

BYU Law Review

Volume 2001 | Issue 3

Article 10

9-1-2001

Protecting Against International Infringements in the Digital Age Using United States Copyright Law: A Critical Analysis of the Current State of the Law

Brandon Dalling

Follow this and additional works at: <https://digitalcommons.law.byu.edu/lawreview>



Part of the [Computer Law Commons](#), and the [Intellectual Property Law Commons](#)

Recommended Citation

Brandon Dalling, *Protecting Against International Infringements in the Digital Age Using United States Copyright Law: A Critical Analysis of the Current State of the Law*, 2001 BYU L. Rev. 1279 (2001).

Available at: <https://digitalcommons.law.byu.edu/lawreview/vol2001/iss3/10>

This Note is brought to you for free and open access by the Brigham Young University Law Review at BYU Law Digital Commons. It has been accepted for inclusion in BYU Law Review by an authorized editor of BYU Law Digital Commons. For more information, please contact hunterlawlibrary@byu.edu.

Protecting Against International Infringements in the Digital Age Using United States Copyright Law: A Critical Analysis of the Current State of the Law

I. INTRODUCTION

With the advent of the Internet and its exploding use in the past few years, intellectual property protections have advanced to the forefront of conversation, litigation, and legislation as governments, businesses, and consumers strive to protect intellectual property while maintaining the independence of the end user in this new technological revolution. Of particular concern is the freedom and mobility the Internet has brought to software producers, consumers, and software pirates. Intellectual property protections that traditionally afforded adequate protection prior to the Internet revolution may, in some circumstances, inadequately protect certain types of intellectual property.¹ Software is of particular concern; by its nature software is easily copied without affecting the original or altering the software's functionality.

Copyright law, by its territorial nature, does not adequately protect copyright owners' interests in an international context.² An individual who has been afforded a certain degree of copyright protection in the United States is not guaranteed protection against copyright infringements that may occur abroad, even though the copyright holder and the copyright infringer are U.S. citizens.³ Certain doctrines like contributory infringement and vicarious liability serve to deter extraterritorial would-be copyright infringers. Due to territorial limitations on U.S. law, however, these doctrines fall woefully short because U.S. courts cannot exercise subject matter jurisdiction over wholly foreign infringements, even though the infringement may be perpetrated by a U.S. entity.⁴ The territorial limitation on copyright restricts a court's ability to find subject mat-

1. See, e.g., *infra* Part II.

2. See *infra* Part II.A.

3. See *id.*

4. See *infra* Parts III-IV. The courts have come to different conclusions regarding this principle with respect to the "to authorize" language of 17 U.S.C. § 106 (2001).

ter jurisdiction, although a court may easily exercise personal jurisdiction.⁵ Some courts have attempted to combat the subject matter jurisdiction question by finding that mere “authorization” in the United States of an extraterritorial infringing act constitutes actionable infringement,⁶ while other courts have maintained that “authorization” will not extend the application of copyright law to wholly foreign infringements.⁷ One court explained the “authorization” problem this way: “Under [the current] view, a phone call to Nebraska results in liability; the same phone call to France results in riches. In a global marketplace, it is literally a distinction without a difference.”⁸ In short, depending on a court’s interpretation, the court may choose to interpret expansively subject matter based on copyright law to extend to extraterritorial infringements, or the court may seek to limit copyright subject matter’s application by requiring a territorial copyright violation. The question is which view better purports to promote the copyright policies outlined by the legislative branch.

This Comment seeks to address the problem of protecting copyrighted works from infringements occurring abroad. Currently, certain mechanisms exist to extend copyright protection to extraterritorial infringing acts, but those protective extensions of copyright law are limited in scope and rarely avail the copyright owner adequate legal protection in foreign jurisdictions. An expansive treatment of copyright law, as opposed to restricting copyright’s extraterritorial application, can ensure that the copyright holder may litigate his claim domestically under U.S. copyright law. Litigating in the United States will reduce the cost of copyright enforcement, ensure a better incentive for the creation of copyrighted works, add certainty to the law, and protect the United States’ investment in its intellectual property.

Part II provides a background to the problem and defines the extraterritorial enforcement problem, including identifying copyright law’s territorial limitations and the effect of those limitations on preventing copyright infringements abroad. This section also explores a limited number of situations where infringements abroad may be ac-

5. See *infra* Part II.A.

6. See *infra* Part III.A.2.

7. See *infra* Part III.A.1.

8. *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595 (M.D. Tenn. 1995).

tionable under U.S. law. Part III investigates the dichotomy between recent court cases and the respective courts' interpretations of the copyright statute to infringements authorized domestically but occurring abroad. Part IV outlines the current state of copyright law with respect to application of foreign law to the extraterritorial infringements in both U.S. and foreign courts. This paper concludes by suggesting that, due to the Internet revolution and the ease of copying protected works, U.S. courts should interpret copyright expansively to afford a greater amount of protection to the copyrights of U.S. nationals.

II. BACKGROUND

Copyright law provides certain monopolistic protections based on the nature of the underlying work. The protections provided by copyright differ fundamentally from intellectual property safeguards in patent law, offering protection for copyrightable "expression," not "ideas;"⁹ however, in spite of the fundamental differences in protection offered by the two areas of law, courts have looked for assistance in patent law when determining how to apply copyright law in uncharted territory.¹⁰ As with patent law, copyright law does not extend to most extraterritorial infringing acts; the law restricts actionable copyright infringements to domestic violations.¹¹ This extraterritorial restriction affects the ability of U.S. nationals to enforce their copyright "rights" against other entities that may extraterritorially infringe the copyright holders' works, especially where the United States has an interest in protecting its citizens' intellectual property. Supplemental doctrines of vicarious liability and contributory infringement serve to extend copyright law's territorial bounds.

A. Extraterritorial Application of Copyright Law

Courts deciding copyright infringement cases have looked not only to copyright law to solve infringement questions but also to patent law because of the similarities between the two.¹² Understanding extraterritorial application of copyright law also

9. See, e.g., *infra* Part II.A.

10. See, e.g., *infra* Part II.A.

11. See *infra* Part II.A; see also *infra* Part III (explaining particular doctrines and situations where the courts have found that exercising subject matter jurisdiction over certain foreign copyright infringements is within the "territorial" restrictions placed on copyright).

12. See *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 439 (1984) (stat-

standing extraterritorial application of copyright law also requires some understanding of the extraterritorial application of patent law. Patent law protects ideas “reduc[ed] to practice,”¹³ not expression fixed in a “tangible medium,”¹⁴ so the net protections afforded to the two types of intellectual property differ in scope, and the restriction on patent is limited to concrete applications of ideas; copyright law protects expressions, not ideas.

The territorial scope of patent and copyright are similar in that the territorial limitations on the two areas of law are premised on the same principle that laws passed by Congress are limited to the territorial boundaries of the United States, unless otherwise provided by statute or in congressional intent.¹⁵ This limitation adversely affects copyright owners’ rights when the courts will not recognize subject matter jurisdiction over a defendant over whom the court may validly exercise personal jurisdiction.

The scope of copyright law is restricted to protecting works within the territorial limitation of U.S. laws by providing a cause of action for domestic infringements of protected works. Copyright law reserves a limited number of exclusive rights in copyright for the creator of “original works of authorship fixed in any tangible medium of expression.”¹⁶ The exclusive rights listed in section 106¹⁷ of the Copyright Act do not explicitly restrict the scope of the copy-

ing that “[t]he closest analogy [to copyright] is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.”); see *also id.* n.19 (noting that patent and copyright are not completely identical: “The two areas of the law, naturally, are not twins, and we exercise the caution which we have expressed in the past in applying doctrine formulated in one area to the other.”).

13. 35 U.S.C. §§ 102, 112 (1994).

14. 17 U.S.C. § 102 (1994).

15. See *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244 (1991); *infra* note 25 and accompanying text.

16. 17 U.S.C. § 102 (1994).

17. 17 U.S.C. § 106 (1994). Section 106 provides the copyright owner the “exclusive rights to do and to authorize any of the following:”

- (1) to reproduce the copyrighted work . . .
- (2) to prepare derivative works . . .
- (3) to distribute copies . . .
- (4) . . . to perform the copyrighted work publicly; and
- (5) . . . to display the copyrighted work publicly . . .
- (6) . . . to perform the copyrighted work publicly by means of a digital audio transmission.

Id.

right monopoly within the territorial limits of the United States.¹⁸ Section 501,¹⁹ which outlines a cause of action for copyright infringement, also makes no mention of the territoriality requirement.²⁰

In *United Dictionary Co. v. G. & C. Merriam Co.*,²¹ the Supreme Court held that copyright law does not apply extraterritorially.²² The issue was whether, under the Copyright Act of 1905, the notice requirement extended to copies of a published work distributed abroad.²³ Justice Holmes, speaking for the majority, indicated that copyright law does not extend extraterritorially and stated that the “notice is necessary only in ‘all copies of such books sold or distributed in the United States.’”²⁴ The Supreme Court found that Congress had implicitly included territoriality in the statute. Congress has seemingly acquiesced, as it has not legislatively overturned the Supreme Court’s ruling in *United Dictionary*.

