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Copyrights: Concurrence, Revision, and Photocopying-Williams & Wilkins Company v. United States: A "Holding Operation" by the United States Court of Claims

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COPYRIGHTS: CONCURRENCE, REVISION, AND PHOTOCOPYING—WILLIAMS & WILKINS COMPANY v. UNITED STATES, A "HOLDING OPERATION" BY THE UNITED STATES COURT OF CLAIMS*

Editors' Note: Prior to publication of this comment, the judgement of the United States Court of Claims in Williams & Wilkins Company was affirmed per curiam by an equally divided United States Supreme Court. Williams & Wilkins Company v. United States, 43 U.S.L.W. 4314 (U.S. Feb. 25, 1975).

Since the founding of the United States, the unanimous legislative[1] and overwhelming judicial[2] consensus has been that state[3]

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1. The present federal copyright law is contained in 17 U.S.C. §§ 1-216 (1962). The present federal law expressly reserves the common law right to protect an author's literary property via 17 U.S.C. § 2 which provides that:

> § 2 RIGHTS OF AN AUTHOR OR PROPRIETER OF UNPUBLISHED WORK.
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> Nothing in this title shall be construed to annul or limit the right of the author or proprieter of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.

The purpose of the section was stated as follows: "It was thought best by the committee to insert the provision [17 U.S.C. § 2] in this form in order that it might be perfectly clear that nothing in the bill was intended to impair in any way the common law rights with respect to this kind of [unpublished] work." H.R. REP. No. 2222, 60th Cong., 2d Sess. (1909) reprinted in A. HOWELL, THE COPYRIGHT LAW 194, 196 (1942) [hereinafter referred to as HOWELL]. For the meaning and significance of the term "publication," see notes 173-74 and accompanying text *infra*.

2. The common law property of an author is not taken away by the Constitution of the United States. The States have not surrendered to the Union their whole power over copyrights, but retain a power concurrent with the power of Congress so far that an author may enjoy his common law property, and be entitled to common law remedies, independently of the acts of Congress.

Wheaton v. Peters, 33 U.S. (8 Pet.) 591, 597-98 (1834). "[N]o American court ever actually *held* that our copyright statute forbids the protection of published works at common law." J.F. WHICHER, THE CREATIVE ARTS AND THE JUDICIAL PROCESS 91 (1965) [hereinafter referred to as WHICHER, CREATIVE ARTS]; Goldstein v. California, 412 U.S. 546, 560 (1973); Mazer v. Stein, 347 U.S. 201, 214-15 (1954); Fox Film Co. v. Doyal, 296 U.S. 123, 127-28 (1932); Edgar H. Wood Associates, Inc. v. Shane, 347 Mass. 351, 197 N.E.2d 886 (1964). *But see*, note 47 *infra*, for cases containing dictum to the contrary.

3. A state may protect an author's literary property by statute or under the common law principles that the state has developed. There exist no uniformity in state statutes or the states' common law principles for protecting literary property. *See*, S. ROTHENBERG, LEGAL PROTECTION OF LITERATURE, ART AND MUSIC 2-3 (1960) [hereinafter referred to as ROTHENBERG]; M. NIMMER, NIMMER ON COPYRIGHTS § 44 (1972) [hereinafter referred to as NIMMER].

and federal[4] laws for protecting literary property could operate concurrently in our dual copyright law system.[5] This dual system allows the states to protect, either by statute or applicable common law principles[6] (sometimes referred to as "common law copyright"), all literary works which have not been published. After "publication"[7] occurs, however, literary works which come within the federal law classifications of copyrightable subject matter[8] can only be protected by federal copyright law.

In recent years, judicial interpretations of the constitution[9] and rapid increases in technology have cast doubts upon the continuance of this system. However, the most recent judicial construction of the constitutional foundation of American copyright law, the "Copyright Clause,"[10] sustains and clarifies the present dual system.

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4. 17 U.S.C. §§ 1 et seq. (1962). For infringement of "literary property rights" litigation is pursued in a state court. 28 U.S.C. § 1338 (1962) provides that "[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the states in patents and copyright cases." For infringement of a "copyright" civil litigation is pursued under 28 U.S.C. § 1400 which provides that "[c]ivil actions, suits, or proceedings arising under any Act of Congress relating to copyrights may be instituted in the district court in which the defendant or his agent resides or may be found." 28 U.S.C. § 1400(a).

5. The terms "copyright," "literary property," and "intellectual property" are sometimes used interchangeably, however, they are not synonymous. The term "copyright" is used to describe:

> an exclusive property right granted by statute to an author of an intellectual production, for a limited term of years. [I]t is authoratively settled in the United States that there is no copyright except that which is both created and secured by act of Congress; while literary prorerty may exist independently of any statute.

H. BALL, THE LAW OF COPYRIGHT AND LITERARY PROPERTY 44-45 (1944) [hereinafter referred to as BALL]. The term "literary property" connotes "the exclusive right that the creator of a literary work—a book, a story, an article—has to own, use and dispose of what he has created." 1 A. LINDEY, ENTERTAINMENT, PUBLISHING AND THE ARTS, viii (1963) [ereinafter referred to as LINDEY]. The term "literary property" is broader in scope than, and may include the term "copyright." The term "intellectual property" is broader than and includes the rights encompassed by both the preceding terms as well as rights granted by a "patent." All the terms denote intangible personal property, however, "intellectual property is broader; it comprehends literary property and all the other products of the mind; plays, motion pictures, radio and television scripts, songs, paintings, photographs, and so on." LINDEY, at 3.

6. Common law protection includes protection by principles and doctrines such as, common law "right of privacy," "trade name and trade secrets doctrines," "misappropriation," "passing off" and "palming off" principles and "fraud." *See* note 169 and accompanying text *infra.*

7. *See* notes 173-74 and accompanying text *infra.*

8. *See* notes 16, 19 and accompanying text *infra.*

9. *See* notes 49-58 and accompanying text *infra.*

10. "The Congress shall have power . . . to promote the Progress of

Notwithstanding this judicial construction, all indications[11] show that the future intent of Congress is to establish a single uniform federal system of copyright protection.[12] The primary reason behind the intention of Congress to abolish the present system is the devastating effect that technology has had upon the dual system.[13]

As has been the case once before,[14] rapid advancements in technology have had a most profound effect upon the adequacy of our copright laws.[15] Present technology has produced such new forms of communication as to torture the original meaning of the venerable terms of copyright law such as "writings,"[16] "publication,"[17]

Science and useful Arts, by securing for limited Times to Authors and Inventors the Exclusive Right to their respective Writings and Discoveries." CONST. art. I, § 8, cl. 8. This is the only constitutional provision pertaining to intellectual property, and is also referred to as the "Patent Clause" or the "Patent-Copyright Clause." The objective of this clause has been stated as follows:

> The Constitution does not establish copyrights, but provides that Congress shall have the power to grant such rights if it thinks fit. . . . The policy is believed to be for the benefit of the great body of the people, in that it will stimulate writing and invention to give some bonus to authors and inventors.

H.R. REP. No. 2222, 60th Cong., 2d Sess. 7 (1909), reprinted in HOWELL, *supra* note 1, at 200.

11. *See* notes 159-160 and accompanying text *infra*.

12. *Id.*

13. Just as the first copyright laws were a response to an earlier revolution brought on by the development of the printing press, so must a copyright statute today respond to the challenge of a technology based on instant communication and reproduction of an author's works throughout the world.

J. MARKE, COPYRIGHT AND INTELLECTUAL PROPERTY 88 (1967) [hereinafter referred to as MARKE].

14. The pressing need for a revision of the former copyright laws was urged by President Theodore Roosevelt in his message to Congress in December, 1905. He stated:

> Our copyright laws urgently need revision. They are imperfect in definition, confused and inconsistent in expression; *they omit provision for many articles* which, *under modern reproductive processes*, are entitled to protection; they impose hardships upon the copyright proprieter which are not essential to the fair protection of the public; they are difficult for the courts to interpret and impossible for the copyright office to administer with satisfaction to the public.

H.R. REP. No. 2222, 60th Cong., 2d Sess. 1 (1909) reprinted in HOWELL, *supra* note 1, at 194. The situation outlined by President Roosevelt, is just as true today. Modern copying processes have again outstripped the copyright laws as presently enacted.

15. "I am confronted daily with what are being called the 'information explosion' and the 'communications explosion.' . . . These revolutionary developments carry with them a profound challenge to creative endeavor, and . . . our antiquated copyright law must be revised to meet this challenge." *Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835, Before A Subcommittee on the House Comm. on the Judiciary*, 89th Cong., 1st Sess. ser. 8, at 28 (1965) [hereinafter referred to as *Hearings, H.R. 4347* (1965)] (statement of Hon. I. Quincy Mumford, Librarian of Congress).

16. A necessary prerequisite for federal copyright protection is the requirement that the literary property be capable of classification under one of the enumerated categories of "writings" set out in the copyright statute. 17 U.S.C. § 4 (1962) provides that "the works for which copyright may be secured under this title shall include all the writings of an author." The

and "copying."[18] From the initial conception of some visible substance placed upon parchment, the term "writings" has been stretched to include visible and invisible patterns of electro-magnetic radiation impressed upon cellulosic, polymetric and other substrata.[19] Originally limited by the range of the human voice or the prevailing means of transporting physical objects,[20] the much "bedeviled" term "publication," now encompasses acts that make possible the dissemination of an author's works to millions of people instantaneously.[21] The term "copying," historically applicable to

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acceptable "writings" are set out in 17 U.S.C. § 5 (1962) which provides that "the application for registration shall specify to which of the following classes the work . . . belongs: . . . ." "In general 'writings' include all tangible expressions of intellectual creation . . . in some material form, capable of identification and having a more or less permanent endurance." Comment, *Constitutional Limitations Upon The Congressional Power to Enact Copyright Legislation*, 1972 UTAH L. REV. 534, 539 (1972). *See*, NIMMER, *supra* note 3, at §§ 3, 8.1, 8.3, 8.31, 8.32; B. RINGER & P. GITLIN, COPYRIGHTS 1, 8-14 (1965) [hereinafter referred to as RINGER & GITLIN]; ROTHENBERG, *supra* note 3, at 16-17, 20; BALL, *supra* note 5, at 65-66; Note, *The Meaning of "Writings" in the Copyright Clause of the Constitution*, 31 N.Y.U.L. REV. 1263 (1956).

17. For the definition and meaning of the term "publication," *see* notes 173-174 and accompanying text *infra*.

18. A copyright gives the owner and exclusive right to "print, reprint, publish, copy, and vend the copyrighted work." 17 U.S.C. § 1(a) (1962). In *White-Smith Music Co. v. Appollo Co*, 209 U.S. 1 (1908), the Court held that piano rolls were not "copies" of the plaintiff's sheet music because the piano rolls were not duplicates of the sheet music but were deemed to be a part of the machine. To be a copy, the Court required it to be a " 'written or printed record . . . in an intelligible notation.' " *See Project, New Technology and the Law of Copyright: Reprography and Computers*, 15 U.C.L.A. L. REV. 931, 1005-06 (1968) [hereinafter referred to as *Project*].

19. "[W]ritings . . . include all forms of writing, printing, engraving, etching, etc. by which the ideas in the mind of the author are given *visible* expression." Burrow-Giles Lithographic Co. v. Sarong, 100 U.S. 82, 94 (1879). The copyright law has been extended in the past to cover such items as musical compositions, works of art, photographs, and motion pictures. 17 U.S.C. § 5 (1962). However, sound recordings, until recently, were not classified as copyrightable subject matter. Magnetic tapes containing computer programs are not classified. Other technological marvels, such as accoustical and optical holographs (three dimensional pictures produced by pure acoustical sound waves and helium-laser devices respectively) are not covered by the present copyright law. *See* 1 LINDEY, *supra* note 5, at xci-xcii (Supp. 1973).

