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Constitutional Law - Copyright Clause - States May Afford Protection to Sound Recordings against Unauthorized Reproduction without Infringing on the Federal Copyright Power

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RECENT DEVELOPMENTS

CONSTITUTIONAL LAW — COPYRIGHT CLAUSE — STATES MAY AFFORD PROTECTION TO SOUND RECORDINGS AGAINST UNAUTHORIZED REPRODUCTION WITHOUT INFRINGING ON THE FEDERAL COPYRIGHT POWER.

Goldstein v. California (U.S. 1973)

Petitioners were three individuals charged with 140 violations of a California criminal statute[1] which forbade the unauthorized reproduction of sound recordings with the intent to sell the duplicates.[2] Their motion to dismiss the complaint on the ground that the statute conflicted with the copyright clause of the United States Constitution[3] and statutes enacted by Congress pursuant thereto[4] was denied and pleas of nolo contendere were entered on ten counts.[5] On appeal, the Appellate Department of the Superior Court of California sustained the validity of the statute. The United States Supreme Court affirmed the California court's decision, *holding:* 1) that California was not precluded from affording protection to sound recordings by the copyright clause; 2) that the California statute did not conflict with existing federal copyright law; and 3) federal copyright legislation did not pre-empt state control over sound recordings "fixed" prior to February 15, 1972. *Goldstein v. California,* 412 U.S. 546 (1973).

The copyright clause vests Congress with the power "[t]o promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[6] Pursuant to this provision, Congress has enacted several comprehensive copyright acts,[7] the most recent of which is the Copyright

1. CAL. PENAL CODE § 653h (West 1970).

2. Petitioners would purchase a single tape or phonograph record at retail and reproduce copies at their plant on blank tapes, which were then packaged, labelled with a title identical to that on the original, and distributed for retail sale in competition with the originals. No payments were made to the artists or to the publishers for the use of the copied material or the use of the name of the artist or the title. Goldstein v. California, 412 U.S. 546, 549–50 (1973).

3. U.S. CONST. art. I, § 8, cl. 8.

4. 17 U.S.C. §§ 1 *et seq.* (1970).

5. 412 U.S. at 549. The remaining counts were dismissed. *Id.*

6. U.S. CONST. art. I, § 8, cl. 8.

7. Act of May 31, 1790, ch. 15, 1 Stat. 124 (maps, charts, and books); Act of Apr. 29, 1802, ch. 36, 2 Stat. 171, *amending* 1 Stat. 124 ("historical or other print or prints"); Act of Feb. 3, 1831, ch. 16, 4 Stat. 436; Act of Mar. 3, 1865, ch. 123, 13 Stat. 540, *amending* 4 Stat. 436 (photographs and photographic negatives); Act of July 8, 1870, ch. 230, 16 Stat. 198 (paintings, drawings, chromos, statuary, and designs of fine art). For a review of the acts, *see* Goldstein v. California, 412 U.S. 546, 562 n.17 (1973).

Act of 1909.[8] According to that statute, certain classes of "Writings," within the broader constitutional meaning of that word,[9] are protected for statutorily defined time periods from duplication without the originator's consent.[10] Sound recordings, however, were not within the ambit of the original Act of 1909.[11] That omission permitted the development of a large "pirate" recording industry — recordings reproduced at very low cost by unauthorized persons using the original seller's marketed recording and sold cheaply at retail in competition with the original product.[12] To combat this practice and to protect the recording industry in California, the California legislature enacted the statute in question, section 653h of the Penal Code,[13] thus filling the apparent lacuna left by the federal legislation.

The law of copyright is relatively complex, yet there is a paucity both of constitutionally interpretive case law and of writings evidencing the intent of the framers of the Constitution.[14] Heretofore, the constitutional theory of the application of the law of copyright has been derived by analogy from that of the commerce clause.[15] Consequently, Chief Justice Burger, writing for the majority in *Goldstein,* discussed the allocation of power to state and federal legislatures, drawing upon commerce cases, primarily *Gibbons v. Ogden,*[16] in which the Court invalidated New York's grant of steamship monopolies on navigable rivers within its borders, and *Cooley v.*

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8. 17 U.S.C. §§ 1 *et seq.* (1970) (originally enacted as Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075). The original act was a comprehensive revision and consolidation of federal copyright law.