Apart from copyright law, the Supreme Court has more recently reemphasized the presumption against extraterritorial extension of U.S. law unless the particular statute includes a provision for the statute’s extraterritorial application or congressional intent specifically indicates that the particular law should be applied outside the territorial limitations of the United States.²⁵ Although the Supreme Court has not recently ruled directly on the issue of extraterritorial enforcement of copyright law, many courts have continued to hold that U.S. copyright law does not apply extraterritorially.²⁶ Numerous

18. *See id.*

19. 17 U.S.C. § 501.

20. *See id.*

21. 208 U.S. 260 (1908).

22. *See id.* at 264 (holding that copyright does not extend “beyond the jurisdiction where that law was in force”).

23. *See id.* at 263–64. Prior to 1976, published copyrighted works required notice to perfect the copyright.

24. *Id.* at 264 (quoting Act of March 3, 1905, c. 1432, 33 Stat. 1000 (1905)).

25. *See EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (holding that, unless specifically outlined in statute or included in congressional intent, laws made by Congress are presumed to apply only territorially). In response to the Supreme Court’s holding, Congress amended the Civil Rights Act of 1964 to extend to U.S. citizens working overseas for U.S. companies. *See Civil Rights Act of 1991*, Pub. L. No. 102-166, 105 Stat. 1071 (1991) (codified at 42 U.S.C. § 2000e(f) (1994)).

26. *See Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994) (en banc); *Nintendo of Am., Inc. v. Aeropower Co.*, 34 F.3d 246 (4th Cir. 1994); *FilmVideo Releasing Corp. v. Hastings*, 668 F.2d 91 (2d Cir. 1981); *Ahbez v. Edwin H. Mor-*

commentators have also agreed that copyright law does not apply extraterritorially because the statute does not explicitly provide for extraterritorial application, congressional intent does not specify broad application to extraterritorial infringements, courts have traditionally limited copyright to territorial application, and international comity concerns require abstaining from treading upon other nations' reserved rights to govern within their own boundaries.²⁷ This Comment proposes that the territorial restriction on recognizing copyright infringements should not hinder the courts from exercising subject matter jurisdiction over contributory infringements based on wholly extraterritorial infringements where the contributorily infringing party benefiting from the infringement is a U.S. entity over which a U.S. court may validly exercise personal jurisdiction.

B. Extraterritoriality and its Effect on Reverse Engineering Software

A fundamental difference exists between copyright and patent protections with respect to reverse engineering. Reverse engineering has been a traditional method for finding out how a particular patented invention works; a party does not infringe by purchasing a patented product and then subsequently reverse-engineering the product to discover how it functions or what composes the product. Once the functionality has been discovered, the party doing the reverse engineering can create a compatible or similar product without infringing on the patented work.

Reverse-engineering a piece of software, as opposed to reverse-engineering a patent, creates problems when a "copy" of the copyrighted software is made for the reverse engineering process and subsequent analysis. The actual reverse engineering itself does not create liability. Rather, making a copy of the software or source code leads to liability for copyright infringement.²⁸ The creation of this "copy"

ris & Co., 548 F. Supp. 664 (S.D.N.Y. 1982).

27. See 3 NIMMER ON COPYRIGHT § 17.02 (2000). Unlike patent law, copyright law does not contain explicit statutory limitations restricting liability to infringing acts occurring within territories of the United States. See generally 17 U.S.C. §§ 102, 106, 501, 602 (1994).

28. Software, including user interfaces and source code, like other protectable works involving copyright law, is only protected to the extent of its original expression. See 17 U.S.C. § 102 (1994). The user interface is the part of the software program and associated devices that allows the person using the software to interact with the software program. The interface is composed of a number of devices, including output devices, such as a monitor or speakers, and input devices, such as the keyboard, mouse, joystick, microphone, and any other device used to provide information from the user to the computer program. Source code is the

directly infringes the copyright owner's exclusive right to "copy" under section 106 of the Copyright Act.²⁹

The Ninth Circuit held in *Sega Enterprises, Ltd. v. Alcolade, Inc.*,³⁰ that "copying necessary for reverse engineering can be a fair use when the reverse engineering party has a legitimate reason for doing so and when no other means of access to the unprotected elements exists."³¹ According to the court, if another method exists

form of the computer program written by the computer programmer in a language that the programmer understands. The source code is then "compiled" into a machine-readable form, which the computer interprets in the computing process. The source code is necessarily comprised of "expression" due to the way the particular programmer writes the source code and functional elements, which cause the computer/computer program to behave in a particular way due to the algorithm created by the programmer. The algorithm and the mathematical function it emulates is likely not protectable because the mathematical function is an idea, not the protectable expression of an idea. The expression must be in a "tangible medium." *Id.* Underlying ideas and functional aspects of software code are not protectable, *see id.*; however, attempting to reach and understand the underlying ideas and functional aspects necessarily implicates copying the associated protectable expression, which may likely result in copyright infringement. *See, e.g., Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992). The Ninth Circuit recognized that copying software code in whole is de facto copyright infringement; however, the Court held as fair use the copying of software source code to identify and understand the "unprotected functional elements of the program." *Id.* at 1514.

29. *See* 17 U.S.C. § 106 (1994).

30. 977 F.2d 1510 (9th Cir. 1992).

31. *Id.* at 1514. After the Ninth Circuit's decision in *Sega*, Congress, in 1998, passed the Digital Millennium Copyright Act ("DMCA"), Pub. L. No. 105-304, 112 Stat. 2860 (1998), which also provides for restrictions on the extent of copying that a party may undertake for reverse engineering purposes where copyright protection systems restrict access to the underlying work—the source code in the case of software. The DMCA's focus on reverse engineering allows a party to circumvent a copyright protection system in only limited circumstances. The House Report on the DMCA indicates that the reverse engineering fair-use provision explicitly provided by the DMCA is "intended to promote reverse engineering by permitting the circumvention of access control technologies for the sole purpose of achieving software interoperability." H.R. REP. NO. 105-551 pt. 2, at 42 (1998). The relevant portion of the House Report reads:

Section 102(f) is intended to promote reverse engineering by permitting the circumvention of access control technologies for the sole purpose of achieving software interoperability. Section 102(f)(1) permits the act of circumvention in only certain instances. To begin with, the copy of the computer program which is the subject of the analysis must be lawfully acquired (i.e., the computer program must be acquired from a legitimate source, along with any necessary serial codes, passwords, or other such means as may be necessary to be able to use the program as it was designed to be used by a consumer of the product). In addition, the acts must be limited to those elements of the program which must be analyzed to achieve interoperability of an independently created program with other programs. The resulting product must also be a new and original work, in that it may not infringe the original computer program. Moreover, the objective of the analysis must be to identify and extract such elements as are necessary to achieve interoperability which are not otherwise

for understanding the unprotected elements of a computer program, those methods seemingly must be exhausted before a party may seek to lawfully reverse-engineer the software under a fair use defense.³² The problem of “copying” with respect to reverse-engineering software would rarely arise in a “machine” situation where the reverse-engineering party purchases a patented machine and subsequently reverse-engineers the patented article. Copyright law places a restriction on allowing the copying necessary to access and analyze the unprotectable “ideas” incorporated in the source code of a copyrighted software product. Copying, not reverse-engineering, gives rise to copyright infringement.³³

available to the person. Finally, the goal of this section is to ensure that current law is not changed, and not to encourage or permit infringement. Thus, each of the acts undertaken must avoid infringing the copyright of the author of the underlying computer program.

Id.

The DMCA permits reverse engineering only to “a person who has lawfully obtained the right to use a copy of a computer program,” but only for overcoming compatibility concerns. 112 Stat. at 2866. The corollary is that a party engaging in reverse engineering that does not obtain the lawful right to use the program or reverse engineers for reasons other than establishing compatibility between computer programs is per se liable for copyright infringement if the situation necessitates circumventing the access control technology. The DMCA further restricts the scope of reverse engineering to the “sole purpose of identifying and analyzing those elements of the program that are necessary to achieve interoperability of an independently created computer program with other programs.” *Id.* The DMCA does not restrict the reverse engineering of the target software directly. Instead, the Act restricts reverse engineering indirectly by only allowing circumvention of the “copyright protection system” for the sole purpose of reverse engineering to achieve “interoperability of an independently created computer program.” *Id.* The DMCA, on its face, appears not to restrict reverse engineering when no “copyright protection system” is involved. *See id.* Thus, the DMCA appears to prohibit the “circumvention of copyright protection systems” for any purpose other than reverse engineering for purposes of establishing interoperability between programs. Reverse engineering to look at the functional aspects of the program for the purpose of creating a *competing* program would exceed the permissions granted by the DMCA and would likely constitute a copyright violation. *See id.*

The provision provided by the DMCA for circumventing “copyright protections systems” for reverse engineering purposes seems to be particularly narrow in scope. The Ninth Circuit’s decision in *Sega* does not necessarily condone reverse engineering for the commercial purpose of creating a new program that contains competing functionality. *See Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1520–29 (9th Cir. 1992); *see also Sony Computer Entm’t, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir. 2000) (elaborating on the rule in *Sega*). *See generally* 17 U.S.C. § 107 (1994) (outlining the “fair use” defense in copyright law).

