Notre Dame Law Review

Volume 57 | Issue 3 Article 5

1-1-1982

Applicability of the Freedom of Information Act's Disclosure Requirements to Intellectual Property

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The Applicability of the Freedom of Information Act's Disclosure Requirements to Intellectual Property

Congress enacted the Freedom of Information Act (FOIA)[1] on the principle that governmental decisions should be open to public scrutiny[2] and, therefore, individuals should have access to governmental records.[3] The FOIA requires federal agencies to publish certain information in the *Federal Register*[4] and to disclose agency records to any person who requests them.[5] Generally, a federal agency must determine whether it will comply with a request for records within ten days of receiving the request.[6] Persons whose requests are denied may sue for disclosure in federal district courts.[7]

Congress was aware that disclosure of certain types of information might unduly harm those persons who submit the information to federal agencies.[8] Thus, the FOIA specifically exempts certain types of information from mandatory disclosure.[9] Despite these exemptions the statute often serves less laudable purposes than those intended by Congress. In the course of their regulatory function, federal agencies acquire vast amounts of private data which may then be disclosed, under the FOIA, to competitors, adversaries in litigation, and others whose interests are contrary to those of the

1 5 U.S.C. § 552 (1976). The statute was originally enacted as the Freedom of Information Act, Pub. L. No. 89-554, 80 Stat. 383 (1966). It was amended by the 1974 Amendments to the Freedom of Information Act, Pub. L. No. 93-502, §§ 1-3, 88 Stat. 1561-1564 (1974), and by the Government in the Sunshine Act, Pub. L. No. 94-409, § 5(b), 90 Stat. 1247 (1976).

2 The fundamental premise of the Act is that "the public has a right to know what its Government is doing." S. REP. NO. 813, 89th Cong., 1st Sess. 5 (1965).

3 The literature on the FOIA is extensive. The *Duke Law Journal* has published an annual developments note since 1970. *See* 1981 DUKE L.J. 338; 1980 DUKE L.J. 139; 1979 DUKE L.J. 327; 1978 DUKE L.J. 189; 1977 DUKE L.J. 532; 1976 DUKE L.J. 366; 1975 DUKE L.J. 416; 1974 DUKE L.J. 251; 1973 DUKE L.J. 178; 1972 DUKE L.J. 136; 1971 DUKE L.J. 164; 1970 DUKE L.J. 72. *See also* Note, *The Freedom of Information Act: A Seven-Year Assessment*, 74 COLUM. L. REV. 895 (1974).

4 5 U.S.C. § 552(a)(1) (1976).

5 *Id.* § 552(a)(3).

6 *Id.* § 552(a)(6)(A)(i) (1976).

7 *Id.* § 552(a)(4)(B).

8 *See* S. REP. NO. 813, 89th Cong., 1st Sess. 9 (1965); H.R. REP. NO. 1497, 89th Cong., 2d Sess. 10, *reprinted in* [1966] U.S. CODE CONG. & AD. NEWS 2418, 2427.

9 5 U.S.C. § 552(b) (1976). This section contains nine specific exemptions which have been narrowly construed by the courts. *See, e.g.*, Department of Air Force v. Rose, 425 U.S. 352, 366 (1976). Furthermore, the exemptions only *permit* withholding, they do not require it. Administrative discretion to disclose information which falls within one of the exemptions was approved in Chrysler Corp. v. Brown, 441 U.S. 281, 290-94 (1979).

submitter.[10]

This note examines the issues which arise when private parties submit patent or copyright information to federal agencies which are subject to FOIA disclosure requests. Part I reviews the federal patent and copyright systems; Part II analyzes whether patent applications and copyrighted materials are "agency records" under the FOIA; and Part III examines the extent to which the FOIA exemptions apply to patent and copyright information.

I. Ownership Rights in Intellectual Property

The rights of patent and copyright owners stem from the same constitutional root. The Constitution grants Congress the power "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[11]

Federal protection of intellectual property rights is based on two principles.[12] First, the products of original and creative thought confer a benefit upon society.[13] Second, governmental protection is an incentive to stimulate further creative thought. Thus, "[a] copyright, like a patent, 'is at once the equivalent given by the public for benefits bestowed by the genius and meditations and skill of individuals and the incentive to further efforts for the same important objects.' "[14]

Presently, two federal laws, the Patent Act[15] and the Copyright

10 *Freedom of Information Act: Hearings Before the Subcomm. on Administrative Practice and Procedure of the Senate Comm. on the Judiciary*, 95th Cong., 1st Sess. 12-15 (1977) (statement of Gerald P. Norton). Submitters may get relief from a potentially injurious disclosure by means of a "reverse-FOIA" lawsuit, *e.g.* Chrysler Corp. v. Brown, 441 U.S. 281 (1979). (Unlike ordinary FOIA suits, which seek relief against the withholding of information, reverse-FOIA suits seek relief against disclosure). *See generally* Note, *Protecting Confidential Business Information from Federal Agency Disclosure After Chrysler Corp. v. Brown*, 80 COLUM. L. Rev. 109 (1980).

11 U.S. CONST. art. I., § 8, cl. 8. Under the acts of Congress giving effect to this constitutional provision, the persons benefitted are divided into two classes - authors and inventors. The monopoly granted to authors is termed a "copyright" and that given to inventors is termed a "patent right." Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 56 (1884).

12 B. BUGBEE, GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW 9 (1967) [hereinafter cited as BUGBEE].

13 The test of "originality" has been applied to bar trademarks from the realm of intellectual property. In 1879, the Supreme Court held unconstitutional certain statutory provisions which attempted to base trademark protection upon the same clause in the Constitution which had become the basis for the creation of patents and copyrights. The Court stated that "neither originality, invention, discovery, science nor art is in any way essential . . ." to establishing a trademark. *Trade-Mark Cases* 100 U.S. 82, 94 (1879).

14 Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932).