9. What constitutes a "writing" is to be construed liberally in order to allow artistic and technological advances not extant at the time of the framing of the Constitution to be included within the purpose of the grant of power. Reiss v. National Quotation Bureau, 276 F. 717 (S.D.N.Y. 1921). Virtually the only characteristics which an item must possess in order to qualify for protection are: (1) intellectual labor; (2) tangible form; and (3) perceptibility by any of the five senses. *See* 1 M. NIMMER, THE LAW OF COPYRIGHT § 8 (1972 ed.).

10. 17 U.S.C. § 5 (1970). This section enumerates the classes of protected works, and adds the caveat that those classes shall not be exclusive. *Id.*

11. This opinion was expressed by the committee at the time of the passage of the bill. H.R. REP. No. 2222, 60th Cong., 2d Sess. 9 (1909). More recently, it was so expressed by the Register of Copyrights. 37 C.F.R. § 202.8(b) (Supp. 1972). These opinions are based on the notion that a recording itself is not a "copy" within the meaning of the law and therefore not registrable.

12. For a full account of "pirate" operations, *see* Tape Indus. of America v. Younger, 316 F. Supp. 340, 342-43 (C.D. Cal. 1970).

13. CAL. PENAL CODE § 653h (West 1970). As characterized by the Court the statute, in essence, "provides copyright protection *solely* for the specific expressions which compose the master record or tape." 412 U.S. at 551 (emphasis added).

14. *See* 1 M. NIMMER, *supra* note 9, §§ 1-2. Deliberations on the clause were held in secret and adoption was had in plenary session without debate. *Id.*

15. U.S. CONST. art. I, § 8, cl. 2. *See* 1 M. NIMMER, *supra* note 9, § 1.

16. 22 U.S. (9 Wheat.) 1 (1824). In *Gibbons,* the Court invalidated a New York law that granted monopolies on navigable streams within the state to certain steamship owners. The question presented was whether regulation of the internal affairs of a state, which also affected interstate matters, was valid. The Court held that, when such was the case, state law had to bow to federal law, but that "internal concerns . . . completely within a particular State" were the proper subject of state control. *Id.* at 195. When state law conflicts with federal law, the state law must fall under the supremacy clause of the Constitution. U.S. CONST. art. VI, § 2.

Board of Wardens,[17] in which the Court upheld the regulation by Pennsylvania of pilotage in interstate commerce. Those cases established the long-recognized principles that, while a state may not act within an area of exclusive federal power, there are some areas wherein state power can exist and be exercised concurrently with federal power. Later cases, including some invalidating state unfair competition laws, made it clear, however, that a state may not act in "pre-empted" areas: either those in which the exercise of federal power has precluded state control, or in those where such state intervention would yield results contradictory to federal policy.[18] These doctrines were applied by the majority in *Goldstein* to the questions of copyright law and the propriety of state controls.[19] The context in which the Court considered the issues involved was that although sound recordings were unprotected under the Copyright Act of 1909,[20] the states had been rebuffed in their attempts to supplement federal law through unfair competition statutes,[21] and the need for protection of the recording industry from "pirates" was perceived to be great.[22]

The petitioners' arguments were, as the Court framed them: 1) that section 653h established a state copyright of unlimited duration in contravention of the plain language of the copyright clause; 2) that the statute interfered with the implementation of federal policies inherent in the federal copyright statutes; and 3) that the section of the federal copyright laws which permits the continued protection by the states of *un*published "writings"[23] did not authorize the passage of a statute which protects recordings that have been released and, therefore, published.[24]

In response to petitioners' first argument, the Court, sua sponte, embarked upon a discussion of the limits of state power by referring to

17. 53 U.S. (12 How.) 299 (1851). The *Cooley* case involved the regulation of pilotage by a local port authority. In upholding that regulation, the Court recognized that there were areas within which state and federal power could be exercised concurrently. While reaffirming the *Gibbons* treatment of federal supremacy, the Court noted that there were areas either of solely local import in which Congress had not acted, or in which Congress had authorized the states to act. In those areas, state action was permissible. The test adopted by the *Cooley* Court was to determine either (1) whether the Constitution expressly forbade action by the state, or (2) whether the nature of the power granted to Congress was such as to make the existence of a similar power in the state "absolutely and totally repugnant." 53 U.S. 12 How. at 318–19.