32. *See Sega*, 977 F.2d at 1520–29 (discussing the validity of a “fair use” claim as applied to reverse engineering where no other means exists for discovering the functional aspects of the software in question).

33. A problem with these restrictions on reverse engineering based in copyright is that

The territorial limitations on patent and copyright provide no protection for an infringing act that occurs entirely extraterritorially.³⁴ Patent law's application to extraterritorial acts may be an example for copyright to follow, but, as with copyright, U.S. patent laws do not apply abroad. Copying necessary for reverse engineering that takes place abroad in violation of U.S. copyright law is not currently actionable according to the Supreme Court's interpretation of

copyright law is territorial in nature, so liability naturally only extends to domestic infringing acts. Currently, a U.S.-based software company ("Company One") can contract with a foreign software development firm to reverse engineer a software product created by another U.S. competitor. Company One can now take the functional aspects of the competitor's software product and incorporate those functional elements into its own product in direct competition with the competitor, all without a single violation of U.S. copyright law. Due to the territorial limitations of copyright, Company One can thus essentially sidestep the law by "outsourcing" reverse engineering to a software company situated abroad and can then subsequently incorporate the ideas from the reverse-engineered software directly into a new product for distribution in the United States, clearly a hypertechnical, but effective, method of circumventing U.S. copyright law.

34. See *supra* Part II.A. Patent law, differing from copyright law, explicitly references U.S. territorial limitations in the patent statutes when determining patent infringement. See 35 U.S.C. § 271 (1994). The statute makes reference to the assertion that parties will generally only be liable for patent infringement if at least part of the infringing activity takes place within United States territorial limits. "[W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention . . . infringes the patent." *Id.* The patent statute also provides for the "right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States." 35 U.S.C. § 154. Courts have strictly applied the statute and have consistently limited the scope of patent protection to the territorial limits of the United States. See generally *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972); *Dowagiac Mfg. Co. v. Minnesota Moline Plow Co.*, 235 U.S. 641 (1915); *Brown v. Duchesne*, 42 U.S. (19 How.) 183 (1857). For example, in *Deepsouth Packing Co. v. Laitram Co.*, 406 U.S. 518 (1972), Deepsouth manufactured the composite parts for a shrimp deveining machine that would infringe Laitram's shrimp deveining machine if Deepsouth's machine were sold or assembled in the United States. Deepsouth shipped the parts outside of the United States for assembly and use, essentially slipping through the cracks in the then-current patent act. Laitram brought an action against Deepsouth for contributory infringement for Deepsouth's manufacture and exportation of the unassembled deveining machine. Laitram relied on § 271(b)'s language, which states that "[w]hoever actively induces infringement of a patent shall be liable as an infringer." *Id.* at 522 (quoting 35 U.S.C. § 271 (1964)). The Supreme Court held that the patent act did not extend extraterritorially to cover the acts of direct infringement that occurred abroad by the extraterritorial sale and assembly of the Deepsouth deveining machine. The Supreme Court further clarified the territorial limitations of patent law by stating, "The statute makes it clear that it is not an infringement to make or use a patented product outside of the United States." *Id.* at 527. A showing of direct infringement necessarily requires a showing that the infringing party "makes," "uses," or "sells" the patented product within the bounds of this country." *Id.* Following the Supreme Court's reasoning in *Deepsouth*, as long as the allegedly infringing conduct occurs wholly extraterritorially, a possible infringer will not be liable under U.S. patent law.

extritoriality.³⁵ Companies doing business in the United States have an easy method of circumventing the copyright laws to their personal gain by doing their copying abroad; however, those persons or entities wanting to enforce their intellectual property rights still have other limited possibilities, such as third-party liability, for finding retribution.³⁶

C. Contributory Infringement

Through the application of third-party liability, the courts can hold third-party entities partially liable for extraterritorial infringing conduct. Contributory infringement is the basic concept of holding a third party liable for the acts of another due to a special relationship between the third party and the infringing party.³⁷ Thus, the possibility exists that a third party residing within the territorial limits of the United States can be sued for copyright infringement perpetrated by a related party, even though the alleged infringement occurs entirely extraterritorially. But the law is unclear on whether a company residing in the United States would be liable in the situation where infringing copying occurs for the reverse engineering of software that an extraterritorial subsidiary or similarly associated (contracted) party perpetrates entirely abroad.

1. Copyright and contributory infringement

Copyright law provides for two types of third-party liability: contributory infringement and vicarious liability. The principles are similar; contributory infringement is merely the broader application of traditional vicarious liability.³⁸

Contributory infringement extends liability for a direct infringing act to third parties based on (1) an association between the directly infringing party and the third party, and (2) a finding of underlying direct infringement.³⁹ The copyright statute provides no explicit authority for finding contributory infringement. In the reverse, however, the statute does not prohibit a court from finding contributory

35. See *supra* note 22.

36. See *infra* Parts III–IV.

37. See *infra* Part II.C.1.

38. See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 (1984).

39. See *infra* note 42.

infringement.⁴⁰ The Supreme Court in *Sony* explained that “the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another.”⁴¹ To find contributory infringement, the *Sony* court relied on patent law constructs and the history of contributory infringement as applied in patent infringement cases.⁴² Following the patent law lead, the Court acknowledged the necessity of a “relationship between the direct infringer and the contributory infringer at the time the infringing conduct occurred.”⁴³ The Court further observed that in cases involving contributory infringement, liability would be justly found if “the ‘contributory’ infringer was in a position to control the use of copyrighted works by others.”⁴⁴ Thus, as stated by the Second Circuit in

40. See *Sony Corp.* at 434 (noting that “[t]he Copyright Act does not expressly render anyone liable for infringement committed by another”).

41. *Id.* at 435.

42. See *id.* at 439. Patent law expressly provides a cause of action for contributory infringement as outlined in § 271, providing that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” 35 U.S.C. 271 (1994). Similar to copyright law, contributory infringement in patent law also requires an underlying direct infringement; if no direct infringement occurs, then contributory infringement cannot follow. See *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 526 (1972); *supra* Part II.B. Contributory infringement has the possibility of extending to actions that take place overseas; however, as indicated in *Deepsouth*, an underlying direct infringement must occur in the United States before a potential contributory infringer can be found liable for contributory infringement. See *Deepsouth*, 406 U.S. at 518. Contributory infringement in patent law will extend to any foreign entity that

offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition . . . knowing the same to be . . . adapted for use in an infringement of such patent . . . shall be liable as a contributory infringer

as long as some discernable act takes place in the United States. 35 U.S.C. § 271(c) (Supp. 2001). See *Deepsouth*, 406 U.S. at 518. If an infringing act occurs in the United States, an extraterritorial entity may thus be liable under U.S. patent law for patent infringement if the entity meets the other requirements of subject matter and personal jurisdiction. Both patent and copyright law are bounded by the territorial limits of the United States. See *EEOC v. Arabian American Oil Co.*, 499 U.S. 244, 248 (1991) (holding that “[i]t is a longstanding principle of American law ‘that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States.’” (quoting *Foley Bros. v. Filardo*, 336 U.S. 281, 285 (1949))). The *Subafilms* court determined that Congress intended copyright law to extend extraterritorially because absent language or congressional intent to the contrary, laws are to apply only domestically. See *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1095–96 (9th Cir. 1994) (en banc).

43. *Sony Corp.*, 464 U.S. at 437.

44. *Id.*

Gershwin Publishing,⁴⁵ a party “who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another, may be held liable as a ‘contributory’ infringer.”⁴⁶ In essence, contributory infringement is operative if the third party (1) knowingly (2) causes or contributes (sometimes requiring control by the third party) (3) the primary infringer to directly infringe the copyright in question.

2. *Copyright and vicarious liability*

In addition to contributory infringement, a third party may also be liable under the traditional form of third-party liability—vicarious liability. Again, the Second Circuit has enunciated a clear standard by imposing liability where the vicariously liable party has “the right and ability to supervise the infringing activity and also has a direct financial interest in such activities.”⁴⁷ Generally, vicarious liability has been based on the principle of respondeat superior, but, as indicated by the Second Circuit’s holding in *Gershwin Publishing*, vicarious liability in the context of copyright infringement now extends beyond the employer-employee relationship.⁴⁸ The House Report of the Copyright Act indicates that “profit” and the “right to control” are the dispositive factors; actual knowledge is not a prerequisite.⁴⁹ Third parties must beware lest they be found liable under a theory of either contributory infringement or vicarious liability for a direct infringer’s conduct.

Third-party liability in the form of contributory infringement and vicarious liability is merely a tool that may be used to partially dissuade foreign copyright infringements through the use of domestic

45. *Gershwin Publ’g Co. v. Columbia Artists Mgmt.*, 443 F.2d 1159 (2d Cir. 1971).

46. *Id.* at 1162.