15 35 U.S.C. §§ 1-293 (1976). Property in United States patents exist solely by virtue of

Act,[16] protect intellectual property rights. A patent is a statutory monopoly, in that the patent owner has the exclusive right to make, use, or sell his invention.[17] Although copyright also grants the copyright owner the exclusive right to reproduce, adapt, and publish copies of his artistic or literary work,[18] the scope of statutory copyright protection is much narrower than the scope of patent protection.[19] While the Copyright Act grants a copyright owner certain exclusive rights, it also permits others limited use of copyrighted material without liability for infringement.[20]

Patents may be obtained by anyone who "invents or discovers any new and useful process, machine, manufacture or composition of matter . . . ."[21] Applicants are, generally, required to furnish a description and a drawing of the invention[22] and some may have to furnish a model exhibiting the several parts of their invention.[23]

Copyright may be secured on a variety of objects, from works of art[24] to maps,[25] statuettes,[26] and religious shrines.[27] Ordinarily, two complete copies of the work must be deposited in the Copyright Office.[28] However, some three-dimensional works[29] or secure tests[30] are

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the federal statute and the incidents of that property are defined entirely by federal law. Sperry v. Florida, 373 U.S. 379, 403-404 (1963).

16 17 U.S.C. §§ 101-810 (1976). In contrast to patent rights, which exist solely by virtue of federal statute, there is a common-law copyright. It is, more accurately, a right of first publication. Once a work is published, the owner's common-law protection is lost and anyone may copy the work. Statutory copyright, on the other hand, requires publication and is a monopolistic privilege of exclusive publication during a definite period of time. Common-law copyright may be regulated by the states, but statutory copyright is regulated exclusively by the federal government. Smith v. Paul, 174 Cal. App. 2d 744, 756-58, 345 P. 2d 546, 554-55 (1959).

17 Zenith Radio Corp. v. Hazeltine Research, Inc. 395 U.S. 100, 135 (1969).

18 17 U.S.C. § 106 (1976).

19 Alfred Bell & Co. v. Catalda Fine Arts, Inc., 191 F.2d 99, 103 (2d. Cir. 1951); BUGBEE, *supra* note 12, at 5.

20 *See* 17 U.S.C. § 107 (1976).

21 35 U.S.C. § 101 (1976).

22 *Id.* §§ 111-113; 37 C.F.R. § 1.91 (1981).

23 35 U.S.C. § 114; 37 C.F.R. § 1.92.

24 17 U.S.C. § 102 (1976).

25 Moore v. Lighthouse Publish. Co., 429 F. Supp. 1304 (S.D. Ga. 1977). "Maps" includes all cartographic representations of area and three-dimensional works such as globes and relief models. *See* 37 C.F.R. § 202.19(c)(6) (1981).

26 Mazer v. Stein, 347 U.S. 201(1954).

27 Allegrini v. DeAngelis, 59 F. Supp. 248 (D. Pa. 1944), *aff'd*, 149 F.2d 815 (3d Cir. 1945).

28 17 U.S.C. §§ 407(a), 408(b) (1976). Secton 407(a) requires that, with certain exceptions, a copyright owner shall deposit copies of the work for the Library of Congress. Deposit is also required for registration of the copyright claim. However, registration is not a condition of copyright protection. *Id.* § 408(a).

exempt from the deposit requirement. It may also be possible to provide a photograph or other identifying reproduction in lieu of copies of the work.[31]

In general, the statutory requirements for both patent and copyright applications are likely to result in federal agencies having possession of private patent and copyright information. Since a federal agency's possession of any materials subjects the materials to the FOIA's disclosure requirements, the applicability of these requirements to patent and copyright information must be examined.

II. The Threshold Question: Are Patent and Copyright Materials Agency Records?

Only "agency records" are subject to the FOIA's disclosure requirements.[32] Thus, the threshold question in every FOIA case is whether a particular item is an agency record.[33] If the item is determined to be a record, it may not be withheld unless it is specifically exempted by one of the FOIA's exemptions.[34]

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29 Models illustrating scientific or technical information in three-dimensional form are exempt from deposit. 37 C.F.R. § 202.19(c)(1) (1981). Three-dimensional sculptural works are also exempt. *Id.* § 202.19(c)(6). However, globes and other cartographic representations of area are subject to deposit. *Id.*

30 A "secure test" is a nonmarketed test administered under supervision at specified centers on specific dates. 37 C.F.R. § 202.20(b)(4) (1981). The law school or medical school admission tests are examples. The Copyright Office will return the deposit of a secure test to the copyright applicant after examining it. *Id.* § 202.20(c)(2)(vi).

31 17 U.S.C. § 407(c) (1976); 37 C.F.R. § 202.19(d)(2) (1981).

32 5 U.S.C. § 552(a)(3) (1976).

33 This determination actually involves three questions: (1) What is a "record"; (2) What is an "agency"; and (3) What relationship must exist between the record and the agency for the information to be subject to the FOIA. See Forsham v. Harris, 445 U.S. 169 (1980), for the Supreme Court's most recent analysis of these questions. Only the first question requires special analysis relative to intellectual property. For general definitions of "record," "agency," and "agency record," *see* Note, *The Definition of "Agency Records" Under the Freedom of Information Act*, 31 STAN. L. REV. 1093 (1979).

34 The exemptions are set forth at 5 U.S.C. § 552(b)(1)-(9) (1976). Section 552(c) provides that only information specifically exempted by one of the nine statutory exemptions may be withheld. Nonetheless, it has been suggested that subsection (c) does not divest district courts of their traditional power of equitable discretion. *See* Davis, *The Information Act: A Preliminary Analysis*, 34 U. CHI. L. REV. 761, 767 (1967). A few early FOIA opinions held that a district court was not compelled to grant equitable relief against an agency's withholding of information not specifically exempted by the Act. *See, e.g.,* GSA v. Benson, 415 F.2d 878, 880 (9th Cir. 1969); Consumers Union of United States, Inc. v. VA, 301 F. Supp. 796, 806 (S.D.N.Y. 1969), *appeal dismissed as moot*, 436 F.2d 1363 (2d Cir. 1971). More recent cases have held that, with regard to the FOIA, Congress has divested the judiciary of its power of equitable discretion. *See, e.g.,* County of Madison v. United States Dept. of Justice, 641 F.2d 1036, 1041 (lst Cir. 1981); Getman v. NLRB, 450 F.2d 670, 672 (D.C. Cir. 1971). *But see* Theriault v. United States, 503 F.2d 390, 392 (9th Cir. 1974). Under the more prevalent view, once a

Most materials requested under the FOIA are documents falling within the ordinary usage of "records." However, because "records" is not defined in the FOIA's text or its legislative history, the unique characteristics of certain patent and copyrighted materials may present special threshold problems. If "records" is limited to written documents, FOIA requests for intellectual property, such as films, photographs, maps, and three-dimensional objects would not be subject to disclosure.