18. Compco Corp. v. Day-Brite Lighting, 376 U.S. 234 (1964); Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964); Rice v. Santa Fe Elevator Corp., 331 U.S. 218 (1947). In *Rice,* Mr. Justice Douglas, writing for the Court, explained that congressional intent to foreclose a given area to state regulation may be evidenced by a pervasive federal scheme of regulation or by federal action in an area of dominant federal interest. He noted also that the nature and objectives of a federal enactment in a given area may indicate a congressional intent to exclude state action. If state policy would produce a result inconsistent with the objective of the federal statute then the state law would have to fall.

19. 412 U.S. at 559, 567.

20. *See* note 11 and accompanying text *supra.*

21. *See, e.g.,* Compco Corp. v. Day-Brite Lighting, 376 U.S. 234 (1964); Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964).

22. *See generally* H.R. REP. No. 487, 92d Cong., 1st Sess. (1971). Briefs were filed amicus curiae by several representatives of the recording industry. 412 U.S. at 547.

23. 17 U.S.C. § 2 (1970).

24. 412 U.S. at 551.

Hamilton's *Federalist No. 32*.[25] The Court set forth the three tests found therein for determining the proper bounds of a state's exercise of power: 1) is the power expressly and exclusively granted to the federal government by the Constitution; or 2) is that power expressly denied to the states by the Constitution; or 3) would the existence of such a power in the states be "absolutely and totally *contradictory and repugnant*" to the existence of a like one in Congress?[26] Since the first two criteria were not applicable to *Goldstein*,[27] the Court proceeded to synthesize *Gibbons*, *Cooley*, and the copyright clause itself with the language of Madison in *Federalist No. 43*, which stated that only the federal government can make "effectual provision" for copyrights.[28] The Court concluded that, while it was true that "the States cannot separately make effectual provision" for the protection of a citizen's writing or invention, that is so only with respect to the system of nationwide protection that would be required to prevent copying in other states; it is not so with respect to copyright protection exclusively *within* the state, as such provision *can* be made effectually by the state.[29] This is especially true, the Court pointed out, where the item for which protection is sought is of "purely local importance," as the interest of the locale may dictate that the item be afforded a higher level of protection than that deemed generally necessary by the national legislature.[30] Consequently, the majority declared that a conflict need not necessarily arise between congressional enactment and such state regulation, and, thus, the area was one in which concurrent exercise of power was constitutionally permissible.[31]

The Court next proceeded to answer what it termed "an additional argument"[32] of the petitioners — that establishment of protection of unlimited duration was in violation of the copyright clause's "limited Times" provision.[33] The majority concluded that, since the copyright clause refers only to Congress, the states are not precluded by the plain language of the Constitution from granting protection for *un*limited times, especially since "it is not clear that the dangers to which this limitation was addressed apply with equal force to both the Federal Government

25. THE FEDERALIST No. 32 (A. Hamilton).

26. 412 U.S. at 553. *See* THE FEDERALIST No. 32, at 241 (B. Wright ed. 1961) (A. Hamilton).

27. The copyright clause, U.S. CONST. art. I, § 8, cl. 8, does not state that its grant of power to Congress is exclusive, nor does it expressly deny that power to the States.

28. THE FEDERALIST No. 43 (J. Madison). This essay deals with the powers granted to the Congress and why they should be vested in the federal government rather than the states. One might expect this treatise to have been cited in support of the opposite position, as it clearly favors the petitioners' reading of the clause.

29. 412 U.S. at 556.

30. *Id.* at 558.

31. *Id.* at 560.