47. *Id.*

48. See 3 NIMMER ON COPYRIGHT § 12.04 (2000).

49. See *id.* In reference to the liability of owners of ballrooms or night clubs for contributory infringement, the House Report states:

To be held a related or vicarious infringer in the case of performing rights, a defendant must either actively operate or supervise the operation of the place wherein the performances occur, or control the content of the infringing program, and expect commercial gain from the operation and either direct or indirect benefit from the infringing performance. The committee has decided that no justification exists for changing the current law

Id. (quoting H.R. REP. No. 94-1476 (1976), at 159–60.). The statute essentially codified the then-current common law.

law. Both doctrines have necessarily and traditionally required finding at least one act of domestic infringement on which to base third-party liability. These two third-party liability doctrines may be beneficial; however, the doctrines circumvent the real problem of preventing extraterritorial copyright infringement by either the perpetrating party or, more importantly, the domestic party in position to reap the financial benefit of the foreign unlawful act.

D. Importation of Infringing Goods

Both patent and copyright law contain prohibitions on the importation of items that infringe a copyright or patent granted in the United States;⁵⁰ however, significant differences in protections granted by statute also exist.

Compared to patent protection, copyright protection is more limited in scope by section 102's language requiring that copyrighted works be "original works of authorship fixed in any tangible medium of expression."⁵¹ The statutory requirement of "originality" dictates that the work must be an independent creation featuring a "modicum of creativity."⁵² Similarly, copyright protection does not extend to ideas, "regardless of the form in which [the idea] is described, explained, illustrated, or embodied in such work."⁵³ As described by statute, section 602 will only grant the copyright owner the same protections against an imported infringing copy as the protections copyright law provides to the copyright owner against an infringing copy created within the territorial limitation of the United States. Thus, the law treats liability for infringing imports the same as

50. See 35 U.S.C. § 271 (1994); 17 U.S.C. § 602 (1994). Patent protection applies to the discovery or invention of "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. § 101. However, to be patentable, an invention must meet other requirements of novelty, nonobviousness, and utility. See 35 U.S.C. §§ 102, 103. Even if another inventor independently creates or invents from scratch a similar or identical invention, the second inventor foregoes the right to make, use, sell, or offer to sell the patented work. See 35 U.S.C. § 271. Any person who imports an article, even though independently created and patented extraterritorially, that violates (as determined by the patent statute) the patented invention is liable for patent infringement. See *id.* Patent law grants a full monopoly to the U.S. patent holder regardless of whether a foreign patent currently exists. Additionally, U.S. patent law keeps similar foreign or subsequent independently created patents out of the U.S. market for the duration of the original patent covering the invention.

51. 17 U.S.C. § 102.

52. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346 (1991).

53. 17 U.S.C. § 102.

infringing copies created within U.S. territorial limits.

Copyright, through section 602, also acts to prevent a party from importing an infringing derivative work.⁵⁴ However, in the case of software, a party can circumvent U.S. law and reverse-engineer a product abroad without incorporating any element of expression from the original work, rendering the protection against importing derivative works worthless as a tool for preventing extraterritorial infringement involving the copying necessary to reverse-engineer protected or copyrighted software.

Preventing the importation of infringing items preserves the copyright monopoly in the United States, but a U.S. entity can still reap the profits of works infringed and distributed abroad with the subsequent profits returning and pooling in a U.S. entity. The current copyright law will not deter U.S. entities from making profits abroad by infringing U.S. copyrights in foreign jurisdictions because of lack of subject matter jurisdiction where the U.S. courts clearly may exercise personal jurisdiction.

E. Liability for Extraterritorial Conduct When at Least One Infringing Act Occurs in the United States

Liability for extraterritorial conduct can take the form of contributory infringement, as long as at least one direct act of infringement occurs within the territorial limits of the United States.⁵⁵ Traditionally, courts have held that liability for extraterritorial direct infringements can also be remedied under the ability of the courts to extend remedies for copyright infringement to infringing acts abroad, as long as at least one infringing act occurs within the territorial limits of the United States.⁵⁶ Beginning with *Sheldon v. Metro-Goldwyn Pictures Corp.*,⁵⁷ courts have recognized that if an associated act of territorial copyright infringement occurs, a copyright owner can successfully sue for the extraterritorial profits based on the extraterritorial infringement, even though the profits resulted from infringing activity abroad.⁵⁸ In *Sheldon*, the infringer appropri-

54. See 17 U.S.C. § 602; see also 17 U.S.C. § 106 (recognizing the exclusive right in the copyright holder to create derivative works based on the copyrighted work).

55. See *supra* Part II.C.

56. See 17 U.S.C. § 504; *Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390 (1940); *Famous Music Corp. v. Seeco Records, Inc.*, 201 F. Supp. 560 (S.D.N.Y. 1961).

57. 106 F.2d 45 (2d Cir. 1939), *aff'd*, 309 U.S. 390 (1940).

58. *Cf. Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972) (stating in dicta

ated part of a play into a motion picture that was shown domestically, as well as abroad.⁵⁹ The issue before the court was whether, in granting a remedy of profits, all of the profits from the film, both domestic and foreign, or only the profits directly derived from the infringement, should be granted to the copyright owner.⁶⁰

The infringing party argued that copyright law does not apply extraterritorially, so profits from extraterritorial infringement should be exempt from any accounting.⁶¹ The Second Circuit found that the extraterritorial infringement was based, in large part, on direct infringement that originally occurred within the United States.⁶² “The [defendant] made the negatives in this country, or had them made here, and shipped them abroad, where the positives were produced and exhibited. The negatives were ‘records’ from which the work could be ‘reproduced’, and it was a tort to make them in this country.”⁶³ The court held that upon creation of the infringing “records” in the United States, “[t]he plaintiffs acquired an equitable interest in them . . . which attached to any profits from their exploitation.”⁶⁴ The court further assumed that any profits “took the form of property whose situs was in the United States.”⁶⁵ The court, in essence, allowed the plaintiff to recover for profits directly attributable to territorial and extraterritorial infringement, as long as a directly related prerequisite infringing act, which enabled the foreign infringement, took place in the United States.

Copyright holders can utilize a strong tool in preventing foreign infringements where at least one infringing act occurs in the United States, but the same copyright holder seems to be at an extreme loss

that if Deepsouth infringed the patent in the United States, liability may be incurred for related extraterritorial conduct). *See generally Sheldon*, 106 F.2d 45; *Update Art, Inc. v. Modiin Publ'g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988) (holding that copyright law, even though territorial in nature, can apply abroad when infringement in the United States “permits further reproduction abroad”); *Famous Music Corp. v. Seeco Records, Inc.*, 210 F. Supp. 560 (S.D.N.Y. 1961) (holding that as long as a prerequisite act of direct infringement enabling extraterritorial infringement occurred in the United States, the copyright owner could recover profits from the foreign infringement in proportion to the extent the infringement contributed to profits).

59. *See Sheldon*, 106 F.2d at 48, 52.

60. *See id.* at 48–49.

61. *See id.* at 51–52.

62. *See id.*

63. *Id.* at 52.

64. *Id.*

65. *Id.*

under current law if no direct infringement occurs domestically. The absence of congressional intent with respect to contributory infringement and vicarious liability has created two opposing views with respect to the necessity of requiring an underlying direct infringement before finding third-party liability. Some courts have found the underlying domestic infringement requirements in the “to authorize” language of section 106, finding that to hold otherwise would recognize a seemingly outdated, outmoded hypertechnicality in the law that fails to recognize the current breadth of the digital age.⁶⁶ The fear is that requiring an underlying infringing act other than “authorization” to occur domestically before finding third-party liability will prevent an infringer from paying what is owed the copyright holder for an unlawful infringing act. In response to the traditional view of copyright and in relation to territoriality, some courts have found third-party liability based on an “authorization right,” even though infringement does not otherwise occur domestically.⁶⁷ The controversy arises when determining whether third-party liability actually requires underlying domestic infringement other than authorization, or merely some recognized violation of section 106, domestic or abroad.⁶⁸ The results are unclear.

III. APPLICATION OF UNITED STATES LAW TO CERTAIN FOREIGN COPYRIGHT INFRINGEMENTS

Copyright law should be interpreted more expansively to include extraterritorial infringements occurring abroad that benefit U.S. entities, especially where the U.S. entity is a contributory infringer. Even though copyright law does not extend to infringements abroad, certain provisions or “exceptions and extensions” in current practice allow U.S. courts to exercise subject matter jurisdiction over a limited number of foreign actions. Contributory infringement and vicarious liability⁶⁹ allow the courts to exercise jurisdiction over a party and the ensuing infringement where the party, “with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another.”⁷⁰ Such a party “may be held liable as a

66. See *infra* Part III.A.2.a–b.

67. See *infra* Part III.A.2.a–b.

68. See *infra* Part III.A.

69. See *supra* Part II.C.

70. *Gershwin Publ’g Corp. v. Columbia Artists Mgmt.*, 443 F.2d 1159, 1162 (2d Cir.