20. *See* de Freitas, *The Task of Author's Societies Vis-A-Vis New Techniques of Communication and Exploitation of Intellectual Works*, 20 BULL CR. SOC. 145 (1973).

21. Modern electronic communications devices have eliminated the need for copies to be distributed physically in order to publish the author's work. Satellite communications have made possible the dissemination of an author's work on a worldwide basis. *See generally* de Freitas, *The Task of Author's Societies Vis-A-Vis Techniques of Communication and Exploitation of Intellectual Works*, 20 BULL. CR. SOC. 145 (1973); Dugmore, *The New-*

reproduction by hand or mechanical printing machines, now applies to the fast and inexpensive electrostatic photocopying process that may soon allow the photocopying of an entire book at a price less than the published price.[22] Technology has not only affected the terms of copyright law, but has enabled an author to create works that defy attempts at classification[23] under the presently enumerated categories of copyrightable subject matter.[24]

Congress has recognized the obsolescent effects that technology has had upon our present[25] copyright laws. In response, it has drafted an omnibus copyright law revision[26] which would afford some measure of protection to those areas in which present protection of works produced by technological innovations is either nebulous or non-existent. This legislation would also provide a means for supplying Congress with information of the continuing effects of technology upon copyright law[27] so that it could take whatever measures necessary to update the law. At present, efforts at passing a revision bill continue to be thwarted by the interests of diverse groups on the issues of photocopying and "fair use."[28] Both of these issues are the central concern of the landmark case of *Williams & Wilkins Company v. United States*,[29] which has received vastly different treatment by the trial Commissioner appointed to

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est Frontier in Communications: The Direct Broadcast Satellite, 13 AF JAG L. REV. 259 (1971); Meyer, *TV Cassettes: A New Frontier for Pioneers and Pirates*, 19 BULL. CR. SOC. 16 (1971); Wallace, *Impact of New Technology on International Copyright and Neighboring Rights*, 18 BULL. CR. SOC. 293 (1971); Comment, *Cybera: The Age of Information*, 19 COPYRIGHT L. SYM. (ASCAP) 117 (1971). *See also* Doyle, *Communications Satellites*, 55 COLUM. L. REV. 431, 446 (1967); Gotlieb, *Recent Developments in the Law of Space Communications*, 20 UNIV. TORONTO L.J. 359 (1970) and Throop, *Some Legal Factors of Satellite Communications*, 17 AM. U.L. REV. 12 (1967).

22. *See* Note, *Copyright Law and Library Photocopying: Striking a Balance Between Profit Incentive and the Free Dissemination of Research Information*, 48 IND. L.J. 503 (1973) [hereinafter referred to as Note, *Library Photocopying: Striking A Balance*].

23. *See, e.g.*, note 19 *supra*, accoustical and optical holographs. In addition, self-generated computer programs stored on magnetic tape or punch cards fall in this category.

24. The Copyright Office allows registration of some unclassified works such as videotapes of motion pictures or computer programs stored on magnetic tape or in intelligible print out form. 36 C.F.R. § 202.15(d) (1973); Symposium, *The Impact of the Multiple Forms of Computer Programs and Their Adequate Protection by Copyright*, 18 COPYRIGHT L. SYM. (ASCAP) 92, 100-02 (1968). Registration, although accorded weight by the courts, is not binding upon them as a determination that the work is copyrightable. *Id.* at 122-24.

25. "The present Copyright Law of the United States (U.S. Code, Title 17) is an outmoded statute: cumbersome, cluttered, poorly worded and clumsily arranged. The infringement section, for example, is a verbal jungle." LINDEY, *supra* note 5, at xix (Supp. 1973).

26. *See* notes 138-139 and accompanying text *infra*.

27. *See* note 158 and accompanying text *infra*.

28. *See* notes 192-206 and accompanying text *infra*.

29. 172 U.S.P.Q. 670 (Ct. Cl. 1972) (Commissioner Davis' opinion); 487 F.2d 1345 (Ct. Cl. 1973) (Court of Claims).

hear the case and by the Judges of the United States Court of Claims. Enactment of Copyright revision legislation is dependent upon the diverse groups involved reaching a satisfactory compromise of their positions.

This Comment is divided into three parts. Part I[30] discusses the development and rationales of the policies of concurrence and preemption. Part II[31] examines the copyright revision program with emphasis upon its preemptive policy and the past reasons for the delay in enactment of revision legislation. Finally, part III[32] discusses both the Commissioner's opinion and the court's decision in the case of *Williams & Wilkins Company v. United States*, and the past and potential effects of that litigation upon the diverse groups that presently impede the progress of the revision program.

I. Development of Concurrence and Preemption

A. *United States Early Experience*

Pursuant to a resolution[33] promulgated by the Continental Congress urging protection of literary property, all the original states, except Delaware, enacted copyright legislation before the Constitution was adopted.[34] It is however, nowhere mentioned in the Constitution or the debates upon it, that the Copyright Clause of the Constitution was intended to abrogate either common law or state statutory protection of unpublished literary works.[35] The most authoritative comment upon the purpose of the clause is that of James Madison who was "intimately associated with the authorship of the patent-copyright clause."[36] He observed that:

> The utility of this power will scarcely be questioned. The copyright of authors has been solemnly adjudged, in Great Britain, to be a right of common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals. *The States cannot separately make effectual provision for either of* these cases, and most of them have anticipated the decision of this point by laws passed at the instance of Congress.[37] (emphasis added)

30. *See* notes 33-134 and accompanying text *infra*.
31. *See* notes 135-180 and accompanying text *infra*.
32. *See* notes 181-320 and accompanying text *infra*.
33. Ball, *supra* note 5, at 30.
34. H.R. Rep. No. 2222, 60th Cong., 2d Sess 2 (1909).
35. *See* Fenning, *The Origin of the Patent and Copyright Clause of the Constitution*, 17 Geo. L.J. 109 (1929).
36. Whicher, Creative Arts, *supra* note 1, at 107.
37. The Federalist, No. 43, at 309 (B.F. Wright ed. 1961) (J. Madison).

Madison's comment on the inability of the States to provide effective protection for copyrights or patents has been the foundation upon which subsequent judicial opinions have expounded a need for uniformity in patents *and* copyrights. This uniformity, they assert, can only be achieved by federal preemption of state laws.[38] However, the inability referred to by Madison has most recently been interpreted by the United States Supreme Court, as relating "to the burden placed on an author or inventor who wishes to achieve protection in all States when no federal system of protection is available."[39]

Subsequent to the passage of the first federal Copyright statute[40] in 1790, congressional legislation on copyright law extended, inter alia, the scope of copyrightable subject matter,[41] the duration of a copyright,[42] and the remedies available for an infringement.[43] At no time, however, was there federal legislation enacted to preempt the common law. Moreover, the existing congressional legislation pertaining to federal copyright law, the Act of 1909,[44] expressly retains common law copyright and state remedies for protecting an author's works.[45] No state legislation has been discovered that recognizes the federal copyright law as preempting state protection. But there have been a few state judicial decisions[46] to the effect that the federal copyright law preempts

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38. 412 U.S. 546, 555 (1973).

39. Goldstein v. California, 412 U.S. 546, 556 (1973). "The evil aimed at is the lack of adequate power to confer an effective monopoly privilege that results from the limited territorial sovereignty of the several states." Note, *The "Copying-Misappropriation" Distinction: A False Step in the Development of the Sears-Compco Pre-emption Doctrine*, 71 COLUM. L. REV. 1444, 1449 (1971) [hereinafter referred to as Note, *Copying Misappropriation*].

40. Act of May 31, 1790, c. 15, 1 STAT. 124 (1790).

41. The original subject matter of copyright was confined to maps, charts, or books. The Act of April 29, 1802, c. 36, 2 STAT. 171 (1802), added prints. The Act of February 3, 1831, c. 16, 4 STAT. 436 (1831), added musical compositions. The Act of March 4, 1909, c. 320, 35 STAT. 1082 (1909) added paintings, drawings, charts, models, etc. which comprise the 14 categories of copyrightable subject matter under present law.

42. Under the original copyright act, Act of May 31, 1790, c. 18, 1 STAT. 124 (1790), the term of a copyright was 14 years from the date the Title was recorded, plus a renewal of 14 years upon expiration of the original term. The Act of February 3, 1831, c. 16, 4 STAT. 436 (1831) extends the original term to 28 years but retained the renewal at 14 years. The Act of March 4, 1909, c. 320, 35 STAT. 1080 (1909) extended the duration to the present 28 years for the original term and 28 years for the extension. *See* 17 U.S.C. §§ 24, 25 (1962). *See* Cargill, *Copyright Duration v. The Constitution*, 17 WAYNE L. REV. 917 (1971).

43. *See* 17 U.S.C. §§ 101, 104, 112 (1962).

44. *See* note 1 *supra*.

45. *See* note 1 *supra*; Symposium, *Section 2 of the Copyright Act: A Statutory Maverick*, 19 COPYRIGHT L. SYM. (ASCAP) 143 (1969).

46. *See, e.g.*, Holmes v. Hurst, 174 U.S. 82 (1899); G. Ricorde & Co. v. Handler, 194 F.2d 914 (2d Cir. 1952); National Comics Publications v. Fawcett Publications, 191 F.2d 594 (2d Cir. 1951); RCA Mfg. Co. v. Whiteman, 114 F.2d 86 (2d Cir. 1940), *cert. denied*, 311 U.S. 712 (1940); Fashion

state protection via statute or the common law. Most notable of these decisions are the opinions of Judge Learned Hand.[47] Notwithstanding these decisions, the traditional legislative and overwhelming judicial interpretation[48] has been that the federal and state governments could concurrently operate in their respective areas in protection of literary property. This interpretation prevailed until serious doubts were cast upon it in 1964.

B. *The Emergence of Preemption and Following Confusion*

In 1964, two companion cases decided by the Supreme Court seriously disturbed the traditional view of federal and state concurrence in copyright law. The judicial interpretation that preemption was the congressional intent towards patents *and copyrights* was expounded in *Sears, Roebuck & Co. v. Stiffell*,[49] and *Compco Corp. v. Day-Brite Lighting Inc.*[50] In each of these cases a manufacturer brought an action under state laws of unfair competition, to prevent the "copying" of his unpatentable product. The Supreme Court held that "just as a State cannot encroach upon the federal patent laws directly, it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws."[51] The preemptive rationale of *Sears-Compco* rests upon the Supreme Court's conclusion that the intention of Congress is that there be "national uniformity in patent and copyright laws. . . ."[52] This conclusion was derived from Madisons' comments in the *Federalist* and the Court's inferences from implementing statutes.[53]

Although the preemptive policy of *Sears-Compco* has "dominated judicial thinking and business planning for almost a decade . . .",[54] the majority of cases decided after *Sears-Compco* have given

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Originators Guild v. F.T.C., 114 F.2d 80 (2d Cir. 1940), *aff'd*, 312 U.S. 457 (1941).

47. *See* cases note 46 *supra*. These cases were, however, relegated to the status of dicta. *See* Capital Records v. Mercury Records Corp., 221 F.2d 657 (2d Cir. 1955); WHICHER, CREATIVE ARTS, *supra* note 1, at 89.

48. *See* notes 1, 10 and accompanying text *supra*. "[T]he States have not relinquished all power to grant to authors the 'exclusive right to their respective Writings.'" Goldstein v. California, 412 U.S. 546, 560 (1973); "The opinions of this court have been uniform that a concurrent power . . . might exist and be exercised by the States." Wheaton v. Peters, 33 U.S. (8 Pet.) 591, 604 (1834).

49. 376 U.S. 225 (1964).

50. 376 U.S. 234 (1964).

51. 376 U.S. 225, 231 (1964).

52. *Id.* at 230.

