

Columbia Law School  
**Scholarship Archive**

---

Faculty Scholarship

Faculty Publications


---

2008

## Recent Developments in US Copyright Law – Part II, Caselaw: Exclusive Rights on the Ebb?

Jane C. Ginsburg  
Columbia Law School, [jane.ginsburg@law.columbia.edu](mailto:jane.ginsburg@law.columbia.edu)

Follow this and additional works at: [https://scholarship.law.columbia.edu/faculty\\_scholarship](https://scholarship.law.columbia.edu/faculty_scholarship)

 Part of the [Entertainment, Arts, and Sports Law Commons](#), [Intellectual Property Law Commons](#), and the [Internet Law Commons](#)

---

### Recommended Citation

Jane C. Ginsburg, *Recent Developments in US Copyright Law – Part II, Caselaw: Exclusive Rights on the Ebb?*, *REVUE INTERNATIONALE DU DROIT D'AUTEUR*, VOL. 218, P. 167, 2008; COLUMBIA PUBLIC LAW RESEARCH PAPER No. 08-192 (2008).

Available at: [https://scholarship.law.columbia.edu/faculty\\_scholarship/1563](https://scholarship.law.columbia.edu/faculty_scholarship/1563)

This Working Paper is brought to you for free and open access by the Faculty Publications at Scholarship Archive. It has been accepted for inclusion in Faculty Scholarship by an authorized administrator of Scholarship Archive. For more information, please contact [cls2184@columbia.edu](mailto:cls2184@columbia.edu).

[11 December 2008]

For *Revue Internationale du Droit d'Auteur*, Oct. 2008 [forthcoming January 2009]

## **Recent Developments in US Copyright Law – Part II, Caselaw: Exclusive Rights on the Ebb?**

Jane C. Ginsburg  
Columbia University School of Law\*

### *Abstract*

*The 1976 Act announces broad exclusive rights, offset by a myriad of specific exemptions, and one wide exception for “fair use.” In words and intent, the exclusive rights are capacious, but new technologies may have caused some of the general phrases to become more constraining than might have been expected from a text whose drafters took pains to make forward-looking. Thus, the scope of the reproduction right turns on the meaning of “copy;” the reach of the distribution right on “distribute copies” and “transfer of ownership;” the range of the public performance right on “public” and “perform.” Entrepreneurs and users of new technological means of exploiting copyrighted works have urged narrow constructions of each of these terms, arguing that broad interpretations will chill future innovation (and suppress present markets for copyright-exploiting devices or services). Copyright owners, concerned that unfettered new uses will supplant traditional copyright-controlled markets, have contended that the literal language, or, failing that, congressional intent, encompass the contested use. In addition, new technologies have called into question the identification of the person who “does” the copyright-implicating acts. Who makes a copy when the act is decomposed into steps taken by different actors? Who performs or displays a work when the work resides on one person’s server, but the public perceives it through another person’s website?*

*Several US courts have narrowly construed the reach of the exclusive rights of reproduction, distribution, public performance and public display, thus putting into doubt their efficacy in the digital environment. In particular, the Second Circuit’s recent decision in *Cartoon Networks v. CSC Holdings*, if followed, could substantially eviscerate the reproduction and public performance rights. The growing number of decisions rejecting a “making available” right attests to some difficulties in adapting the distribution right to online exploitation. By contrast, one bright spot for authors appears in the area of moral rights, in which digital media may provide a means to make at least some authors’ attribution interests enforceable. Because the decisions emanate from lower courts, including first-level courts, it is too soon to discern whether US copyright law is adopting a constricted conception of the scope of the economic rights under copyright, and if so, whether the decisions betoken an evolving (if often unarticulated) determination that copyright prerogatives should yield to technological preferences. In either event, the analyses and results contrast*

---

\* Thanks for suggestions and criticisms to Professor Graeme Austin, Professor Jessica Litman, Professor R. Anthony Reese, David Carson, Esq., and to my colleague June M. Besek, Executive Director of the Kernochan Center for Law, Media and the Arts, and for research assistance to Emily Weiss, Columbia Law School class of 2009.

*with solutions adopted in the European Union, and, in some instances, may be in tension with the US' international obligations.*

The previous installment of this *Chronique* addressed a pending legislative development, the creation of a liability limitation regime for the exploitation of “orphan works.” The bill passed the Senate, but did not come to a vote in the House of Representatives before Congress recessed.<sup>1</sup> Nonetheless, some form of orphan works legislation is likely ultimately to be enacted, if not in the current Congress, then in its successor. One may hope that the next version of the bill will address some of the concerns expressed in Part I of this *Chronique*.

This Part will consider recent developments in caselaw. The abundance of recent judicial decisions in the US surpasses any one article's ability to canvass or synthesize; this *Chronique* therefore not only must select from among the total number of decisions, but also will confine itself to the topic of exclusive rights. (I) As a result, it will not address questions of copyrightable subject matter, ownership, fair use,<sup>2</sup> secondary liability and liability limitations for online service providers, or technological protection measures.<sup>3</sup> Several US courts have narrowly construed the reach of the exclusive rights of reproduction (A), distribution (B), public performance and public display (C), thus calling into question their efficacy in the digital environment. By contrast, one bright spot for authors appears in the area of moral rights, in which digital media may provide a means to make at least some authors' attribution interests enforceable (D). Because the decisions emanate from lower courts, including first-level courts, it is too soon to discern whether US copyright law is adopting a constrained conception of the scope of the economic rights under copyright, and if so, whether the decisions betoken an evolving (if often unarticulated) determination that copyright prerogatives should yield to technological preferences. In either event, the analyses and results contrast with solutions adopted in the European Union, and, in some instances, may be in tension with the US' international obligations. (II)

## I. Exclusive rights and digital media

Section 106 of the US Copyright Act confers the “exclusive right to do and to authorize” a variety of acts.<sup>4</sup> The statute formulates the exclusive rights in more

---

<sup>1</sup> Congress did pass a law enhancing the remedies for violations of intellectual property rights, including copyright, see P.L. 110-403, 110<sup>th</sup> Cong. 2d sess. (October 13, 2008).

<sup>2</sup> For a series of recent articles addressing many aspects of the current fair use doctrine in the US, see Symposium, Fair Use: Incredibly Shrinking or Extraordinarily Expanding?, 31 Columbia J. L. & Arts 433-635 (2008).

<sup>3</sup> I have commented elsewhere on the last three topics, see Jane C. Ginsburg, *Separating the Sony Sheep from the Grokster Goats: Reckoning the Future Business Plans of Copyright-Dependent Technology Entrepreneurs*, 50 U. Ariz. L. Rev. 577 (2008) (secondary liability, and liability of online service providers); Jane C. Ginsburg, *The Pros and Cons of Strengthening Intellectual Property Protection: Technological Protection Measures and Section 1201 of the United States Copyright Act*, 16 Info. & Comm. Tech. L. 191 (2007). Regarding the last topic, the Copyright Office has embarked on its triennial Rulemaking process to determine classes of works to exempt from the prohibition on circumventing technological measures that protect access to copyrighted works. See, Copyright Office, Notice of Inquiry, Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies, 73 Fed. Reg. No 194, p. 58073 (Oct. 6, 2008), <http://www.copyright.gov/fedreg/2008/73fr58073.pdf>

<sup>4</sup> 17 U.S.C. sec. 106 provides:

general terms than some common law countries' acts,<sup>5</sup> but less sweepingly than in some Continental countries, including France<sup>6</sup> and Italy.<sup>7</sup> The style of drafting may carry substantive consequences: national laws that announce an all-encompassing "exclusive incorporeal property right which shall be enforceable against all persons" (France) or an over-arching right to "the economic use of the work in every manner and form" (Italy) might be said to set the default in favor of ranging all exploitations within the author's monopoly (subject to specific exceptions). Thus, the author's rights presumptively encompass new exploitations enabled by new technologies.

Exclusive rights articulated in more specific terms, by contrast, arguably give rise to narrower constructions. The more detailed the text, the greater the prospect of ambiguity when new situations arise that the words do not clearly cover. It might follow that courts interpreting such statutes would resolve ambiguities against the copyright owner, in favor of those who exploit works in the borderland between exclusive rights and free uses. That prediction, however, assumes courts would infer from the law's lack of generality a normative disposition to leave uncertain cases outside the copyright owner's exclusive control. In fact, such severe positivism does not accurately characterize all common law courts.<sup>8</sup> Common law courts have filled

---

Exclusive rights in copyrighted works

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
- (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
- (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

<sup>5</sup> See, e.g., UK Copyright Designs and Patents Act 1988, ss. 16-21; Australia, Copyright Act 1968, s. 31.

<sup>6</sup> France, Code of intellectual property, arts. L. 111-1; L. 122-1.

<sup>7</sup> Italy, Copyright Law of 1941, art. 12(2) ("The author has in addition the exclusive right to the economic use of the work in every manner and form, original or derivative, within the limits fixed by this law, and in particular through the exercise of the exclusive rights indicated in the following articles.")

<sup>8</sup> English decisions in the 18<sup>th</sup> and 19<sup>th</sup> centuries frequently extended authors' rights beyond the set terms of the statutes, see, e.g., Jane C. Ginsburg, *Une Chose Publique?: The Author's Domain and the Public Domain in Early British, French and US Copyright Law*, 65 Cambridge Law Journal 636 (2006). By contrast, 19<sup>th</sup>-century US decisions often interpreted the legislation narrowly to exclude unspecified forms of exploitation, such as translations. See *Stowe v Thomas*, 23 F. Cas. 201 (C.C.E.D.Pa. 1853) (German translation of *Uncle Tom's Cabin* not a "copy" of the English-language original). See also *Stevens v Kabushiki Kaisha Sony Computer Entertainment* [2005] HCA 58 para 190-209 (Kirby, J.) (limiting analysis of scope of Australian anti-circumvention provisions to words of statute: "The Parliament having chosen such an elaborate and specific definition for the key provision of the legislative scheme, a court should pause before stretching the highly specific language in order to overcome a supposed practical problem. To do so would not be to construe the text, but to substitute a new and broader text for the one chosen by the Parliament after extensive consultation, investigation and debate."). See generally Alain Strowel, *Droit d'auteur and Copyright: Between History and Nature*, in *OF AUTHORS AND ORIGINS: ESSAYS ON COPYRIGHT LAW* 235-248, 252-53 (Brad Sherman and Alain Strowel eds., 1994) ("the natural law [continental droit d'auteur]-positivist [anglo-american copyright] distinction is nowhere as hard and fast as many commentators would have us believe" but

in legislative lacunae by reference to a protective purpose discerned from the statute's general context or legislative history.<sup>9</sup> Nonetheless, statutes that lack a general direction to interpret the scope of rights expansively lend themselves to more parsimonious parsing; when in doubt of the statute's scope (or when skeptical of the desirability of protection), US and Commonwealth courts will demand that the legislature speak more clearly.<sup>10</sup>

In particular, when new technologies test the contours of exclusive rights, the U.S. Supreme Court declared in its 1984 decision in *Sony Corp. of America v. Universal City Studios* (the "Betamax" case), that courts should proceed with caution:

Repeatedly, as new developments have occurred in this country, it has been the Congress that has fashioned the new rules that new technology made necessary. The judiciary's reluctance to expand the protections afforded by the copyright without explicit legislative guidance is a recurring theme. Sound policy, as well as history, supports our consistent deference to Congress when major technological innovations alter the market for copyrighted materials. Congress has the constitutional authority and the institutional ability to accommodate fully the varied permutations of competing interests that are inevitably implicated by such new technology.

In a case like this, in which Congress has not plainly marked our course, we must be circumspect in construing the scope of rights created by a legislative enactment which never contemplated such a calculus of interests.<sup>11</sup>

Although this pronouncement might be seen as a general guide to interpretation of the scope of exclusive rights under the 1976 U.S. Copyright Act, one should recall its context: the "calculus of interests" at stake extended beyond the traditional controversies between copyright owners and commercial entities engaged in copying or publicly performing works. Defendants were hardware manufacturers and distributors who disseminated a machine that enabled end users to make copies (in many cases for "time shifting") of free broadcast television programs. The statute

---

different "interpretative framework" can lead to broader extent of authors' rights in Continental countries).

<sup>9</sup> See, e.g., *Lewis Galoob Toys, Inc. v. Nintendo of America, Inc.*, 780 F. Supp. 1283, 1290 (1991) (citation omitted): "Copyright protection is statutory, and the judiciary has shown a general reluctance to expand those protections, absent explicit legislative guidance. While there are sound historical and policy reasons for this consistent deference to Congress, Congress cannot immediately respond to each invention that hits the market. The courts must therefore use their best judgment to construe the meaning of certain words consistent with Congressional intent."

<sup>10</sup> See, e.g., *Sony Corp. of America v. Universal City Studios*, 464 US 417, 429 (1984): "As the text of the Constitution makes plain, it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors or to inventors in order to give the public appropriate access to their work product. Because this task involves a difficult balance between the interests of authors and inventors in the control and exploitation of their writings and discoveries on the one hand, and society's competing interest in the free flow of ideas, information, and commerce on the other hand, our patent and copyright statutes have been amended repeatedly." *Stevens v Sony*, [2005] HCA at para 207 (Kirby, J.) ("Had it been the purpose of the Parliament, by the enactment of the Digital Agenda Act, to create a right to control access generally, it had the opportunity to say so.")

<sup>11</sup> *Sony v Universal*, 464 U.S. at 430-31 (citations omitted). Cf. *ABC, Inc. v. Flying J, Inc.*, 2007 U.S. Dist. LEXIS 13252 at \*24 (SDNY 2007) (citing *Sony* in support of narrow interpretation of an *exception* to exclusive right).

contained no provisions detailing the derivative liability of enterprises that facilitate end-user conduct; arguably, the drafters had not confronted the possibility that end-users might engage in economically significant acts of copying.<sup>12</sup> Whether courts should be “reluctant to expand the protections afforded by copyright” when the defendant is directly committing acts which arguably exploit the statutory exclusive rights may be a different question.<sup>13</sup> Indeed, the primary question is whether the interpretation the copyright owner seeks “expands” the scope of rights or simply applies extant rights to new situations.

The 1976 Act, unlike its predecessors, announces very broad exclusive rights, offset by a myriad of specific exemptions, and one wide exception for “fair use.”<sup>14</sup> In words and intent, the exclusive rights are capacious, but new technologies may have caused some of the general phrases to become more constraining than might have been expected from a text whose drafters took pains to make forward-looking.<sup>15</sup> Thus, the scope of the reproduction right turns on the meaning of “copy,” (A); the reach of the distribution right on “distribute copies” and “transfer of ownership” (B); the range of the public performance right on “public” and “perform” (C). Entrepreneurs and users of new technological means of exploiting copyrighted works have urged narrow constructions of each of these terms, arguing that broad interpretations will chill future innovation (and suppress present markets for copyright-exploiting devices or services). Copyright owners, concerned that unfettered new uses will supplant traditional copyright-controlled markets, have contended that the literal language, or, failing that, congressional intent, encompass the contested use. In addition, new technologies have called into question the identification of the person who “does” the copyright-implicating acts. Who makes a copy when the act is decomposed into steps taken by different actors? Who performs or displays a work when the work resides on one person’s server, but the public perceives it through another person’s website?