‘contributory’ infringer.”⁷¹ Protecting against importation of infringing goods also prevents infringing goods from entering and affecting the U.S. market. This protection, however, does not preclude infringements from occurring abroad, nor do the protections keep domestic entities from benefiting by circumventing the law.⁷² Another more controversial and expansive method of exercising subject matter jurisdiction over foreign infringement is to recognize an independent cause of action in the “to authorize” language of section 106.⁷³ The law remains unclear whether a cause of action based solely on the authorization language is valid where no underlying domestic infringement occurs.⁷⁴ Recognizing a cause of action based on the “to authorize” language of section 106 or expansively treating the currently recognized “to authorize”-based contributory infringement would prevent circumvention of copyright law and prohibit U.S. entities from making unlawful profits from infringements perpetrated abroad.

A. The “To Authorize” Language of Section 106

1. The Subafilms decision: No new right based on the “to authorize” language

In *Subafilms*,⁷⁵ the Ninth Circuit limited liability under the “to authorize” language of section 106 to contributory infringement requiring domestic direct infringement.⁷⁶ At least two other courts and numerous commentators have criticized the *Subafilms* court’s decision that mere authorization in the United States of an infringing act that occurs outside of the United States does not constitute liability for the authorizing party under direct or contributory infringe-

1971).

71. *Id.*

72. *See supra* Part II.A.

73. *See infra* Part III.A.1–2.

74. *See infra* Part III.A.1–2.

75. *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994) (en banc). The original three-judge panel in *Subafilms* affirmed the lower court’s finding of infringement, relying on the Ninth Circuit’s prior holding in *Peter Starr Prod. Co. v. Twin Continental Films, Inc.*, 783 F.2d 1440 (9th Cir. 1986). *See Subafilms, Ltd. v. MGM-Pathe Communications Co.*, No. 91-56248, 1993 U.S. App. Lexis 4068 (9th Cir. 1993).

76. *See Subafilms*, 24 F.3d at 1088.

ment.⁷⁷ In *Subafilms*, the issue was whether a company was liable for contributory infringement where that company, through its subsidiary, authorized the wholly extraterritorial sale and distribution of a film in which the company had no intellectual property right.⁷⁸ To confront the problem, the *Subafilms* court drew an analogy from patent law analysis found in previous Supreme Court cases that disallowed a cause of action for contributory patent infringement where no underlying direct infringement occurred due to the wholly extraterritorial nature of the direct infringement.⁷⁹

The key points of the *Subafilms* court's analysis turned on an examination of the language in section 106 where "the owner of copyright under this title has the exclusive rights to do and to authorize any of the following,"⁸⁰ and the allegation that the directly infringing action occurred wholly extraterritorially.⁸¹ The court held that violation of the "to authorize" phrase does not constitute a violation under section 501⁸² of the act unless the underlying "authorized" action actually violates one of the six exclusive rights in section 106, which would result in an infringement under section 501.⁸³ The court held that "to authorize" is not cognizable as a separate right under section 106; the court further held that the addition of the words "to authorize" to section 106 did not add a new cause of ac-

77. See, e.g., *Expeditors Int'l of Wash., Inc. v. Direct Line Cargo Mgmt. Servs., Inc.*, 995 F. Supp. 468 (D.N.J. 1998); *Curb v. MCA Records, Inc.*, 898 F. Supp. 586 (M.D. Tenn. 1995); Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 VA. J. INT'L L. 600 (1997).

78. See *Subafilms*, 24 F.3d at 1088.

79. See *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 526 (1972). ("It is plain that . . . the Patent Code enacted in 1952 [] made no change in the fundamental precept that there can be no contributory infringement in the absence of a direct infringement.") (quoting *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 341 (1961)); see also *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944) (Frankfurter, J., dissenting on other grounds).

80. 17 U.S.C. § 106 (1994).

81. See *Subafilms*, 24 F.3d at 1089–90, 1093. The court also relied in part upon the Supreme Court's "analogized" use of patent law to help determine copyright cases "because of the historic kinship between patent law and copyright law." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984). Other courts have found liability to exist where at least one act of infringement occurred in the United States. See, e.g., *Ahbez v. Edwin H. Morris & Co.*, 548 F. Supp. 664 (S.D.N.Y. 1982); *Famous Music Corp. v. Seeco Records, Inc.*, 201 F. Supp. 560 (S.D.N.Y. 1961).

82. 17 U.S.C. § 501.

83. See *Subafilms*, 24 F.3d at 1090–94.

tion based on mere authorization of an infringing act.⁸⁴ The court stated that the addition of the language “to authorize” was “intended to invoke the preexisting doctrine of contributory infringement.”⁸⁵

In overruling the Ninth Circuit’s own previous decision in *Peter Starr Products Co. v. Twin Continental Films, Inc.*,⁸⁶ where the court held that “authorization, . . . standing alone, is sufficient to confer subject matter jurisdiction,”⁸⁷ the *Subafilms* court, sitting *en banc*, held that mere authorization of an infringing act occurring extraterritorially cannot constitute copyright infringement.⁸⁸ First, con-

84. See *id.* at 1092. The court acknowledged that under the “to authorize” language, a party can still be directly liable for authorizing an underlying infringement cognizable under the copyright act. Essentially, the court recognized that the addition of the “to infringe” language in section 106 requires or allows contributory infringers who authorize infringing acts to be held directly liable for copyright infringement, but a prerequisite is that the authorizing party must first be liable for contributory infringement; contributory infringement requires that direct infringement occur. If no underlying direct infringement occurs, then contributory infringement does not exist. In making this assertion, the *Subafilms* court relied on a patent infringement case, *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), where the Supreme Court held that a party could not be held liable for contributory infringement under patent law unless an underlying act of direct infringement occurred, and that the “authorizing” party obviously could not be directly liable under the “to authorize” language of § 106.

Allowing parties to be held liable for authorizing infringing conduct would open up the possibility for large amounts of litigation based on the “to infringe” language. Liability for authorizing infringement would be particularly unfair in cases where no underlying territorial or extraterritorial direct infringement occurs. The *Subafilms* court took great pains to explain these prerequisites and differences in its opinion. See *Subafilms*, 24 F.3d at 1092–94.

85. *Id.* at 1092. The court further stated:

The exclusive rights accorded to a copyright owner under section 106 are “to do and to authorize” any of the activities specified in the five numbered clauses. Use of the phrase “to authorize” is intended to avoid any questions as to the liability of contributory infringers. For example, a person who lawfully acquires an authorized copy of a motion picture would be an infringer if he or she engages in the business of renting it to others for purposes of unauthorized public performance.

Id. at 1093 (quoting H.R. REP. NO. 94-1476 at 61 (1976)).

86. 783 F.2d 1440 (9th Cir. 1986). In *Peter Starr*, the Ninth Circuit held that liability extends to the authorizing party by the mere authorization in the United States of an infringing act that occurs extraterritorially even though no direct violation occurs in the United States. See *id.*

87. *Id.* at 1443. In coming to a conclusion, the *Peter Starr* court relied on language in a footnote in *Sony* stating that “an infringer is not merely one who uses a work without authorization by the copyright owner, but also one who authorizes the use of a copyrighted work without actual authority from the copyright owner.” *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 n.17 (1984). The *Peter Starr* court essentially relied on the dicta of a footnote for its main holding in the case.

88. See *Subafilms*, 24 F.3d at 1090–92.

tributory infringement generally requires an act of direct infringement and, second, copyright law does not extend to direct acts of infringement occurring extraterritorially. Thus, according to the Ninth Circuit's reasoning, a foreign violation of one of the six exclusive rights under section 106 is not an infringement recognized or actionable due to the territorial limitations of U.S. law.⁸⁹

2. *Curb and Expeditors International: Recognizing a new cause of action by the addition of the "to authorize" language to section 106*

a. *Curb*. In *Curb v. MCA Records, Inc.*,⁹⁰ a motion for summary judgment, one of the questions before the court was whether the "to infringe" language of section 106 stated a cause of action when the "authorized" direct infringement occurred wholly extraterritorially.⁹¹ The "authorizing" party in *Curb* argued that it did nothing more than sign contracts with extraterritorial entities authorizing the distribution abroad of "sound recordings in which Curb had a license to reproduce [domestically]."⁹² Finding no precedent in the Sixth Circuit, the *Curb* court looked to the Ninth Circuit and *Subafilms*.⁹³ The *Curb* court rejected the *Subafilms* holding that the "to authorize" language was merely an extension of direct liability to contributory infringement by holding that the *Subafilms* decision was contrary to precedent, current reality, and legislative history.⁹⁴

89. See *id.*; see also *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965 (9th Cir. 1992).

90. 898 F. Supp. 586 (M.D. Tenn. 1995).

91. See *id.* at 593.

92. *Id.*

93. See *id.* n.3.

94. See *id.* at 594 (holding that "tying the authorization right solely to a claim of justiciable contributory infringement appears contrary both to well-reasoned precedent, statutory text, and legislative history"). "*Subafilms*, thus, reads the authorization right out of the Act in cases of foreign infringement." *Id.* at 595. Interestingly enough, however, the court provides no authority for its assertion other than policy arguments recited by the court and California district court cases subsequently overruled by the Ninth Circuit in *Subafilms*. The *Curb* court outlined policy arguments similar to the following excerpt:

But piracy has changed since the Barbary days. Today, the raider need not grab the bounty with his own hands; he need only transmit his go-ahead by wire or telefax to start the presses in a distant land. *Subafilms* ignores this economic reality, and the economic incentives underpinning the Copyright Clause designed to encourage the creation of new works, and transforms infringement of the authorization right into a requirement of domestic presence by a primary infringer. Under this view, a phone call to Nebraska results in liability; the same phone call to France results in riches. In a global marketplace, it is literally a distinction without a difference.