53. 376 U.S. 225, 230 n.7. *See* notes 4, 36 and accompanying text *supra*.

54. Goldstein, *"Inconsistent Premises" and the "Acceptable Middle*

the decisions a narrow interpretation.[55] The lower courts tend to follow the preemptive rationale only in those cases where the facts are substantially similar.[56] Although the issue in *Sears-Compco* was directly related to federal policy towards patents,[57] the sweeping language of that Court, concerning copyrights has caused considerable consternation in copyright law. Tape and record pirates have "sought to rely upon the decisions for protection from suits by record companies."[58] However, in 1973 the question of whether a state could by its laws protect an uncopyrightable work in perpetuity was answered in the affirmative.[59]

C. *Judicial Interpretation Returns to Concurrence—Goldstein v. California*

In the case of *Goldstein v. California*,[60] the Supreme Court was once again faced with the question of deciding whether state copyright laws were preempted by the federal copyright statute. The

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Ground:" A Comment on Goldstein v. California, 21 BULL. CR. SOC. 25, 40 (1973) (To his knowledge, the author is not related to the petitioner in the case commented upon) [hereinafter referred to as Goldstein, *"Inconsistent Premises"*].

55. *See, e.g.*, Servo Corp. of America v. General Electric Co., 337 F.2d 716 (4th Cir. 1964); Flexitized, Inc. v. National Flexitized Corp., 335 F.2d 774 (2d Cir. 1964), *cert. denied*, 380 U.S. 913 (1965); Tappan Co. v. General Motors Corp., 245 F. Supp. 972 (N.D. Ohio 1965), *aff'd*, 380 F.2d 888 (6th Cir. 1967); Capital Records Inc. v. Greatest Records, Inc., 43 Misc. 2d 878, 252 N.Y.S.2d 553 (Sup. Ct. 1964); Columbia Broadcasting Sys. v. Documentaries Unlimited Inc., 42 Misc. 2d 723, 248 N.Y.S.2d 809 (Sup. Ct. 1964); Edgar H. Wood Associates, Inc. v. Skene, 347 Mass. 351, 197 N.E.2d 886 (1964); Mastro Plastics Corp. v. Emenee Industries, Inc., 141 U.S.P.Q. 311 (N.Y. Sup. Ct. 1964). *Contra*, Columbia Broadcasting System Inc. v. DeCosta, 377 F.2d 315 (1st Cir. 1965); Cable Vision, Inc. v. KUTV, Inc., 335 F.2d 348 (9th Cir. 1964); Angell Elevator Lock Co. v. Manning, 348 Mass. 626, 205 N.E.2d 445 (1965).

56. "Lower state and federal courts have, since the decisions, largely refused to credit them with the breadth they appear to demand. . . ." Goldstein, *Federal System Ordering of The Copyright Interest*, 69 COLUM. L. REV. 49, 65 (1969) [hereinafter referred to as Goldstein, *Federal System Ordering*];

> The lower courts, which have considered the question since the *Sears/Compco* cases were handed down, will follow the decisions only in fact situations which are nearly identical with the fact situation in the *Sears/Compco* cases. However, where fact situations differ, the courts tend to distinguish these cases and reapply the old-fashioned principles of honesty.

Keating, *The Inventor's Dilemma: The Right to Copy v. Proprietary Rights*, 42 ST. JOHN'S L. REV. 38, 50 (1967). *See also* Symposium, *Unfair Competition Protection after Sears and Compco*, 15 COPYRIGHT L. SYM. (ASCAP) 1 (1965); Note, *Copying Misappropriation, supra* note 39; Comment, *Sound Recordings, Records, and Copyright: Aftermath of Sears and Compco*, 33 ALBANY L. REV. 371 (1969).

57. *See* notes 107 through 134 and accompanying text *infra*.

58. Yarnell, *Recording Piracy Is Everybody's Burden: An Examination of Its Causes, Effects and Remedies*, 20 BULL. CR. SOC. 234, 241 (1973) [hereinafter referred to as Yarnell, *Piracy*].

59. *See* notes 71-74 and accompanying text *infra*.

60. 412 U.S. 546 (1973).

petitioners, who were engaged in the practice of "tape piracy,"[61] were charged with 140 violations[62] of section 653 (h) of the California Penal Code[63] which prohibited the duplication of any sounds recorded on a phonograph or tape without the consent of the owner. At trial, petitioners moved for dismissal of the complaint on the grounds that section 653 (h) was in conflict with the "Copyright Clause" and therefore unconstitutional. The trial court upheld the constitutionality of the statute,[64] and the appellate court affirmed.[65] Petitioners then appealed to the United States Supreme Court.

1. *Constitutional Preemption*

The petitioners advanced three arguments against the constitutionality of the California Penal Statute. Their first argument was predicated on the theory of constitutional preemption[66] and consisted of a two pronged attack based solely upon the language of the Copyright Clause. They contended that section 653 (h) established a state copyright statute of unlimited duration and thus

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61. Tape "piracy" is essentially the unauthorized duplication of performances of major musical artists from original recordings produced and marketed by recording companies. For a thorough description of pirate practices and the consequences thereof, *see*, Tape Industries Asso. of America v. Younger, 316 F. Supp. 340 (C.D. Cal. 1970), *appeal dismissed for lack of jurisdiction*, 401 U.S. 902 (1971) and Yarnell, *Piracy, supra* note 58, at 234-39. *See also* Comment, *Performers Rights and Copyright: The Protection of Sound Recordings From Modern Pirates*, 59 CALIF. L. REV. 548 (1971); Comment, *Record Piracy and Copyright: Present Inadequacies and Future Overkill*, 23 MAINE L. REV. 359 (1971).

62. At trial petitioners pleaded *nolo contendre* to 10 of the violations and the remaining charges were dismissed. Goldstein v. California, 412 U.S. 546, 549 (1973).

63. WEST'S CALIFORNIA CODE, PENAL CODE, section 653(h) (1972), provides in part that:

> (a) Every person is guilty of a misdemeanor who:
>
> (1) Knowingly and willfully transfers or causes to be transferred any sounds recorded in a phonograph record, . . . tapes, . . . or other article on which sounds are recorded, with intent to sell or cause to be sold, . . . such actual medium on which such sounds are so transferred, without the consent of the owner.

64. 412 U.S. 546, 549 (1973).

65. *Id.*

66. The theory of "constitutional preemption" holds that:

> The patent-copyright clause in the Constitution forbids, by necessary implication, and of its own force, the exercise of state power to protect any form of published intellectual property without at least some recognition of, and obedience to, a federally created time limit.

WHICHER, CREATIVE ARTS, *supra* note 1, at 97. This theory is chiefly supported by the decisions of Judge Learned Hand and the *Sears-Compco* cases. *See* notes 47, 51 and accompanying text *supra*.

conflicted with the language contained in the Copyright Clause that "Congress shall have the power . . . [to grant copyrights] . . . for limited times. . . ."[67] The Supreme Court rejected the first prong of petitioners' constitutional preemption argument, concluding that "under the Constitution, the States have not relinquished all power to grant to authors 'the exclusive Right to their respective Writings.' "[68] In support of this conclusion, the Supreme Court made the following observations about the power of the states to grant copyright protection. First, the Court stated that the Constitution neither expressly excludes the States, nor grants exclusively to the Federal Government, the power to issue copyrights.[69] Second, because the subject matter of a copyright could at times be of purely local interest, the Court could discern no unyielding national interest that required the inference that state power to grant copyrights had been relinquished to exclusive federal control.[70] Third, the Court indicated that no conflict *will* necessarily arise from a lack of uniformity in state regulation nor would the actual operation of power to grant copyrights by one state significantly prejudice the interest of another.[71] Finally, the Court declared that Congress has not determined that the national interest requires federal protection or freedom from restraint of all categories of writings.[72]

The Supreme Court also rejected the second prong of petitioners' constitutional preemption argument. The Court stated that the statute could "not be voided for lack of a durational requirement"[73] for two reasons. First, the Court stated that the "or limited times" language of the Copyright Clause applied only to the protection granted by Congress and was not a limitation upon the duration of state action.[74] Second, the Court declared that, in contradistinction to the pervasive effects of the federal copyright monopoly, the effects of the unlimited duration of a copyright monopoly granted by the state was confined to its borders,[75] thus any tendency it had to inhibit further progress in science or the arts would be narrowly circumscribed.

2. *Supremacy Clause & Statutory Preemption*

For their second argument, petitioners contended that section 653(h) conflicted with congressional policy and therefore, must

67. 412 U.S. 546, 551 (1973).
68. 412 U.S. 546, 560 (1973). *See* notes 16, 17, and 41 *supra* for a definition, meaning, and examples of "Writings."
69. 412 U.S. 546, 560 (1973).
70. *Id.* at 559.
71. *Id.* at 560.
72. *Id.*
73. *Id.* at 560.
74. *Id.*
75. "Where Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach." *Id.*

yield to the federal laws under the Supremacy Clause.[76] The basis for this argument was the Supreme Court's interpretation of congressional intent in *Sears-Compco*[77] where the Court indicated that Congress intended to establish a uniform federal copyright law to protect original writings and to allow individuals to freely copy any work which was not protected by the federal law.[78] Since section 653(h) effectively prohibited the copying of works that were not entitled to federal protection petitioner concluded that the section was invalid because it conflicted with federal laws. As a supplement to their Supremacy Clause Argument, petitioners also put forth a statutory preemption[79] argument. They argued that, under the language of sections 4 and 5 of the federal copyright act,[80] Congress had so occupied the field of copyright protection as to preempt all comparable state action.[81]

The Supreme Court repudiated the Supremacy Clause argument. Although expressly reaffirming *Sears-Compco*,[82] the majority stated that "*Sears-Compco*, on which petitioners rely, do not support their position."[83] The Court held that those cases applied to instances in which state protection directly conflicted with federal protection and therefore, gave way, under the Supremacy Clause, to federal policies. In those instances direct conflict re-

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76. U.S. CONST. art. VI(2).

77. *See* notes 49-59 and accompanying text *supra*.

78. 412 U.S. 546, 551 (1973).

79. "Preemption" refers to the supplanting of an existing body of law by a second, later-created law or group of laws dealing with the same subject matter, when the later rule has been promulgated by a law-making authority superior to that which originated the supplanted rule or rules.
WHICHER, CREATIVE ARTS, *supra* note 1, at 86 n.3. *See also* Weber v. Anheuser-Busch, Inc., 348 U.S. 468, 473 480 (1955) and Note, *The Supreme Court*, 1959 Term, 74 HARV. L. REV. 81, 132-35 (1960). The theory of "statutory preemption," "declares that the federal statute 'occupies the field' of legal protection for author's published works and thus, under the supremacy clause, excludes any exercise of power by the states to protect published 'writings.'" WHICHER, CREATIVE ARTS, *supra* note 1, at 98. *See* Kalonder & Vance, *The Relation Between Federal and State Protection of Literary and Artistic Property*, 72 HARV. L. REV. 1079 (1959).

80. 17 U.S.C. § 4 (1962) provides: "The works for which copyright may be secured under this title shall include all the writings of an author." 17 U.S.C. § 5 (1962) provides in part: "The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title. . . ."

81. 412 U.S. 546 (1973). Justice Marshall, in his dissenting opinion, accepts the argument that Congress has preempted the field of copyright law in favor of free competition.

82. "Finally, we have concluded that our decisions in *Sears* and *Compco*, which we reaffirm today, have no application in the present case." 412 U.S. 546, 567 (1973).