#### A. Reproduction right

Section 106(1) provides for the exclusive right “to reproduce the copyrighted work in copies or phonorecords.” Section 101 defines “copies” as “material objects . .

---

<sup>12</sup> The legislative history accompanying the Sound Recordings Act of 1971, for example, stated that Congress did not intend to restrain home recording when the home recording was for private use. The legislative history does not consider the possibility that end-users might capitalize commercially from home recording. H.R. Rep. No. 92-487, at 9-10; see also H.R. Rep. No. 94-1476, at 61 (1976) [hereinafter 1976 House Report] (explaining that the use of the words “to authorize” in section 106 “is intended to avoid any questions as to the liability of contributory infringers,” with no mention of end-users).

<sup>13</sup> Indeed, even in the context of derivative liability, the Court may have retreated from the positivistic approach of *Sony*, having reversed the lower courts in *MGM v Grokster*, which had relied on the Court’s earlier pronouncement to reject the liability of an enterprise that facilitated infringing peer-to-peer copying. See *MGM Studios, Inc. v. Grokster, Ltd.*, 259 F. Supp. 2d 1029, 1046 (CD Cal. 2003) (citing *Sony* for “reluctance to expand”), aff’d. 380 F.3d 1154 (9<sup>th</sup> Cir. 2004), rev’d. 545 U.S. 913 (2005). In *Grokster*, *Sony*’s caution to be “‘circumspect’ in construing the copyright laws to preclude distribution of new technologies” was cited, but only in concurrence, see 554 U.S. at 960 (Breyer, J., concurring).

<sup>14</sup> See generally, Jessica Litman, *Copyright, Compromise and Legislative History*, 72 CORNELL L. REV. 857, 882-893 (describing structure of the 1976 Act).

<sup>15</sup> See, e.g., sec. 102(a): “Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed . . .”

. in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. . . .” “Phonorecords’ are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.” “A work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or a phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” Two recent decisions have explored the implications of the combination of these provisions to determine whether a digital file embodying a work is a “copy” or a “phonorecord,” and whether the embodiment must be more than merely transitory.

1. What is a copy?

In *London Sire Records v Does*,<sup>16</sup> record producers brought copyright infringement actions against students who allegedly copied and distributed copyrighted sound recordings over a peer-to-peer file-sharing network. The students rejoined that the exclusive right “to distribute the work *in copies or phonorecords*” (emphasis supplied) was limited to physical, tangible objects, and therefore excluded the transmission of digital files. The court recognized the far-reaching implications of defendants’ “sweeping” argument: if a “copy”<sup>17</sup> that is distributed must be a distinct physical object, then “a great deal of internet commerce -- any involving computer-to-computer electronic transfers of information” might fall outside the scope of copyright’s distribution right.<sup>18</sup> Such an outcome was unlikely, observed the court, given Congress’ intention to enable copyright owners to control the distribution of “items that can reproduce the artist's sound recording. It makes no difference that . . . the items are electronic sequences of data rather than physical objects.”<sup>19</sup> The court did not rest its rejection of defendants’ concept of “copy” on purely consequentialist reasoning, however. The court also addressed the definitions of “copy” and “phonorecord” and the definition of “fixed” to which those definitions refer. The “Copyright Act thus does not use materiality in its most obvious sense -- to mean a tangible object with a certain heft, like a book or compact disc. Rather, it refers to materiality as a medium in which a copyrighted work can be ‘fixed.’”<sup>20</sup> A “fixation” occurs when the embodiment of the work in a “copy” or “phonorecord” permits the work to be perceived either directly or through the aid of a machine or device, or to be reproduced, or to be further communicated, for a period of more than transitory duration.

[A]ny object in which a sound recording can be fixed is a ‘material object.’ That includes the electronic files at issue here. When a user on a peer-to-peer network downloads a song from another user, he receives into his computer

---

<sup>16</sup> 542 F. Supp. 2d 153 (D. Mass. 2008).

<sup>17</sup> Or “phonorecord,” which, in lay terms, is a copy of a sound recording; the court treated the terms “copy” and “phonorecord” interchangeably, see 542 F.Supp.3d at 166 n.14.

<sup>18</sup> Id. at 169.

<sup>19</sup> Id. at 170.

<sup>20</sup> Id. at 171.

a digital sequence representing the sound recording. That sequence is magnetically encoded on a segment of his hard disk (or likewise written on other media.) With the right hardware and software, the downloader can use the magnetic sequence to reproduce the sound recording. The electronic file (or, perhaps more accurately, the appropriate segment of the hard disk) is therefore a ‘phonorecord’ within the meaning of the statute.<sup>21</sup>

Arguably, the court omitted part of the definition of fixation which might have lent some support to the defendants’ argument that a “copy” that is distributed must be “tangible” and therefore cannot include digital files communicated among computers. The definition refers to “fixed in a *tangible* medium of expression” (emphasis supplied); traditional “tangible media of expression” such as books, CDs or video tape are free-standing and designed to be handled. One cannot put one’s hands on a digital file. But one can put one’s hands on a digital recording medium, such as a CD or a DVD, or for that matter on an external digital hard drive, in which a work may be stored and from which it can be “perceived, reproduced, or otherwise communicated.” Presumably, if one took a computer apart, one could also handle the internal hard drive or circuits in which the digital file is “magnetically encoded.” The Copyright Act elsewhere specifies that “tangible media of expression” include those “now known or later developed;”<sup>22</sup> Congress’ direction to encompass unanticipated storage media would be undermined by an interpretation which limited “tangible medium” to conventional free-standing formats.

The *London-Sire* court addressed copies residing on the defendants’ hard drives, in their “sharing” directories. On the spectrum of digital copies, one might deem these sedentary. Other digital reproductions may be less stable. Reproductions in a computer’s temporary memory (RAM copies) may be relatively long-lived, remaining in place for as long as the computer is turned on (which, in many cases, may be for hours, days, or longer) and as long as the data is not overwritten by other applications; but they may also be more transient, lasting only minutes or even seconds. In particular, a reproduction in transit from one computer to another may be especially evanescent. Is there a point at which a reproduction is too fleeting to be a “copy” within the scope of the exclusive right of reproduction? The Second Circuit, in *Cartoon Network v. CSC Holdings*,<sup>23</sup> held that reproductions made in a computer’s “buffer” and lasting 1.2 seconds, were insufficiently “fixed” to be “copies.” The ruling may be in some tension with decisions from other Circuits and a study by the Copyright Office interpreting the reproduction right to encompass a broad temporal range of “RAM copies.”<sup>24</sup>

---

<sup>21</sup> *Id.*

<sup>22</sup> 17 USC sec. 102(a).

<sup>23</sup> 536 F.3d 121 (2d Cir. 2008).

<sup>24</sup> See, e.g., *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511 (9th Cir. 1993); *Stenograph L.L.C. v. Bossard Assocs., Inc.*, 144 F.3d 96, 101-02 (D.C. Cir. 1998); U.S. Copyright Office, DMCA Section 104 Report (Aug. 2001) [hereinafter Copyright Office Section 104 Report], available at <http://www.copyright.gov/reports/studies/dmca/sec-104-report-vol-1.pdf>, pp. 107-23. Of these authorities, however, only the Copyright Office report specifically addresses reproductions as transient as “buffer copies.” The Ninth and DC Circuit decisions involved software loaded into RAM and apparently retained for some minutes. But see *MDY Indus., LLC v. Blizzard Entm’t, Inc.*, 2008 U.S. Dist. LEXIS 53988 \*23 (D. Ariz. 2008) (reading *MAI Sys.* categorically to cover any RAM copying, without reference to duration of the copy; it is unclear how long the RAM copy of Blizzard’s videogame survived in the temporary memory of customers of MDY’s game-enhancing software).



The defendant, Cablevision, offered its subscribers a service that the plaintiff broadcasters and producers of audiovisual works labeled a kind of “video on demand,” and that Cablevision called remote time-shifting. The service enabled end-users to select from among programming that Cablevision distributed in real time (under license from copyright owners), and request that it be stored and subsequently transmitted to the users (without a license from copyright owners). Cablevision maintained on its servers what one might envision as separate “storage boxes” for each user, so that as many copies would be made of any particular program as there were users requesting that the program be recorded. This redundancy serves no apparent engineering objective; rather, the one-copy-per-user scheme seems to have been devised for the sole purpose of avoiding copyright-triggering acts. User copies were created by splitting the broadcast programming data into one stream constituting the real time transmission to subscribers, and a second stream sent to a buffer, where the data representing each portion of the work would reside for some 1.2 seconds, and thence to the storage boxes of any subscribers who requested to view the programming at a later time. When a user wished to view the stored program, Cablevision’s transmission would originate from that user’s personal stored copy. The service thus could be conceived of as a kind of virtual VCR, with the storage occurring on Cablevision’s servers instead of at the user’s home, and the performance of the work occurring by means of a transmission from Cablevision to the user, instead of occurring wholly at home.

The copyright owners alleged that Cablevision had made unauthorized copies in its “buffer” and on the sectors of its servers reserved for subscribers, and unauthorized public performances of the designated programming. Cablevision claimed that the buffer copies were not “copies” within the scope of the reproduction right, and that the stored copies, albeit “copies,” were “made” by the users, not by Cablevision. Cablevision also contended that the transmissions back to the users were not “*public* performances” because each copy’s viewing was limited to its maker. The parties agreed not to litigate whether the end-user conduct was infringing, or whether Cablevision might be secondarily liable for infringing end-user conduct. The district court ruled that the buffer copies were sufficiently “fixed” to be actionable; that Cablevision, not the users, “made” the stored copies, and the transmission of the copied works was “to the public.” The Second Circuit reversed on all three grounds. We will consider the first two grounds now, and the scope of the public performance right in Part I(C).

The Second Circuit rejected the extension of the reproduction right to the buffer copies, on the ground that they did not meet the statutory definition of fixation. The court emphasized what it called the “duration requirement” of the definition: “the work must be embodied in a medium, i.e., placed in a medium such that it can be perceived, reproduced, etc., from that medium (the ‘embodiment requirement’), and it must remain thus embodied ‘for a period of more than transitory duration’ (the ‘duration requirement’). Unless both requirements are met, the work is not ‘fixed’ in the buffer, and, as a result, the buffer data is not a ‘copy’ of the original work whose data is buffered.”<sup>25</sup> Although the buffer “embodied” the works, their embodiment was too transitory, the court held. The court distinguished decisions from other

---

<sup>25</sup> 536 F.3d at 127 (citation omitted).

circuits for failure explicitly to address the duration requirement.<sup>26</sup> It also criticized a report from the Copyright Office, which had confronted the duration issue, but had reached a different conclusion: “According to the Copyright Office, if the work is capable of being copied from that medium *for any amount of time*, the answer to both questions [embodiment and duration] is ‘yes.’ The problem with this interpretation is that it reads the ‘transitory duration’ language out of the statute.”<sup>27</sup> Inquiring, therefore, “Does any such embodiment [in Cablevision’s buffer] last ‘for a period of more than transitory duration?’”<sup>28</sup> the court answered no. While ruling that 1.2 seconds were not “more than transitory,” the court did not indicate what period of embodiment would suffice, although it did imply that “at least several minutes” would meet the duration requirement.<sup>29</sup> Nor did the court suggest how to characterize durations falling between those two limits.<sup>30</sup>

Despite its insistence that the Copyright Office and the plaintiffs were “read[ing] the ‘transitory duration’ language out of the statute,” the Second Circuit may in fact have been reading “transitory duration” into the wrong part of the definition of fixation. Recall the definition: “A work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or a phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” The Second Circuit has equated the “it” in “sufficiently permanent or stable to permit it to be perceived . . .” with the work’s “embodiment in a copy.” Hence the court’s inquiry whether the embodiment lasts for a period of more than transitory duration. But this construction is dubious both grammatically and as a matter of common sense. Grammatically, the “it” refers to the “work,” not the “embodiment.”<sup>31</sup> Substantively, substituting “embodiment” for “it” would mean that the *embodiment* would be “perceived, reproduced, or otherwise communicated.” But the embodiment – that is, the “tangible medium of expression” -- is not what the user “perceives.” Indeed, for digital storage media, particularly those internal to a computer, the user will never see the “embodiment,” but the embodiment will enable the user to see the *work*, albeit “with the aid of a machine or device.” By the same token, in the digital context, the “embodiment” is not “otherwise communicated,” because the communication will produce new embodiments; the work contained in those embodiments is what is “communicated.”

---

<sup>26</sup> See supra note 24.

<sup>27</sup> 536 F.3d at 129.

<sup>28</sup> Id.

<sup>29</sup> Id. at 128.

<sup>30</sup> See Copyright Office, Compulsory License for Making and Distributing Phonorecords, Including Digital Phonorecord Deliveries, Interim rule and request for comments, Fed. Reg. Vol. 73, No. 217 (November 7, 2008) 66173, 66177 (“The [*Cablevision*] court’s reasoning leaves at least something to be desired and offers no guidance as to when a copy might be considered to be ‘embodied’ for ‘a period of more than transitory duration.’ . . . Indeed, it leaves open the possibility that a buffer copy that exists for several seconds might have sufficient duration to satisfy the fixation requirement. We can glean no principle from the Second Circuit’s opinion which offers any guidance as to where the line is to be drawn.”)

<sup>31</sup> This reading is confirmed by the House Report accompanying the bill that became the 1976 Copyright Act, paraphrasing the definition of fixation: “Under the first sentence of the definition of ‘fixed’ in section 101, a work would be considered ‘fixed in a tangible medium of expression’ if there has been an authorized embodiment in a copy or phonorecord and if that embodiment ‘is sufficiently permanent or stable’ to permit the work ‘to be perceived, reproduced or otherwise communicated for a period of more than transitory duration.’” 1976 House Report, supra note **Error! Bookmark not defined.**, at 53.

Although the court identified the wrong “it,” might the court nonetheless have arrived at the right statutory construction, excluding transient copies from the scope of the reproduction right? The statute does, after all, make duration an element of fixation. It also requires the embodiment to be “sufficiently permanent or stable.” What does it mean to embody a work long enough so that the *work* may “be perceived, reproduced or otherwise communicated for a period of more than transitory duration”? The Copyright Office study urges:

In establishing the dividing line between those reproductions that are subject to the reproduction right and those that are not, we believe that Congress intended the copyright owner’s exclusive right to extend to all reproductions from which economic value can be derived. The economic value derived from a reproduction lies in the ability to copy, perceive or communicate it. Unless a reproduction manifests itself so fleetingly that it cannot be copied, perceived or communicated, the making of that copy should fall within the scope of the copyright owner’s exclusive rights. The dividing line, then, can be drawn between reproductions that exist for a sufficient period of time to be capable of being “perceived, reproduced, or otherwise communicated” and those that do not.<sup>32</sup>

This may be a reasonable teleological construction, but it does not grapple with the “more than transitory duration” language. Indeed, the Report later suggests that “attempting to draw a line based on duration may be impossible. . . . Separating some temporary copies from others based on their duration poses similar difficulties. How temporary is temporary? Hours? Minutes? Seconds? Nanoseconds? The line would be difficult to draw, both in theory and as a matter of proof in litigation.”<sup>33</sup> In addition, the Report, like the Second Circuit, appears to elide “work” and “copy.”