Even though the *Curb* court tentatively rejected the *Subafilms* holding, the *Curb* court further found that Curb, the defendant infringer, must likely have infringed the sound recording domestically by creating a master copy of the recording in the United States to send to its distributors overseas—a direct act of domestic infringement unless Curb sent its originals, which was highly unlikely.⁹⁵ The *Curb* decision almost supports *Subafilms* by suggesting that even if the *Curb* court is wrong in rejecting *Subafilms*, Curb likely committed an underlying domestic act of direct infringement on which to predicate a finding of contributory infringement, still making Curb liable under the *Subafilms* court’s interpretation of the “to authorize” language.⁹⁶ Nevertheless, the *Curb* court later tried to distinguish its reasoning by relying on policy arguments and legislative history to find that an underlying domestic direct infringement is not required. The *Curb* court tried laboriously to convince itself that the “to authorize” language constituted a separate right.⁹⁷

The *Curb* court finally concluded that domestic direct infringement, other than a violation of the “to authorize” language, of a section 106 exclusive right is not required to find an “authorizing” party directly liable for infringement based on the “to authorize” language of section 106. The court held that liability extends to the “authorizer” regardless of the location of the direct infringement, despite of the restrictions on extraterritorial application of copyright law cited in its own opinion and by the Ninth Circuit in *Subafilms*.⁹⁸ The only requirement for infringement set forth by the *Curb* court is that the “authorized” activity be “the sort of activity that infringes upon a copyright owner’s exclusive 106 rights”;⁹⁹ however, according to the *Curb* court, that infringing activity need not take place domestically because of *Curb*’s recognition of a separate right “to authorize.”

Id. at 595.

95. *See id.*

96. *See id.*

97. *See id.* “A better view, one supported by the text, the precedents, and, ironically enough, the legislative history . . . , would be to hold that domestic violation of the *authorization right* is an infringement . . . whenever the authorizee has committed an act that would violate the copyright owner’s § 106 rights.” *Id.* (emphasis added).

98. *See generally id.* at 593; *Subafilms Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994).

99. *Curb*, 898 F. Supp. at 595–96. The *Curb* court relied on California district court precedent that was subsequently overruled in the Ninth Circuit’s *Subafilms* decision.

b. *Expeditors International*. In *Expeditors International of Washington, Inc. v. Direct Line Cargo Management Systems, Inc.*,¹⁰⁰ the court followed the reasoning of the *Curb* court and determined that a separate right “to authorize” exists under section 106. *Expeditors International* (“EI”) sued *Direct Line* (“DLCMS”) for copyright infringement that occurred entirely overseas beyond the scope of U.S. copyright law.¹⁰¹ DLCMS mailed a lawfully licensed copy of EI’s software overseas to its subsidiaries. After the license expired, the subsidiaries continued to use the software, in violation of the software license agreement.¹⁰²

Similar to *Subafilms*, the copyright infringement issue before the court was whether DLCMS could be liable under the “to authorize” language of section 106 for its actions in continuing to allow the subsidiaries to use the software in violation of the software license agreement.¹⁰³ The *Expeditors* court acknowledged the Ninth Circuit’s holding in *Subafilms*, where the court held that the “authorized” direct infringement must actually occur domestically before an authorizing party will be held liable as a contributory infringer.¹⁰⁴ The *Expeditors* court repeated the *Subafilms* rule that if the direct infringement occurred extraterritorially, the “authorizing” party would not be liable because copyright law does not apply extraterritorially and no actionable direct infringement exists on which to base contributory infringement.¹⁰⁵ However, the *Expeditors* court rejected the Ninth Circuit’s rule and chose to follow *Curb*.¹⁰⁶ The *Curb* court held that the “to authorize” language of section 106 created an independent action for direct liability (infringement), not an action for contributory infringement that relies on an act of direct infringement occurring domestically.¹⁰⁷ In holding that liability exists under the “to authorize” language, the *Expeditors* court relied on policy arguments set forth in *Curb*, “which appear more closely adapted to our

100. 995 F. Supp. 468 (D.N.J. 1998).

101. See *id.* at 468, 475.

102. See *id.*

103. See *id.* at 475–77.

104. See *id.* at 476. See generally *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994).

105. See *Expeditors*, 995 F. Supp. at 476; *supra* Part III.A.2.a.

106. See *Expeditors*, 995 F. Supp. at 476.

107. See *id.* at 476–77; *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595–96 (M.D. Tenn. 1995).

modern age of telefaxes, Internet communication, and electronic mail systems.”¹⁰⁸ The court further acknowledged that the “purpose behind the Copyright Act is to protect a copyright owner’s right to be free from infringement”¹⁰⁹ and that “[t]o allow an entity to curtail this right by merely directing its foreign agent to do its ‘dirty work’ would . . . hinder the deterrent effect of the statute and thwart its underlying purpose.”¹¹⁰ The *Expeditors* court rejected the Ninth Circuit’s analysis by looking past the letter of the law, and relied on copyright protection policies to find liability where no direct territorial infringement occurred.

3. Subafilms Versus Curb and Expeditors: Which analysis better serves to promote the policies of the Copyright Act?

The *Curb* and *Expeditors* courts’ recognition of liability, based on the “to authorize” language of section 106 where an underlying foreign or domestic direct infringement occurs, serves to promote the underlying policies of the Copyright Act. *Curb* and *Expeditors* both adhere to international comity concerns by finding third-party copyright liability where a domestic authorization (a domestic infringing action) leads to direct infringement. Neither court would find liability for the directly infringing foreign party because finding such liability would extend the bounds of copyright law beyond its territorial limits. Also, neither court would find liability for mere authorization where no underlying direct infringement occurs.

The position advocated by the *Curb* and *Expeditors* courts with respect to the “to authorize” language of the Copyright Act better serves the policies and protections of the act than the Ninth Circuit’s position requiring domestic direct infringement. Literally, the difference between the two positions is not whether direct infringement occurs, but whether the direct infringement is domestic or foreign. Recognizing liability under the “to authorize” language, as outlined by *Curb* and *Expeditors*, follows legal precedent and legislative history by finding third-party liability in the form of contributory infringement. The only difference is in the *Subafilms* requirement that the direct infringement occur domestically. In either the domestic or foreign direct infringement case, the underlying direct infringement

108. *Expeditors*, 995 F. Supp. at 476–77.

109. *Id.* at 477.

110. *Id.*

still occurs and the entity or entities infringing or endorsing the infringement still benefit financially from the infringement regardless of whether the law recognizes the unlawful act.

The *Subafilms* court, in its reluctance to find copyright infringement, focused on the wrong question: whether direct extraterritorial infringement is cognizable direct infringement under U.S. copyright law. The *Subafilms* court should have focused on whether some type of direct infringement actually occurred. The Ninth Circuit was perplexed by the question of whether recognizing a separate cause of action based on the “to authorize” language would open up a plethora of cases focusing on authorization instead of infringement. The Ninth Circuit clearly erred in its assumption that an action based on the “to authorize” language would open the courts to new litigation because the court failed to recognize the real issue. The *Subafilms* court failed to recognize that the perfectly logical path to follow was to allow a cause of action based on the “to authorize” language regardless of where the direct infringement occurred, instead of limiting the underlying direct infringement to the territorial limits of U.S. law. The Ninth Circuit assumed that by allowing a cause of action based on the “to authorize” language, the law would have to recognize a cause of action based on mere authorization without the necessity of an underlying direct infringement.

The *Curb* court, on the other hand, clearly explained that authorization itself should only give rise to infringement where some form of direct infringement occurs—wherever the direct infringement occurs. The *Curb* court further explained that the direct infringement should not be restricted to direct infringement occurring domestically. The inquiry is not where the direct infringement occurs, but where the “authorization” of the direct infringement occurs. When the “authorization” occurs domestically, the authorizing party should be liable domestically, even though the direct infringement occurs abroad. Focusing on the wrong question—whether domestic direct infringement occurs, instead of simply requiring some form of direct infringement, domestic or abroad—detracted from the soundness of the *Subafilms* decision. *Curb* is not advocating finding liability based solely on the “to authorize” language. Rather, *Curb* still requires an act of direct infringement, domestic or foreign.¹¹¹

111. There is a problem with respect to determining whether direct infringement exists.

As indicated by the *Curb* court, the *Subafilms* decision failed to recognize the current state of the Internet, international companies, and international business agreements. The *Curb* court clearly pointed out this issue, noting that a “phone call to Nebraska results in liability; the same phone call to France results in riches.”¹¹²

The position advocated by *Curb* and *Expeditors* surpasses the *Subafilms* decision with respect to the current global economy and the proliferation of the Internet. With the use of the Internet, a party may transmit electronic information nearly anywhere in the world. Following the *Curb* holding that the “to authorize” right is violated anytime a party authorizes an infringement that violates a section 106 exclusive right, promoting copyright protection in the Internet age will allow entities to better enforce their intellectual property rights by allowing the courts to exercise jurisdiction over companies authorizing extraterritorial infringing actions. *Subafilms* undermines a copyright holder’s ability to enforce its rights against another U.S. entity perpetrating (authorizing and financially backing) infringements outside the territorial bounds of the United States. An entity should not be able to make large profits from another’s intellectual property by simply evading the law by locating infringing activities outside the territorial limits of the United States, especially when the entities profiting from the infringements are U.S. entities promoting and financing the operations.¹¹³ *Expeditors* and *Curb* “curb” these types of extraterritorial infringements allowed by *Subafilms*.