83. *Id.*

sulted because state protection had disturbed the careful balance Congress had drawn with respect to encouraging inventions and ensuring competition in the sale of identical or substantially similar products.[84] In the present case, however, the Supreme Court held that no comparable conflict exists because Congress has drawn no balance in the category of works comprising sound recordings "fixed" prior to February 15, 1972.[85] The Court also rejected the statutory preemption argument stating that it has been the consistent interpretation of the Congress, the courts, and the Copyright Office that Congress has not intended to exercise its authority over all works to which sections 4 and 5 *might* apply.[86]

3. *Publication*

Petitioners contended, in their final argument, that the sound recordings had been previously released to the public and thus there had been a publication[87] of them under federal law.[88] The Supreme Court dismissed this contention in a footnote stating, inter alia, "as to categories of writings which Congress has not brought within the scope of the federal statute, the term [publication] has no application."[89] For its conclusion, the Court stated:

> Until and unless Congress takes further action with respect to recordings fixed prior to February 15, 1972, the California Statute may be enforced against acts of piracy such as those which occurred in the present case.[90]

The dissent[91] in *Goldstein* relies primarily upon the *Sears-Compco* court's interpretation of congressional intent, i.e. federal policy, that should be applied to the patent-copyright clause. That court's determination that the federal patent scheme preempts any

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84. *Id.*

85. The term "fixed" means the author's work is in some tangible medium of expression that exhibits the characteristics of permanency or stability. *See* note 16 *supra* and note 161 *infra.*

86. [I]t may be argued that Congress intended to exercise its authority over all works to which the constitutional provision might apply. However, in the more than 60 years which have transpired since enactment of [the 1909 Copyright Act], neither the Copyright Office, the courts, nor the Congress has so interpreted it.
Goldstein v. California, 412 U.S. 546, 567 (1973).

87. *See* note 173 *infra.*

88. *See* note 1 *supra.*

89. 412 U.S. 546 (1973).

90. *Id.* at 564.

91. Mr. Justice Douglas' dissent is based upon the inference that the intent of Congress is that there be uniformity in copyright laws, which can only be achieved by preemption. Mr. Justice Marshall's dissent is based upon statutory preemption in that, in his view, "Congress has demonstrated its desire to exercise the full grant of constitutional power." 412 U.S. 546, 577 (1973). He further bases his dissent upon the determination of the intent of Congress, in that, "the silence of Congress would be taken to reflect a judgment that free competition should prevail." *Id.* at 578. Both Justices Douglas and Marshall are joined in their respective dissenting opinions by Justices Brennan and Blackmun.

state encroachment upon it[92] is *inferred* from "the federal policy, found in art. I, § 8, cl. 8 of the Constitution and in the implementing federal statutes. . . ."[93] This inference, as pertains to patents, is amply supported by judicial decisions and statutory provisions.[94] However, the sweeping reasoning of *Sears-Compco* implying that Congress intended, via the patent-copyright clause and its implementing statutes, to preempt state protection of uncopyrighted works[95] is not sustained by the majority of subsequent judicial decisions.[96] Nor is it sustained by statutory provisions particularly where the *Sears-Compco* court was cognizant of the fact that section 2[97] of the copyright enabling statute[98] expressly retains common law protection of unpublished works that may or may not be copyrighted.[99]

The dissent in *Goldstein* further relies upon the brief excerpt from Madison's comment that was used by the *Sears-Compco* Court to support that Court's conclusion that there was a need for "uniformity" in patent *and copyright* law.[100] However, the *Sears-Compco* Court, unlike the majority in *Goldstein*,[101] did not examine the circumstances which gave rise to Madison's comment,[102] but merely inferred that the states could not make effective provisions to protect literary property in the absence of a national system of protection. In essence, the *Sears-Compco* Court's determination of the intent of Congress, as pertains to copyrights, rests upon inferences of inferences. Thus the position of the dissent in *Goldstein*, is based upon the congressional intent towards patents,[103] which is the essence of the *Sears-Compco* decision. Consequently, to adopt their position would, in effect, result in a transfer of the congressional intent towards patents over into the field of copyright law.[104]

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92. *See* note 51 and accompanying text *supra*.
93. *See* note 53 and accompanying text *supra*.
94. *See* note 131 and accompanying text *infra*.
95. "The court did not appear to restrict federal preemption to patent law, but seemingly extended it to copyright as well. . . ." *Project*, *supra* note 18, at 989.
96. *See* notes 56-57 and accompanying text *supra*.
97. *See* note 1 *supra* and Symposium, *Section 2 of the Copyright Act: A Statutory Maverick*, 19 COPYRIGHT L. SYM. (ASCAP) 143, 169 (1969).
98. Act of March 4, 1909, c. 15, 35 STAT. 1080 (1909).
99. Certain classes of works which are in unpublished form may be registered with the Copyright Office, 17 U.S.C. § 12 (1962). Examples of such works include, lectures, motion picture photoplays, photographic prints, and drawings.
100. 412 U.S. 546, 572 (1973).
101. *See* note 39 and accompanying text *supra*.
102. *See* notes 37-39 and accompanying text *supra*.
103. *See* note 131 and accompanying text *infra*.
104. "Because copyright law is subject to constraints not applicable to

It is submitted that the making of such a transfer would be unsound in view of the different natures[105] of patents and copyrights and the different manner in which each is and has been treated congressionally, judicially, and administratively.[106]

4. *Goldstein Distinguished from Sears-Compco—Patents Distinguished from Copyrights*

The *Goldstein* decision has been criticized for the treatment it accords the *Sears-Compco* cases.[107] Although the Supreme Court expressly reaffirmed the holdings in those cases, "the attempted distinction of *Sears* and *Compco* was groundless . . ."[108] for those cases seemed readily distinguishable upon their facts and did not require the attempted distinction of the balances drawn by Congress in the patent and copyright fields.[109] *Goldstein* was specifically concerned with the question of whether a state could protect a category of subject matter not included in those enumerated in the statutory classification of copyrightable works. *Sears-Compco,* on the other hand, were directly concerned with the issue of whether a state could, by its laws, offer protection of a kind which indirectly impinged upon the federal patent laws.[110] On the facts, *Sears-Compco* appeared to be minimally, if at all concerned with copyrights, however the sweeping language[111] of that Court preempts state protection of copyrights as well as patents.

Although both copyrights and patents are limited monopolies[112] derived from the same constitutional provision,[113] they are distin-

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patent law, . . ., it was reckless for *Goldstein* to assume that copyright sets its balance for protection in the same fashion as patents." Goldstein, *"Inconsistent Premises" supra* note 54, at 34.

105. *See* notes 121-130 and accompanying text *infra.*

106. "Although patents and copyrights find their federal basis in the same clause of the Constitution, the legislative and judicial treatment they have received has differed materially; copyrights and patents, though related, are yet worlds apart." *Rothenberg, supra* note 3, at 3-4.

107. Goldstein, *"Inconsistent Premises", supra* note 54, at 35.

108. *Id.*

109. *See* note 84 and accompanying text *supra.*

110. 35 U.S.C. § 1 (1962).

111. Today we have held in *Sears Roebuck & Co. v. Stiffel Co.*, that when an article is unprotected by a patent *or copyright*, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy found in Art. 1, § 8, cl. 8 of the Constitution and in the implementing federal statutes allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.

Compco Corp. v. Day-Brite Lighting Inc., 376 U.S. 234, 237 (1964).

112. The federal copyright law is limited by the Copyright Clause. Common law or state statutory protection of literary property may exist in perpetuity but it is not a monopoly since the public may use the work once it has been disseminated to them by a general publication. *See* notes 173-74, *infra.*

113. *See* note 10 *supra.* "Although united in this clause, . . ., the subjects of patents and copyrights have little analogy. They are so widely different that one is property, the other a legalized monopoly." Wheaton v. Peters, 33 U.S. (8 Pet.) 591, 598 (1834).

guishable as to the nature of the right granted,[114] the subject matter involved,[115] the standards and procedures for obtaining each,[116] the duration of the monopoly granted by each,[117] and the prevailing judicial interpretations of the exclusive domain of each.[118]

Upon the grant of a patent, the owner (patentee) is given the right to "exclude others from making, using, or selling"[119] any device or process which substantially embodies the ideas or discoveries claimed in his patent. A copyright, however, grants the owner thereof only the right to prevent others from "copying" his particular "expression" and not from using any ideas or discoveries that he may disclose.[120]

The standards and procedures for obtaining a patent are much more stringent than those for obtaining a copyright. The subject matter of a patent must meet the patentability standards of novelty[121] and unobviousness,[122] whereas the subject matter of a copyright need only be "original."[123] It is only the author's "expression" in a copyrightable work, that must be original. Moreover, two or more persons who independently create a similar or identical work may obtain a copyright on it, provided each is an original expression of its respective author.[124] Two patents, however are never granted on the same invention or discovery, regardless of whether they were independently or simultaneously made.[125]

A patent is issued from the Patent Office only after a thorough

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114. *See* notes 119-120 and accompanying text *infra.*
115. *See* notes 121-125 and accompanying text *infra.*
116. *See* notes 126-127 and accompanying text *infra.*
117. *See* notes 128-130 and accompanying text *infra.*
118. *See* note 131 and accompanying text *infra.*
119. The definition of infringement of a patent is contained in 35 U.S.C. § 271 (1962) which provides in part that "whoever without authority, makes, uses, or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent." *See also* 35 U.S.C. §§ 154, 163 (1962).
120. 17 U.S.C. § 1 (1962). *See* note 18 *supra.* An idea or discovery standing alone, can neither be patented or copyrighted. *See* 35 U.S.C. § 101 (1962); 17 U.S.C. § 1 (1962); 37 C.F.R. § 202.1 (1973).
121. 35 U.S.C. § 102 (1962). "Conditions for patentability; novelty and loss of right to patent".
122. 35 U.S.C. § 103 (1962). "Conditions for patentability; non-obvious subject matter".
123. 17 U.S.C. § 4 (1962). *See* BALL, *supra* note 5, at 237-38; NIMMER, *supra* note 3, at § 48.
124. "[I]f the same idea can be expressed in a plurality of totally different manners, a plurality of copyrights may result, and no infringement will exist." BALL, *supra* note 5, at 327.
125. In cases of simultaneous inventions, the first inventor to conceive of and reduce to practice his discovery is entitled to the patent. 35 U.S.C. § 102(g) (1962).

scrutiny is made of the invention to ascertain its compliance with the required patentability standards.[126] A copyright, on the other hand, is granted by the Copyright Office after an examination of the application form discloses that the form is properly filled out.[127] A patent is granted absolutely for a maximum of 17 years.[128] However, a copyright, under present federal law, is granted for an original term of 28 years[129] and is renewable for another 28 years upon the expiration of the original term.[130]

The prevailing judicial interpretation has been that patents are exclusively in the federal domain. The United States Supreme Court has stated:

> We are willing to admit that this language [Patent-Copyright Clause] is broad enough, and is adopted to transfer to Congress the whole legislation and control over patents. There is at common law no property in them; there is not even a legal right entitled to protection.[131]

However, as previously discussed, there is a sharp dispute as to whether Congress has exclusive control over the law of copyrights.

In effect, the decision of *Goldstein v. California*, allows the states to extend their protection to any category of subject matter which Congress has not indicated a preference for or against protection of that subject matter. Thus a state may, by either statute or applicable common law principles, provide greater protection in duration for works not encompassed by the federal statutory classifications of copyrightable subject matter than the federal government can provide for works that are copyrighted.[132] Although criticized for "knocking the props out from under the *Sears-Compco* decisions,"[133] the *Goldstein* decision has, in effect, limited the preemptive policy of those decisions to state laws that encroach upon federal patent policy. Thus the decision in *Goldstein v. California*, has returned the judicial interpretation of the Copyright Clause to the traditional, pre-*Sears-Compco* viewpoint[134] which sustained the

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126. 35 U.S.C. §§ 111-15 (1962).

127. "Copyright registration requires mere compliance with statutory formalities, whereas patents are granted only after the Patent Office has searched the "prior art" and determined that the invention is novel and useful. RINGER & GITLIN, *supra* note 16, at 2.