Consideration of the role of the Cablevision buffer copies may help answer the question whether they embody the work long enough “to *permit* the work to be perceived, etc. for a period of more than transitory duration.” (Emphasis supplied.) The statute does not demand that the work *in fact* be “perceived, reproduced or otherwise communicated . . .” but rather that the embodiment make more than transitory perception, etc. *possible*. The buffer copies supply the bridge between the real time transmission and the copies stored for individual users. There is no question that the storage copies permit longer-term (still temporary, but not evanescent) perception, reproduction, or communication. But without the buffer copies, there would be no storage copies. The buffer copies are what enable the *work* to be perceived, etc. Admittedly, the buffer copies do not enable the work to be perceived, etc. directly *from those copies*. But the definition of fixation does not require that the work’s “embodiment in a copy or a phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it [the work] to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration” *from that embodiment*.<sup>34</sup> The “embodiment” need not be the direct source of the perception, reproduction or communication; it need merely “permit” them.

---

<sup>32</sup> Copyright Office Section 104 Report, *supra* note 24, at 111.

<sup>33</sup> *Id.* at 113.

<sup>34</sup> By contrast, the Second Circuit requires that “the work must be embodied in a medium, i.e., placed in a medium such that it can be perceived, reproduced, etc., *from that medium* (the ‘embodiment requirement’), and it must remain thus embodied ‘for a period of more than transitory duration’ (the ‘duration requirement’).” 536 F.3d at 129-30 (emphasis supplied).

One must acknowledge, however, that under that reading, most if not all transient embodiments may be “copies” within the scope of the reproduction right. Such a determination may be at odds with the legislative history of the 1976 Act. The House Judiciary Committee Report, discussing the definition of fixation, suggests that *some* copies would be too transitory to be “fixed:” “The definition of ‘fixation’ would exclude from the concept purely evanescent or transient reproductions such as those projected briefly on a screen, shown electronically on a television or other cathode ray tube, or captured momentarily in the ‘memory’ of a computer.”<sup>35</sup> The first two examples seem inapt, because they are not “embodiments.” As to the last, arguably subsequent technological advances have undermined the Committee’s premise that a work’s “momentary capture” in computer memory would be insufficiently stable to permit the work to be “perceived, reproduced or otherwise communicated for a period of more than transitory duration.”<sup>36</sup> The embodiment does permit longer-term perception, reproduction or other communication, albeit by means of a subsequent embodiment (or embodiments). As to the specific buffer copy embodiment, 1.2 seconds might be “evanescent” to a human observer, yet provide ample time for a computer today to execute reproductions and communications of works received in active memory.<sup>37</sup> Given this evolution, perhaps the Committee’s gloss should be disregarded, even by those who, notwithstanding the onslaughts of “textualism,”<sup>38</sup> are inclined to seek guidance from legislative history.

Whatever the value of that part of the 1976 House Report, might subsequent legislation nonetheless support the proposition that Congress assumed that transitory copies would not constitute “reproductions?” In the 1995 Digital Performance Right in Sound Recordings Act, Congress amended section 115 of the Act to clarify that the compulsory license for reproducing and distributing sound recordings of non dramatic musical compositions applied to “digital phonorecord deliveries.” The definition of digital phonorecord delivery specified:

A digital phonorecord delivery does not result from a real-time, non-interactive subscription transmission of a sound recording where no reproduction of the sound recording or the musical work embodied therein is made from the inception of the transmission through to its receipt by the transmission recipient in order to make the sound recording audible.<sup>39</sup>

---

<sup>35</sup> 1976 House Report, *supra* note 12, at 53.

<sup>36</sup> Only two years after the House Report, the Report of the Committee on New Technological Uses [CONTU] appears to reject that premise, see Final Report of the National Commission on New Technological Uses of Copyrighted Works at 22 n.111 (1979).

<sup>37</sup> A computer’s memory access time, which is the time it takes to retrieve information in a computer’s memory and perform the requested function, is typically five to twenty nanoseconds. Michael G. Schneider & Judith L. Gersting, *Invitation to Computer Science: Java Version 194* (3d ed. 2007). A nanosecond is one billionth of a second. Thus, in 1.2 seconds a computer can execute over 100 million operations.

<sup>38</sup> See, e.g., Antonin Scalia, *A Matter of Interpretation: Federal Courts and the Law* 29-37 (1997) (arguing that legislative history is not an authoritative indication of a statute’s meaning); John F. Manning, *Textualism as a Nondelegation Doctrine*, 97 *Colum. L. Rev.* 673, 706-707 (1997) (arguing that reliance on legislative history creates an opportunity for unconstitutional, legislative self-delegation). But see William N. Eskridge, Jr., *Dynamic Statutory Interpretation* 234-38 (1994) (offering a normative defense of legislative history).

<sup>39</sup> 17 USC sec. 115(d).

This definition endeavors to distinguish certain transmissions governed by the public performance rights in the music and in the recorded performances<sup>40</sup> from distribution of a “phonorecord” (copy) of the recorded performance of the musical composition; the compulsory license applies only to the latter. The description of these transmissions as involving “no reproduction of the sound recording or the musical work embodied therein . . . from the inception of the transmission through to its receipt . . .” may not, however, accurately describe the range of exempted transmissions, because, at least as to some of them, notably webcasting, temporary reproductions will in fact be made “from the inception of the transmission through to its receipt . . .” One might therefore infer that the technical copies made in the course of a non interactive subscription webcast do not count as “reproduction[s] of the sound recording or the musical work embodied therein . . .” And, pressing the advantage, one might further infer that if these technical copies are not “reproductions,” then technical copies generally are not reproductions.

Nonetheless, a conclusion that sec. 115(d) assumes that transient digital copies do not come within the scope of the reproduction right may not be warranted. It appears that, in 1995, when section 115(d) was introduced as part of the “Digital Performance Right in Sound Recordings Act,” the transmissions at issue were “preexisting subscription services,”<sup>41</sup> such as Muzak, L.P. Those services were not engaged in streaming; indeed the 1995 amendments seem not to have contemplated webcasting.<sup>42</sup> Thus, in 1995, the definition probably did reflect the relevant technology. The absence of an amendment in 1998 to the sec. 115(d) exemption of certain subscription transmissions from the definition of digital phonorecord deliveries, when Congress amended the scope of the sec. 114(f) compulsory license for *non* subscription transmissions to include webcasts thus may not strongly evidence Congressional determination that copies (or phonorecords) made in the course of audiostreaming are not “reproductions.”

Assuming transient copies *can* come within the scope of the reproduction right, it does not necessarily follow that a transient copy will *always* be a “reproduction.” Returning to the 1976 House Report, it may be helpful to surmise why the Committee would have supposed the exclusion of “purely evanescent or transient reproductions.” Congress might have sought to maintain clear lines between the reproduction and public performance and public display rights: the Report’s first two examples would come within the public performance or display rights, assuming they were made in, or to, the public. But just as technological evolution has called into question the premise that momentary capture in computer memory would not “fix” a work,<sup>43</sup> so have intervening developments blurred the line between reproduction and public performance or display. The 1995 legislation recognizes the

---

<sup>40</sup> See 17 USC sec 114(d)(2) (establishing compulsory license for webcasting of sound recordings); sec. 106(4) (exclusive right of public performance in the musical composition).

<sup>41</sup> 17 USC sec. 114(d)(2)(B)(C),(f)(1).

<sup>42</sup> See, e.g., Jane C. Ginsburg, Copyright Legislation for the “Digital Millennium,” 23 Colum. VLA J.L. & Arts 137, 166-69 (1999) (examining how dispositions of 1995 amendments did not correspond to webcasting technology); *id.* at 167: “The digital transmissions reached by the 1995 expansion of the sound recording copyright turn out to have omitted a principal form of Internet exploitation of sound recordings: audio ‘streaming’ or ‘webcasting’ of recorded performances.”

<sup>43</sup> See *supra* note 36.

possibility that a digital transmission might result in both a digital phonorecord delivery and a public performance.<sup>44</sup>

Nonetheless, even if technology has eroded the premises of the 1976 House Report's exclusion of "purely evanescent or transient reproductions," an economic intuition underlying the Report may guide us. A transient copy will often, if not always, be ancillary to some principal operation that does come within the traditional scope of copyright. In the case of streaming-only webcasting, for example, any reproductions would normally be ancillary to the principal, compensated, economic activity of public performance. In the case of a licensed communication of a digital file for downloading, the transitory copies made between the source website and the recipient's computer would come within the scope of the license.

The Copyright Office's suggestion that economic significance could supply the dividing line between copies within and outside the scope of the exclusive right of reproduction not only avoids the metaphysical quandary of determining the temporal frontiers of a "reproduction;" it also offers a reason for excluding some "purely evanescent or transient reproductions"; they do not undermine the author's exercise of her exclusive rights.<sup>45</sup> If, by contrast, transient reproductions do have value, but are neither subsumed within the public performance right nor trigger the reproduction right, then ruling these copies outside the scope of copyright effectively attributes to Congress an intent to create a two-track system, in which authors would control markets for fixed copies and for public performances and displays of protected works, but in which third parties could exploit whatever reproduction markets they could develop for "unfixed" copies of those works.<sup>46</sup> It is not likely that Congress would have anticipated such markets, and even less apparent what policies such a construction would advance. Instead, where unauthorized transient copies do compromise the exercise of exclusive rights (as in *Cablevision*), it would follow that these copies constitute actionable "reproductions."

---

<sup>44</sup> See 17 USC sec. 115(d):

A "digital phonorecord delivery" is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the digital transmission is also a public performance of the sound recording or any nondramatic musical work embodied therein.

<sup>45</sup> Cf. European Union, 2001 Information Society Directive, art. 5.1 (exempting transient copies having no independent economic significance), discussed *infra* Part II.A.

If there are different rightholders of the reproduction and public performance rights, then excluding transient copies that are ancillary to the public performance right can have an economic impact on the owners of the reproduction right. Cf. text at notes 114-22, *infra* (impact on owners of the public performance right if downloading is characterized as only reproduction). When the principal activity comes within the scope of copyright, the characterization of the ancillary transient copy as a "reproduction" goes to *which* rightholder gets compensated, rather than to *whether* compensation is owed at all.

<sup>46</sup> By contrast, Congress did allow the vestiges of "common law copyright" to persist, but only with respect to works (not copies) that had never been fixed. See 17 U.S.C. sec. 301(b)(1). The reason for the disparity in subject matter appears to be constitutional (Congress' power under Art. I, sec. 8, cl. 8 extends to "writings," which may imply fixation), rather than economic. See, e.g., Staff Members of the New York University Law Review Under the Guidance of Professor Walter J. Derenberg, Study No. 3: The Meaning of "Writings" in the Copyright Clause of the Constitution (1956), *reprinted in* 1 Studies on Copyright 43, 62-64 (Copyright Society of the U.S.A. ed., 1963) (courts have interpreted the constitutional requirement of "writings" to require fixation).

One might object that an approach focusing on economic significance is as absurd as the calculus of sufficient “duration” may be intractable: a transient copy becomes (or un-becomes) an actionable reproduction depending on whether the downstream activity comes within the copyright holder’s control (or compensation). Rather than seeking the correct characterization of the transient copy, it might make more sense to reassess whether the activity which the transient copies make possible is in fact infringing. In *Cablevision*, for example, the characterization of the buffer copies that Cablevision made becomes important because the court - probably incorrectly - determined that Cablevision did not make the copies that served as the source of the time-shifted transmissions, and furthermore – and equally dubiously – held that those transmissions were not public performances. That said, policy reasons may counsel concentrating on the intermediate copy when the end use can plausibly claim to be non infringing. Where a commercial exploitation is at issue, if the intermediate copy is deemed too transient to trigger liability of its own accord, then one may anticipate an inclination to find an infringing act at the end of the chain. But if the end user is an individual consumer rather than a commercial entity, we may sense some discomfort labeling her acts as infringement, particularly if she does them at home. Yet we also recognize that copyright markets are increasingly consumer-enabling. It may be desirable to alleviate the ensuing pressure on the copyright system by focusing on the burgeoning businesses that transit copyrighted works to consumers.<sup>47</sup>

## 2. Who makes the copy?

In addition to the buffer copies, the Cablevision system included copies that indisputably were “fixed” on Cablevision’s servers. As to these copies, however, Cablevision contended that their “makers” were not Cablevision, but Cablevision’s subscribers. Thus any reproductions made on the system were not directly attributable to Cablevision (recall that the parties agreed not to litigate Cablevision’s potential indirect liability for the making of the copies). The copyright owners claimed that, while the user requested the recording of a copy, Cablevision’s computers carried out the copying and the storage. The Second Circuit ruled that because Cablevision’s actions were entirely automated they lacked the “volitional” character required of one who “actually ‘makes’ a copy.”<sup>48</sup> The court distinguished prior cases holding photocopy shops liable for copies made at the request of users, on the ground that the human element of the shop employees supplied the necessary volitional conduct.<sup>49</sup> Instead, the court likened Cablevision’s system to a copy shop in which the customers themselves made photocopies on store premises on machines supplied by the shop. (The Court did not address whether a copy shop that also provided the works to be copied and retained the copies for the customers’ later retrieval might warrant different consideration.) Merely supplying the means to copy is not enough; the copyright owners’ contentions would blur the line between direct

---

<sup>47</sup> Some intermediaries implicated in the transmission of works to end users, however, enjoy conditional limitations on liability, see 17 USC sec 512(a) (mere conduit internet service providers); 512(c) (host service providers).

See also text at note 56: in some instances the consumer’s digital copy might be “made” by both the consumer and the commercial intermediary; any fair use defense the consumer might advance would not necessarily pertain to the commercial intermediary.

<sup>48</sup> 536 F.3d at 131.

<sup>49</sup> It is not apparent why the frequently mindless physical labor of undifferentiated photocopying injects greater agency into the process than deploying a computer program to do the task.

and contributory infringement, the court stressed. In essence, the court found no substantive difference between supplying a free-standing recording device that a user operates *at home* and supplying a remote digital recording system that the user operates *from home*.