32. *Id.*

33. CAL. PENAL CODE § 653h (West 1970), contains no durational limit of the protection accorded to recordings.

and the States."[34] The Court reasoned that a state-granted right has a much less pervasive effect than does federal legislation.

The Court's lengthy discussion of constitutional theory regarding the state-federal balance of power, coupled with its treatment of what the Court itself had termed the petitioners' first "attack"[35] as "an additional argument," hints that this decision was intended as more than the mere disposition of an issue of copyright law. The decision represents an exposition of a policy of federalism which would vest more control of "local" matters in local government and which could be expected to be applied by the Court in other areas.

The Court's argument concerning concurrent powers was adequately persuasive; indeed, the idea of state regulation of matters "purely of local importance" is consistent with the doctrines first expressed in *Gibbons* and *Cooley*. A major shortcoming of this aspect of the decision, however, is that, while the Court admitted that some inconsistencies might arise between state and federal legislation, it failed to comment on what effect the instant decision would have on the disposition of such a case. This is an annoying omission in light of the fact that the Court, in allowing states to grant protection which is unlimited in duration and which Congress cannot grant, may have set the stage for precisely such a conflict. Nor does the *Goldstein* opinion attempt to deal with the issue of whether a state statute granting perpetual monopoly to subject matter of "purely local importance"[36] will be invalidated in favor of a federal statute granting the same kind of protection to the same class of matters for only the constitutionally mandated "limited time"; that is, a case in which the state statute arguably "supplements" rather than conflicts directly with the federal statute.[37] A second, more distressing shortcoming of the opinion is its failure to define "purely local importance" and, moreover, its classifying a musical recording as something of that nature. In this era of mass media and nationwide marketing of a wide spectrum of recordings, it is

34. 412 U.S. at 560.

35. *Id.* at 551.

36. Although the Court's conclusion regarding the states' ability to control matters of "local importance" may have been conceptually sound, it was not completely logical. The Court drew upon examples of archaic copyright grants by the various states to individuals, dating from 1751 through 1788. 412 U.S. at 557, n.13. However, pre-constitutional protection afforded to matters of "local importance" by what were then individual sovereigns does not appear relevant to the question of what those same units may do, after having relinquished a degree of that sovereignty to a federal government, within the constitutional context. All action taken by the states prior to the adoption of the Constitution concerned, by definition, matters of "local importance."

37. This is not to infer that such an omission was necessarily improper. The Court does not, and indeed, should not, decide issues not before it. However, the Court could have supplied some guidance for those who would act in reliance on the decision, *i.e.*, the drafters of state statutes. If the issue should arise, there would appear to be two possible solutions, each arguably consistent with the instant decision: (1) the federal legislation could be pronounced pre-emptive of the state attempt to regulate; or (2) the state regulation, although providing protection for a longer period than the federal statute, could be allowed to stand because it would be solely intrastate in effect. *But see* Bibb v. Navajo Freight Lines, Inc., 359 U.S. 520 (1959), wherein the Court invalidated state safety regulations which were found to burden interstate carriers operating within the state.

very difficult to imagine anything which the petitioners in this case, or others with similar operations, would copy which could be considered of "purely local importance."[38] Finally, the perfunctory treatment afforded the petitioners' contention that the California statute conflicted with the "limited Times" provision of the Constitution is neither satisfactory nor convincing. To say that the states are unaffected by the underlying policy of the copyright clause merely because they are not expressly mentioned and included therein is to ignore the impact of the Constitution upon the common law powers of the states. The Constitution was intended as an abridgement of many state powers in order to vest the federal government with the indicia of sovereignty.[39] Thus, the failure to mention the states in the copyright clause could be a reflection of the idea that it is only the sovereign, the federal government, that should have that power. The Court ignored any such consideration.