128. A utility or plant patent is issued for a period of 17 years. The patentee may dedicate his patent to the public at any time during the 17 year period. 35 U.S.C. § 261 (1962). A design patent may be granted for a period of 3½, 7 or a maximum of 14 years. A patent cannot be renewed.

129. 17 U.S.C. § 24 (1962).

130. *Id. But see* note 154 and accompanying text *infra.*

131. Wheaton v. Peters, 33 U.S. (8 Pet.) 591, 601 (1834). The federal courts have exclusive jurisdiction over all cases arising under the patent laws. United States v. American Bell Telephone Co., 159 U.S. 548 (1895); American Harley Corp. v. Irwin Industries, Inc., 315 N.Y.S.2d 129, 27 N.Y.2d 168, 263 N.E.2d 552 (1970), *cert. denied*, 401 U.S. 976 (1970).

132. *See* notes 73-74 and accompanying text *supra.*

133. Goldstein, *"Inconsistent Premises," supra* note 54, at 40.

134. *See* notes 2-3 and accompanying text *supra.*

concurrent operation of federal and state laws in the protection of literary property.

Although judicial determinations sustain the concurrent operation of federal and state laws, Congress, in its plans to revise the federal copyright statute, intends to preempt all state protection of literary property in the nature of copyright protection.

II. Copyright Revision

A. *Need For Revision*

It is now virtually undisputed that there exists an urgent need for revision of the present federal copyright laws.[135] The primary reason for this revision is to extend federal copyright protection to those areas of copyright law which have been rendered obsolete by technology.[136] Another important reason for revision is to establish a means for studying and amassing information on the effects of scientific advancements upon copyright law and to supply that information to Congress so that it may make adequate legislative responses to those advancements.[137] As a result of these and other reasons, Congress has been engaged in a program for more than 18 years to enact legislation for the general revision of the federal copyright laws.[138] The most recent effort at revision is re-

135. "[E]verybody agrees that we need a revision. . . ." 118 Cong. Rec. 9621 (daily ed. Oct. 11, 1972) (remarks of Congressman Hutchinson). *But see* Henn, *Copyright Law Revision: Paragon or Paradox?*, 44 N.Y.U.L. Rev. 477, 520 (1969) [hereinafter referred to as Henn, *Paragon or Paradox?*]. It has been contended that the entire system of copyright protection should be abrogated, *see* Breyer, *Uneasy Case For Copyright—A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 Harv. L. Rev. 281 (1970) [hereinafter referred to as Breyer, *Uneasy Case for Copyright*]. This contention, however, has been strenuously rejected. *See* Tyerman, *Economic Rationale For Copyright Protection for Published Books: A Reply To Professor Breyer*, 18 U.C.L.A. L. Rev. 1100 (1971) [hereinafter referred to as Typerman, *Economic Rationale*].

136. "The guiding premise of the revision program has been that the tremendous changes in technology that have taken place since 1909, which have fostered entire new industries and new methods for the reproduction of literary and artistic works, have rendered the present copyright law obsolete. . . ." *Hearings H.R. 4347*, *supra* note 15, at 1853. *See* note 15 and accompanying text *supra*.

137. *See* Dole, Jr., *Forward: Copyright Problems—Twenty-First Century Style*, 53 Iowa L. Rev. 805, 808-09 (1968). "As Senate action with respect to the National Commission indicates, the technological revolution threatens to outdate the copyright revision bill shortly after its enactment." *Id.* *See* note 158 and accompanying text *infra*.

138. The revision program began in earnest in 1955 with a $20,000 congressional appropriation for a three year study to be conducted by the Copyright Office. From 1955 to 1961, more than thirty-five separate studies were conducted on various aspects of copyright law revision. These studies

flected in Senate Bill S. 1361, introduced by Senator John J. McClellan on March 26, 1973.[139]

Originally proposed as a three year study,[140] the copyright revision program has been faced with various obstacles in the more than eighteen years since it was initiated by the Copyright Office in 1955.[141] The first obstacle encountered was the gross underestimating of the magnitude of the undertaking and the amount of time required to complete the initial studies.[142] After more than six years and many discussions and disagreeements between opposing forces, there appeared the first report on the revision program. It contained the results of some thirty-five separate studies on various aspects of copyright law.[143] Almost nine years after the inception of the plan, the first bill for the general revision of the federal copyright law was introduced in the House of Representatives.[144] Since that time numerous hearings and reports have been introduced into Congress.[145]

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are reprinted in STUDIES ON COPYRIGHT LAW—ARTHUR FISCHER MEMORIAL EDITION (1963). (Arthur Fischer was the Register of Copyrights who started the revision program). The first report from the Copyright Office appeared in 1961. *See* REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, reprinted in 2 *Studies on Copyright Law—Arthur Fischer Memorial Edition*, 1199 (1963). Drafting of proposed sections of copyright revision began in 1964 and since that time a series of more than thirteen bills have been introduced into Congress. *See* S. 3008, H.R. 11947, H.R. 123549, 88th Cong., 2d Sess. (1964); S. 1006, H.R. 4347, H.R. 6831, H.R. 6835, 89th Cong., 1st Sess. (1965); S. 597, H.R. 2512, 90th Cong., 1st Sess. (1967); S. 543, 91st Cong., 1st Sess. (1969); S. 644, 92nd Cong., 1st Sess. (1971); and S. 1361, 93rd Cong., 1st Sess. (1973). "Except for technical changes relating to the effective dates of various provisions, the [present] bill [S. 1361] is identical to S. 644 of the 92nd Congress. That bill, other than for minor amendments is identical to the bill [S. 543] reported by the subcommittee in December 1969." 119 CONG. REC. 5615 (daily ed. Mar. 26, 1973) (remarks of Senator McClellan). S. 543 is substantially similar to H.R. 2512 which was passed by the House of Representatives in 1967.

Numerous hearings have been conducted before Congress on revising the present copyright law. *See, e.g., Hearings H.R. 4347, supra* note 15; *Hearings on S. 597 Before the Subcomm. On Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. (1967) [hereinafter referred to as *Hearings S. 597*]; *Hearings On S. 1361 Before the Subcomm. On Patents, Trademarks, and Copyrights of the Senate Comm. On The Judiciary*, 93rd Cong., 1st Sess. (1973) [hereinafter referred to as *Hearings S. 1361*].

139. *See* "Statements On Introduced Bills and Joint Resolutions," 119 CONG. REC. 5615 (daily ed. Mar. 26, 1973) (Senator McClellan is Chairman of the Senate Subcommittee on Patents, Trademarks and Copyrights. Subsequent to the writing of this article, S. 1361 passed the Senate on September 9, 1974 but was not acted upon by the House of Representatives and died in the 93d Congress. It will presumably be reintroduced in the House in 1975 and undergo a series of hearings by the House Judiciary Committee.

140. *See* note 138 *supra.*

141. *Id.*

142. *See* Henn, *Paragon or Paradox?, supra* note 176, at 479-82.

143. *See* note 138 *supra.*

144. *Id.*

145. *Id.*

The primary obstacles preventing the enactment of any of the earlier bills were the oppposing interest of the many diverse groups testifying at the hearings before the House of Representatives. The major controversial interests involved gravitated around four issues: (1) the jukebox exemption;[146] (2) the manufacturing clause;[147] (3) the exemptions sought by educators and libraries;[148] and (4) the community antenna television (C.A.T.V.) royalty provisions.[149] Having reached, to their satisfaction, resolution of the issues involved, the House of Representatives passed a copyright revision bill in 1967.[150]

Upon reaching the Senate, however, the revision program was stymied by the resurgence of the C.A.T.V. issue.[151] Languishing in the Senate through the 90th and 91st Congresses, the revision program received new impetus upon the adoption of a C.A.T.V. regulatory scheme by the Federal Communications Commission on February 3, 1972.[152] Thereafter it was thought that legislative enactment on copyright law revision would soon follow.[153] However, the enactment of the present copyright bill, S. 1361 has been delayed by the re-emergence of the opposing interests of educators and libraries vis-a-vis publishers.

The thrust of the major provisions of S. 1361, is to provide greater protection, in length and subject matter, for the present and reasonably forseeable future categories of copyrightable works.

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146. *Hearings on H.R. 4347, supra* note 15, at 33. *See* 17 U.S.C. § 1(e) (1962).

147. *Hearings H.R. 4347, supra* note 15, at 36. *See* 17 U.S.C. § 16 (1962).

148. *See generally Hearings H.R. 4347, supra* note 15. *See* notes 224-247 and accompanying text *infra.*

149. *See Hearings H.R. 4347, supra* note 15, at 34-36; *Hearings S. 1361, supra* note 138, at 278-490; Comment, *Cable Compromise: Integration of Federal Copyright and Telecommunication Policies*, 17 ST. LOUIS L.J. 340 (1973); Note, *CATV and Copyright Liability: The Final Decision*, 1 CONN. L. REV. 401 (1968).

150. H.R. 2512, 90th Cong., 1st Sess. (1967). *See* note 138 *supra.*

151. "Progress on the revision bill had to await the adoption by the Federal Communications Commission of a new cable television regulatory scheme." 119 CONG. REC. 5615 (daily ed. Mar. 26, 1973) (remarks of Senator McClellan). "When that omnibus bill went over to the [Senate] they got into a jam because of CATV, and they could not unravel that jam. . . . Senator McClellan made clear that he would not let the omnibus bill out until that had been settled." 118 CONG. REC. 9619 (daily ed. Oct. 11, 1972) (remarks of Congressman Celler).

152. "[T]he adoption of the FCC cable television rules removes the barrier to progress on copyright revision, and creates a real prospect for enactment of the revision bill in the 93rd Congress." 118 CONG. REC. 9619 (daily ed. Oct. 11, 1972) (recital by Congressman Celler from report authored by Senator McClellan).

153. *Id.*

The duration of a copyright will be increased from the present federal maximum of 56 years to a new limit of life plus 50 years.[154] This provision will not only afford greater protection to copyright owners in terms of the length of protection, but will also more closely align United States copyright law with that of other nations.[155] The scope of subject matter susceptible to copyright protection has been broadened to more adequately respond to present and reasonably forseeable technological innovations that will affect literary property interests.[156] Under this provision sound recordings will finally receive permanent national protection from the egregious actions of "pirates."[157] Acknowledging the fact that the law

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154. Senate Bill S. 1361, § 302. *Hearings S. 1361, supra* note 179, at 42. [S. 1361 is reprinted in *Hearings S. 1631, supra* note 179, at 3-87]. For the present term of a copyright, *see* note 41 *supra.*

155. ". . . we increased the copyright tenure of new copyrights from 28 years, plus a renewal of 28 years, until the entire life of the owner of the copyright, plus 50 years after his death, which conformed with the international copyright laws in existence all over the world in civilized countries." "Copyright Protection in Certain Cases," 118 Cong. Rec. 9619 (daily ed. Oct. 11, 1972) (remarks of Congressman Celler) (The copyright owner referred to is a natural person who is the author of the work. A corporation, which may exist in perpituity, can own a copyright and is more appropriately termed a copyright "proprieter"). *Cf.* H.R. REP. No. 83, 90th Cong., 1st Sess. 100-03 (1967); Dubin, *Copyright Duration*, 53 IOWA L. REV. 810, 830 (1968); Diamond, *1960 ABA Symposium—Duration*, 13 BULL. CR. SOC. 25 (1965). *But see* Henn, *Paragon or Paradox?*, *supra* note 135, at 515-17 (1969); Ringer, *The Role of the United States in International Copyright*, 56 GEO. L.J. 1050 (1968).