The Second Circuit's determination, that a business which establishes and manages an automated system that invites end users to request the making of copies which it stores for the users for subsequent communication to them lacks the agency sufficient for direct liability for infringement of the reproduction right, could herald the development of business models designed to elude copyright control over the exploitation of works, particularly in a technological environment in which pervasive automation is increasingly foreseeable. The court's concept of "volitional conduct" therefore deserves further consideration. Because the court acknowledged that Cablevision set up and controlled the general framework and contents of its remote service, the court's ruling turns on Cablevision's absence of volition regarding the creation of copies of the *particular programs* its customers selected from among the programming generally offered by Cablevision. Was the court correct that volitional conduct is required, and must correspond to the specific copy? In the first instance, it is not clear that volition must always be a distinct element of the violation of the reproduction right. The court's principal authority for a volition requirement, *Religious Technology Center v. Netcom On-Line Communications Services*,<sup>50</sup> concerned a "mere conduit" online service provider, who simply conveyed copies of works from one subscriber to another. By contrast, Cablevision's own transmissions are the *source* of the copies the subscribers request. Second, the copy shop analogy does not track the conduct at issue nor convey the extent of the entrepreneur's volition: one would have to imagine a copy shop engaged in a remote printing operation, in which the customer would select from the works in the copy shop's inventory, and then transmit a request to print out the document; the copy shop in turn would automatically print out the document, charge the customer's account, and store the printout for the customer's pick-up.<sup>51</sup> In this scheme, the entrepreneur arguably has demonstrated volition that any of its inventory be copied, even if it cannot be shown that any particular work be the object of any particular customer's request at any particular time.

In any event, copy shops, even copy shops with facilities for printing and storing the copies that customers make using the shop's machines and inventory of works, may not capture the nature of a remote copying service. A more pertinent analogy may be to document delivery services. In the analog world, the customer would request a document, which the service would copy and send to the customer. Although the customer initiated the transaction and selected the work, the status of the service as the copy's "maker" would have been clear.<sup>52</sup> Does the transition to digital change the result, so that the document delivery service would now be subject at most to contributory liability for inciting the customer to use its automated service make a copy of the works it offers? Like Cablevision, services such as Lexis "sell[] access to a system that automatically produces copies on command."<sup>53</sup> But, in *New York Times*

---

<sup>50</sup> 907 F. Supp. 1361 (N.D. Cal. 1995).

<sup>51</sup> Thanks to Prof. Tony Reese for this analogy.

<sup>52</sup> See *Ryan v. Carl Corp.* 23 F.Supp. 2d 1146 (ND Cal 1998).

<sup>53</sup> 536 F.3d at 132.



*v Tasini*,<sup>54</sup> the Supreme Court appears to have assumed that, when a customer requests a particular article that was published in the New York Times, Lexis, not the customer (or at least, not only the consumer), creates that copy from its database containing the full contents of the collective work. In the statement of its holding, the Court declared, “the databases reproduce and distribute articles . . .”<sup>55</sup> Moreover, when the defendants contended that the authors’ claim, properly conceived, advanced the derivative, rather than the direct, liability of the publishers, the court rejoined: “The Electronic Publishers, however, are not merely selling ‘equipment’; they are selling copies of the Articles.”<sup>56</sup> Although the court did not spell out “selling copies *that they made* of the Articles,” the specification is implicit and follows from the Court’s earlier determination that Lexis was reproducing and distributing the freelance journalists’ articles. The court thus did not conceptualize Lexis’ activities as selling its customers access to Lexis’ automated retrieval system in order that the customers might make copies of plaintiffs’ articles for themselves -- even though the customer’s computer, on receipt of the communication from Lexis, is embodying a copy in its temporary memory, so that perhaps *both* Lexis and the customer are reproducing the work. (In Cablevision’s system, by contrast, the copy is embodied on the servers of Cablevision.) Moreover, Lexis was “selling copies” of articles whose automatic generation would, under the Second Circuit’s analysis, have deprived Lexis of the requisite “volition” as to the identity of each article sold.

Ultimately, for the Second Circuit, the controlling analogy was not document delivery, which the court did not in fact discuss, nor even photocopy shops, but VCRs. One suspects that, underlying the court’s determination that the remote “time shifting” service did not “make” the copies it stored for users at their request, was an unstated conclusion regarding an issue the parties agreed not to litigate: whether the end users would be liable for copying the television programming. Because the users’ were engaged in a higher-tech form of “time shifting,” and, under *Sony*, time shifting (at least of free broadcast television)<sup>57</sup> is non infringing, then the higher-tech version must be non infringing, too. That calculus may have informed the court’s assessment of “who” made the copy. Suppose, instead, that Cablevision had been offering its customers access to programming that the customers were not otherwise entitled to view, for example because those customers formed an audience to which Cablevision’s cable or satellite distribution compulsory license did not extend.<sup>58</sup> If Cablevision simply redirected the signal to those customers, it would be directly liable

---

<sup>54</sup> 533 U.S. 483 (2001).

<sup>55</sup> *Id.* at 488.

<sup>56</sup> *Id.* at 504.

<sup>57</sup> The customers here were time shifting cable transmissions, which fall outside the stated scope of *Sony*.

<sup>58</sup> See 17 USC secs 111, 119 and 122. Sections 111 and 119 differentiate between local broadcasts and distant broadcasts. Local broadcasts are those that can reach viewers in the area where the cable system or satellite is located without the use of a cable system or satellite, and distant broadcasts are those that viewers would not otherwise receive without the cable system or satellite because they are imported from distant broadcast stations. Cable systems or satellites can retransmit local broadcasts without having to pay copyright license fees, but sections 111 and 119 establish a compulsory license scheme for distant broadcasts. Section 119 defines the households and subscribers eligible to receive secondary transmissions from the satellite carrier, and sets out “violation[s] of territorial restrictions on statutory license for network stations.” Section 122 allows a satellite carrier to make secondary transmissions into the television station’s local market, subject to a compulsory license. The satellite carrier may not transmit the performance or display to a subscriber who does not reside in the originating television station’s local market, sec. 122(f).

for violating the copyright owners' public performance rights.<sup>59</sup> Suppose, instead, it split the signal so that the live feed went to authorized recipients, and the remaining feed went to a buffer and thence to the virtual storage boxes of the subscribers to the remote access service who requested particular programs. The process just described is the same as in the actual *Cablevision* case, but one may wonder whether, in this version, the court still would have found that Cablevision lacked sufficient agency to be the "maker" of those storage copies.

The court may have assumed that it ultimately will not matter who "makes" the copy if the business that "induced" the end-user to make the copy would in any event be liable as a contributory infringer (an issue the parties agreed not to litigate).<sup>60</sup> But if the end-user's copy is not infringing, there will be no secondary liability. Arguably, if the end-user's copying would be fair use, then assisting that copying should not be infringing either, whether the assistance comes in the form of enabling the end-user to do the copying herself, or instead doing the copying for the user. But the caselaw is far from clear that copying on behalf of the user is fair use.<sup>61</sup> For example, the decisions involving photocopy shops generally reject the proposition that the commercial photocopyist is in a sense subrogated to what might be educational fair use copying by the end-user.<sup>62</sup> There are other scenarios of potential commercial significance which turn on the identification of who engages in the copyright-implicating act. We will consider two of them in the context of the public performance right.<sup>63</sup> With respect to the reproduction right, a transnational transposition of the facts points toward a disturbing quandary. Suppose Cablevision were to offer its service to online customers located outside the U.S. If the customers, not Cablevision, "make" the playback copies, then the acts of reproduction occur abroad (even though the copies reside on Cablevision's U.S. servers).<sup>64</sup> As extraterritorial acts, they are not governed by U.S. copyright law, and Cablevision would not be liable under U.S. law for contributory infringement of a foreign copyright law.<sup>65</sup> Cablevision might be directly or contributorily liable under the laws of the countries of its customers' residences, but those countries' might consider that

---

<sup>59</sup> See, e.g., *Live Nation Motor Sports, Inc. v. Davis*, 2007 U.S. Dist. LEXIS 2196 (N.D. Tex. Jan. 9, 2007); *NFL v. PrimeTime 24 Joint Venture*, 211 F.3d 10 (2000).

<sup>60</sup> See, e.g., *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 923, 937-940 (2005) (finding that the users of defendants' file-sharing software downloaded copyright files, but defendants were liable for contributory infringement because they induced infringement); *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1014, 1022 (9th Cir. 2001) (holding that Napster's users violated plaintiffs' right of reproduction, but Napster was liable as a contributory infringer because it knowingly induced the infringing activity).

<sup>61</sup> See generally, Joseph P. Liu, *Enabling Copyright Consumers*, 22 *Berkeley Tech. L. J.* 1099, 1099-1100 (2007) ("courts quite frequently hold companies liable for helping consumers engage in activities that would be fair or non-infringing uses if undertaken by consumers themselves.").

<sup>62</sup> See, e.g., *Princeton University Press v. Michigan Document Services, Inc.*, 99 F.3d 1381 (6th Cir. 1996); *Los Angeles News Service v. Tullo* 973 F.2d 791, 797 (9th Cir. 1992); *Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F.Supp. 1522, 1531-1532 (S.D.N.Y. 1991).

<sup>63</sup> *Infra* Part I.C.2 and 3.

<sup>64</sup> Arguably, the requisite U.S. point of attachment would be present if one conceptualized the operation as an extraterritorial act on the part of the non U.S. resident, who from abroad causes a copy to be made on a server located in the U.S. Of course, Cablevision could also move its servers offshore.

<sup>65</sup> See, e.g., *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088 (9th Cir. 1994); *Illustro Systems International, LLC v. IBM*, 2007 U.S. Dist. LEXIS 33324, at \*39 (N.D. Tex. May 4, 2007). Our hypothetical Cablevision's subsequent transmission from the US to the foreign recipients might nonetheless violate the public performance right, see *NFL v. Primetime24*, 211 F.3d 10 (2000), but not if, as per *Cablevision*, those transmissions are not "public" performances. See *infra* part I.C.

the “maker” of the copies is Cablevision, whose acts of copying occur in the U.S., and which therefore are subject to U.S. law.<sup>66</sup>

## B. Distribution right

Section 106(3) sets out the exclusive right “to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.” Several recent first-level decisions address whether this language extends not merely to distribution of digital files, but also to the “making available” of digital files, without proof that the offered files were in fact received. While the distribution right’s coverage of digital as well as analog copies has withstood challenge, several decisions reject the existence of a “making available right.”

### 1. Distribution of digital copies

The defendants in the *London-Sire* case, pursuing their argument that a “copy” cannot be a digital file, urged a narrowing construction of the distribution right. They contended that, according to the statute, “distribution” occurs only “by sale or other transfer of ownership, or by rental, lease, or lending.” These are all forms of dissemination that presume physical copies, defendants claimed. In particular, “transfer of ownership” necessarily implies that the person making the distribution gives up her copies when she distributes them to others. If the alleged “distributor” never parts with possession of her copies, she cannot have transferred their ownership, defendants asserted. In the context of digital files, however, the person who “sends” a copy in fact retains the copy in her computer, even as she causes the recipient’s computer to make another copy. Because no copy “changes hands,” it should follow, according to the defendants, that there has been no distribution.

The court declined to read “transfer of ownership” as requiring dispossession of the distributor’s copy.

First, while the statute requires that distribution be of “material objects,” there is no reason to limit “distribution” to processes in which a material object exists throughout the entire transaction -- as opposed to a transaction in which a material object is created elsewhere at its finish. Second, while the statute addresses ownership, it is the newly minted ownership rights held by the transferee that concern it, not whether the transferor gives up his own.<sup>67</sup>

---

<sup>66</sup> It might be possible to break out of this maddening circle by characterizing Cablevision’s acts as “making available” the programming to foreign end-users if the countries to whose consumers Cablevision offers the service localize the act of making available in the territories of the consumers’ residences. If, however, those countries consider that the “making available” is occurring *from* the source country of the communication, rather than *to* the countries of receipt of the communication, then, under those countries’ analyses of private international law, U.S. law would apply. See generally Jane Ginsburg, observations on TGI Paris, decision of May 20, 2008 (SAIF c Google), RDTI No. 33 p. 501, 511-15 (Dec. 2008) (discussing French courts’ localization of transborder internet communications of works of authorship)

<sup>67</sup> 542 F.Supp.2d at 173.

For the court, “transfer of ownership” thus includes creating ownership of a copy in the recipient; it does not require divestiture by the transferor. Linguistically, this reading may at first blush seem somewhat strained, for “transfer” does commonly imply a change in ownership, rather than a multiplication of ownership.<sup>68</sup> On the other hand, “transfer” in the phrase “file transfer” (as in “file transfer protocol” or “FTP”) is widely used to denote sending a digital file without necessarily (or ever) deleting the file from the sender’s computer.<sup>69</sup> Moreover, both purposive interpretation and other textual evidence support the court’s determination. With regard to Congress’ intent in specifying a distribution right, the court stated, “Read contextually, it is clear that this right was intended to allow the author to control the rate and terms at which copies or phonorecords of the work become available to the public. . . . Clearly, § 106(3) addresses concerns for the market for copies or phonorecords of the copyrighted work . . . What matters in the marketplace is not whether a material object ‘changes hands,’ but whether, when the transaction is completed, the distributee has a material object.”<sup>70</sup> The Court therefore concludes that electronic file transfers fit within the definition of ‘distribution’ of a phonorecord.”<sup>71</sup>

The defendants’ argument implies that the right’s formulation, “to distribute copies . . . to the public *by* sale or other transfer of ownership, or by rental, lease, or lending” (emphasis supplied) evidences an intent to exclude any forms of distribution which do not occur by means of the modes listed. In 1976, however, the list probably covered the means of distribution then envisioned; specifying that the right reached transfers both of ownership and of possession (rental, lease or lending) appears designed to reinforce the right’s comprehensiveness.<sup>72</sup> It is therefore unlikely that Congress in 1976 intended “transfer of ownership” to have a limiting effect on the scope of the distribution right. Congress did indeed establish limitations on the right’s scope, but it did so in a separate section announcing an explicit exception removing copies “lawfully made under this title” from the copyright owner’s control over their

---

<sup>68</sup> The Merriam-Webster online dictionary’s first definition of the noun “transfer” is “conveyance of right, title, or interest in real or personal property from one person to another.” See [http://www.merriam-webster.com/dictionary/transfer\[2\]](http://www.merriam-webster.com/dictionary/transfer[2]).

<sup>69</sup> Other common uses of “transfer” that do not imply divestiture include Hypertext Transfer Protocol (HTTP), and Simple Mail Transfer Protocol (SMTP). See “What is file transfer protocol,” [http://searchnetworking.techtarget.com/sDefinition/0,,sid7\\_gci213976,00.html](http://searchnetworking.techtarget.com/sDefinition/0,,sid7_gci213976,00.html). A Google search reveals “about 20,500,000” results for “file transfer.”

<sup>70</sup> Taken out of context, the court’s end-up-with-a-copy test could be overbroad. For example, if a home viewer records a television broadcast, thus creating a copy, has the broadcaster “distributed” the “copy” the viewer ended up with? (Thanks to Tony Reese for this example.) Indeed, with contemporary recording media, any performance or display could result in “copies,” though, as a matter of common sense, it is doubtful that many of them would constitute “distributions.” For example, if passers-by photograph the wearer of a t-shirt emblazoned with copyrightable text or image, copies will result, but the wearer cannot reasonably be said to have distributed them. For a distribution to take place, the exchange (or new creation) of a copy should be the object of the transaction.