The cases which attempt to define a "record" under the FOIA follow one of two different analytical approaches.[35] One approach has been definitional. In *Nichols v. United States*,[36] a federal district court found that certain physical objects associated with the assassination of President Kennedy were not records and, therefore, were not subject to the FOIA's disclosure requirements. The court supported its conclusion by citing the dictionary definition of "record."[37]

Generally, however, the courts using a definitional approach have refused to limit "record" to its dictionary definition of something "written."[38] These courts have relied on the definition adopted by the General Services Administration:

> The term "records" means all books, papers, maps, photographs, or other documentary materials, regardless of physical form or characteristics, made or received . . . in connection with the transaction of public business and preserved . . . as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the GSA or because of the informational value of the data contained therein.[39]

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court has determined that the requested material is an "agency record" and that it is not protected by one of the statutory exemptions, it must mandate the agency's disclosure, notwithstanding any equitable factors militating against disclosure. The only possible exception would be a case which raises "exceptional circumstances," such as "grave damage to the national security." *See* County of Madison, v. United States Dept. of Justice, 641 F.2d at 1041 n. 6; Soucie v. David, 448 F.2d 1067, 1077 (D.C. Cir. 1971). *See generally* Note, *The Definition of "Agency Records" Under the Freedom of Information Act's Threshold Requirement*, 1978 B.Y.U. L. REV. 408, 427-33 [hereinafter cited as *What Is a Record?*]; Note, *The Freedom of Information Act: A Seven-Year Assessment,* 74 COLUM. L. REV. 895, 911-20 (1974).

35 *See generally What Is a Record?, supra* note 34, at 412-22.

36 325 F. Supp. 130 (D. Kan. 1971), *aff'd on other grounds,* 460 F.2d 671 (10th Cir.), *cert. denied,* 409 U.S. 966 (1972).

37 *Id.* at 135. WEBSTER'S DICTIONARY (1968) defines "record" as "anything that is written down and preserved as evidence."

38 *See, e.g.,* Save the Dolphins v. United States Dept. of Commerce, 404 F. Supp. 407, 411 (N.D. Cal. 1975). The court stated that "[t]he term 'records' . . . includes various means of storing information for future reference."

39 41 C.F.R. § 105-60.103(a) (1980). *See, e.g., Save the Dolphins,* 404 F. Supp. at 411, for a judicial construction of "record" based on the GSA definition.

Under this definition, the fact that patent and copyright information is often contained in other than written documents should not cause the information to be excluded from the FOIA's disclosure requirements. Nonetheless, a court applying a definitional approach probably would consider a three-dimensional object, such as a model, to be outside the scope of the FOIA.[40]

The second analytical approach used in determining whether an item is a "record" under the FOIA focuses upon whether public policy dictates that the agency disclose the item.[41] In *SCD Development Corp. v. Mathews*,[42] the court's definition of "record" turned on an analysis of the FOIA's purpose.[43] Under the definitional approach, the tapes in *SCD Development Corp.* would clearly have been records.[44] Nonetheless, the court refused access to the tapes because public policy considerations did not support disclosure.[45] The court stated:

> There is . . . a qualitative difference between the types of records Congress sought to make available to the public by passing the Freedom of Information Act and the library reference system sought to be obtained here. The library material does not reflect the structure, operation, or decision-making functions of the agency, and where, as here, the materials are readily disseminated to the public by the agency, the danger of agency secrecy which Congress sought to alleviate is not a consideration.[46]

In *Weisberg v. United States Department of Justice*,[47] the United States Court of Appeals for the District of Columbia Circuit held that copyrighted materials were agency records under the FOIA because they "plainly reflect[ed] the operation, or decision-making function of the agency."[48] The materials at issue in *Weisberg* were

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40 It has been suggested that there is no justification for limiting the definition of "records" on the basis of the physical characteristics of the requested materials. *See* Note, *The Definition of "Agency Records" Under the Freedom of Information Act,* 31 STAN. L. REV. 1093, 1095-98 (1979).

41 *See What Is a Record?, supra* note 34, at 412-16 & 422-25.

42 542 F.2d 1116 (9th Cir. 1976).

43 *Id.* at 1118-20.

44 The tapes were part of a service, the Medical Literature Analysis and Retrieval System (MEDLARS), offered by the National Library of Medicine. Public access to the MEDLARS data bank was available through the National Library's on-line computer terminal. At the time of the lawsuit, 350 institutions subscribed to the service. Subscribers were generally required to provide members of the public with access to the system at a set hourly rate. A copy of the tapes could be purchased for $50,000. *Id.* at 1117-18.

45 *Id.* at 1118-20.

46 *Id.* at 1120.

47 631 F.2d 824 (D.C. Cir. 1980).