In response to the petitioners' second argument, that the California statute was invalid because it conflicted with federal policy, the Court concluded that there was no conflict with either an affirmative act of Congress or a "federal policy."[40] As to the former, the Court noted that there was no federal law protecting all sound recordings.[41] As to the latter point, the issue of whether federal *policy* required invalidation of the statute, the Court's analysis was based upon the fact that, while the Constitution describes many areas in which Congress *may* act, Congress has chosen neither to act in all such areas nor to exclude state action in all such areas. The opinion recounted the history of congressional copyright enactments leading up to the Act of 1909,[42] and emphasized that, although the Act was intended to protect musical compositions, the duplicate of a composition was itself considered to be only a "component part of a machine,"[43] and thus not a composition protected under the Act. The Court noted that

38. The entire theory of the pirate industry is to copy the most popular recordings available and to resell them on the widest scale possible. Recordings such as those by the Rolling Stones, Frank Sinatra, or Debussy could scarcely be considered subject matter of "purely local importance." The Court, however, did not deal with that aspect of the problem. The Court may have been focusing on a California desire to encourage productivity from the recording industry within the state as the matter of "purely local importance" upon which was based the conclusion that the instant case was within the rule of *Cooley*.

39. J. BECK, THE CONSTITUTION OF THE UNITED STATES 172–73 (1941); H. WECHSLER, *The Political Safeguards of Federalism*, in PRINCIPLES, POLITICS AND FUNDAMENTAL LAW 49–54 (1961).

40. 412 U.S. at 571.

41. *Id.* at 567–69. The Sound Recording Act of 1971 § 3, Act of Oct. 15, 1971, P.L. No. 92-139, 85 Stat. 391 (codified in scattered sections of 17 U.S.C.), covers only recordings "fixed," *i.e.*, the mastercopy recorded in final form, after February 15, 1972. The Act of 1909 did not cover recordings. *See* note 11 and accompanying text *supra*.

42. 412 U.S. at 562 n.17, 564–66.

43. *Id.* at 565–66. *See* H.R. REP. No. 2222, *supra* note 11. The machine to which the Court referred was the player piano. The Act was passed in response to White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908), in which the Supreme Court declared that piano rolls were not "copies" of a musical composition within the meaning of the applicable copyright act. It was considered that they were merely parts of a machine whose end result was the reproduction of a musical composition, i.e., "done"

neither the Act itself nor the committee reports that surrounded it indicated that Congress intended recordings to remain free from state control.[44] However, reading the committee reports in light of the level of technology that exists today makes their meaning seem to be something it is not. One must keep in mind the state of the art as it existed in 1908.

Drawing upon the pre-emption doctrine as enunciated in *Rice v. Santa Fe Elevator Corp.*[45] — that pervasive regulation in a given area can foreclose the possibility of the exercise of concurrent power by a state — petitioners argued that the broad language of *Sears, Roebuck & Co. v. Stiffel Co.*[46] and *Compco Corp. v. Day-Brite Lighting*[47] indicated that such a foreclosure had taken place in the patent-copyright area.[48] Title 17, in which the federal copyright laws are compiled, they pointed out, presents a broad, extensive scheme of protection — especially the language of section 4 which states that copyrights may be secured for "*all* writings of an author."[49] The majority distinguished *Sears* and *Compco* by stating that those cases involved both "mechanical configurations" and the disturbance by states of a carefully constructed balance between encouraging invention and promoting competition in the area of such products.[50] Since the Court found no such balance with regard to sound recordings,[51] states, it concluded, were free to act in the "unattended" area.[52]

It was over this point that Justice Douglas, in a dissenting opinion, disagreed with the majority. Citing *Sears* and *Compco,* he argued that, in fact, the federal policy *was,* in the absence of contrary legislation, to allow sound recordings to go unprotected. He concluded that the California statute should have been struck down under the Supremacy Clause as being in conflict with that policy.[53] *Sears* and *Compco* dealt with state unfair competition laws which effectively afforded patent protection to items that failed to meet the federal standard of novelty. Those statutes were invalidated on the ground that federal copyright and patent policy was to allow "free access to copy whatever the *federal* . . . laws leave in the

44. 412 U.S. at 566. The Act of 1909 was passed to protect the author of the composition from unauthorized "reproductions." The piano rolls themselves were included within the Act's ambit, under the compulsory licensing provision. 17 U.S.C. § 1(e) (1970). But, this was not to *prevent* the unauthorized reproductions: rather, it was to ensure that the reproducer paid the fee prescribed in the act for the use of the *composition.* The "recording" *qua* recording was not within the proscription of copyright. Indeed, the recording as we know it was not within the contemplation of those drawing the act. *See* 412 U.S. at 564–66.