<sup>71</sup> 542 F.Supp.2d at 173-74.

<sup>72</sup> Compare the 1909 Copyright Act, whose section 1 did not express a general right of distribution covering transfers of possession as well as of ownership:

Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

(a) To print, reprint, publish, copy, and vend the copyrighted work; . . .

(f) To reproduce and distribute to the public by sale or other transfer of ownership, or by rental, lease, or lending, reproductions of the copyrighted work if it be a sound recording

subsequent disposition by the owner of the copy.<sup>73</sup> The structure of the statute, articulating broad rights in section 106, and specific exceptions in the following sections,<sup>74</sup> therefore argues against giving “transfer of ownership” a constraining interpretation.

Moreover, subsequent legislation endorses the characterization of a transfer of a digital file as a form of “distribution.” Congress in 1995 amended the section 115 “compulsory license for making and distributing phonorecords” to include among the beneficiaries of the license “those who make phonorecords or digital phonorecord deliveries,” and further specifying, “A person may obtain a compulsory license only if his or her primary purpose in making phonorecords is to distribute them to the public for private use, including by means of a digital phonorecord delivery.”<sup>75</sup> The definition of “digital phonorecord delivery” confirms that the constitution of the copy in the recipient’s computer is the key activity: “A ‘digital phonorecord delivery’ is each individual delivery of a phonorecord by digital transmission of a sound recording which *results in a specifically identifiable reproduction by or for any transmission recipient* of a phonorecord of that sound recording . . .”<sup>76</sup> It is reasonable to assume that by 1995 Congress was aware that digital deliveries create new copies without divesting the sender’s copy; if Congress nonetheless equated “digital phonorecord delivery” with distribution, then “transfer of ownership” cannot, at least with respect to the distribution rights in musical works and sound recordings,<sup>77</sup> have been understood to require dispossession of the transferor’s copy.

The definition of “digital phonorecord delivery” also corresponds to the conduct involved in file-sharing. When a participant in a file-sharing network obtains a copy (phonorecord) of a sound recording that she has located in another participant’s sharing folder, her acquisition occurs through a “digital transmission of a sound recording [from the hard drive of the participant who listed the recording as available for sharing] which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording” on that recipient’s hard drive. The completed transaction thus constitutes the digital distribution of a copy or phonorecord.

## 2. “Making available”

If section 106(3)’s coverage of digital distribution is well-settled, the same cannot be said of the “making available right.” Extrapolating from the definition of “digital phonorecord delivery,” the statutory distribution right applies when a specifically identifiable reproduction “results in” the destination computer. That implies that the delivery has actually been received, not merely offered. Similarly, if

---

<sup>73</sup> 17 USC sec. 109(a) (codifying the “first sale doctrine”; in the EU this doctrine is known as “exhaustion of rights”).

<sup>74</sup> Section 106 states: “Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: . . .”

<sup>75</sup> Id. sec. 115(a)(1), as amended by the Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, 109 Stat. 336.

<sup>76</sup> Id. sec. 115(d) (emphasis supplied).

<sup>77</sup> See S. Rep. No. 104-128 at 17 (1995) (legislative history of 1995 Act: advertent to uncertainty whether a “transmission can constitute a distribution of copies” and “express[ing] no [general] view on current law in this regard” but wanting to remove uncertainty “as to digital transmissions of recorded music”).

“transfer of ownership” has come to include creation of newly owned copies in the recipient’s computer, that may not be the same thing as merely inviting potential recipients to create those copies in their computers. Thus, simply making the work available for copying may not fit within the literal scope of the right.<sup>78</sup> Two appellate courts have stated in passing that persons who “post” files to a sharing directory<sup>79</sup> or “upload file names” to a directory of files available for downloading<sup>80</sup> violate copyright owners’ exclusive rights of distribution. But these statements do not furnish strong authority for the proposition that the distribution right encompasses the making available without actual transfer of digital files. In one instance, the defendant’s liability was based solely on having downloaded (reproduced) files; reference to liability for “posting” therefore was only dictum. In the other case, the defendant, Napster, appears not to have contested that the activities of its users in uploading file names to the centralized directory were *prima facie* infringing of the distribution right.<sup>81</sup>

The case law that specifically confronts the extension of the distribution right to acts only of “making available” online is currently all from first-level courts adjudicating claims brought by record or film producers against individuals allegedly engaged in high-volume file sharing, and is very inconsistent, but the more extensively reasoned decisions do not find statutory authority for a making available right as such.<sup>82</sup> Nonetheless, some of the decisions have come to results consonant with a making available right, in particular, by equating the defendant’s conduct with “publication,” or, more persuasively, by announcing a presumption that works made available were in fact downloaded. Other decisions, while rejecting the existence or approximation of a making available right, have pointed out that the person offering digital files from her sharing directory may still be pursued for violating the reproduction right if those files were themselves the fruits of illegal downloads or otherwise unlawfully copied.

---

<sup>78</sup> See, e.g., Paul Goldstein, *Goldstein on Copyright* § 7.5.1 (3d ed. 2005) (“The crux of the distribution right lies in the transfer . . . of a copy or phonorecord . . . [A]n actual transfer must take place; a mere offer of sale will not infringe the right.”)

<sup>79</sup> *BMG Music v. Gonzalez*, 430 F.3d 888, 889 (7th Cir. 2005) (“people who post or download music files are primary infringers”).

<sup>80</sup> *A&M Records v. Napster, Inc.*, 239 F.3d 1004, 1014 (9th Cir 2001) (“Napster users who upload file names to the search index for others to copy violate plaintiffs’ distribution rights.”)

<sup>81</sup> There is an appellate decision, *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199 (4th Cir. 1997), which at first blush seems to endorse a making available right. But it did not concern digital distribution and, more importantly, is best understood as announcing an evidentiary presumption of distribution rather than an exclusive right to offer copies to the public. See discussion *infra*, text at notes 92-94

<sup>82</sup> There have been many default decisions accepting, without discussion, the inclusion of “making available” within the distribution right. See, e.g., *Universal City Studios Prods. LLLP v. Franklin*, 2007 U.S. Dist. LEXIS 26190 (ND Ind. 2007) (downloading and posting are both infringing activities); *Arista Records LLC v. Ibanez*, 2008 U.S. Dist. LEXIS 691 (SD Cal 2008) (copyright infringement encompasses making available for distribution); *Warner Bros. Records Inc. v. Tait*, 2008 U.S. Dist. LEXIS 46034 (MD Fla. 2008) (same); *Warner Bros. Entm’t v. Bowers*, 2007 U.S. Dist. LEXIS 10356 (NDNY 2007) (same); *Disney Enters. v. Merchant*, 2007 U.S. Dist. LEXIS 10365 (NDNY 2007) (same). But see *Atl. Recording Corp. v. Brennan*, 534 F. Supp. 2d 278, 281-82 (D. Conn. 2008) (denying a motion for default judgment and questioning the validity of a “making available” claim: “without actual distribution of copies . . . there is no violation [of] the distribution right.” Citation omitted.).

In *Elektra Entm't Group, Inc. v. Barker*,<sup>83</sup> the court found no persuasive authority for a “making available” right.<sup>84</sup> Nonetheless, it observed that the Copyright Act does not define “distribute” or “distribution,” but that it did define a closely related term, “publication,” in terms “virtually identical” to Section 106(3)’s provision for a distribution right, but with additional specification: “The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication.”<sup>85</sup> This language from 1976 could unwittingly have anticipated peer-to-peer networks: the person who places a copy of a work in her sharing directory is offering it to “a group of persons” (internet users) “for the purpose of further distribution” (follow-on “sharing” by other participants in the peer-to-peer network). The court therefore held that it would entertain a claim that the defendant offered to distribute digital files for the purpose of further distribution.<sup>86</sup> The difference between this claim and a “making available” claim seems more semantic than substantive. In any event, the court’s equation of distribution with publication is ultimately unconvincing. It is true that “publication” is a form of distribution,<sup>87</sup> but “publication,” properly understood, is not “synonymous”<sup>88</sup> with “distribution.” Rather, “publication” appears in two specific contexts, the *first* distribution of copies of the work to the public,<sup>89</sup> and distributions of copies to which formalities apply.<sup>90</sup> Thus, while all publications are distributions, not all distributions are publications.

Like the *Elektra v Barker* court, the *London-Sire* court also did not discern a “making available” right in section 106(3), but neither did it subscribe to the “publication” theory.<sup>91</sup> Instead, the court followed the analysis of a decision construing the distribution right in the analog world. In *Hotaling v. Church of Jesus Christ of Latter-Day Saints*,<sup>92</sup> the authors alleged that the branch libraries of the Mormon Church had “made available” to the public unauthorized copies of their work on microfiche. The libraries had not kept records showing whether patrons had in fact consulted the microfiches. The Church therefore rejoined that the authors could show no more than an offer to distribute the work; without proof that a member of the

---

<sup>83</sup> 551 F. Supp. 2d 234 (SDNY 2008).

<sup>84</sup> *Id.* at 243-44.

<sup>85</sup> 17 USC sec 101.

<sup>86</sup> The court also observed that other courts had recharacterized making available claims as allegations of unauthorized publication. See 551 F.Supp.2d at 244, citing, *inter alia*, *Atl. Recording Corp. v. Anderson*, 2008 U.S. Dist. LEXIS 53654 (SD Tex 2008). The *Anderson* court “equated” publication with distribution, and held “Defendant’s actions in placing Plaintiffs’ Copyrighted Recordings in a shared folder accessible to numerous other persons on KaZaA constituted a ‘distribution’ for the purposes of Plaintiffs’ copyright infringement claim against Defendant.” *Id.* at \*18-20.

<sup>87</sup> See, e.g., *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 552 (1985).

<sup>88</sup> 551 F.Supp.2d at 244.

<sup>89</sup> *Harper & Row*, 471 U.S. at 552 (Congress “recognized for the first time a distinct statutory right of *first* publication,” (emphasis supplied) quoting 1976 House Report, *supra* note 12, at 62 (“the right to control the first public distribution of an authorized copy”). See also 17 U.S.C. secs. 407(a) (deposit for Library of Congress, “exclusive right of publication in a work published in the United States” – the context is first U.S. publication); 408(e) (“Registration for the first published edition of a work previously registered in unpublished form”).

<sup>90</sup> See, e.g., 17 U.S.C. secs. 401(a) (“Whenever a work protected under this title is published in the United States or elsewhere by authority of the copyright owner, a notice of copyright as provided by this section may be placed on publicly distributed copies . . .”); 403 (“publications incorporating United States Government works”).

<sup>91</sup> 542 F.Supp.2d at 168-69.

<sup>92</sup> 118 F.3d 199 (4th Cir. 1997).

public accepted the offer, the authors could not make out their claim of unauthorized distribution. The Fourth Circuit, sensitive to the impossible situation in which the Church's argument placed the plaintiffs, shifted the onus of proof.

When a public library adds a work to its collection, lists the work in its index or catalog system, and makes the work available to the borrowing or browsing public, it has completed all the steps necessary for distribution to the public. At that point, members of the public can visit the library and use the work. Were this not to be considered distribution within the meaning of § 106(3), a copyright holder would be prejudiced by a library that does not keep records of public use, and the library would unjustly profit by its own omission. . . . If, as the Church says, actual use by the public must be shown to establish distribution, no one can expect a copyright holder to prove particular instances of use by the public when the proof is impossible to produce because the infringing library has not kept records of public use. To reiterate, a copyright holder should not be prejudiced in this manner, nor should an infringer benefit from its failure to keep records.<sup>93</sup>

The court's reasoning is not tantamount to extending the distribution right to an exclusive right to make available to the public: while the offer itself would constitute the violation of a "making available" right, under the *Hotaling* reasoning, the person or entity alleged to have made a work available by "taking all the steps necessary for distribution" can rebut the charge of violating the distribution right by proving that no member of the public in fact accepted the offer. In *Hotaling*, this allocation of the burden of proof seems perfectly fair: the library could have kept the records that would have allowed it to defeat the authors' claim (of course, the records might also have substantiated that claim).

The *London-Sire* court followed *Hotaling* to hold that

where the defendant has completed all the necessary steps for a public distribution, a reasonable fact-finder may infer that the distribution actually took place. As in *Hotaling*, the defendants have completed the necessary steps for distribution, albeit electronic: Per the plaintiffs' pleadings, each individual Doe defendant connected to the peer-to-peer, network in such a way as to allow the public to make copies of the plaintiffs' copyrighted recordings. Through their investigator, the plaintiffs have produced evidence that the files were, in fact, available for download. They have also alleged that sound recordings are illegally copied on a large scale, supporting the inference that the defendants participated in the peer-to-peer network with the intent that other users could download from the defendants copies of the plaintiffs' copyrighted material. . . . The plaintiffs have alleged that each defendant shared many, many music files -- at least 100, and sometimes almost 700. As noted above, that evidence supports an inference that the defendants participated in the peer-to-peer network precisely to share copyrighted files. The evidence and allegations, taken together, are sufficient to allow a statistically reasonable inference that at least one copyrighted work was downloaded at least once.<sup>94</sup>

---

<sup>93</sup> Id. at 203-04.

<sup>94</sup> 542 F.Supp.2d at 169, 176 (citations omitted).



Like the *Hotaling* court, the *London-Sire* court announced its evidentiary presumption in reaction to the extreme difficulty the copyright owners would incur in endeavoring to prove the last step in the chain of distribution -- actual receipt by a member of the public.<sup>95</sup> But where the libraries in *Hotaling* controlled their record-keeping and thus could, at least in theory, rebut the presumption of distribution, it is less clear whether the peer-to-peer network in which the *London-Sire* defendants participated allowed for tracking actual downloads from sharing folders. At least, the court did not advert to any tracking capabilities. On the other hand, the network's possible lack of provision for such record-keeping may be part of the point: where the intent to distribute is reasonably inferred from participation in a peer-to-peer network, and, given the volume of files made available, the likelihood of actual distribution is high, it would be unfair were the participants able to frustrate the infringement claim by ensuring the absence of a "counter" on the uploads.<sup>96</sup>

By contrast, *Capitol Records v Thomas*<sup>97</sup> rejected both a "making available" right and any functional equivalents. The court found no textual support in the Copyright Act for basing liability on a mere offer to distribute; far from finding the "distribution" synonymous with "publication," the court inferred from the separate specification of "publication" a Congressional intent that the terms have different meanings.<sup>98</sup> Moreover, the court determined that a prior decision from the controlling Circuit court had already ruled (in a non digital context) that distribution required "actual dissemination."<sup>99</sup> The court interpreted this ruling to bar the "deemed distribution" approach of *Hotaling*. That said, the court suggested that

The specter of impossible-to-meet evidentiary standards . . . is overstated. A person who makes an unauthorized copy or phonorecord of a copyrighted work for the purposes of uploading it onto a peer-to-peer network, absent a defense such as fair use, violates the reproduction right. 17 U.S.C. § 106(1). That person might also be liable for indirect infringement to the extent that her conduct caused others to engage in unauthorized reproduction, adaptation,

---

<sup>95</sup> In the suits brought against individual peer-to-peer file sharers, copyright holders have engaged private investigators from a company called MediaSentry to discover potentially infringing transfers. Defendants have argued that "MediaSentry's own downloads are not themselves copyright infringements because it is acting as an agent of the copyright holder, and copyright holders cannot infringe their own rights." *London-Sire*, 542 F.Supp.2d at 166. The *London-Sire* court concluded that it did not need to resolve this issue. *Id.* at 166 n.17. Other courts have offered a variety of responses to the contention that private investigators' downloads do not suffice to prove actual distribution of infringing files. See, e.g. *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1347-1348 (8th Cir. 1994 (rejecting defendant's argument under agency theory that because plaintiff authorized its investigator to seek reproductions of the photographs in question, plaintiff licensed defendant to make copies of the protected works); *Atlantic Recording Corp. v. Howell*, 554 F.Supp.2d 976, 985 (D. Ariz. 2008) (holding that copies obtained by plaintiffs' investigator are unauthorized); *Higgins v. Detroit Educational Television Foundation*, 4 F.Supp.2d 701 (E.D. Mich. 1998) (copyright owner cannot prove actual damages if infringing copies were sold only to the owner's agent).