48 *Id.* at 828. The *Weisberg* decision is limited to the holding that copyrighted materials are subject to the FOIA. The decision does not resolve the question of whether a FOIA

photographs taken at the scene of Martin Luther King, Jr.'s assassination. TIME, Inc. had copyrighted the photographs before submitting them to the FBI for use in the assassination investigation.[49] The D. C. Circuit distinguished *SDC Development Corp.* on the grounds that the photographs would permit public evaluation of the FBI's investigation of the King assassination. Furthermore, while in *SDC Development Corp.* dissemination of the tapes was assured by Congressional mandate, in *Weisberg*, TIME, Inc. had no obligation to grant public access to the photographs, even though it had made copies of the photographs available to the FBI. Therefore, absent a FOIA disclosure, there was no guarantee that the photographs would be available to the public.[50] The court in *Weisberg* explicitly rejected a definitional approach excluding all copyrighted materials from the reach of the FOIA. The court stated: "Interpreting the FOIA as the Government urges would allow an agency to mask its processess or functions from public scrutiny simply by asserting a third party's copyright."[51]

The public policy approach followed in *Weisberg* permits greater flexibility than the definitional approach when assessing the FOIA's applicability to copyrighted materials.[52] In cases where none of the FOIA's exemptions apply to the requested materials, the public policy approach may provide a principled rationale for denying a potentially inequitable disclosure which would be required under the definitional approach.[53] This may be illustrated by *SDC Development*

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request for copyrighted material may be properly granted. Instead of deciding this question, Judge Bazelon remanded the case for the district court to seek joinder of TIME, Inc., which claimed copyright in the requested materials. *Id.* at 831. On remand, TIME, Inc. withdrew its objections to the FBI providing Weisberg with prints of the photographs. Letter from Harry M. Johnston, Associate General Counsel to the Department of Justice (Aug. 13, 1980).

49 *Id.* at 825.

50 *Id.* at 827-28.

51 *Id.* at 828.

52 *See generally What Is a Record?, supra* note 34, at 422-25.

53 Some federal agencies have adopted a restrictive definition of "records", as part of their FOIA regulations, which may serve to exclude patent and copyright information as "valuable property." For example, the Department of the Navy regulations state:

> [T]he term "record(s)" does not include objects or articles such as structures, furniture, paintings, sculpture, three-dimensional models, vehicles, equipment, etc., whatever their historical value or value as "evidence." Formula, designs, drawings, research data, computer programs, technical data packages, etc., are not considered "records" within the Congressional intent of 5 U.S.C. 552, even though maintained in documentation form. Because of development costs, utilization, or value, these items are considered property, not preserved for informational value nor as evidence of agency functions, but as exploitable resources to be utilized in the best interest of all the public. Requests for copies of such material shall be evaluated in

Corp.,[54] which did not involve a request for intellectual property. In that case, a definitional approach would have required disclosure of the tapes as agency records to which no statutory exemption applied. However, disclosure of the tapes would have significantly harmed the National Library of Medicine program. By using the public policy approach, the court avoided the potential harm which the definitional approach would have caused to an outside interest.

The public policy approach may also require a FOIA disclosure of intellectual property which does not fit the traditional definition of "records."[55] This may be illustrated by *Nichols*,[56] which also did not involve a request for intellectual property. In that case, the court might have permitted access to the coat and shirt worn by President Kennedy at the time of his assassination and to metal fragments removed from the President's brain on the grounds that the FOIA's underlying policies would be effectuated by disclosure of the materials.

The public policy approach does have its disadvantages. First, it expands the limited role which Congress assigned to the courts in the administration of the FOIA. The public policy approach permits the courts to add a judicially created exemption to the specific statutory exemptions.[57] Second, the public policy approach may mask the

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> accordance with policies expressly directed to the appropriate dissemination or use of such property. Requests to inspect such material to determine its content for informational purposes shall normally be granted, however, unless inspection is inconsistent with the obligation to protect the property value of the material, as, for example, may be true for certain formula.

32 C.F.R. § 701.4 (1981). *See also* 32 C.F.R. § 806.6(h) (1981) (Air Force); 45 C.F.R. § 5.5 (1980) (HEW). The disadvantage of such restrictive definitions is that they permit federal agencies a degree of discretion which might more appropriately be exercised by a federal district court. *See* note 57 and accompanying text, *infra*. It is also questionable whether the adoption of a restrictive definition of "records" by federal agencies is consistent with the FOIA's purpose of maximum disclosure.

54 *See* notes 42-46 and accompanying text, *supra*.

55 *See generally* Note, *The Definition of "Agency Records" Under the Freedom of Information Act,* 31 STAN. L. REV. 1093, 1095-1098 (1979).

56 *See* notes 36-37 and accompanying text, *supra*.

57 The public policy approach involves a partial return to an equitable discretion doctrine, based upon a court's inherent power to issue injunctions. Strong arguments have been made for and against the judicial exercise of equitable discretion in FOIA cases. *See* Rose v. Dept. of Air Force, 495 F.2d 261, 269 (2d Cir. 1974), *aff'd.* 425 U.S. 352 (1976); *see also* note 34 *supra*. There have been two main objections to the exercise of judicial equitable discretion. First, the statute and its legislative history have been interpreted to deny the courts any right to refuse injunctive relief on grounds other than those specifically stated in the statute. Cases denying the existence of equitable discretion rely upon 5 U.S.C. § 552(c) (1976) and upon the Senate report which states: "The purpose of this subsection is to make it clear beyond doubt that all *materials* . . . are to be made available . . . unless explicitly allowed to be kept secret

true issue. While purporting to define "record" under the FOIA, the court is actually balancing the considerations for and against disclosure.[58] Nonetheless, the public policy approach has much to recommend it where important private interests are involved. In such a situation, a mechanical application of the FOIA may lead to an inequitable result which could be avoided by a policy based analysis.

Where the requested materials have been determined to be agency records under the FOIA, the second step is ascertaining whether the records are exempted from mandatory disclosure under one of the nine statutory exemptions.[59] Persons wishing to protect intellectual property from disclosure have most frequently invoked Exemptions 3 and 4.

III. FOIA Exemptions: Applicability to Disclosures of Intellectual Property

A. *FOIA Exemption 3*

Exemption 3 exempts from mandatory disclosure matters for which another federal statute mandates nondisclosure to the public. The other federal statute must either (A) give an agency no discretion regarding withholding certain matters from the public; or (B) it must establish specific criteria for withholding or refer to particular matters which must be withheld.[60]

When Congress amended Exemption 3 in 1976,[61] the exemption protected material "specifically exempted from disclosure by statute."[62] By amending the exemption, Congress legislatively overruled the decision of the Supreme Court of the United States in *FAA v. Robertson*.[63] In *Robertson*, the Court had applied Exemption 3 to a

by one of the exemptions . . ." S. REP. No. 813, 89th Cong., 1st Sess. 10 (1965). Similar language is found in the House report. H.R. REP. No. 1497, 89th Cong., 2d Sess. 11, *reprinted in* [1966] U.S. CODE CONG. & AD. NEWS 2418, 2429. However, the House report also states that a court "will have authority whenever it considers such action equitable and appropriate to enjoin the agency from withholding its records . . . ." H.R. REP. at 9, [1966] U.S. CODE CONG. & AD. NEWS at 2426. The Senate report is generally considered the more reliable indicator of legislative intent. Getman v. NLRB, 450 F.2d 670, 679 n.32 (D.C. Cir. 1971). The second objection to the exercise of judicial discretion is the fear that the policies furthered by the Act will be frustrated if federal agencies and the courts are not given definite guidelines for withholding. S. REP. No. 813, 89th Cong., 1st Sess. 3 (1965). *See generally What Is a Record?, supra* note 34, at 427-32

58 *See generally What Is a Record?, supra* note 34, at 423-25.