156. S. 1361, § 102. *Subject Matter of Copyright: In General*, provides in part:

> (a) Copyright protection subsists, . . ., in original works of authorship fixed in any tangible medium of expression, *now known or later developed*, from which they can be perceived, reproduced, or otherwise communicated, either directly *or with the aid of a machine or device.* Works of authorship include the following categories:
>
> (1) literary works;
> (2) musical works, including any accompanying words;
> (3) dramatic works, including any accompanying music;
> (4) pantomimes and choreographic works;
> (5) pictorial, graphic, and sculptural works;
> (6) motion pictures and other audiovisual works;
> (7) *sound recordings.*

Hearings S. 1361, supra note 138, at 8 (emphasis added). The term "or later developed" is intended to cover new technological developments. The phrase "or with the aid of a machine or device," will counter the "intelligible notation" test of the *White-Smith Music Publishing Co. v. Appollo Co.* case, *supra* note 18. Video tapes, TV cassettes, and sound recordings are expressly included as copyrightable subject matter.

157. *Id. See* note 61 and accompanying text *supra. See* Sound Recording Amendment of 1971, 17 U.S.C.A. §§ 1(f), 5(n), 19-20, 26 (Supp. 1973), *amending* 17 U.S.C. §§ 1, 5, 19-20, 26 (1970). This amendment provides "limited copyright protection for sound recordings in order to prevent unauthorized duplication and piracy of sound recordings and to suppress the 'unethical and unfair business competition' of unlicensed duplicators." Note, *Constitutional Limitations Upon the Congressional Power to Enact Copyright Legislation*, 1972 UTAH L. REV. 534 (1972). *See also* Note, *The Sound Recording Act of 1971: An End to Piracy On the High C's?*, 40 GEO. WASH. L. REV. (1972); NIMMER, *supra* note 3, at § 35.1.

has not adequately maintained its pace with that of the technological community, S. 1361 also provides for a "National Commission on New Technological Uses of Copyright Works." The purpose of this Commission is:

> to study and compile data on: the reproduction and use of copyrighted works of authorship . . . [and to] make recommendations as to such changes in copyright law or procedures that may be necessary to assure for such purposes access to copyrighted works, and to provide recognition of the rights of copyright owners.[158]

B. *Preemptive Policy of Revision—A Single Federal System*

Ostensibly in response to the preemptive nature of the *Sears-Compco* decisions,[159] the policy of the revision program has been to "establish a single system of statutory protection for all works whether published or unpublished."[160] This preemptive policy of the revision program is reflected in section 301 of S. 1361.[161] The stated purpose of this section is to abolish all state protection which

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158. S. 1361, Title II, § 2(b)(c), *Hearings S. 1361, supra* note 138, at 72.

159. "In accordance with the Supreme Court's decision in *Sears, Roebuck & Co. v. Stiffel Co.*, Section 301 is . . . intended to have a preemptive effect . . ." where the cause of action essentially involves rights that are equivalent to copyright. H.R. REP. No. 83, 90th Cong., 1st Sess. 99 (1967). It was urged by some commentators, prior to the *Sears-Compco* cases, "that an exclusive federal system covering all literary and artistic property, whether published or unpublished, [would] promote uniformity and certainty in the law by taking the protection of unpublished works out of the hands of the several states and investing federal law with sole jurisdiction." Finklestein, *The Copyright Law—A Reappraisal*, 104 U. PA. L. REV. 1025, 1061 (1956).

160. *Hearings on H.R. 4347, supra* note 15, at 23.

161. § 301 *Pre-Emption With Respect to Other Law*

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

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

(1) unpublished material that does not come within the subject of copyright as specified by sections 102 and 103, including works of authorship not *fixed* in any *tangible medium of expression*;

. . . .

(3) Activities violating rights that are not equivalent to any of the exclusive rights within the general scope of copyrights as specified by section 106, including breaches of contract, breaches of trust, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation. *Hearings S. 1361, supra* note 138, at 42 [emphasis added].

comes within the nature of copyright protection of subject matter that is copyrightable under sections 102 and 103 of S. 1361.[126]

In order for state law to be preempted by section 301, two conditions must be met. First, the work for which protection is sought must be within the scope of copyrights as set out in sections 102 and 103.[163] The second condition which must be met is that the right, which is sought to be vindicated by state action, must not be "equivalent to any of the exclusive rights within the scope of copyright."[164] Nor can it be a "copyright literary property right, or any equivalent legal or equitable right" that is presently available under the common law or a state statute.[165] In general, if the nature of the right sought to be protected is that of reproduction, distribution, preparation of derivative works, performance, or display,[166] the right that is sought to be protected falls within the exclusive rights enumerated in section 106[167] of S. 1361 and cannot be protected by state statutes or the common law.

To partially alleviate the burden of determining rights equivalent to copyright, the authors of the revision program have expressed the intention that:

> The evolving common law right of "privacy," "publicity," and trade secrets, and the general laws of defamation and fraud, would remain unaffected as long as the causes of action contain elements, such as an invasion of personal rights or a breach of trust or confidentiality, that are different in kind from copyright infringement. . . .[168]

Where the right sought to be vindicated contains elements different in kind from copyright and also rights similar to copyright—for

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162. *Id.*

163. *Id.* *See* note 156 and accompanying text *supra.* Ideas, plans, procedures, systems, methods of operation, concepts, principles, discoveries and any works not fixed in any tangible medium of expression do not fall within the purview of subject matter protected by S. 1361 or the present copyright act. *Hearings S. 1361, supra* note 138, at 42.

164. S. 1361, § 301(b)(3). *See Hearings S. 1361, supra* note 138, at 42.

165. Under the auspices of S. 1361, § 301(b)(3), "federal preemption turns upon whether any particular state doctrine embodies rights equivalent to copyright; to the extent that equivalency exist, the state doctrine is preempted." Goldstein, *Federal System Ordering, supra* note 56, at 73.

166. S. 1361, § 106. *Exclusive rights in copyrighted works* provides in part that:

> Subject to sections 107 through 117, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
>
> (1) to reproduce . . . in copies or phonorecords;
>
> (2) to prepare derivative works . . .;
>
> (3) to distribute copies or phonorecords . . . to the public by sale, lease or other transfer of ownership;
>
> (4) in the case of literary, musical, dramatic and choreographic works, pantomimes, motion pictures and other audiovisual works and sound recordings, to perform the work publicly;
>
> (5) in the case of literary, musical, . . ., pictorial, graphic, or sculptural works, . . ., to display the copyrighted work publicly.

167. *Id.*

168. H.R. REP. No. 93, 90th Cong., 1st Sess. 99 (1967).

example, the "right of privacy"—the determination of whether state jurisdiction is preempted will depend upon whether "vindication of that right . . . truly protects an author against an 'invasion of personal rights.' "[169] Where the cause of action contains elements that are essentially similar to copyright, such as "misappropriation,"[170] state jurisdiction is intended to be preempted under section 301 of S. 1361. However, in the majority of cases the determination of whether state jurisdiction is preempted or not, will "depend upon the particular circumstances of the case."[171]

The basic reasoning behind the preemptive policy of section 301, is that "the present dual system is anachronistic, uncertain, impractical and highly complicated."[172] One of the major factors contributing to the uncertainty and complexity of the present system of duality is "the concept of publication [which] has been seriously distorted and now bedevils much of the law of copyright."[173] This

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169. Comment, *Preempting State Unfair Competition Protection Under the Proposed Copyright Revision*, 41 U. COLO. L. REV. 115, 127 (1969) [hereinafter referred to as Comment, *Preempting State Protection*]; Goldstein, *Federal System Ordering, supra* note 56, at 73-79. Examples of rights that contain elements "different in kind" from those of copyright infringement, and as such would be reserved to state jurisdictions are: the rights to prevent unauthorized "exploitation of a person's name or photograph for commercial advertising; . . . use of a title of a work in such a way as to constitute passing off or fraud; [and] . . . disclosure and exploitation of a trade secret." *Hearings H.R. 4347, supra* note 15, at 84.

170. "However, where the cause of action involves . . . 'misappropriation,' which is nothing more than copyright protection under another name, section 301 is intended to have a preemptive effect." H.R. REP. NO. 93, 90th Cong., 1st Sess. 99 (1967). Cf. Goldstein, *Federal System Ordering, supra* note 63, at 75-76. *But see* Comment, *The Misappropriation Doctrine After Sears-Compco*, 2 U. SAN. FRAN. L. REV. 292 (1968).

> The misappropriation doctrine has always been considered by both its advocates and its critics as an area of unfair competition law totally separate from copyrights, either statutory or common law. The . . . cases have always held that if the 'rights claimed by the plaintiff are . . . the subject of protection under existing copyright laws,' the misappropriation doctrine would not apply.

Id. at 316.

171. *Hearings H.R. 4347, supra* note 15, at 85.

172. Henn, *Paragon or Paradox?, supra* note 138, at 491.

173. Kaplan, *Publication in Copyright Law: The Question of Phonograph Records*, 103 U. PA. L. REV. 469, 488 (1955). The copyright act does not define the term publication and its meaning has been left to the courts to decide. NIMMER, *supra* note 3, at § 46.

> When the word 'publication' is used without qualification, a general publication is meant. . . . [I]n a broad sense it may be defined as an 'edition offered to the public for sale or circulation; or the sale, circulation or distribution of copies with the author's consent for the purpose of communicating a knowledge of the contents of the work to the general public.'

BALL, *supra* note 5, at 130-31. "What amounts to a publication may vary with the nature of the work under consideration." *Id.* at 32. "Unrestricted

problem of publication, its diverse interpretations, and its concommitant complex concepts of "limited," "dedicatory," "divestive," and "investive" publications would be eliminated under section 301.[174] That section would abrogate the common law, provide unitary federal protection at the creation of the work, and, thereby, abolish the need for publication as the dividing line between common law and statutory protection of literary property.[175]

Another reason for preemption is to prevent state protection of unpublished works in perpetuity. In so doing, section 301 would

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sale or free distribution of one or more copies to the public will publish a work." RINGER & GITLIN, *supra* note 16, at 5. However, the submission of a manuscript to a publisher, a reviewer, or friends, or sale of the manuscript for publication will not ordinarily constitute a publication. The public performance of a dramatic work, motion picture or song will not ordinarily constitute a publication. *Id.* at 6. "A telecast reaching millions may not publish a work, but sales of two or three copies of a book may do so." *Id.* "Publication is the dividing line between the common law jungle and the statutory swamp in the law of literary property. . . . There is one touchstone that does remain constant, and that is the fact that the line always exist. The literary traveler is either in one or the other of the areas, but with one exception [17 U.S.C. § 12] never in both." Harris, III, *Publication: The Fine Line*, 11 AF JAG L. REV. 372 (1969).

174. The House Judiciary Committee termed the concept of "publication," " 'the most serious defect' of the present copyright law." Cary, *The Quiet Revolution In Copyright: The End of the "Publication Concept,"* 35 GEO. WASH. L. REV. 652 (1967) [hereinafter referred to as Cary, *Quiet Revolution*]. "[A] limited publication which communicates the contents of a manuscript to a definite selected group and for a limited purpose, and without the right of diffusion, reproduction, distribution or sale, is considered a "limited publication" which does not result in a loss of the author's common-law right to his manuscript." White v. Kimmelli, 193 F.2d 744, 746-47 (9th Cir. 1952). "Publication without compliance with [statutory notice requirements] is held to work a forfeiture of the novelist's exclusive rights, it casts the work into the public domain, a process euphemistically called "dedication." Kaplan, *Publication in Copyright Law: The Question of Phonograph Records*, 103 U. PA. L. REV. 469, 470 (1955). Case law indicates that:

> determining what constitutes publication for the purpose of divesting a creator of a common law copyright is properly left to state courts, while determining what constitutes publication in order to ascertain whether a creator has met the condition precedent for a statutory copyright—i.e. for purposes of *investing* protection in an author—is left to the federal courts.