<sup>96</sup> See, e.g., *Warner Bros. Records, Inc. v Payne*, 2006 U.S. Dist. LEXIS 65765, at \*3 ("[T]he same evidentiary concerns that were present in *Hotaling* are also present in a case involving peer-to-peer file sharing programs. 'Piracy typically takes place behind closed doors and beyond the watchful eyes of a copyright holder.'") (citations omitted).

<sup>97</sup> 2008 U.S. Dist. LEXIS 84155 (D. Minn. 2008).

<sup>98</sup> *Id.* at \*26. *Accord*, *Atl. Recording Corp. v. Howell*, 554 F. Supp. 2d 976, 985 (D. Ariz. 2008).

<sup>99</sup> *National Car Rental System, Inc. v. Computer Associates International, Inc.*, 991 F.2d 426, 434 (8th Cir. 1993)

public distribution, public performance, or public display of another's copyrighted work.<sup>100</sup>

In sum, most of the courts which have explicitly confronted the question have declined to interpret the section 106(3) distribution right to include a making available right. In rejecting that right, some of the decisions acknowledge that their holdings may be inconsistent with the United States' representation, in ratifying the 1996 WIPO Copyright Treaties without amending the Copyright Act to add a "making available" right, that US law already covered that right, notably through the distribution right.<sup>101</sup> We will consider the courts' disinclination to interpret the US Copyright Act harmoniously with US international obligations in Part II.

### C. Public performance and display rights

Section 106(4) and (5) confer the exclusive rights to publicly perform and publicly display certain copyrighted works.<sup>102</sup> Digital media have called into question the meaning of both "public" and "perform," as well as "who" engages in a performance or display.

#### 1. *Public* performance or display

Public performances or displays can occur in public places, or by transmission. The latter is relevant to digital exploitations. The Act defines public performance or display by transmission:

(2) to transmit or otherwise communicate a performance or display of the work . . . to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

The definition was broadly-written, anticipating new forms of transmissions, notably video on demand.<sup>103</sup> The plaintiffs in *Cablevision* contended that the statutory language covered the remote video delivery service. The Second Circuit, however, having truncated the scope of the reproduction right in the digital environment, went on to announce a similarly constricted construction of the public performance right. Recall that the *Cablevision* remote play-back system stored copies of television programming in virtual storage boxes dedicated to individual subscribers. When the subscriber chose to view the program, *Cablevision* would transmit it to her, using the copy in the subscriber's storage box as the source of the transmission. *Cablevision* therefore asserted that the transmission was not "to the public" because each copy was transmitted only to the particular subscriber. The Second Circuit agreed, focusing on "who precisely is 'capable of receiving' a particular transmission of a performance. . . . [The definition] speaks of people capable of receiving a particular 'transmission' or

---

<sup>100</sup> 2008 U.S. Dist. LEXIS 84155 at \*40.

<sup>101</sup> See, e.g., *Capitol Records*, 2008 U.S. Dist. LEXIS 84155 at \*41-44; *Elektra v. Barker*, 551 F.Supp.2d at 243 n.7.

<sup>102</sup> Sound recordings do not enjoy full public performance rights; section 106(6) provides for a digital public performance right further detailed in section 114.

<sup>103</sup> 1976 House Report, *supra* note 12, at 64-65.

‘performance,’ and not of the potential audience of a particular ‘work.’”<sup>104</sup> Because Cablevision had set up the playback system so that only one person (or her family or circle of social acquaintance – the statutory non “public”<sup>105</sup>) would be “capable” of receiving the transmission that originates from her storage box, the performance was not “public,” the court ruled.

The court’s parsing of the text of the Copyright Act is peculiar if not perverse. The key phrase in the definition is “to the public.” “The public” in the case of a television transmission is the intended audience, or, in the case of a cable service, the subscribers. The phrase “members of the public capable of receiving the performance” is not intended to *narrow* the universe of “the public.” On the contrary, its role is to clarify that a transmission is still “to the public” even if its receipt is individualized.<sup>106</sup> The “members of the public capable of receiving the performance” do not stop being “members of the public” just because they are “capable of receiving the performance” one at a time. By the same token, it should not matter whether “the performance” originates from a single source copy repeatedly transmitted to individual members of the public “in different places at different times,”<sup>107</sup> or from multiple copies each corresponding to a particular place and/or time. The court’s declaration “that when Congress speaks of transmitting a performance to the public, it refers to the performance created by the act of transmission,”<sup>108</sup> demonstrates that the court confused “performance” and “transmission.” The statute does not refer to the performance *created* by the act of transmission. The transmission does not *itself* “perform” (as in “play” or “render”<sup>109</sup>) the work; it communicates a work so that its performance will be perceived as the member of the public receives the communication.<sup>110</sup> The court’s construction clashes with the text of the Act in another important way as well: it is not possible to transmit a performance “created by *the* act of transmission” to members of the public “at different times.” While such a “performance” could be transmitted simultaneously to differently located recipients, recipients differently situated in time cannot receive the same transmission.<sup>111</sup> The court’s interpretation thus reads non simultaneous receipt out of the statute. As a result, *Cablevision*’s potential impact on the scope of the public performance right stretches beyond scenarios in which the transmission entity invites subscribers to make individual copies for subsequent individual transmission to them from its server. If the “performance” does not occur “publicly” because its transmission is individualized (only one member of the public is “capable of receiving” the particular transmission that she requests), then the decision’s rationale reaches even conventional on-demand streaming operations. Because the Act explicitly covers

---

<sup>104</sup> 536 F.3d at 135.

<sup>105</sup> See 17 USC sec 101 (first part of the definition of public performance: in a “place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered”).

<sup>106</sup> 1976 House Report, *supra* note 12 **Error! Bookmark not defined.**, at 64-65.

<sup>107</sup> See *On Command Video Corp. v. Columbia Pictures Industries*, 777 F. Supp. 787 (N.D. Cal. 1991)(videocassette machine transmitted individualized showings of the same cassette to different hotel guestrooms at different times: held a public performance)

<sup>108</sup> 536 F.3d at 136.

<sup>109</sup> See 17 USC sec 101 (definition of “perform”).

<sup>110</sup> For further development of the difference between transmission and performance, see discussion of *United States v ASCAP* (in re America Online), *infra*, notes 114-22.

<sup>111</sup> Thanks very much to David Carson for this observation.

performances that are transmitted to members of the public who are separated in time, however, the Second Circuit's statutory construction cannot be correct.

The following scenario may help illustrate some additional bizarre consequences of the court's problematic interpretations of the section 106(1) and (4) exclusive rights. Recall the hypothetical variation on the Cablevision service, in which Cablevision would offer its subscribers individualized storage boxes of programming that Cablevision is *not* licensed to deliver, even by means of real time transmissions.<sup>112</sup> Under the Second Circuit's reasoning, Cablevision would not "make" the storage copies, and the copies it made by deviating the signal to the storage boxes through the buffer would not be actionable "copies." Finally, the transmissions Cablevision would make to its subscribers would not be "public" because there is only one member of the public "capable" of receiving each "performance." Although "the public" receives unauthorized transmissions, at no step of the way would an exclusive right be infringed. In fact, the court seems to have recognized the precarious ground its analyses stake out, for, like King Canute trying to hold back the tide, the court foresaw the potential onslaught of new copyright-avoiding business models that its decision might inspire, and proclaimed "This holding, we must emphasize, does not generally permit content delivery networks to avoid all copyright liability by making copies of each item of content and associating one unique copy with each subscriber to the network, or by giving their subscribers the capacity to make their own individual copies. We do not address whether such a network operator would be able to escape any other form of copyright liability, such as liability for unauthorized reproductions or liability for contributory infringement."<sup>113</sup> As the analyses of the statutory term "to perform," and of the question of *who* performs or displays a work will show, however, *Cablevision's* potential for eviscerating the public performance right may be even greater than the Second Circuit's pious wish portends.

## 2. To "perform"

Digital media blur the boundary between reproduction and public performance because digital transmissions implicate the communication of transitory copies between the point of origin of the transmission and its receipt in individual end-user computers. As we have already seen, the characterization of those copies as "copies" for purposes of the reproduction right is currently uncertain. But if every digital transmission were potentially a distribution of copies, would it also be true that every distribution of digital copies can also be a public performance by transmission? Put another way, if digital "streaming" might entail at least temporary "downloads" of copies, does every download implicate a public performance by transmission? In *US v ASCAP (In re America Online)*,<sup>114</sup> the federal court which reviews the rates ASCAP proposes for various kinds of exploitations of the public performance right in non dramatic musical compositions, sought to determine a reasonable fee for the use of ASCAP-represented songs by several online services. The uses included both streaming and downloading; the court ruled that "the downloading of a digital music

---

<sup>112</sup> See supra note 58 and accompanying text.

<sup>113</sup> 536 F.3d at 139-140.

<sup>114</sup> 485 F. Supp. 2d 438 (SDNY 2007).

file embodying a particular song [does not] constitute[] a ‘public performance’ of that song within the meaning the United States Copyright Act.”<sup>115</sup>

The Copyright Act defines “to perform a work” as “to recite, render, play, dance, or act it, either directly or by means of any device or process . . .” Construing this language, the court held that “in order for a song to be performed, it must be transmitted in a manner designed for contemporaneous perception.” As a result, a download would not be a performance: “Although we acknowledge that the term “perform” should be broadly construed, we can conceive of no construction that extends it to the copying of a digital file from one computer to another in the absence of any perceptible rendition. Rather, the downloading of a music file is more accurately characterized as a method of *reproducing* that file.”<sup>116</sup> For the court, the two paradigms were “data transmissions” (which come within the reproduction and distribution rights) and “musical broadcasts” (which come within the public performance right).<sup>117</sup> The transmission of a work that is being “rendered” or “played” while it is being communicated to the end user is like a broadcast; the communication of an inert file is like sending a CD. Although the recipient will play the work after she receives it, that performance (which will generally not be a “public” one) is not attributable to the supplier of the CD.<sup>118</sup>

The requirement that, to be “performed” by transmission, the work must be “transmitted in a manner designed for contemporaneous perception” is consistent with the statutory definition of “to perform.”<sup>119</sup> Nonetheless, the distinction between transmissions “designed for contemporaneous perception” and those designed for subsequent perception may not fully correspond to the spectrum of online communications of works that are performed or displayed. The distinction does reflect the extremes of the spectrum: downloads of songs, for example, from iTunes (reproduction), and webcasting, in which songs are “playing” on a website to which users can connect (public performance). The “contemporaneous perception” characterization also seems to fit audio and video on demand that the user receives in “real time.” But “real time” can in fact be elusive. Suppose, for example, that the user connects to an online music service in order to listen immediately to the songs she selects. The music starts to play, but then the user chooses to “pause” the performance for a few minutes, or perhaps hours. When she hits “play” again, the music resumes, but, depending on how the service works, the music might be “coming from” the server of the online service, or it may be emanating from the user’s own computer, having been “sent” to her computer when she requested to hear

---

<sup>115</sup> Id. at 441.

<sup>116</sup> Id. at 444-45.

<sup>117</sup> See id. at 446.

<sup>118</sup> Id. “[T]he mere fact that a customer's online purchase is conveyed to him in a piecemeal manner, each segment of which is capable of playback as soon as the transmission is completed, does not change the fact that the transaction is a data transmission rather than a musical broadcast. Surely ASCAP would not contend that if a retail purchaser of musical records begins audibly playing each tape or disc as soon as he receives it the *vendor* is engaging in a public performance.” (emphasis in original).

<sup>119</sup> Accord, INTELLECTUAL PROPERTY AND THE NATIONAL INFORMATION INFRASTRUCTURE: THE REPORT OF THE WORKING GROUP ON INTELLECTUAL PROPERTY RIGHTS 226, note 536 (1995) (emphasis added): “If a copy of a motion picture is transmitted to a computer's memory, for instance, *and in the process, the sounds are capable of being heard and the images viewed as they are received in memory*, then the public performance right may well be implicated as well. See 17 U.S.C. § 101 (1988) (definition of “perform”).”

the song. If one takes “contemporaneous perception” at face value, perhaps only the first transmission is a “performance” of the music. But it is problematic for the characterization of the exploitation to turn on what happens once the user pushes the pause button. The characterization matters because, in the U.S., different entities own the reproduction and distribution rights in musical compositions (generally, music publishers) on the one hand, and the public performance rights (performing rights societies, such as ASCAP and BMI) on the other.<sup>120</sup> The court appears to have anticipated this concern, because it acknowledged: “We do not mean to foreclose the possibility, however, that a transmission might, under certain circumstances, constitute both a stream *and* a download, each of which implicates a different right of the copyright holder.”<sup>121</sup>

The court’s reservation of the possibility that some transmissions may be hybrids calling into play *both* the reproduction and public performance rights may be pertinent to some other exploitations on the spectrum between “data transmissions” and “music broadcasts.” If there is no “performance” unless the work is “played” either at the point of origin, or at the moment of receipt, then similar communications may be classified as performances (or not) solely on the basis of the technology of the transmission. For example, suppose on the one hand, a conditional download-on-demand scheme that sends the file during low traffic hours, and allows the consumer to listen once to the work at the time chosen by her. The transmission will “feel” like a “broadcast,” but it is technically a “data transmission” because the music file will have been sitting inertly in the computer during the time between the actual transmission, say 4:00 AM, and the time the user told the service she wanted to hear the song, say, 4:00 PM. Suppose on the other hand that the work is being both broadcast and simultaneously streamed to the user’s set-top box, which records the work as it is being transmitted; the consumer views the recorded transmission at a later date. Under the “designed for contemporaneous perception” test, the streaming is a public performance because the streaming was “designed” for contemporaneous perception, even though only the set-top box was home to perceive it. The consumer’s subsequent private viewing, albeit consciously not contemporaneous with the initial communication, does not detract from the characterization of the initial communication as a public performance.<sup>122</sup> Because the court stopped short of imposing an “either/or” characterization of the exploitation, it left room for future adjudications to interpret the scope of the rights flexibly to address the full range of economic interests at stake.