59 The exemptions are set forth at 5 U.S.C. § 552(b)(1)-(9) (1976).

60 *Id.* § 552(b)(3).

61 Government in the Sunshine Act, Pub. L. No. 94-409, § 5(b), 90 Stat. 1247 (1976).

62 5 U.S.C. § 552(b)(3) (1970).

63 422 U.S. 255 (1975). The Conference Committee report on the final version of the

federal statute which gave an agency director complete discretion to withhold information if he deemed it to be in the public's interest.[64] In the 1976 amendment, Congress emphasized that FOIA exemptions were to be legislative, not administrative decisions.[65] The present version of Exemption 3 does permit some administrative discretion, but only if the subject statute either provides specific criteria for withholding or refers to particular matters to be withheld.[66]

B. *The Applicability of FOIA Exemption 3 to the Patent Act*

FOIA requests for patent materials have centered on patent applications and Patent Office decisions regarding these applications.[67] Patent applications may be grouped into three categories: (1) pending applications under consideration by the Patent Office; (2) patent files or applications that have culminated in the issuance of a patent; and (3) abandoned applications, for which the Patent Office has terminated proceedings without issuing a patent.[68] Section 122 of the Patent Act provides:

> Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without the authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.[69]

Patent Office regulations promulgated under section 122 explicitly grant secrecy to pending applications.[70] Because abandoned applications may be reactivated at a later time,[71] the regulations provide

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1976 amendments states: "The conferees intend this language to overrule the decision of the Supreme Court in *Administrator, FAA* v. *Robertson* . . . ." H.R. REP. No. 1441, 94th Cong., 2d Sess. 25, *reprinted in* [1976] U.S. CODE CONG. & AD. NEWS 2183, 2250. *See generally* Note, *The Effect of the 1976 Amendment to Exemption Three of the Freedom of Information Act*, 76 COLUM. L. REV. 1029 (1976).

64 The statute, the Federal Aviation Act, 49 U.S.C. § 1504 (1970), provided that upon the objection of "[a]ny person," the appropriate officials "shall order such information withheld from public disclosure when, in their judgment, a disclosure of such information would adversely affect the interests of such person and is not required in the interest of the public."

65 H.R. REP. No. 880, Part I, 94th Cong., 2d Sess. 23, *reprinted in* [1976] U.S. CODE CONG. & AD. NEWS 2183, 2205.

66 *See* Irons & Sears v. Dann, 606 F.2d 1215, 1220 (D.C. Cir. 1979), *cert. denied,* 444 U.S. 1075 (1980); Lee Pharmaceuticals v. Kreps, 577 F.2d 610, 615 (9th Cir. 1978), *cert. denied,* 439 U.S. 1073 (1979); American Jewish Congress v. Kreps, 574 F.2d 624, 628 (D.C. Cir. 1978).

67 *See* Irons & Sears v. Dann, 606 F.2d at 1215; Lee Pharmaceuticals v. Kreps, 577 F.2d at 610; Sears v. Gottschalk, 502 F.2d 122 (4th Cir. 1974), *cert. denied,* 425 U.S. 904 (1976).

68 Sears v. Gottschalk, 502 F.2d at 124.

69 35 U.S.C. § 122 (1976).

70 37 C.F.R. § 1.14(a) (1981).

71 35 U.S.C. § 133 (1976); 37 C.F.R. § 1.137 (1981).

that they are also not available to the public.[72] Since patent files have resulted in the issuance of a patent, confidentiality is no longer required. Therefore, patent files are available for public inspection and copying.[73]

Prior to 1976, the Patent Act, section 122, was considered to be an exempting statute[74] under FOIA Exemption 3.[75] After the 1976 amendment to Exemption 3, however, it was not clear whether section 122 satisfied the more stringent requirements of the amended version. Recently, both the Ninth Circuit[76] and the D.C. Circuit[77] have held that section 122 is a statute which meets the criteria of Exemption 3 of the FOIA.

Both circuits recognized that section 122 of the Patent Act[78] does not satisfy subsection A of Exemption 3 because it does not require nondisclosure in such a way as to leave the Patent Office no discretion on the issue. Section 122 specifically permits the Commissioner to release information concerning patent applications under "special circumstances." However, the presence of limited administrative discretion does not disqualify section 122 from Exemption 3. Both courts held that, by referring to patent applications and information concerning those applications, section 122 satisfies subsection B's requirement that an exempting statute refer to "particular types of matters to be withheld."[79]

Both courts indicated that, unlike the statute in *Robertson*,[80] section 122 does not authorize broad withholding discretion by the Patent Office. Section 122 merely provides for the confidentiality of patent applications in order to prevent the frustration of the patent laws which would result from public disclosure of patent applications prior to the issuance of a patent.[81]

Both the Ninth Circuit and the D.C. Circuit were unwilling to

72 37 C.F.R. § 1.14(b) (1981).

73 *Id.* § 1.11(a).

74 An "exempting statute" is a statute which meets the requirements of Exemption 3 of the FOIA.

75 *See, e.g.,* Sears v. Gottschalk, 502 F.2d 122 (4th Cir. 1974), *cert. denied,* 425 U.S. 904 (1976).