Symposium, *Unfair Competition Protection After Sears and Compco*, 15 COPYRIGHT L. SYM. (ASCAP) 1, 62 (1967).

175. Although at one time, when works were disseminated almost exclusively through printed copies, 'publication' could serve as a practical dividing line between common law and statutory protection, this is no longer true. With the development of the 20th century communications revolution, the concept of publication has become increasingly artificial and obscure. To cope with the legal consequences of an established concept that has lost much of its meaning and justification, the courts have given 'publication' a number of diverse interpretations, some of them radically different. Not unexpectedly the results in individual cases have become unpredictable and often unfair.

"After an initial attempt at defining publication, the . . . [revision] draftsmen resolved the problem by purporting to avoid it, eliminating state jurisdiction over common law copyright in but certain instances." Goldstein, *Federal System Ordering, supra* note 56, at 53.

"eliminate the great practical difficulties which have plagued scholars involved in attempting, long after the death of a person whose writings are being studied, to ascertain the . . . appropriate persons from whom to seek permission to publish."[176]

In view of *Goldstein's* determination that the states have not relinquished all power to grant copyrights, it could be asserted that the preemptive policy of S. 1361 is unconstitutional on the grounds that it violates Article X of the Constitution which reserves to the states those powers not delegated to or prohibited by the Constitution. This argument would be valid if section 301 could only be supported by an inference of constitutional preemption.[177] However, the preemptive policy of S. 1361 is readily supported under the theory of statutory preemption.[178] Congress makes it clear, by section 301, that it intends to occupy the field of copyright law to the exclusion of state statutes or the common law. Therefore, any state laws that provided protection in the nature of a copyright would impinge upon the congressional policy of preemption and, under the Supremacy Clause,[179] must give way to the federal policy in section 301 or S. 1361. However, copyright revision legislation embodying this preemptive policy has been delayed and is yet to be passed by the Senate. The primary reason for the delay in the Senate revolves around the issues of photocopying and "fair use" and the case of *Williams and Wilkins Company v. United States.*[180]

III. Photocopying—Williams & Wilkins, A "Holding Operation" By the Court of Claims

A. *Background*

1. *The groups involved.* One of the major reasons for the present delay in enacting S. 1361 is the pressure exerted by "one of the most powerful lobbying groups at the congressional hearings"[181] and the "only major organized group [representing] copyright users",[182] the Ad Hoc Committee of Educational Institutions

176. *Hearings H.R. 4347, supra* note 15, at .
177. *See* note 66 *supra.*
178. *See* note 79 *supra.*
179. *See* notes 76-85 and accompanying text *supra.*
180. 487 F.2d 1345 (Ct. Cl. 1973).
181. Symposium, *Education and Copyright Law: An Analysis of the Amended Copyright Revision Bill and Proposals for Statutory Licensing and a Clearinghouse System,* 20 Copyright L. Sym. (ASCAP) 1, 3 n.6 (1972) [hereinafter referred to as Symposium, *Education and Copyright Law: Analysis of Revision Bill*].
182. *Hearings S. 1361, supra* note 138, at 181. The Ad Hoc Committee represents the interest of teachers, professor, school administrators, elected

and Organizations on Copyright Laws Revision. Joined with the Ad Hoc Committee are several associations of research libraries.[183] Diametrically opposed to the efforts of the Ad Hoc Committee and the research libraries are various associations of publishers.[184]

Primarily representing the interest of educators, the major concern of the Ad Hoc Committee, and also the libraries, is the unfavorable ruling of the Commissioner's opinion in *Williams and Wilkins Company v. United States*[185] and the decision's precedential value. In addition, the libraries also fear suits against their employees[186] as a result of the favorable position accorded the publishers by the Commissioner's opinion.

The extremely limited decision rendered by the United States Court of Claims on the appeal of Commissioner Davis' opinion establishes no ground to alleviate the fears of the educators or libraries as a group.[187] Instead the ruling of the majority of the court seems more likely to cause these diverse groups to intensify their lobbying efforts before Congress to obtain a favorable position in the proposed new copyright revision legislation.[188] However, before discussing either the Commissioner's opinion[189] or the holding of the court[190] in the *Williams and Wilkins* case and their unsettling effects upon the diverse groups involved, it is necessary

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school board members, educational broadcasters, librarians, and students. It is comprised of 41 educational organizations.

183. Included in the library research associations at the 1973 hearings are: Association of Research Libraries; American Library Association; Special Libraries Association; and the Medical Library Association. *See Hearings S. 1361, supra* note 179, at 89-113.

184. The organizations representing the publishers include: American Chemical Society; Harcourt Broce Jovanovich, Inc. and MacMillan, Inc.; American University Press Association; Association of American Publishers, Inc.; American Business Press, Inc. and the Williams and Wilkins Company. Also representing the publishing interest are the Authors League of America, Inc. and the Information Industry Association.

Reflecting the rapid pace of technological changes, the Information Industries Association did not exist when the House of Representatives passed H.R. 2512 in 1967. The Association made its first appearance before Congress on the Hearings on S. 1361 in August of 1973. "Information companies create information, refine information, organize information, and develop access tools for getting at information . . ." via computers and other devices. *Hearings S. 1361, supra* note 179, at 271.

185. 172 U.S.P.Q. 670 (Ct. Cl. 1972). "Tradition and precedent play an important role in the judicial development of the law. But there is little case precedent to guide the courts with respect to permissible uses by teachers and researchers. Cases simply did not come up in this area." *Hearings S. 1361, supra* note 138, at 203 (Statement, Ass'n of American Law Schools, The American Ass'n of University Professors and the American Council in Education).

186. "This threat of suit, even if one is able to maintain his innocence in court, is very real because suits are costly in proportion to the amount for which one is sued." *Hearings S. 1361, supra* note 138, at 105 (Statement Chairman, Copyright Subcommittee, American Library Ass'n).

187. *See* notes 296-297 and accompanying text *infra*.

188. *See generally Hearings S. 1361, supra* note 138.

189. Williams and Wilkins Co. v. United States, 172 U.S.P.Q. 670 (1972).

190. Williams and Wilkins Co. v. United States, 487 F.2d 1345 (1973).

to make a brief examination of "one of the most important and well established limitations on the exclusive rights of copyright owners,"[191] the doctrine of "Fair Use."

2. *Fair Use.* The doctrine of fair use was developed by the courts[192] to avoid the unfair results that would occur if the exclusive rights of the copyright holder were rigidly enforced.[193] Although difficult to define precisely, [194] the gravamen of the doctrine is that a person, other than the copyright proprietor, may make a reasonable and limited use of a relatively small portion of the copyrighted work without obtaining the permission of the copyright owner.[195] In so doing, the person making such "fair use," must have a valid reason to do so and must not adversely affect the interest of the copyright proprietor.[196] It has been further stated that the doctrine was designed "to permit limited quotation and copying from a copyrighted work for purposes which have neither the intent nor effect of fulfilling the demand for the original work."[197] Such

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191. H.R. REP. No. 93, 90th Cong., 1st Sess. 29 (1967).

192. Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1350 (1973). The doctrine of "Fair Use" is the "American Counterpart of Englands 'fair dealing' . . ." doctrine which developed as a result of English judicial limitations upon the exclusive rights of an author in published works under the Act of Anne, 8 Anne c. 19, 1710 and the case of Donaldson v. Beckett, 2 Bro. P.C. 129, 1 Eng. Rep. 837 (1774). Comment, *Copyright Fair Use—Case Law and Legislation*, 1969 DUKE L. REV. 73, 74-75 (1968) [hereinafter referred to as Comment, *Fair Use—Case Law*]. *See* Folsom v. Marsh, 9 F. Cas. 342, 343 (C.C.D. Mass. 1891); NIMMER, *supra* note 3, at § 145. "The doctrine of 'fair use,' as a balance wheel and safety valve for the copyright system, was promulgated more than one hundred thirty years ago, as a judicial rule of public policy." Shulman, *Fair Use and the Revision of the Copyright Act*, at 832 (1968) [hereinafter referred to as Schulman, *Fair Use and Revision*].

193. RINGER & GITLIN, *supra* note 16, at 30.

194. "Although the courts have considered and ruled upon the fair use doctrine over and over again, no real definition of the concept has ever emerged." H.R. REP. No. 93, 90th Cong., 1st Sess. 29 (1967).

195. The explanation of the term "fair use" most widely accepted is that it is "a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent notwithstanding the monopoly granted to the owner by the copyright." BALL, *supra* note 5, at 260. *See* Schulman, *Fair Use and Revision, supra* note 192, at 833; Yankwhich, *What Is Fair Use?*, 22 U. CHI. L. REV. 203, 212 (1955); Comment, *Fair Use—Case Law, supra* note 192, at 87 (1969); Symposium, *Education and Copyright: Analysis of Revision Bill, supra* note 181 at 5. "[S]ince the doctrine is an equitable rule of reason, no generally applicable definition is possible. . . ." H.R. REP. No. 93, 90th Cong., 1st Sess. 29 (1967).

196. RINGER & GITLIN, *supra* note 16, at 31.

197. *Hearings H.R. 4347, supra* note 15, at 1704. Commonly accepted examples of uses that are considered to be fair include reproduction by hand, or in photocopies or phonorecords "for purposes such as criticism, comment, news reporting, teaching, scholarship, or research." *Hearings S. 1361, supra* note 138, at 105; RINGER & GITLIN, *supra* note 16, at 31.

uses are technically an infringement of the copyright owners' rights under the present copyright laws.[198] However, if the determination is made that the use is fair, the doctrine of "fair use" is available as a defense that will absolve the infringer of liability.[199]

The determination by act of whether a use is fair, is an exceedingly difficult task primarily because of two factors. First, the diversity of the instances of such use vitiate the precedential effect of a particular case. Second, there are exigencies in each situation which must be considered by the courts.[200] As a consequence of these factors, there are no fixed rules or criteria[201] that have been set out to determine the fairness of a particular use. Each case must be decided upon its own particular facts and circumstances.[202] However, in the absence of a rigid rule, the courts have set out a variety of considerations that should be taken into account in determining the fairness of a use. The foremost of these considerations have been incorporated in the revision program and include: (1) the purpose and character of the use; (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.[203]

The difficulty in determining the fairness of a particular use is further compounded where there is a dearth of judicial decisions in point. A court, confronted with such a situation would, of necessity, grasp at any and all relevant cases to ascertain their suitability as precedents. The occurence of just such a situation is precisely what the Ad Hoc Committee fears will happen with the Commissioner's opinion in the *Williams and Wilkins* case.[204] Although the actual opinion of Commissioner Davis has been reversed

198. BALL, *supra* note 5, at 260; Symposium, *Education and Copyright: Analysis of Revision, supra* note 181, at 5.

199. Williams and Wilkins Co. v. United States, 487 F.2d 1345 (1973); *Hearings S. 1361, supra* note 138, at 105. "Fair use, then, is really not [a] right to copy any given thing, but only a defense to be invoked if one is sued." *Id.*

200. "[T]he endless variety of situations and combinations of circumstances that can arise in particular cases precludes the formulation of exact rules. . . ." H.R. REP. No. 93, 90th Cong., 1st Sess. 32 (1967). The "fair use" doctrine "takes into account that borrowing [from a copyrighted work] may in some cases constitute actionable infringement, and in other cases may be justifiable in the public interest and, therefore, not an unlawful appropriation." Schulman, *Fair Use and Revision, supra* note 192, at 833.

201. "Since no two cases are identical, each must be decided on its own facts and the claims of the contending parties judged on their own merits." Schulman, *Fair Use and Revision, supra* note 192, at 933. For examples of cases, *see* Comment, *Fair Use—Case Law, supra* note 192.

202. "[N]o generally applicable definition is possible and each case raising the question must be decided on its own facts." H.R. REP. No. 83, 90th Cong., 1st Sess. 29 (1967).