---

<sup>120</sup> Performing rights organizations share licensing revenue equally between publishers and authors; authors’ share of publishing royalties traditionally was considerably less than 50%. See Jill A. Michael, Music Copublishing and the Mysterious “Writer’s Share,” 20 Ent. & Sports Law. 13, 14-15 (2002). Where the same entity owns both the reproduction and the public performance rights, the characterization of a download as a reproduction only, or as also a public performance, has little practical impact on the negotiation of a price for the transmission, however characterized. See, e.g., R. Anthony Reese, Copyright and Internet Music Transmissions: Existing Law, Major Controversies, Possible Solutions, 55 U. Miami L. Rev. 237, 263-64 (2001).

<sup>121</sup> 485 F.Supp.2d at 446 n.5.

<sup>122</sup> The examples do not undermine the court’s reasoning; on the contrary they point up the difference between a right of “public *performance*” and the broader right of “communication to the public” set out in the Berne Convention and WIPO Copyright Treaties. See Berne Convention, arts. 11bis; WIPO Copyright Treat art. 8. Compare Berne Conv., art 11(1), composers’ right to authorize “any communication to the public *of the performance* of their works” (emphasis supplied)

### 3. *Who performs or displays?*

The examples just discussed posit transmissions (whether of “data” or of “performances”) that are made by the online service. But the transmissions might be structured in a way that attributes them to the user rather than to the service. In *Cablevision* the defendant argued that the “playback” function on the “remote VCR” was carried out by the user, rather than by Cablevision, who had merely set up the automated function, leaving it up to subscribers to execute the transmission. The district court rejected this argument for the same reasons it ruled that Cablevision, not its subscribers, “made” the copies that were stored on Cablevision’s servers.<sup>123</sup> The Second Circuit did not address this contention, instead ruling that the transmissions were not “public” because the transmissions emanated from source copies unique to each subscriber.<sup>124</sup> But if the fully automated nature of Cablevision’s service deprived it of the “volition” as to specific content necessary to have “made” the source copies, as the Second Circuit held, it is difficult to see how that same automation would allow for any greater “volition” in the communication of the particular stored performances. As a result, only the individual subscribers would be “performing” the work by requesting its transmission to their television sets.

There are important practical consequences to the determination of *who* performs the work. An online service, such as Cablevision, might be liable for indirect violations of the reproduction right, for inciting its subscribers to make unlawful copies of the television programming (assuming those copies would in fact be deemed infringing – a determination the parties’ agreement spared the *Cablevision* court).<sup>125</sup> By contrast, if the subscribers, rather than the service, are deemed to effect the transmissions, then the service will not be contributorily liable for infringing the public performance right, because there will be no predicate violation of that right by the end users. The end users will not be infringers, because their individualized transmissions would not be “to the public.” When, as in the U.S., different persons own the reproduction and public performance rights,<sup>126</sup> a business model built around *Cablevision*’s implications for the public performance right will deprive the owners of the performance rights of control over or compensation for the transmissions.

A different technological configuration, framing of websites, has given rise to another controversy regarding “who” engages in a copyright-implicating act. In *Perfect 10 v Amazon.com*,<sup>127</sup> the plaintiff publisher of “adult” print and online magazines, claimed that Google violated its exclusive right to publicly display its copyrighted photographs. When a user employs the Google search engine to locate photographs, Google will display thumbnail images that respond to the search query. If the user clicks on one of those images, he will be directed to the website on which the photograph is stored, but will perceive the full-size image (in the context of the webpage on which it appears) through the frame of the Google website. As a result of this “in-line framing” the user will experience the display as if it were emanating from Google, but in fact the image will be residing on a third party computer. The Ninth

---

<sup>123</sup> *Twentieth Century Fox Film Corp. v. Cablevision Systems Corp.*, 478 F.Supp.2d 607, 622 (S.D.N.Y. 2007).

<sup>124</sup> 536 F.3d at 139.

<sup>125</sup> *Id.* at 130 (referring to the possibility of secondary liability).

<sup>126</sup> See *supra* note 120

<sup>127</sup> 508 F.3d 1146 (9<sup>th</sup> Cir. 2007).

Circuit, endorsing the “server theory” of public display, held that Google publicly displayed the thumbnails, which were stored on Google’s servers, but not the full-size images, which were stored on other computers:

a person displays a photographic image by using a computer to fill a computer screen with a copy of the photographic image fixed in the computer's memory. There is no dispute that Google's computers store thumbnail versions of Perfect 10's copyrighted images and communicate copies of those thumbnails to Google's users. Therefore, Perfect 10 has made a prima facie case that Google's communication of its stored thumbnail images directly infringes Perfect 10's display right.

Google does not, however, display a copy of full-size infringing photographic images for purposes of the Copyright Act when Google frames in-line linked images that appear on a user's computer screen. Because Google's computers do not store the photographic images, Google does not have a copy of the images for purposes of the Copyright Act. In other words, Google does not have any "material objects . . . in which a work is fixed . . . and from which the work can be perceived, reproduced, or otherwise communicated" and thus cannot communicate a copy. . . . While in-line linking and framing may cause some computer users to believe they are viewing a single Google webpage, the Copyright Act, unlike the Trademark Act, does not protect a copyright holder against acts that cause consumer confusion.<sup>128</sup>

Although the court dismissed the claim that Google’s framing directly violated Perfect10’s display rights, it allowed Perfect10 to pursue a contributory infringement claim arising out of the same facts.<sup>129</sup>

If Google, and others who frame or otherwise structure their websites to include pass-throughs to content located on third party websites are not “displaying” or “performing” the content because the content does not originate with them, perhaps their activities might be considered a “distribution” of that content by causing it to be accessed and at least temporarily copied by the end users.<sup>130</sup> The requisite receipt appears to be implicit in this context: if the user clicks on the image, or the icon, or other pointer, she will see and/or hear the signaled content. As we have seen, “distribution” does not require that the distributor yield up her copy; it suffices if she causes a copy to appear in the recipient’s memory.<sup>131</sup> But the causation approach probably assumes that the person engaging in the distribution be the source of the recipient’s copy, even if she does not divest herself of her own copy. Google’s frame may bring the recipient and the distributor together, but the copy does not originate with Google, nor does it transit through Google’s servers on its way from the source website to the recipient.

---

<sup>128</sup> Id. at 1160-61.

<sup>129</sup> Id. at 1170-73.

<sup>130</sup> The temporary copies in this instance are likely to last longer than the 1.2 seconds the *Cablevision* court deemed too brief to be “fixed.” That court did not indicate how many more seconds – or minutes – would be required for a “fixation.”

<sup>131</sup> See supra text at notes 67-76.



Actors who frame source websites or who aggregate links to source websites, or who offer access to digital files (without necessarily concluding the proposed transaction by sending the file or streaming its contents to the end user) may be engaged in making the works available to end-users.<sup>132</sup> “Making available” is an activity of increasing economic importance, but the exclusive rights set out in the U.S. copyright act may not fully cover the conduct at issue. In Part II.B. we will consider the international and comparative law aspects of the “making available” right and their relevance, if any, to interpretation of the scope of U.S. copyright.

#### D. Moral Rights

While several recent decisions articulate a cramped scope of exclusive economic rights, one appellate decision offers some encouragement regarding the enforceability of authors’ moral interests in attribution and integrity of their works. In *Jacobsen v Katzer*,<sup>133</sup> the plaintiff author distributed his software program under an open source “artistic license.” The license allowed users to copy, modify and further distribute the software, but required, among other things, that the user “insert a prominent notice in each changed file stating how and when [the user] changed that file.”<sup>134</sup> The defendant modified and redistributed the software, but without disclosing or attributing the changes. The author sought an injunction compelling compliance with the terms of the license. The district court held the user liable for breach of contract, but not for copyright infringement: the attribution obligation was a mere contractual “covenant” whose breach could be remedied in damages only. Because the copyright act does not confer attribution rights, the district court held, the author could not convert a breach of a contractual attribution obligation into a violation of the copyright for which the author could obtain injunctive relief. The Court of Appeals for the Federal Circuit reversed.

The appellate court characterized the Artistic License as imposing conditions on the copyright license. Without the license, the defendant would be an infringer; if the defendant copies, alters, and distributes the work without complying with the conditions, the defendant is also an infringer against whom an injunction may be awarded.

Copyright holders who engage in open source licensing have the right to control the modification and distribution of copyrighted material. . . . Copyright licenses are designed to support the right to exclude; money damages alone do not support or enforce that right. The choice to exact consideration in the form of compliance with the open source requirements of disclosure and explanation of changes, rather than as a dollar-denominated fee, is entitled to no less legal recognition. Indeed, because a calculation of damages is inherently speculative, these types of license restrictions might

---

<sup>132</sup> Compare IFPI Denmark v. DMT2 A/S – Frederiksberg Fogedrets Kendelse, 5 Februaray 2008 – FS 14324/2007 (finding “The Pirate Bay” website aggregating links to unauthorized sources of sound recordings and audiovisual works, liable for “making available”), with *Universal v Cooper* (2006) 156 F.C.R. 380, holding that Australian aggregator of links to unauthorized MP3 sites violated copyright owners’ exclusive rights “to authorize” communication to the public of their works under section 85(1)(c) of the Australian Copyright Act.

<sup>133</sup> 535 F.3d 1373 (Fed. Cir. 2008).

<sup>134</sup> *Id.* at 1380.

well be rendered meaningless absent the ability to enforce through injunctive relief.<sup>135</sup>

There are obvious personal reputational objectives underlying the attribution and modification disclosure requirements: to recognize the author's name in connection with his work, and to ensure that another author's work (and its potential deficiencies) not be attributed to the first author. The court's explanation of the importance of compliance with the conditions of the copyright license portrays those objectives through the lens of economic value:

The clear language of the Artistic License creates conditions to protect the economic rights at issue in the granting of a public license. These conditions govern the rights to modify and distribute the computer programs and files included in the downloadable software package. The attribution and modification transparency requirements directly serve to drive traffic to the open source incubation page and to inform downstream users of the project, which is a significant economic goal of the copyright holder that the law will enforce.<sup>136</sup>

Perhaps this patrimonialized version of moral rights is the best one may expect from a U.S. court.<sup>137</sup> Whatever the rationale, by upholding the enforceability of these online license terms, the decision may provide authors – at least those authors who distribute their work under “viral” licenses such as the General Public License for software, or Creative Commons licenses for other works in digital form<sup>138</sup> -- with effective protection for their interests in attribution and integrity. Because these licenses do not include a mechanism for authors to be paid, however, they will not assist authors who also seek a “dollar-denominated fee” for their work.

## II Compliance with International Norms

The narrow(ed) scope of the reproduction, distribution and public performance rights expressed in some of the recent US decisions raises questions regarding their consistency with international norms. We will consider whether *Cablevision's* exclusion of transitory copies conforms to the scope of the reproduction right set out in article 9(1) of the Berne Convention (A), and whether *Cablevision* and the decisions on the scope of the distribution right place the US out of compliance with

---

<sup>135</sup> Id. at 1382.

<sup>136</sup> Id.

<sup>137</sup> See, e.g., Cyrill P. Rigamonti, Deconstructing Moral Rights, 47 Harv. Int'l L.J. 353, 381-391 (2006) (describing common law alternatives to moral rights, such as contract and tort); Jane C. Ginsburg, Moral Rights in a Common Law System, 1 Ent. L. Rev. 121 (1990) (proposing adaptation of moral rights rhetoric to conform to commonlaw rationales for copyright); Roberta Rosenthal Kwell, Copyright and the Moral Right: Is an American Marriage Possible?, 38 Vand. L. Rev. 1, 17-18 (1985) (describing noncopyright alternatives to moral rights in the United States, which include unfair competition, breach of contract, defamation, and invasion of privacy).

<sup>138</sup> The Creative Commons licenses allow authors to distribute their work online to the public subject to conditions the author chooses, including requiring attribution and prohibiting alterations to the work. See Creative Commons, <http://creativecommons.org/license/> (last visited Nov. 11, 2008)

the obligation in the 1996 WIPO Copyright Treaties to cover the individualized “making available” of works of authorship (B).<sup>139</sup>

A. Reproduction “in any manner or form”

Article 9(1) of the 1971 Paris text of the Berne Convention obliges member States to protect authors’ right of “reproduction of their works, in any manner or form.” While “form” implies a material fixation, it is not clear whether the Berne Convention also imposes a requirement that the fixation endure for any period of time: “It is open to debate whether the Berne Convention also requires member States to interpret ‘any manner or form’ to extend to transient digital fixations.”<sup>140</sup> The debates over the inclusion of a more digital-explicit reproduction right in the 1996 WIPO Copyright Treaty further obscured, rather than clarified, the transient copy problem. Throughout the 1980s and early 1990s, Reports of the WIPO Committee of Experts addressed the need for clarifying the scope of the art. 9(1) reproduction right,<sup>141</sup> ultimately supporting the EU and its Member States’ proposal to confirm in the records of the Diplomatic Conference or in the General Report, rather than in the text of the new treaty, that permanent or temporary storage of a protected work in any electronic medium comes within the meaning of reproduction in Article 9(1).<sup>142</sup> Whether the application of the reproduction right not only to temporary but also to transient computer retention of digital files was a matter merely to be “confirmed” or “clarified” in this way, or instead represented an extension of the scope of the right, was widely discussed in commentaries, and proved to be a highly contentious issue in the drafting of the 1996 WCT.<sup>143</sup>

Ultimately, the delegates were unable to propose an acceptable treaty article “clarifying” the scope of the reproduction right; instead they offered an “Agreed statement”:

The reproduction right as set out in Article 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment, in particular to the use of works in digital form. It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention.

Whether or not the Berne Convention already embraced all kinds of reproductions, including the temporary and the transient, the significant contribution of the first sentence of the Agreed Statement appears to be its emphasis on exceptions

---

<sup>139</sup> See WIPO Copyright Treaty (WCT) art. 8; WIPO Performers and Phonograms Treaty (WPPT) arts. 10, 14.

<sup>140</sup> See Sam Ricketson and Jane C Ginsburg, *International Copyright and Neighbouring Rights: The Berne Convention and Beyond* ¶ 11.27 (2006).

<sup>141</sup> See, e.g., Report of the Second WIPO/UNESCO Committee of Governmental Experts on Copyright Problems Arising from the Use of Computers for Access to or the Creation of Works, Copyright 1982, pages 239 et seq., 245 et seq. (acknowledging that computer storage and retrieval of works may implicate the reproduction right protected by the Berne and Universal Copyright Conventions).

<sup>142</sup> WIPO Report on the Second Session of the Committee of Experts on a Possible Protocol to the Berne Convention, Copyright 1992 p. 93, paras. 48-57.