45. 331 U.S. 218 (1947). *See* note 18 *supra.*

46. 376 U.S. 225 (1964).

47. 376 U.S. 234 (1964).

48. 412 U.S. at 567.

49. 17 U.S.C. § 4 (1970) (emphasis added).

50. 412 U.S. at 569.

51. *Id.* at 570. The Court's view was that since Congress had indicated *no* intent to control the area of sound recordings, no "carefully constructed balance" had been created by Congress, and that the states' actions, therefore, could not create an imbalance. The Court would appear to have limited *Sears* and *Compco* to the patent area, although the language of the two cases seems to encompass copyrights. *See* text accompanying notes 61–62 *infra.*

52. 412 U.S. at 570.

53. 412 U.S. at 574 (Douglas, J., dissenting).

public domain."[54] Justice Douglas noted this and maintained that California's promotion of a sound recording monopoly was clearly against the federal policy objective of protecting what he termed the "consumer interest" in free access to products on the market. He bolstered his position by referring to committee reports considering the Sound Recording Act of 1971 which opined that federal law was the only appropriate vehicle for such protection.[55] Justice Douglas also cited a need for uniformity which dictated that only federal law should exist in the copyright area.[56]

Justice Marshall, in dissent, agreed with the petitioners that Congress had fully occupied the copyright area.[57] He read sections 4 and 5 of the Copyright Act of 1909[58] to evidence a choice by Congress to exercise the full grant of constitutional power,[59] and cited broad language used by Justice Black writing for the Court in *Sears* and *Compco*.[60] In *Sears*, Justice Black had stated:

> Just as a State cannot encroach upon the federal patent laws directly, it cannot, under some other law, such as that forbidding unfair com-

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54. 376 U.S. at 237 (emphasis added).

55. 412 U.S. at 574–75. One of the reports to which Justice Douglas referred, H.R. REP. No. 487, 92d Cong., 1st Sess. (1971), noted Deputy Attorney General Richard Kleindienst's opinion that it was the Justice Department's view that federal law was the only proper means for protecting the sound recording. *Id.* at 13.

Justice Douglas' interpretation of this report may be erroneous. Obviously, federal law is the only effective and appropriate means of giving national, uniform protection to sound recordings. However, this does not necessarily mean that, because a national system of copyright would be more convenient for registry, all local laws have been pre-empted. Justice Douglas' view fails to take into consideration the possibility that this is an area of permissible concurrent exercise of power, wherein the federal government, for example, could provide for minimum protection and which the states would be free to supplement as they saw fit.

56. 412 U.S. at 575 (Douglas, J., dissenting). Justice Douglas based his assertion that uniformity is needed upon an oft-quoted dissent written by Judge Learned Hand in Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657, 664 (2d Cir. 1955), in which Hand argued that uniformity in copyright law was needed to prevent the importation of unlawfully reproduced records into the state (New York) from states with less stringent laws. Judge Hand stated: "That is exactly the kind of evil at which the [copyright] clause is directed." *Id.* at 667.

In the context of *Goldstein*, such an argument is specious. Urging the invalidation of the California statute under Hand's theory is to say that it is better to have unauthorized reproductions and importations than merely the importations, or the prospect thereof. That is "exactly the kind of evil" at which the California statute was directed. Thus, while federal law may be more *effective*, Douglas' argument does not drive one to the conclusion that federal law should be exclusive.

57. 412 U.S. at 577 (Marshall, J., dissenting).

58. 17 U.S.C. §§ 4, 5 (1970). Section 4 provides: "The works for which copyright may be secured under this title shall include all writings of an author." *Id.* § 4. After setting forth the classes of works to be protected, section 5 provides: "The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title. . . ." *Id.* § 5.