76 Lee Pharmaceuticals v. Kreps, 577 F.2d 610 (9th Cir. 1978), *cert. denied,* 439 U.S. 1073 (1979).

77 Irons & Sears v. Dann, 606 F.2d 1215 (D.C. Cir. 1979), *cert. denied,* 444 U.S. 1075 (1980).

78 35 U.S.C. § 122 (1976).

79 Irons & Sears, 606 F.2d at 1220-21; Lee Pharmaceuticals, 577 F.2d at 616-17. Since Exemption 3 is phrased in the disjunctive, it is sufficient if *either* subsection A or B is satisfied.

80 422 U.S. 255 (1975); *See* notes 63-66 and accompanying text *supra*.

81 Irons & Sears, 606 F.2d at 1220-22; Lee Pharmaceuticals, 577 F.2d at 616-17.

impute to Congress an intent to eliminate the traditional confidentiality accorded to patent applications.[82] Writing for the D.C. Circuit, Chief Judge J. Skelly Wright stated:

> There can be little doubt that a holding permitting FOIA access to such applications would jeopardize the patent system by permitting competitors to divine or actually to secure information concerning inventions prior to the issuance of a patent. Indeed, were such access routinely to be permitted would-be applicants might be deterred from seeking patent protection in the first place. The need for confidentiality . . . seems close to the core of the patent system.[83]

C. *The Applicability of FOIA Exemption 3 to the Copyright Act*

Despite its constitutional kinship to the Patent Act,[84] the Copyright Act[85] evidences much less concern than the Patent Act for the confidentiality of intellectual property.[86] The Copyright Act contains no specific provisions for withholding copyright information as required by FOIA Exemption 3. Nonetheless, the argument has been made[87] that the requirements of Exemption 3 are met by the Copyright Act, section 106,[88] which grants copyright owners the exclusive right to reproduce, distribute for sale, or publicly display copyrighted works. In the only case to decide the issue, *Weisberg v. United States Department of Justice*,[89] the federal district court found that section 106 does not satisfy Exemption 3 of the FOIA. The court held that section 106 does not require that copyrighted materials be withheld from the public in such a manner as to leave no discretion to the agency; it does not provide specific criteria for withholding; and it does not refer to particular types of matters to be withheld. Thus, the court found that section 106 satisfies neither subsections A nor B of Exemption 3.[90]

The court's determination in *Weisberg* that copyrighted materi-

82 606 F.2d at 1221; 577 F.2d at 616.

83 606 F.2d at 1221.

84 35 U.S.C. §§ 1-293 (1976).

85 17 U.S.C. §§ 101-810 (1976).

86 Alfred Bell & Co. v. Catalda Fine Arts, Inc. 191 F.2d 99, 103 (2d Cir. 1951).

87 Brief for Appellant at 29-39, Weisberg v. United States Dept. of Justice, 631 F.2d 824 (D.C. Cir. 1980).

88 17 U.S.C. § 106 (1976).

89 No. 75-1996 (D.D.C., Feb. 9, 1978). The appellate court opinion is at 631 F.2d 824 (D.C. Cir. 1980) and is discussed at notes 47-51 and accompanying text *supra*.

90 No. 75-1996 at 5-6. Although the *Weisberg* court did not address the issue, it is possible that Section 106 would have satisfied the pre-1976 version of Exemption 3.

als are "records" and not subject to Exemption 3[91] was sufficient to dispose of the case. However, in requiring disclosure of the copyrighted materials requested by the plaintiff, the court also relied on the "fair use" doctrine. Courts have long recognized a "fair use" defense to a copyright infringement claim[92] and Congress has incorporated the "fair use" doctrine into the Copyright Act.[93] The court in *Weisberg* concluded that the use would be "fair" because the plaintiff intended to use the copyrighted materials for scholarly purposes and because the effect of plaintiff's use on the "potential market for or value of the copyrighted work" would not be substantial.[94]

The application of the "fair use" doctrine to FOIA requests for copyrighted information would appear to "offer a means of balancing the exclusive right of a copyright owner with the public's interest in the dissemination of information affecting areas of universal concern such as art, science, history, or industry."[95] The balancing of interests in *Weisberg* weighed in favor of the public's interest in the dissemination of the copyrighted information. The requested materials were copyrighted photographs of the Martin Luther King assassination which were of great historical interest to the general public. Moreover, the plaintiff's intended use of the photographs for scholarly purposes would have an inconsequential effect upon the photographs' value to the copyright owner, TIME, Inc.[96] Thus, the "fair use" doctrine, developed as a defense to copyright infringement

91 The court indicated that it was "loathe to analyze in any depth" the application of Exemption 3 to the requested materials "because less than $30 is at stake." No. 75-1996 at 5. In St. Paul's Benev. Educ. and Missionary Inst. v. United States, 506 F. Supp. 822, 830 (N.D. Ga. 1980), the court engaged in even less analysis. It merely stated that the Copyright Act does not meet the standard of Exemption 3. Thus, there are presently no in-depth judicial analyses of the application of Exemption 3 to copyright information.

92 *See, e.g.,* Meeropol v. Nizer, 560 F.2d 1061, 1068 (2d Cir. 1977), *cert. denied,* 434 U.S. 1013 (1978).

93 17 U.S.C. § 107 (1976) is a codification of the "fair use" doctrine. *Id.* Section 107 lists the factors to be considered in determining the applicability of the "fair use" defense. These are:

> "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work."

94 No. 75-1996 at 5-6.

95 Meeropol v. Nizer, 560 F.2d 1061, 1068 (2d Cir. 1977), *cert. denied,* 434 U.S. 1013 (1978).

96 No. 75-1996 at 1-3. *See also* Weisberg v. United States Dept. of Justice, 631 F.2d 824, 825-27 (D.C. Cir. 1980). Had TIME's commercial interest in the photographs been seriously

claims, appears to provide an appropriate standard for reaching an equitable result in FOIA disputes over copyrighted materials. In those circumstances in which the intended use would be considered "fair" in a copyright infringement action, the application of the "fair use" doctrine would support disclosure of the copyrighted material.