<sup>143</sup> For an account of the attempts to draft an article addressing the reproduction right, see, e.g., Silke von Lewinski, *INTERNATIONAL COPYRIGHT LAW AND POLICY* ¶¶ 17.52-17.55 (2008); Ricketson and Ginsburg, *supra* note 140 at ¶¶ 11.69-11.74 and works cited therein.

to the reproduction right, rather than its, possibly meaningless, announcement that the reproduction right “fully appl[ies]” in the digital environment. Arguably, the “full application” of the reproduction right in the digital environment should entail all forms of reproduction, however short-lived.<sup>144</sup> But the second sentence of the Agreed statement muddies the waters. In providing that “It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention,” the text scrupulously avoids detailing the meaning of “storage.” If “storage” means retention for some more than transitory period of time, then it might add nothing to “any manner or form,” because “form” could imply a manifestation more concrete than a transient communication.<sup>145</sup> If, however, the term “storage” was meant also to cover fleeting passage through a digital network, then one may wonder at the selection of a term whose ordinary meaning implies more lingering than just passing through. Moreover, if the term is to be understood in its ordinary meaning, then one might question whether it also justifies a negative inference: if the copy of the work is not “stored” because it is transient, can it still be a reproduction? In other words, the scope of the reproduction right that emerges from the Agreed statement remains open to highly variable interpretation.<sup>146</sup>

In light of this drafting history, one cannot fairly affirm that the WCT or the Berne Convention oblige member States to bring transient digital copies within the scope of the reproduction right. As a result, whether or not *Cablevision* correctly construes U.S. law, its interpretation would not place the U.S. in violation of its international obligations.

Does the interpretation nonetheless put the US at odds with the scope of the reproduction right articulated in the European Union? Article 5(1) of the 2001 “Information Society Directive,”<sup>147</sup> exempts certain transient copies from the coverage of the reproduction right;<sup>148</sup> the specification of an exemption for these

---

<sup>144</sup> See, e.g., von Lewinski, *supra* note 143, at ¶ 17.57 (the WCT “covers all acts of reproduction even where they are transient, technical or incidental and made for the purposes of caching, browsing, or storing in electronic memories.”)

<sup>145</sup> See, e.g., *Lewis Galoob Toys v. Nintendo of Am.* (9<sup>th</sup> Cir. 1992) (interpreting 17 USC § 101 definition of a derivative work, “any other *form* in which the work may be recast, transformed or adapted”[emphasis added], to exclude unfixed, or extremely transient, alterations to a videogame). Indeed, the term could be viewed as constraining the art. 9(1) formulation, because, arguably, art 9(1) did not compel the conclusion that “form” excluded evanescent fixations, but “storage” lends itself much more to that reading. That, however, would mean that the WCT narrows the scope of the 9(1) reproduction right, but this would not be permissible under art. 20 of the Berne Convention. Accord, von Lewinski, *supra* note 140, at para 17.57.

<sup>146</sup> See, e.g., J. Sheinblatt, *The WIPO Copyright Treaty*, 13 Berk. Tech. LJ 535, 550 (1998) (both copyright “maximalists” and copyright “minimalists” claimed to have been the victors in the WIPO Treaty process).

<sup>147</sup> Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, Official Journal L 167 , 22/06/2001 P. 0010 – 0019.

<sup>148</sup> Art. 5(1). provides:

Temporary acts of reproduction referred to in Article 2, which are transient or incidental [and] an integral and essential part of a technological process and whose sole purpose is to enable:

- (a) a transmission in a network between third parties by an intermediary, or
- (b) a lawful use

of a work or other subject-matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right . . .

copies promotes the inference that, without the exception, they would come within the scope of the reproduction right. It is unlikely that the *Cablevision* buffer copies qualify for the exemption. While the buffer copies “are transient or incidental [and] an integral and essential part of a technological process,” they must also have “no independent economic significance.” The copies are economically significant: they are a necessary step in the process *Cablevision* devised to offer remote time shifting service to its – paying – subscribers. On the other hand, it is not clear that their economic significance is “independent.” The buffer copies, on their own, appear not to have any value;<sup>149</sup> their value lies in the downstream copying that they enable. Indeed, it is not clear how copies which are by definition “transient” or “incidental” can have economic significance divorced from the process of which they are “an integral and essential part.”<sup>150</sup> Assuming, nonetheless, that the buffer copies comply with the Directive’s prerequisites, there are two further alternative conditions. The “sole purpose” of the copies must either be to enable “a transmission in a network between third parties by an intermediary” or a “lawful use.” The first alternative does not apply: *Cablevision* is not a conduit service provider; it transmits the programming directly to its subscribers. The second alternative, a “lawful use” by the recipients of the copies or communications that the buffer copies enable, requires examination of the Information Society’s private copying exception.

Article 5(2)(b) allows EU Member States to make an exception “in respect of reproductions on any medium made by a natural person for private use and for ends that are neither directly nor indirectly commercial, on condition that the rightholders receive fair compensation which takes account of the application or non-application of technological measures referred to in Article 6 to the work or subject-matter concerned.” *Cablevision*’s failure to give the right holders “fair compensation” for end-user copying disqualifies its buffer copies from the exemption. Arguably, if *Cablevision* were offering its service in a Member State which compensated private copying of television programming through a levy or similar administrative system, *Cablevision* would not itself be required to furnish that compensation.<sup>151</sup> But were *Cablevision* serving subscribers in an EU Member lacking such measures, it seems that *Cablevision* would have to be the source of the compensation. Because, on the facts of the case, the rightholders were not applying technological measures to the works, *Cablevision* could claim no offset from the compensation obligation. Thus absent compensation provided by the State or the exploiter, a service such as *Cablevision*’s would not comply with EU copyright norms.

## B. Making Available

The WIPO Copyright Treaties require member States to protect the right of “communication to the public,” including the “making available to the public of their works in such a way that members of the public may access those works from a place

---

<sup>149</sup> See Information Society Directive, Recital 33: “The acts of reproduction concerned should have no separate economic value on their own.”

<sup>150</sup> Cf. U.S. Copyright Office, DMCA Section 104 Report, *supra* note 24, at 53-54 (2001), available at <http://www.copyright.gov/reports/studies/dmca/sec-104-report-vol-1.pdf> (discussing whether temporary copies have economic value, and noting that there is disagreement among commentators).

<sup>151</sup> See Information Society Directive, Recital 38: “Member States should be allowed to provide for an exception or limitation to the reproduction right for certain types of reproduction of audio, visual and audio-visual material for private use, accompanied by fair compensation. This may include the introduction or continuation of remuneration schemes to compensate for the prejudice to rightholders.”

and at a time individually chosen by them.”<sup>152</sup> The making available right targets on-demand transmissions (whether by wire or wireless means), for it makes clear that the members of the public may be separated both in space and in time. The technological means of ‘making available’ are irrelevant; the right is expressed in technologically neutral terms. The right covers offering the work to members of the public on an individualized basis;<sup>153</sup> “the public” includes subsets of the general public, such as aficionados of tango music, or members of a particular performer’s fan club. As is clear from the formulation “such a way that members of the public *may* access” (emphasis supplied), the right is triggered when the public is invited to access, rather than when any member of the public in fact *has* accessed.<sup>154</sup> Equally importantly, the right applies to the “work”; it is not limited to “performances” of the work. Thus it covers making the work available both as download and as a stream.

Member States may comply with the right either through adopting a specific making available right, or through national laws providing for communication to the public, or, for those countries who have applied the distribution right to digital copies, through the right to distribute copies, as the United States urged during the drafting period.<sup>155</sup> In adopting what came to be known as the “umbrella solution,” allowing member States to implement the making available right through any exclusive right under domestic law, the drafters opted for an approach of juridical as well as technological neutrality.<sup>156</sup>

As we have seen in Part I, recent U.S. caselaw casts doubt on the U.S.’ compliance with its obligation to implement the “making available” right.<sup>157</sup> Although the WIPO treaty language appears inspired by the U.S. Copyright Act’s definition of a public performance by transmission (“whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times”), as *U.S. v. ASCAP (in re America Online)* illustrates, if the public performance right applies only to “performances,” then the right would not cover communication of a digital file whose contents are not being “rendered” when the member of the public receives the file. If, however, courts entertain a more flexible concept of “performance,” extending to intermediate points on the “performance”/“reproduction” spectrum, then U.S. copyright law could reach a greater range of makings available of works of authorship. Nonetheless, communication of an inert file for storage on the recipient’s computer or device (rather than for immediate, imminent, or limited performance

---

<sup>152</sup> WIPO Copyright Treaty, art. 8, WIPO Performers and Phonograms Treaty, arts. 10, 14.

<sup>153</sup> See von Lewinski, *supra* note 143 at ¶17.76 (making available right applies only to individualized access).

<sup>154</sup> See Ricketson and Ginsburg, *supra*, note 140 at ¶ 12.58 (“It is not necessary that the offer be accepted: ‘making available’ embraces incipient as well as effected communications.”); *Capitol Records v Thomas*, 2008 US Dist. LEXIS 84155 at \*41 (“It is undisputed that the WCT and the WPPT recognize a making available right that is not dependent on proof that copies were actually transferred to particular individuals”).

<sup>155</sup> See RECORDS OF THE DIPLOMATIC CONFERENCE ON CERTAIN COPYRIGHT AND NEIGHBORING RIGHTS QUESTIONS 675, ¶ 301 (WIPO, 1996).

<sup>156</sup> For extensive discussion of the ‘umbrella solution’, by the coiner of the term, see Mihály Ficsor, *THE LAW OF COPYRIGHT AND THE INTERNET: THE 1996 WIPO TREATIES, THEIR INTERPRETATION AND IMPLEMENTATION* 204–9, 496–509 (2003). See also Jorg Reinbothe and Silke von Lewinski, *THE WIPO TREATIES 1996* 102–3 and n 15 (2002).

<sup>157</sup> By contrast, the 2001 EU Information Society Directive adopts the WIPO Treaty language verbatim, see art. 3(1) and (2).

through the recipient's computer or device) – that is, “pure downloads” – may remain a stumbling block. In addition, the text of the definition of public performance may imply actual, rather than potential receipt of the communication (“members of the public capable of receiving the performance or display *receive* it”– emphasis supplied). If so, then even if the public performance right covered all forms of digital transmissions, it would not reach offers to transmit. Similarly, as we have seen in the decisions addressing the application of the distribution right to peer-to-peer file sharing, merely offering files for download does not meet the criteria for a “distribution of copies.” Thus, while the “making available” of a work by streaming comes within the scope of U.S. copyright, the coverage of “making available” by offering downloads is far more uncertain. If more courts adopt the *London-Sire* approach, presuming that an actual distribution (or transmission of a performance) has occurred when the rightholder demonstrates that the defendant took all the steps needed to enable the public to receive copies (or performances),<sup>158</sup> then the U.S. may, as a practical matter approximate a “making available” right, but it may be too soon now to affirm the U.S.’ de facto compliance with its international obligation. While U.S. courts could therefore assemble the doctrinal components of a “making available” right, at the moment in the U.S., the “umbrella” may be looking more like wind-tattered spokes than an effective cover for authors’ rights.

It may seem surprising that U.S. courts would interpret the scope of the distribution right to exclude the offering of copies to the public when the United States’ treaty negotiators in 1996 represented that the US could implement the making available right through the distribution right,<sup>159</sup> and have since concluded bilateral free trade agreements incorporating a making available right.<sup>160</sup> Moreover, Congress in ratifying the 1996 WIPO Treaties and in enacting amendments to the U.S. Copyright Act to bring US law into compliance with treaty obligations did not perceive the necessity to amend the distribution right explicitly to cover the making available right.

The District Court in *Capitol Records v Thomas* explicitly confronted, and rejected, the argument that the scope of US copyright should be interpreted in light of the international norms to which the US claims to adhere. The court acknowledged the long-standing principle of statutory interpretation that directs courts to construe statutes consistently with treaties that the US has ratified.<sup>161</sup> But, because the WIPO treaties are not self-executing, the court appears to have concluded that that canon of construction had little force. Reference to US international obligations may be appropriate where the domestic law is ambiguous, the court held, but when the statutory language cannot reasonably be read consistently with the treaty norm, “concern for U.S. compliance with the WIPO treaties and the F[ree] T[rade] A[greement]s cannot override the clear congressional intent in § 106(3).”<sup>162</sup>

---

<sup>158</sup> See text at notes 92-96 supra.

<sup>159</sup> See supra note 155.

<sup>160</sup> See, e.g., U.S.-Australia Free Trade Agreement, art. 17.5, May 18, 2004; U.S.-Bahrain Free Trade Agreement, art. 14.4.2, Sept. 14, 2004; U.S.-Singapore Free Trade Agreement, art. 16.4.2(a), May 6, 2003.

<sup>161</sup> This principle is known as the “*Charming Betsy* doctrine,” after the 19<sup>th</sup>-century decision that enunciated it, *Murray v. Schooner Charming Betsy*, 6 U.S. (2 Cranch) 64, 118 (1804) (“[A]n act of Congress ought never to be construed to violate the law of nations if any other possible construction remains. . . .”)

<sup>162</sup> 2008 US Dist. LEXIS 84155 at \*44.

As we have seen, most authorities have indeed interpreted section 106(3) to require actual distribution, not merely an offer to distribute. But it does not necessarily follow that a “reasonable construction” of the exclusive right to distribute the work in copies cannot include a “making available” right. Arguably, that construction was implicit in Congress’ approach to ratification of the WIPO Treaties in 1998. At that time, Congress adopted a package of amendments to the Copyright Act, including a new chapter 12 created to implement articles 11 and 12 of the WCT and 18 and 19 of the WPPT. With Congress’ attention trained on what modifications were needed to comply with the international obligations the US was undertaking, Congress’ omission of a specific “making available” amendment might be interpreted as an expression of its understanding that the right was already covered, rather than as an oversight. Statutory interpretation based on legislative *inaction* risks ridicule,<sup>163</sup> but in this case one can adduce more than mere legislative silence. Where the legislative record combines specific actions and pertinent inactions, the total combination of what Congress did and did not do in passing an act to implement treaty obligations can be probative of its understanding of the compliance of the unamended portions with treaty norms. In any event, if Congress’ 1998 amendments cannot fairly be treated as a gloss on the scope of the original 1976 distribution right, then, absent a procedural device such as *London-Sire*’s “deeming” distribution, the United States will have failed to live up to its international undertakings.<sup>164</sup>

---

<sup>163</sup> See, e.g., *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 686 (1987): (“Congress’ silence is just that, silence.”)

<sup>164</sup> If the US is in violation of its obligations under the WIPO Treaties, there may be no effective international sanction. To the extent that the WIPO Treaties do not merely clarify, but expand rights under the Berne Convention, the Dispute Settlement mechanisms established in the TRIPs Accord with respect to violations of Berne Convention rights (other than moral rights) will not apply. If the “making available” right was already comprehended within the “communication to the public” right of Berne arts. 11, 11bis, 11ter, 14 and 14bis, then TRIPs sanctions could apply. But the Berne Convention probably did not require that member States accord a “making available” right. See Ricketson and Ginsburg, *supra* note 140, at ¶12.57.