59. Justice Marshall based his position on the fact that Congress employed the constitutional terms "writings" and "author" in section 4, and failed to include sound recordings in section 5's enumeration of classes of protected subjects. Since Congress embarked from a basic policy of free competition, Marshall argued, failure to include a class within section 5 meant that it was to be left free of protection. 412 U.S. at 577. He noted that anytime Congress had deemed new technology worthy of protection it had acted immediately and affirmatively to include it within Title 17. *Id.* at 578.

60. *Id.* at 577 (Marshall, J., dissenting).

> petition, give protection of a kind that clashes with the objectives of the federal patent laws.
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> . . . .
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> . . . [B]ecause of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself.[61]

In *Compco,* Justice Black reiterated the *Sears* rule, stating:

> [W]hen an article is unprotected by a patent or copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy . . . of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.[62]

Justice Marshall concluded that that language was an exposition of that Court's policy regarding the extent of federal pre-eminence in the entire area.[63]

However, this conclusion is susceptible to criticism. First, the holdings of *Sears* and *Compco* were actually quite narrow, dealing only with issues of patent law. Second, in *Sears* and *Compco,* Justice Black interpreted congressional inaction to be an affirmative expression of a consciously-made policy choice to leave certain "writings" unprotected. However, it would appear clear that, unless a contrary intent is explicit, interpreting inaction as action is oxymoronic since the reasons for failing to introduce or pass legislation are often myriad and unrelated to a bill's merits.[64] In fact, the committee report on the Sound Recording Act of 1971 stated that it would "express no opinion" as to whether Congress had pre-empted state regulation in the area.[65] Therefore, it appears that the majority arrived at an acceptable conclusion, although inconsistent with the plain language of *Sears* and *Compco.*

The third and final argument pressed by the petitioners, that title 17, although allowing states to continue to protect *un*published writings, does not authorize their protection of *published* writings,[66] was considered in a footnote. The Court could see "no need to determine whether *under state law* these recordings had been published or what legal consequences

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61. 376 U.S. at 231–33.

62. 376 U.S. at 237.

63. In the aftermath of *Sears* and *Compco,* some writers expressed the opinion that the language of the cases made it clear, for the first time, that *patent and copyright law* was an area of exclusive federal control upon which the state may not trespass. *See* 1 M. NIMMER, *supra* note 9, §§ 1, 59. *See also* Kurlantzick, *"The Constitutionality of State Law Protection of Sound Recordings,"* 5 CONN. L. REV. 204 (1972).

64. *See generally* Kurlantzick, *supra* note 63, at 229–31. Justice Marshall recognized this reality but concluded that *Sears* and *Compco* had established a precedent that overcame this obstacle. This is not an acceptable premise since it merely accepts Justice Black's conclusion in *Sears* and *Compco* without examining it. The majority in *Goldstein* ignored this argument.

65. *See* H.R. REP. No. 487, 92d Cong., 1st Sess. 3 (1971).

66. Petitioners argued the recordings at issue had been published on their release. 412 U.S. at 551.

such publication might have," since "published" was a term of art used by Congress vis-à-vis items *within* the ambit of the Act.[67] The Court stated: "As to categories of writings which Congress has not brought within the scope of the federal statute, the term has no application."[68]

Because the Court first decided that the California statute was valid, any conclusion as to whether the recordings were "published" would have been unnecessary to the holding and, therefore, merely dicta. However, had the Court begun its decision with a discussion of the status of the recordings, a decision that they had *not* been published would have rendered any further determination unnecessary, since the plain language of section 2 of the Act expressly permits states to continue to protect the rights of authors of unpublished works at common law.[69]

The position the publication issue occupies in relation to the other issues is important. Had the Court, still intent on enunciating the policy of federalism, first decided the issue of whether the recordings were published, it might have had difficulties. If the Court had found the recordings "unpublished," and thus within the power of a state to protect, the remainder of the opinion expressing its state-federal policy would have been dicta. If the Court had determined that the recordings were "published," the opinion would have been unchanged, although the Court would have had to determine whether to apply a state or federal standard of publishability. In choosing to give its exposition of federalism first, the Court avoided any such problems. However, the failure to decide the "publication" issue may draw criticism from observers who consider that the Court could have seized upon a perfectly presented opportunity to clarify the controversy over whether a recording has been "published" by being put on sale.[70]

The controversy over the "published" status of recordings is due to a Supreme Court case which held that a mechanical reproduction of a musical composition was not a "copy" within the meaning of the Copyright Act of 1831[71] and, thus, not entitled to its protection.[72] By analogy it has been argued that the distribution of records, "mechanical reproductions"

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67. 412 U.S. at 570 n.28.