Despite its apparent persuasiveness, there are a number of problems with this analysis. First, the application of the "fair use" criteria requires an assessment of the requester's use of the informtion and its effect on the potential market for the copyrighted work. Such an inquiry presents practical difficulties for federal officials who make the initial determination of whether to copy materials requested under the FOIA.[97] It is also impermissible for agencies and reviewing courts to ascertain the requester's purpose. Particular members of the public may not claim any special right of access to public records. Either the material is statutorily exempt from disclosure or, absent an applicable exemption, all persons are entitled to equal access to it.[98] Thus, a requester's intended "fair use" should not give him a particular privilege to receive the copyrighted material.

The second problem with the application of the "fair use" doctrine to FOIA requests is that it is not a sufficient rationale to support withholding copyrighted material when the balancing of interests weighs in favor of the copyright owner's exclusive rights in the requested materials. When the intended use would not be considered "fair" in a copyright infringement action, the court's analysis in *Weisberg* would suggest withholding of the copyrighted material. However, this result would present an analytical problem, in that a number of courts have found that they lack the equitable discretion to withhold information on nonstatutory grounds.[99] To refuse to enjoin a FOIA disclosure, a court must either determine that the re-

threatened, it would not have offered to sell copies to Weisberg at ten dollars per print. *Id.* at 826.

97 One solution is for agency officials to permit examination of copyrighted materials. *See, e.g.*, Dept. of Navy regulations, 32 C.F.R. § 701.4 (1981), *supra* note 53. Any person copying the material would personally assume liability for copyright infringement. *See* Texas Attorney General's Opinion, COPYRIGHT LAW DECISIONS (CCH) ¶ 25247 (March 18, 1981). An accompanying warning of copyright, similar to the notice used by libraries and archives, would also be advisable. *See* 17 U.S.C. § 108 (1976); 37 C.F.R. § 201.14 (1981).

98 5 U.S.C. § 552(a)(3) (1976) provides that if the request is proper, the records shall be available to "any person." It has been construed to mean that neither the requester's identity nor the reasons for the request may be considered in determining whether disclosure is required. *See* NLRB v. Sears, Roebuck & Co., 421 U.S. 132, 143 n. 10 (1975); Robles v. EPA 484 F.2d 843, 847 (4th Cir. 1973).

99 *See, e.g.,* County of Madison v. United States Dept. of Justice, 641 F.2d 1036, 1041 (1st

quested material is not an agency record or that one of the statutory exemptions applies. Thus, the "fair use" doctrine alone will not support withholding copyrighted material even though, under the same circumstances, the "fair use" defense would fail in a copyright infringement action.

In *Association of American Medical Colleges v. Carey*,[100] a recent case not brought under the FOIA, the plaintiff sought a preliminary injunction against being required to comply with New York's "truth in testing" law and file copies of its copyrighted Medical College Admission Test (MCAT) because it would suffer serious harm to its proprietary interest in the test. The defendants argued that the "fair use" defense applied since the disclosure requirements of New York's testing law were intended to make testing agencies more publicly accountable.[101]

In granting the preliminary injunction, the district court focused upon the potential harm that disclosure would cause to the value of the MCAT.[102] If the *American Medical Colleges* case had been brought under the FOIA, it would probably have presented the type of situation in which equity would suggest withholding the requested materials. However, because the *Weisberg* analysis would be insufficient authority to permit withholding, the court would have had to either determine that the requested materials were not "agency records"[103] or apply a statutory exemption other than Exemption 3. FOIA Exemption 4 may provide a court with an alternative grounds for decision under these circumstances.

D. *The Applicability of FOIA Exemption 4 to Copyright Information*

Exemption 4 exempts from mandatory disclosure matters that are "trade secrets and commercial or financial information obtained

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Cir. 1981); Getman v. NLRB, 450 F.2d 670, 672 (D.C. Cir. 1971). *See also* note 35 *supra* for a discussion of the judicial power to exercise equitable discretion in FOIA cases.

100 482 F. Supp. 1358 (N.D.N.Y. 1980).

101 *Id.* at 1364-66.

102 *Id.* at 1367-68. The MCAT is used for purposes of medical school admissions. As a "secure" test, it is controlled by either the sponsor or the publisher, who administers it at specified test centers on specific dates. 37 C.F.R. § 202.20(b)(4) (1981). *See* note 30 *supra* for a description of the Copyright Office's deposit requirements for secure tests.

103 A court taking a definitional approach to the "record" question would almost certainly have found the MCAT to be an agency record. However, a policy approach might have yielded a different result. *See* notes 36-58 and accompanying text *supra* for a discussion of how the two judicial approaches to the "record" question affect FOIA requests for copyrighted materials.

from a person and privileged or confidential."[104] A few courts originally construed Exemption 4 as protecting three different types of agency records: trade secrets, commercial or financial information, and privileged or confidential information.[105] More courts now take the position that "privileged or confidential" does not provide a distinct category of exempt information, rather it modifies "commercial or financial information."[106] Under the majority rule, copyrighted information would have to be *both* commercial in nature and privileged[107] or confidential to qualify under Exemption 4.

The test for confidentiality was set forth in *National Parks and Conservation Association v. Morton*.[108] Under the *Morton* test, information will be deemed "confidential" when disclosure would "impair the Government's ability to obtain necessary information in the future" or "cause substantial harm to the competitive position of the person from whom the information was obtained."[109]

The only judicial determination of whether Exemption 4 applies to copyrighted materials was in *Weisberg v. United States Department of Justice*.[110] The court in *Weisberg* found that the copyrighted photographs in the case were neither "commercial or financial information" nor "confidential."[111] The court conceded "that among the legislative purposes underlying use of the term 'confidential' is avoidance of any impairment of the 'Government's ability to obtain neces-

104 5 U.S.C. § 522(b)(4) (1976).

105 *See, e.g.,* Barceloneta Shoe Corp. v. Compton, 271 F. Supp. 591 (D.P.R. 1967), in which the court exempted confidential information without looking to its financial or commercial nature. The disjunctive construction of Exemption 4 is based on certain language in the House and Senate reports which suggests that the House committee which drafted the bill recognized a self-contained category of exempt confidential or privileged information. *See generally* Katz, *The Games Bureaucrats Play: Hide and Seek Under the Freedom of Information Act,* 48 TEX. L. REV. 1261, 1262-70 (1970).