B. Preventing Copyright Violations Through the Application of United States Law to Certain Foreign Infringements

Copyright law provides a limited number of tools to combat extraterritorial infringement, including finding liability for contributory infringement and vicarious liability, preventing importation of in-

At least two choices of law exist: U.S. law or the law of the country where the direct infringement occurs. If the law of the country where the direct infringement occurs is applied and that law is more forgiving than U.S. law with respect to direct infringements, the party suing to enforce its rights may still be without an adequate legal solution.

112. *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595 (M.D. Tenn. 1995).

113. Intentional circumventions of copyright law in the manner expressed above are uncertain. Many countries, especially adherents to the Berne Convention, see *infra* note 117, have similar copyright protections. The DMCA uniquely guards certain works protected by copyright access controls and provides an example where U.S. law may be more restrictive than another nation’s laws.

fringing goods, extending third-party liability based on “authorization,” and allowing recovery for foreign infringement where at least one infringing action occurs territorially. None of these tools is adequate to prevent all foreign infringements, but these tools do provide a limited range of actions where a copyright holder may seek retribution for infringements occurring abroad. Basing liability on the “authorization” right and not requiring the primary infringement to occur domestically definitely expands copyright protection to “authorizing” parties who would otherwise be liable had the primary infringement occurred in the United States. Allowing such a right would prove to be beneficial in promoting intellectual property protections. At the same time, however, concerns of international comity would seemingly require the law of the territory where the infringement occurred to be applied. A U.S. entity with little or no affiliation to a foreign entity could escape all liability by merely authorizing a foreign entity to do the “dirty work” in a jurisdiction abroad—an unintended result of a small loophole in copyright law protections. Intellectual property interests and protections call for allowing a cause of action based on the “authorization” of section 106.

IV. APPLICATION OF FOREIGN LAW

Courts in the United States have traditionally shied away from applying foreign intellectual property law to foreign infringements in U.S. courts.¹¹⁴ International intellectual property treaties creating a unified standard for certain intellectual property protections have arguably alleviated the need for courts to pass judgment on the foreign states’ administrative formalities necessary to perfect foreign intellectual property protections.¹¹⁵ U.S. courts may be less likely to dismiss cases applying foreign law to foreign copyright infringements because of the uniformity in the law after the Berne Convention and the fact that the particular U.S. court may be the only court with the power to exercise personal jurisdiction over the infringing party for numerous infringements occurring in multiple countries.¹¹⁶

114. See *infra* Part IV.B.

115. See *infra* Part IV.B; *infra* Part IV.A.

116. See *infra* Part IV.B.

A. The Berne Convention

Multiple international treaties exist for the protection of intellectual property on an international scale, one of which is the Berne Convention for the Protection of Literary and Artistic Works,¹¹⁷ initially ratified by a small number of countries,¹¹⁸ but subsequently adopted by a majority of the world's nations.¹¹⁹ The Berne Convention calls for the protection of expression "fixed in some material form,"¹²⁰ whether published or unpublished for a minimum time period of the life of the author plus fifty years.¹²¹ The Convention also calls for a "minimum" baseline protectionist approach, but the individual countries are free to grant protections greater than those required by the treaty.¹²² Signatories to the Convention must grant at least the minimum copyright protections outlined in the treaty by their own domestic laws in their own country to non-nationals. Perhaps the most powerful aspect of the treaty is the Convention's provision for the protection of the works of non-nationals. The Berne Convention requires that signatory countries grant non-nationals the same protection afforded nationals without respect to a need to conform to a given country's statutory or administrative formalities, such as a requirement for notice or for registration of the copyrighted work with a governmental agency.¹²³ Granting the same protections also includes allowing the non-national to enforce his or her copyright rights under the domestic laws of the country where the infringing activity occurs.¹²⁴ Thus, the Berne Convention strives to

117. Berne Convention for the Protection of Literary and Artistic Works, September 9, 1986, S. Treaty Doc. No. 99-27 [hereinafter Berne Convention].

118. Those countries ratifying the treaty within the next year were Belgium, France, Germany, Italy, Spain, Switzerland, Tunisia, and the United Kingdom. See <http://www.wipo.org/treaties/docs/english/e-berne.doc> (last visited January 13, 2001). Subsequently, numerous other countries have become party to the Convention, including the United States on March 1, 1989. See *id.* Noticeably absent from the list is Taiwan; however, political problems between mainland China (a party to the Berne Convention since 1992) and Taiwan, due to the latter's partial "independence," may explain Taiwan's nonparticipation.

119. See *id.*

120. Berne Convention, *supra* note 117, art. 2.

121. See *id.*

122. See *id.* art. 19.

123. See *id.* art. 5. The protection afforded non-nationals must, of course, meet the minimalist protections outlined in the Convention. The signatory countries may still require their own nationals to register copyrights in order to receive copyright protection. The Convention only requires protecting non-national's work without the requirement of registration.

124. *Id.*

maintain minimum requirements for copyright protection for nationals and non-nationals alike among the member countries; the Convention also provides that non-nationals may enforce their copyrights according to the domestic laws in the country where the infringement takes place.

B. Application of Foreign Law in the Courts of the United States to Extraterritorial Copyright Infringements

I. London Film: The choice to exercise jurisdiction and apply foreign law

In *London Film Productions, Ltd. v. Intercontinental Communications, Inc.*,¹²⁵ the questions before the court were (1) whether the court should exercise its jurisdiction to foreign conduct, and (2) whether the court should apply foreign copyright law to the alleged foreign infringement.¹²⁶ London Film, a British corporation, sued Intercontinental Communications, a New York corporation, for infringements of London Film's British copyright in several South American countries.¹²⁷ In essence, London Film asked a U.S. court to enforce London Film's British copyright in the South American countries according to the respective countries' laws in a U.S. court. London Films argued that the countries in question adhered to the Berne Convention, which afforded London Film a cause of action based on its British copyright according to the domestic laws of the South American countries where the alleged infringing acts took place.¹²⁸ The New York forum was likely the only forum where the allegedly infringing party was subject to personal jurisdiction for all of the alleged copyright violations.¹²⁹ At the time, the United States had not yet ratified the Convention, but the court was asked to apply the principles of the Convention to the copyright question at hand.

The court recognized that applying foreign law to the action was

125. 580 F. Supp. 47 (S.D.N.Y. 1984).

126. See *id.* at 48. At the time of *London Film*, the United States had not yet become a party to the Berne Convention. See *supra* note 118.

127. See *London Film*, 580 F. Supp. at 48. Plaintiff London Film alleged no copyright infringement in violation of U.S. copyright law.

128. See *id.* (“[P]laintiff's claims would have to be determined with reference to each of the South American states in which the alleged copyright infringements occurred.”).

129. See *id.* at 48–49.

not something the court was specialized in doing. Nevertheless, the court was concerned that the defendant would not be subject to personal jurisdiction for all the infringing acts in any other forum.¹³⁰ The court recognized that “not every violation of foreign law by a citizen of this country must be afforded a local tribunal.”¹³¹ However, the court recognized the need to adjudicate claims against U.S. nationals under foreign law if the United States expects reciprocal treatment from other nations.¹³² Traditionally, in trademark and patent law, part of determining whether a trademark or a patent is valid is if the particular administrative formalities of the state has been met; if such a determination is required, the courts have chosen not to exercise jurisdiction and the courts refrain from exercising judgment on the validity of the foreign nation’s administrative processes.¹³³ In *London Film*, the court relied in part on Professor Nimmer’s argument that, under the Berne Convention in signatory countries, no “act of state” or administrative formality is required to perfect copyright since the Berne Convention necessarily perfects the copyright,¹³⁴ so the copyright “right” is transitory and can be adjudicated in any forum convenient to the litigators.¹³⁵ Since no “adminis-

130. *See id.*

131. *Id.* at 49.

132. *See id.*

133. *See id.* at 49–50. Requiring administrative formalities for trademark and patent registration in a foreign jurisdiction would require the court to pass judgment on the validity of the foreign process, something no foreign court is really prepared to do. Passing judgment on the validity of administrative proceedings would necessarily implicate the “act of state” doctrine. In relation to trademark law, which differs in the required amount of administrative action by the domestic government agencies, the Second Circuit in *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633 (2d Cir. 1956), stated that “we do not think it the province of United States district courts to determine the validity of trade-marks which officials of foreign countries have seen fit to grant. To do so would . . . welcome conflicts with the administrative and judicial officers [of the foreign jurisdiction].” *Id.* at 647.

