product. The one redeeming provision that neutralizes the objections to the fair use of common law copyright is the preservation of the cause of action for invasion of privacy

61 Nimmer, Copyright § 145 (1964).

62 In Golding v. RKO Radio Pictures, Inc., 193 P.2d 153, 163 (Cal. Dist. Ct. App. 1948), the court said in dictum that "the privilege of 'fair use' accorded in statutory copyright cases is not accorded by the common law in the case of unpublished works and the author has exclusive control of his work." Stanley v. Columbia Broadcasting Sys., 35 Cal. 2d 653, 221 P.2d 73 (1950), also in dictum rejected the defense of fair use for common law copyright. Weil, Copyright Law 117 (1917), said the author "has, probably, the right to prevent even a 'fair use' of the work by others against his consent."

63 See Nimmer, Copyright § 143 (1964).

under section 301(b)(3). This provision gives the author a right of action against any appropriator even though the taking is rationalized by fair use. It further strikes a nice equilibrium between scholarship and the privacy of the creator by eliminating objections founded solely on an absolute property right. The test is whether a personal rather than a property right was invaded and this, it is submitted, is a fair compromise.

Public and for Profit

To constitute an infringement of a musical or nondramatic literary work which is copyrighted by statute, the performance must be public and for profit.[64] But the application of these limitations to the common law copyright would be prohibited since such a copyright is absolute and exclusive.[65] Even if the public limitation does not apply to the common law copyright, the extent of damages for a nonpublic infringement would be very small, assuming the owner has possession of the work. Private use of the work should not impair the value of any right and in that sense the common law perfects its own public limitation by manipulating the damage remedy. This rationale is inapplicable to the "for profit" limitation since a complete appropriation of the work can be made for nonprofit uses and the value of the work can be completely impaired. The public and "for profit" limitations will apply to common law copyright after preemption,[66] and there may be situations where the privacy of the creator is not protected. If a neighbor surreptitiously reads the author's diary then there is no infringement of the owner's copyright because the activity is not public. Furthermore, the owner cannot take advantage of the remedy for invasion of privacy which is saved by section 301(b)(3) for there must be a public disclosure of private facts to perfect a cause of action,[67] and the reading of the diary is not a public disclosure. Under those circumstances the preemption appears to be unfair in denying the creator a remedy although from the prior discussion it is doubtful whether the common law would find that the author was damaged.

The "for profit" limitation raises the same objections for the owner of the unpublished work as does the fair use limitation. The nonprofit

[64] 17 U.S.C. § 1(e) (1964).

[65] 1961 Report 40. *But see* Drone, Copyright 100 (1897), which states that "the common law property in a literary composition is violated by any unauthorized *public* use of it . . . ." (Emphasis added.)

[66] S. 1006, H.R. 4347, 89th Cong., 1st Sess. §§ 106(a)(4), 109 (1965). The bill drops the "for profit" limitation and substitutes in § 109 a number of specific instances which are not infringements. These instances roughly coincide with the current interpretations of the limitation.

[67] Prosser, Torts 834-37 (3d ed. 1964).

use may deprive the author of his private works, and he would not have a remedy for invasion of privacy unless there was a public disclosure. Under section 109, however, it appears that there must be a public disclosure to even qualify for the "for profit" exemption and, if that is the construction of that section, then the creator would have the opportunity to raise his privacy objection in all cases in which the exemption is asserted.

Compulsory License

Statutory copyright requires a compulsory license for the right to record.[68] Although this limitation does not apply to the common law copyright, the distinction is meaningless since a sale of the record constitutes a publication which divests the owner of his copyright.[69] The preemption, therefore, will have no effect in this area.

Dual Rights

Both statutory and common law copyright recognize a dual nature in rights for the intellectual creation. First, there is the intangible incorporeal copyright which permits the owner to control publication, vending, copying, and other exclusive rights. Secondly, there is a property right in the thing itself which has been created and which inheres only in the tangible characteristics of the work and is like ownership of any personal property.[70] Preemption may produce a substantive change in some of the areas involving this dual right.

Executions and Creditor's Bills

One area where the dual right plays an important role is executions and creditor's bills. The statutory and common law copyrights are not subject to levy and execution because the property is intangible, incorporeal, and does not have a situs in any particular state so as to subject it to the jurisdiction of a court.[71] It has even been held that the tangible object associated with the common law copyright is not subject to execution.[72]

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[68] 17 U.S.C. § 1(e) (1964).

[69] Nimmer, Copyright 456 (1964).