106 *See, e.g.* Getman v. NLRB, 450 F.2d 670, 673 (D.C. Cir. 1971); Consumers Union of United States, Inc. v. VA, 301 F. Supp. 796, 802 (S.D.N.Y. 1969), *appeal dismissed as moot*, 436 F.2d 1363 (2d Cir. 1971). The *Getman* court stated that the disjunctive interpretation "tortures the plain meaning of Exemption 4." 450 F.2d at 673.

107 The courts have not been called upon to define "privileged." The term has apparently been interpreted by federal agencies and by FOIA requesters as referring to the privileges traditionally recognized at common law. *See* 88 HARV. L. REV. 470, 473 (1974).

108 498 F.2d 765 (D.C. Cir. 1974).

109 *Id.* at 770. Prior to *Morton*, information was considered "confidential" if it would "customarily not be released to the public by the person from whom it was obtained." Sterling Drug, Inc. v. FTC, 450 F.2d 698, 709 (D.C. Cir. 1971). Under this test, copyrighted material of a commercial nature would probably have been withheld. However, the *Morton* standard is stricter.

110 No. 75-1996 (D.D.C. Feb. 9, 1978). *See* notes 89-99 and accompanying text *supra* for a discussion of the *Weisberg* court's analysis of Exemption 3 as applied to copyrighted materials.

111 *Id.* at 6-7.

sary information in the future.' "[112] But, since the FBI could have subpoenaed the photographs as part of its investigatory function, the court concluded that there was no danger that disclosure would impair the Government's ability to obtain the information in the future.[113]

Because the photographs had little commercial value to the copyright holder,[114] the court reached the correct result in finding that they were not within Exemption 4. However, the court's analysis failed to do justice to the potentially important private property interests involved in a FOIA request for copyrighted materials. Although the photographs in *Weisberg* were properly not characterized as "commercial," certain copyrighted materials, such as the MCAT in *American Medical Colleges*[115] might well be deemed "commercial."[116] Futhermore, apart from ensuring that government officials have access to information, the *Morton*[117] court's definition of "confidential" is designed to protect persons who submit commercial information to government officials from the competitive disadvantages of disclosure. Although the facts in *Weisberg* did not require it, a thorough analysis of the application of Exemption 4 to copyrighted material must recognize the "twofold justification for the exemption of commercial material: (1) encouraging cooperation by those who are not obligated to provide information to the government and (2) protecting the rights of those who must."[118]

When applied to a FOIA request for copyrighted information, the impact of Exemption 4 is analogous to the impact of the "fair use" doctrine in copyright infringement actions.[119] Under the *Morton* test, the copyrighted information will be deemed confidential and exempt from the FOIA's mandatory disclosure if it is of a commercial nature and if disclosure will cause substantial harm to the competi-

112 *Id.*

113 *Id.* at 7.

114 *See* note 96 *supra*.

115 *See* notes 100-102 and accompanying text *supra*.

116 WEBSTER'S DICTIONARY (1968) defines "commercial" as "made or done primarily for sale or profit." The only judicial definition of "commercial" is by way of dictum in Washington Research Project, Inc. v. Dept. of HEW, 504 F.2d 238, 244 n. 6 (D.C. Cir. 1974). The court indicated that an organization "engaged in profit-oriented research, or a non-profit organization that engages in profit-making ventures based on . . . [academic] research, could . . . have a commercial or trade interest . . . ." in a scientific research design. However, the court refused to accept the Government's proposition that mere "ideas are a researcher's 'stock-in-trade' " and are, therefore, commercial information. *Id.* at 244.

117 498 F.2d at 768.

118 *Id.* at 769.

119 *See* notes 92-94 and accompanying text *supra* for a discussion of the "fair use" doctrine.

tive position of the copyright owner. Similarly, an unauthorized use of a copyrighted work will generally not be deemed a "fair use" if it has an adverse effect "upon the potential market for or value of the copyrighted work."[120] Thus, the proper analysis of a FOIA request for copyrighted materials is to apply Exemption 4. Although a mere claim of copyright is not sufficient to justify withholding under Exemption 3 of the FOIA, Exemption 4 provides statutory protection for copyrighted materials in situations analogous to those in which the Copyright Act recognizes a copyright infringement.

IV. Conclusion

The application of the FOIA's disclosure requirements to private interests in intellectual property is consistent with the general requirements of patent and copyright law. The need for confidentiality is close to the core of the patent system. Thus, because of a specific provision in the Patent Act mandating confidentiality, patent applications and related materials are exempt from mandatory disclosure under Exemption 3 of the FOIA. In keeping with the narrower scope of statutory protection for copyrights, the Copyright Act does not contain any provisions which meet the test of Exemption 3 of the FOIA. Thus, that exemption is not available to protect copyrighted materials from mandatory disclosure. However, if disclosure of copyright information would have a substantially adverse effect upon a copyright owner's property interest, a court may refuse to enjoin disclosure on the basis of Exemption 4 of the FOIA.

Exemption 4 is designed to protect certain types of commercial information from mandatory disclosure. Its impact upon a FOIA request for copyrighted materials is analogous to the effect of the "fair use" doctrine in copyright infringement actions. In those situations in which there would be little impairment of a copyright owner's potential market for the copyrighted work, the "fair use" doctrine would permit limited unauthorized use of the material without liability for copyright infringement. Similarly, Exemption 4 would not protect the copyrighted material from mandatory disclosure if such disclosure would not cause undue harm to the economic position of the copyright owner. Conversely, if an unauthorized use would have an adverse effect upon the economic value of a copyright owner's work, it would generally not be deemed "fair" in a copyright infringement action. Similarly, Exemption 4 would also protect the

120 17 U.S.C. § 107(4) (1976).

copyrighted material from mandatory disclosure if it became the subject of a FOIA request.

In addition to applying either the third or fourth statutory exemptions, where policy considerations militate against disclosure of intellectual property, a court may achieve maximum flexibility by adopting a restrictive definition of "agency records." Thereby, it may be possible to altogether remove the requested material from the scope of the FOIA.

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