134. *See* 3 NIMMER ON COPYRIGHT § 17.03 (2000). Professor Nimmer notes that if personal jurisdiction can be obtained, a U.S. court could exercise jurisdiction over the copyright claim “on the theory that copyright infringement constitutes a transitory cause of action . . . and may be adjudicated in the courts of a sovereign other than the one in which the cause of action arose.” *Id.* Further, “under virtually all foreign copyright laws, there are no administrative formalities that must be satisfied . . . [and] there is . . . no need to pass upon the validity of the acts of foreign government officials.” *Id.*

135. *See London Film*, 580 F. Supp. at 48–49. In addition to reliance on Professor Nimmer, the court further relied on reciprocity to validate its position:

The Court has an obvious interest in securing compliance with this nation’s laws by citizens of foreign nations An unwillingness by this Court to hear a complaint against its own citizens with regard to a violation of foreign law will engender . . . a

trative formality” was required to perfect the copyrights in question, the court did not believe the need for comity necessarily implicated deferral to the courts of the forum where the infringement occurred.¹³⁶ The *London Films* court found jurisdiction in the United States was proper.¹³⁷ The court later dismissed the claim on other grounds, so full adjudication of the issues never took place.¹³⁸ No other court has yet chosen to exercise jurisdiction in a similar manner,¹³⁹ but commentators have supported the court’s analysis as groundwork for future copyright litigation.¹⁴⁰

2. Boosey and Hawkes Music Publishers: *The choice not to exercise jurisdiction or apply foreign law*

Contrary to the *London Film* court, the district court in *Boosey and Hawkes Music Publishers*¹⁴¹ declined to apply foreign law and dismissed foreign copyright actions pertaining to eighteen jurisdictions¹⁴² brought against Walt Disney Company by Boosey and

similar unwillingness on the part of a foreign jurisdiction when the question arises concerning a violation of our laws by one of its citizens

Id. at 49. *But see* David R. Toraya, Note, *Federal Jurisdiction Over Foreign Copyright Infringement Actions—An Unsolicited Reply to Professor Nimmer*, 70 CORNELL L. REV. 1165 (1985). For a general discussion on the holding of the *London Films* court, see Toraya, *supra* (contrasting Professor Nimmer’s approach with an “interests” test where the court should balance four factors: (1) the court’s ability to make an informed disposition of the foreign action, (2) the nature of the issues presented, (3) the suitability of American enforcement of the judgment, and (4) the convenience of the litigants and of the forum).

136. *See London Film*, 580 F. Supp. at 49–50.

137. *See id.* at 50. (“[T]he Court finds it has jurisdiction over the instant case”). *But see* *Boosey & Hawkes Music Publ’rs, Ltd. v. Walt Disney Co.*, 934 F. Supp. 119 (S.D.N.Y. 1996) (dismissing on grounds of forum non conveniens). *Boosey* was later overruled by the Second Circuit on several issues, including the dismissal on grounds of forum non conveniens. *Boosey & Hawkes Music Publ’rs, Ltd. v. Walt Disney Co.*, 145 F.3d 481 (2d Cir. 1998).

138. *See London Film*, 580 F. Supp. at 47.

139. *See Boosey*, 934 F. Supp. at 119 (dismissing on grounds of forum non conveniens); *Boosey*, 145 F.3d at 481 (overturning the circuit court’s decision not to exercise jurisdiction on grounds of forum non conveniens because the district court did not adequately balance the necessary private and public interest factors).

140. *See* 3 NIMMER ON COPYRIGHT § 17.03 (2000). *See generally* Curtis A. Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 VA. J. INT’L L. 505 (1997).

141. *Boosey & Hawkes Music Publ’rs, Ltd. v. Walt Disney Co.*, 934 F. Supp. 119 (S.D.N.Y. 1996).

142. The eighteen jurisdictions were the United Kingdom, France, Germany, the Netherlands, Denmark, Sweden, Norway, Finland, Iceland, Austria, Spain, Italy, Belgium, Canada, Australia, New Zealand, South Africa, and Japan. *See id.* at 122 n.1. The listed countries are all

Hawkes.¹⁴³ The district court, declining to exercise jurisdiction, stated that “the balance of factors strongly favor trial of the copyright issues in each of the nations whose copyright laws are invoked.”¹⁴⁴ Subsequently, the court, relying on public policy concerns noting that foreign jurisdictions are best equipped to apply their own law, dismissed all copyright actions involving the foreign jurisdictions.¹⁴⁵

The Second Circuit reversed the district court’s decision pertaining to the dismissal of the alleged copyright violations on the grounds of *forum non conveniens*.¹⁴⁶ The Second Circuit held that the district court did not adequately take into account “[t]he private interests of the litigants [in] conducting the litigation in New York.”¹⁴⁷ Rather, the district court based its findings almost entirely on public interest factors centered on the foreign jurisdiction’s interest in applying its own law to the copyright violations.¹⁴⁸ Upon balancing private and public factors, the Second Circuit overturned the district court’s ruling, finding that, overall, the factors weighed in favor of maintaining the suit in New York.¹⁴⁹ In comparison to *London Film*, however, *Boosey* implicated issues other than merely applying foreign law to extraterritorial copyright infringement.¹⁵⁰ The

party to the Berne Convention where the signatories agreed to grant other countries the same copyright protections as their own nationals. *See supra* Part IV.A.

143. *See Boosey*, 934 F. Supp. at 124.

144. *Id.*

145. *See id.* (“Those issues are better litigated in the countries where enforcement of the copyright is sought. The task of discerning the varying policies and laws governing copyright protection and antitrust issues in each of the eighteen countries is an undue burden on our judicial system.”).

146. *See Boosey & Hawkes Music Publ’rs, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 491–92 (2d Cir. 1998).

147. *Id.* at 492.

148. *See id.* “While reluctance to apply foreign law is a valid factor favoring dismissal under [*Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508–09 (1947)], standing alone it does not justify dismissal.” *Id.*

149. *See Boosey*, 145 F.3d at 491–92. Part of the reasoning for the circuit court’s decision is that the contracts licensing distribution were signed in New York; New York was most likely the best forum to adjudicate all of the foreign claims at once instead of requiring the plaintiff to travel to each separate forum; New York favored the convenience of the parties, counsel, and witnesses; no other alternative, better forum was found by the district court or suggested by the parties; and adjudicating the action in New York would most likely prove the least expensive to both parties. *See id.*

150. *See generally id.* Other nonexclusive issues discussed in the case included a dispute over the license agreement, violations of the Lanham Act, and breach of contract. *See id.*

Boosey district court initially failed to conclude what the Second Circuit and the *London Film* court promptly decided—that the forum in which the plaintiff filed suit was likely the most convenient forum for the parties involved, especially when the court could properly exercise general personal jurisdiction.

C. Using Foreign Law to Prevent Copyright Infringement

With the United States' ratification of the Berne Convention and subsequent cases holding jurisdiction and application of foreign law proper over foreign copyright infringements, copyright owners have increased the number of tools they can use in seeking to curb reverse engineering of copyrighted software and other infringing copyright violations. By affording non-nationals the same protection as nationals, the Berne Convention helps prevent infringements to the extent the country's domestic law provides for copyright protections. Still, if the country's laws grant less protection than U.S. copyright laws, the party seeking protection will not be at any advantage because of the Convention.

A large limitation in the law exists when the foreign country's laws do not provide protection equivalent to that of the United States. This problem is further exacerbated by the difficulties of litigating in a distant forum. Alternatively, obtaining jurisdiction in the United States may serve purposes of convenience, but the choice of law will still be the same. For example, if the foreign jurisdiction's law provides for reverse engineering, litigating in the United States will have no effect because no copyright rules will be violated, as the foreign jurisdiction's laws allow the conduct. Applying a less restrictive foreign law in the United States obviously will not make the foreign law afford protections equivalent to U.S. law. Litigating in the United States, however, will likely provide a friendlier court to a domestic party seeking enforcement of its copyright and seeking retribution for infringements occurring abroad.

V. CONCLUSION

The territorial limitations of U.S. law place dangerous limitations on the application of copyright law to infringements occurring abroad. Certain tools currently exist to indirectly combat foreign copyright infringements. Nevertheless, these tools do not provide sufficient protections when the courts can exercise personal jurisdic-

1279] *Protecting Against International Infringements*

tion but cannot exercise subject matter jurisdiction over the infringing activity due to territorial limitations. Some courts have sought to expansively treat the “authorization” language of section 106 to enable a finding of subject matter jurisdiction over the infringement, even though the underlying direct infringement does not occur domestically. Allowing a cause of action based on section 106’s “authorization” language better serves to protect the United States’ interests in its nationals’ intellectual property than does the current policy of the Ninth Circuit, which requires a finding of an underlying act of domestic infringement. As the *Curb* court remarked, “[i]n a global marketplace, it is literally a distinction without a difference.”¹⁵¹

Brandon Dalling

151. *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595 (M.D. Tenn. 1995).