68. *Id.* Thus, the term does not apply to sound recordings which are not within the ambit of the Act.

69. 17 U.S.C. § 2 (1970), provides:
Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefore.
Id.

70. *See* 1 M. NIMMER, *supra* note 9, § 50.1. Professor Nimmer has stated: "Whether a work is published by the public distribution of phonograph records embodying such work remains one of the most heatedly disputed areas in the entire law of copyright." *Id.*

71. Act of Feb. 3, 1831, ch. 16, 4 Stat. 436.

72. White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908). *See* note 43 *supra*; 1 M. NIMMER, *supra* note 9, at § 50.1.

of a composition, is not "publication" of the work, and that common law protection attaches.[73]

In the oft-noted *Capitol Records, Inc. v. Mercury Records Corp.*,[74] the Second Circuit held, in part, that where the extent of literary property within a given jurisdiction was at issue the law of that jurisdiction should govern, even though some of the acts in question occurred outside the jurisdiction.[75] The court also held that since the public sale of records did not constitute publication and dedication to the public under New York law, the records, under the common law, could not be copied without consent.[76] In a famous dissent, Judge Learned Hand argued that the definition of the term "publication" was necessarily a federal question, because to allow the states to define the term and to grant perpetual monopoly would defeat the purpose of the copyright clause and the policy of the copyright laws enacted by Congress.[77] Most other courts have, however, held that distribution for general public sale does constitute publication.[78]

The *Goldstein* Court could have resolved the "publication" dispute by first declaring whether state or federal law governed the meaning of "publication," and, second, by defining "publication" if federal law applied. This, of course, the Court failed to do and the problem continues to exist.

The import of *Goldstein* is that it extends specifically to the states not only the power to regulate the duplication of recordings but also, by analogy, the power to regulate other subject matter of copyright law which can be shown to be "purely of local importance." Statutes proscribing tape piracy may be enacted in other jurisdictions as a result of pressure from the recording industry. The resultant protection could result in increased releases from major studios and in addition could bring increased prices since tape pirates have provided at least some effective price competition. States without such statutes might find a reluctance on the part of major studios to release recordings there, but, as a concomitant, might be markets for the cheaper "pirated" recordings.[79]

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73. *See* 1 M. NIMMER, *supra* note 9, at § 50.1.

74. 221 F.2d 657 (2d Cir. 1955), *noted in* 7 BAYLOR L. REV. 442 (1955); 56 COLUM. L. REV. 126 (1956); 31 N.Y.U.L. REV. 415 (1956); 3 U.C.L.A.L. REV. 113 (1955).

75. *Id.* at 662.

76. *Id.* at 662–63.

77. *Id.* at 665–67 (Hand, J., dissenting). Judge Hand was of the opinion that Congress had pre-empted state control and that the federal statute's failure to protect sound recordings reflected a policy choice and that state interference would upset the balance. *Id.*

78. *See* 1 M. NIMMER, *supra* note 9, § 50.2 n.68, for a list of cases so holding. The courts are less than unanimous in determining whether to apply a common law, statutory, or other standards for "publication." *See, e.g.*, Shapiro, Bernstein & Co. v. Miracle Record Co., 91 F. Supp. 473, 475 (N.D. Ill. 1950), wherein the court stated: "[P]ublication is a *practical* question and does not rest on any technical [legal] definition of the word 'copy.'" *Id.* (emphasis added).

79. While the *recording* of another's work is forbidden by the California statute, copies produced in other states may appear for sale in the state nonetheless. Attempts to exclude them may force a question over the effect of such exclusion on interstate commerce.