[70] Ball, Copyright and Literary Property 54 (1944).

[71] Stevens v. Gladding, 58 U.S. 447 (1854); Stephens v. Cady, 55 U.S. 447 (1852); Harper & Bros. v. M. A. Donohue Co., 144 Fed. 491, 492 (C.C.N.D. Ill. 1905).

[72] Bartlett v. Crittenden, 2 Fed. Cas. 967 (No. 1076) (C.C.D. Ohio 1849); Dart v. Woodhouse, 40 Mich. 399 (1879). The *Dart* case involved an abstract book and the court inferentially held that the object itself was valueless unless published, and to publish the article was to exercise the copyright which the creditor would not acquire on execution. This would amount to an infringement. As applied to abstract books, however, this

A creditor's bill has been permitted to subject a patent to the satisfaction of a judgment;[73] the Court reasoned that equity has in personam jurisdiction which eliminates the problem of situs since that is a requirement only for executions at law. Because of the similarity between patents and copyrights, the holding of the Court is equally applicable to copyright and, therefore, the intangible statutory right should be subject to a creditor's bill. If the common law copyright were subjected to a creditor's bill, the purchaser at the forced sale would not be able to publish the article unless he had access to the tangible object to copy. If, however, the copyright owner does have access then the author could be deprived of his privacy by the reproduction of diaries or letters.

With the preemption of common law copyright, unpublished works are purportedly subject to a creditor's bill under section 201(d)(1) which states that "the ownership of a copyright may be transferred . . . by operation of law. . . ." Such a provision would be subject to abuse if it were not for the savings provision of section 301(b)(3) which permits a cause of action for invasion of privacy. This latter provision is a safeguard to any possible abuse.

Mortgages

Another area where the law is apt to be changed by preemption relates to mortgages. At common law there could not be a chattel mortgage on a copyright.[74] Since the "copyright does not attach to the copyrightable object, but is distinct from it, the right was too ephemeral to be the object of possession and transfer."[75] As a result of legislation in several states it is now possible to obtain a security device on the unpublished literary property either by mortgage or hypothecation.[76]

A statutory copyright, on the contrary, can be mortgaged by an express provision,[77] but can be foreclosed only in a state court because

rationale has been rejected. Washington Bank v. Fidelity Abstract & Security Co., 5 Wash. 487, 46 Pac. 1036 (1896); Leon Loan & Abstract Co. v. Equalization Bd., 86 Iowa 127, 53 N.W. 94 (1892). Even the Michigan Legislature subsequently overruled the *Dart* case. Mich. Stat. Ann. § 27A.6017 (1962). The *Dart* rationale, however, may be applicable to other copyright objects such as diaries, letters, and manuscripts where a valid privacy contention might be raised.

[73] Ager v. Murray, 105 U.S. 126 (1881).

[74] Nimmer, Copyright § 121.2 (1964).

[75] Security-First Nat'l Bank v. Republic Pictures Corp., 97 F. Supp. 360, 368 (S.D. Cal. 1951), *rev'd on other grounds*, 197 F.2d 767 (9th Cir. 1952).

[76] Miller, "Problems in the Transfer of Interests in a Copyright," ASCAP, Tenth Copyright Law Symposium 131, 132 (1959).

[77] 17 U.S.C. § 28 (1964).

of the absence of a federal question for jurisdiction.[78] Although there is an issue whether the state courts will foreclose such a mortgage,[79] it has been suggested that the desired result can be achieved by hypothecation which is the pledging of the copyright without giving the pledgee possession.[80]

Under section 201(d) the unpublished work could be mortgaged under the federal statute. Foreclosure proceedings would, however, have to be taken in the state courts and the inconsistencies resulting from the choice of law and conflicts between the states would still be prevalent.[81] It would seem that if one of the primary purposes behind preemption is the adoption of a single uniform system, jurisdiction to foreclose would be granted to the federal courts. In light of this policy the courts may overrule *Republic Pictures Corp. v. Security-First Nat'l Bank*[82] which is the only case holding that federal courts do not have jurisdiction.

Assignments

The common law copyright can be assigned or licensed orally under the rules of personal property.[83] Statutory copyright, however, requires the formality of a writing in order to assign, grant, or mortgage,[84] although it has been suggested that a copyright license, as distinguished from an assignment, may be oral.[85] Since there are dual rights, a transfer of the copyrighted object does not transfer the statutory copyright unless there is consent or intent to pass those rights, and an assignment of the copyright does not transfer the tangible object.[86]

The preemption of common law copyright will require that all transfers of copyright be in writing under section 204(a). Although this imposes an added obligation on the common law copyright owner, it eliminates a much criticized result. At common law there has arisen a presumption that a transfer of the tangible object also passes the

78 Republic Pictures Corp. v. Security-First Nat'l Bank, 197 F.2d 767 (9th Cir. 1952).

79 *Ibid.*

80 Nimmer, Copyright § 121.2 (1964).

81 Miller, *supra* note 76, at 147 n.67.

82 *Supra* note 78. This case has been criticized because it leaves foreclosure to the inharmonious conflicts and vagaries of state enforcement and may impair the security value of copyright. Miller, *supra* note 76, at 147 n.67. See also Kaplan, "Literary and Artistic Property (Including Copyright) as Security: Problems Facing the Lender," 19 Law and Contemporary Problems 254, 269-73 (1954).

83 Nimmer, Copyright § 120.1 (1964); Weil, *op. cit. supra* note 10, at 116-17. See Callaghan v. Myers, 128 U.S. 617, 658 (1888); Palmer v. DeWitt, 47 N.Y. 532 (1872).

84 17 U.S.C. § 28 (1964).

85 Nimmer, Copyright § 120.2 (1964).

86 17 U.S.C. § 27 (1964).

literary rights unless they are specifically reserved.[87] The requirement of a writing eliminates this presumption of transfer.[88]

Constitutional Questions

The main thrust of preemption is to eliminate the duration problem of common law copyright. This necessarily raises a constitutional issue since a limited term will be substituted for a perpetual term and the substituted rights, therefore, will not be as exclusive as the common law rights. This, it is argued, is a deprivation of property without due process of law. On the other hand, it is argued that the substituted rights are practically equivalent to common law rights and, therefore, it is not an unreasonable deprivation.

Although statutory copyright will impose limits on the duration of rights, it will provide certain advantages. Registration under the statute will provide a date of creation which will be prima facie valid. This will make proof of infringement easier. At common law, damages are usually limited to the value of the property appropriated unless malice is shown and then exemplary damages can be recovered.[89] Statutory copyright, however, will permit a choice between actual damages and profits or a minimum recovery according to a statutory schedule in lieu of actual damages.[90] A discretionary award of costs and attorney's fees may also be permitted for the prevailing party.[91] The statutory copyright also provides constructive notice to any future infringer and protects the copyright owner by eliminating, to a certain extent, accidental infringement. Statutory copyright has an even greater advantage since it prevents a loss of rights through an inadvertent publication which is always a threat to the common law copyright. The bill further attempts to meet the problems of duration by increasing the term of copyright to the life of the author plus fifty years.[92] The owner of the unpublished work does not have to comply with any formalities or affirmative obligations such as notice,[93] deposit,[94] or registration[95] in order to secure copyright protection. Registration, however, is a prerequisite to an infringement suit[96] and the work must have been registered before the

87 Pushman v. New York Graphic Soc'y, 287 N.Y. 302, 39 N.E.2d 249 (1942).
88 1965 Report 71.
89 Nimmer, Copyright 150 (1964).
90 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 504 (1965).
91 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 505 (1965).
92 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 302 (1965).
93 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 401 (1965).
94 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 406 (1965).
95 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 407 (1965).
96 S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 410 (1965).

infringement in order to be awarded statutory damages and attorney's fees.[97]

Even if the different rights have not been equalized by the bill, the preemption can still be constitutional. Article one, section eight of the Constitution permits Congress to secure all writings of the author and this is not limited to published works. The common law rights are then within the purview of the congressional power and are a privilege rather than a vested right,[98] granted by the silence of Congress and capable of being recalled.

CONCLUSION

The common law copyright has for too long a time been the "Cinderella" of the federal copyright law. Its scope of protection has been widened due to an obsolete definition of publication and its effects have been felt in the inconsistent approaches to enforcement. Uniformity and limitations on the exclusive rights of common law copyright demand preemption as no other alternative capable of solving this maze of problems exists.

The harmful effects of preemption, however, have been minimized by the preservation of a right of action for invasion of privacy and by the lengthening of the statutory term of protection. Beneficial effects such as statutory damages more than compensate the owner of the unpublished work for any limitation on his exclusive rights. Preemption may not be a panacea but it is certainly a needed injection for the current dichotomic system.

Rex D. Throckmorton

[97] S. 1006, H.R. 4347, 89th Cong., 1st Sess. § 411 (1965).

[98] Sargoy, *supra* note 25, at 20.