203. S. 1361, § 107 *Limitations on Exclusive Rights: Fair Use.*

204. *See* notes 224-236 and accompanying text *infra.*

by the Court of Claims,[205] the exceptionally narrow decision rendered by that court has in no way alleviated the effect of the Commissioner's opinion upon educators, libraries, and publishers.[206]

B. *Williams and Wilkins v. United States—The Commissioner's Opinion and its Effects Upon Educators, Libraries, and Publishers*

1. *The Commissioner's Opinion.* The Williams and Wilkins Company, a major publisher of technical trade magazines, instituted a damages action for copyright infringement against the United States Government's two principle medical research libraries, the library of the National Institute of Health (NIH) and the National Library of Medicine (NLM).[207] The alleged infringement consisted of the libraries practices of photocopying entire articles from four of the plaintiff's medical trade journals[208] and supplying these

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205. Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1347 (1973).

206. *See* notes 300-302 and accompanying text *infra.*

207. The library of the NIH subscribes to about 3,000 different journal titles each year, including those of the Williams and Wilkins Company. The NIH itself employs over 12,000 employees of which 4,000 are science professionals who may request photocopies *up to 50 pages in length* of any entire journal article for assistance in their ongoing projects or simply for *background reading.*

> The library [NIH] does not monitor the reason for requests or the use to which the photocopies are put. The photocopies are not returned to the library; and the record shows that, *in most instances, researchers keep them in their private files for future reference.*

Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1347-48 (1973) (emphasis added). In 1970, the NIH library filled 85,744 requests for photocopies amounting to more than 930,000 pages. On the average a journal article is about 10 pages, thus the NIH library made about 93,000 photocopies of journal articles. *Id.*

The NLM is "a repository of much of the *world's* medical literature, in essence a 'librarian's library'." Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1348 (Ct. Cl. 1973) (emphasis supplied). NLM is the "mother library" for the "interlibrary loan program." Under the interlibrary loan program, NLM supplies, upon request, *free* photocopies, up to 50 pages in length, on a *no-return* basis to both public and private research-and-education oriented institutions and to individuals. In 1968 NLM made more than 120,000 photocopies of journal articles of which more than 14,000 copies were sent to private and commercial organizations (particularly drug companies). *Id.*, at 1348-51. In 1970 both libraries made a total of 179,590 photocopies from technical journals.

208. 172 U.S.P.Q. 670, 674 (1972). The four journals involved were *Medicine, Journal of Immunology, Gastroenterology, and Pharmacological Reviews.* At the time suit was brought, the annual subscriptions to these journals ranged from about 3,100 (*Pharmacological Reviews*) to about 7,000 (*Gastroenterology*) and the annual subscription rates ranged from about $12 to $44. *See* Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1347

photocopies, rather than loaning the journals, to researchers and other libraries through the inter-library loan program.[209] The government, joined by several associations of research libraries, relied primarily upon the two traditional defenses of "non-infringement" and "fair use."[210]

Claiming the defense of non-infringement, the government contended that the exclusive right of the copyright owner "to copy" his work, was not intended by Congress to prohibit single copy photoduplication of an article by a library. The government further contended that the term "copy" applied only to making multiple copies for distribution.[211] Commissioner Davis of the Court of Claims rejected the government's claims stating:

> [T]he courts have held that the duplication of a copyrighted work, even to make a single copy, can constitute infringement. [In addition,] there is nothing in the copyright statute or the case law to distinguish, in principle, the making of a single copy of a copyrighted work from the making of multiple copies. . . .[212]

He further found that there was no difference between copying an article or the entire periodical for "each article in plaintiff's journal is protected from infringement to the same extent as the entire journal issue."[213]

Asserting its second major defense, the government contended that the photocopying performed by the libraries was for educational and research purposes and as such was a defense to infringement under the doctrine of "fair use."[214] The Commissioner rejected this defense as well. In so doing, he apparently "disregarded all criteria except one and focused his attention on the loss of potential income by the copyright proprietor."[215] He determined that "wholesale photocopying" of an entire article would undoubtedly lead to a loss in subscriptions which would lead to an increase in rates to remaining subscribers which would lead to a further loss in subscriptions. He concluded that this would result in "a vicious cycle which [would] only bode ill will for medical publishing."[216] Taking into account the fact that the number of subscrip-

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(Ct. Cl. 1973). "The majority of journal publishers encourage photoduplication of their articles." *Id.*

209. Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1347 (1973). The practice of the NLM is to photocopy the article requested rather than loan the journal. 487 F.2d 1345, 1348 (1973). For a brief description of the interlibrary loan program, *see* note 207 *supra*.

210. *See* Note, *Library Photocopying: Striking a Balance*, *supra* note 22, at 505.

211. 172 U.S.P.Q. 670, 676-77 (1972).

212. *Id.* at 678.

213. *Id.*

214. *Id.* at 680. *See* note 199 and accompanying text *supra*.

215. *Hearings S. 1361*, *supra* note 138, at 97. (Statement, Director of Ass'n of Research Libraries). 172 U.S.P.Q. 670, 679 (1972).

216. *Id.* at 673. *See* note 207 *supra*; *Hearings S. 1361*, *supra* note 138, at 151-52.

tions to medical journals was generally low, the Commissioner determined that the libraries photocopying practices would ultimately drive the journals out of print, and that, as a result of their detrimental effect upon the Williams and Wilkins Company's potential subscription market, the photocopying practices of the library of NIH and the NLM were not a "fair use" of the company's copyrighted works.[217] Thus, as a result of the Commissioner's opinion, a library cannot make a photocopy of an entire article in a periodical unless it first secures authorization from the copyright owner.[218]

The Commissioner's opinion has been severely criticized as being "inconsistent with the understanding of the House Judiciary Committee on the meaning of 'fair use.' "[219] The Committee, in proposing the statutory codification of fair use, intended section 107[220] of S. 1361 to have the same meaning as the judicially created doctrine of fair use had prior to the *Williams and Wilkins* case.[221] Further, the Committee did not intend to change, narrow, or enlarge this doctrine in any respect.[222] The initial impact of the *Williams and Wilkins* case, however, is that "the Commissioner's ruling has caused considerable consternation and alarm within the educational community not only because of its effect on libraries but also because it would undercut the accepted and traditional meaning of fair use for teachers."[223]

2. *Effect of Commissioner's Opinion Upon Educators*

The fear that pervades the educational community is the firmly entrenched belief that the House Judiciary Committee's previously expressed concepts and views as to the meanings of judicially-determined "fair use"[224] have been abrogated to the detriment of

217. 172 U.S.P.Q. 670, 679-80 (1972).

218. *See* Note, *Library Photocopying: Striking a Balance*, *supra* note 22, at 503 (quoting North, *Williams and Wilkins—The Great Leap Backwards*, 3 AM. LIBRARIES 528 (1972)).

219. *Hearings S. 1361*, *supra* note 138, at 207 (memorandum of law, Nat' School Bds.'s Ass'n).

220. S. 1361, § 107, LIMITATIONS ON EXECUTIVE RIGHTS: FAIR USE, provides in part that: "[n]otwithstanding the provisions of section 106, the fair use of a copyrighted work, . . ., for purposes such as criticism, comment, news reporting, teaching, scholarship, or research, is not an infringement of copyright." *Hearings S. 1361*, *supra* note 138, at 10.

221. *See* notes 227-228 and accompanying text *infra*.

222. H.R. REP. No. 93, 90th Cong., 1st Sess. 32 (1967).

223. *Hearings S. 1361*, *supra* note 138, at 185 (Statement of Ad Hoc Comm.).

224. *Id.* at 176.

libraries, teaching and scholarship, by the reasoning of Commissioner Davis' opinion in *Williams and Wilkins*.[225] Because of the unavailability of judicial precedents expounding upon the meaning of "fair use,"[226] as applied to non-profit schools, the House Committee set forth examples of teaching activities which it would consider as falling under the judicial doctrine of "fair use." One example was the "limited right for a teacher to make a single copy of an 'entire' work for classroom purposes."[227] It was the understanding of the House Committee that this limited right to make a copy of an "entire" work "was not generally intended to extend beyond a 'separately cognizable' or 'self-contained' portion (for example, a single story or article) in a collective work. . . ."[228] With this limitation in mind, the House Committee stated that "the requested privilege of making a single copy appears appropriately to be within the scope of fair use."[229] However, under the economic detriment rationale[230] of Commissioner Davis' opinion, the reproduction by a teacher of an entire article from a periodical or book, for use in the classroom, may or may not be a fair use where such reproduction would adversely effect the potential market for the copyrighted work.

The educators, in light of the Commissioner's opinion, consider it unsafe and unwise to rely on the House Judiciary Committee's understandings and interpretations of the doctrine of "fair use."[231] Therefore, they contend that the doctrine of fair use alone is insufficient to provide the certainty that they need for their protection.[232] They propose that Congress adopt their concept of a "limited educational exemption"[233] in addition to the "fair use" provision of section 107, S. 1361 and that Congress further "accompany it with a clear statement of legislative intent"[234] to negate the precedential effect of the Commissioner's opinion. Their contention is that the "limited educational exemption" they offer, would secure to them greater protection by providing: (1) certainty as to what practices of teachers in classrooms would be permissible; (2) freedom from the aura of commercial competition that has dominated cases interpreting the meaning of fair use; (3) a shift of the burden of proof, in cases of infringement, from the teacher to the publisher; and (4) protection in the event other cases are decided similar to the Commissioner's opinion.[235] If the limited educational exemp-

225. *See* note 135 and accompanying text *supra*.
226. H.R. REP. No. 2237, 89th Cong., 2d Sess. 60-61 (1966).
227. *Hearings S. 1361, supra* note 138, at 208.
228. H.R. REP. No. 83, 90th Cong., 1st Sess. 34-35 (1967).
229. *Id.*
230. *See* Note, *Library Photocopying: Striking a Balance, supra* note 22, at 507.
231. *Hearings S. 1361, supra* note 138, at 209.
232. *Id.*
233. *Id.* at 185. *See* note 236 and accompanying text *infra*.
234. *Id.* at 202.
235. *Id.* at 209.

tion is unacceptable to Congress, the Ad Hoc Committee states that it:

> will be unable to support the proposed legislation (S. 1361) unless . . .:
>
> (1) . . . the bill specifically provides adherence to the concepts and meanings of "fair use" which were written into House Report No. 93, 90th Congress, as amended in the following respects:
>
> . . . .
>
> (b) the authorization for classroom purposes for limited multiple copying of short whole works, such as poems, articles, stories, and essays;
>
> . . . .
>
> (2) . . . the decision of the Commissioner in the *Williams and Wilkins* case is specifically rejected to the extent which it differs from that House Report, as amended.[236]

In short, what the educators offer Congress is the alternative of either accepting their "limited educational exemption" or expressly stating that it is the intention of Congress that the doctrine of "fair use," as codified in section 107 of S. 1361, shall have those concepts and traditional interpretations as understood by the House Judiciary Committee prior to the Commissioner's opinion in the *Williams and Wilkins* case. Should Congress choose neither alternative, the Ad Hoc Committee will intensify its lobbying efforts to oppose the adoption of S. 1361 as it is presently drafted.

3. *Effect of Commissioner's Opinion Upon Libraries*

The majority of library associations support the Ad Hoc Committee's "limited educational exemption"[237] and in particular its request for a clear and express statement of the congressional intent as to the meaning of fair use.[238] The Commissioner's opinion in *Williams and Wilkins* has had a more immediate and direct effect upon the libraries than the educators for it expressly holds that their present photocopying practices constitute an infringement of the publisher's copyright.[239] It is the libraries contention that "in view of this opinion, it is apparent that fair use can no longer be considered adequate assurance for the continuation of customary

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236. *Id.* at 186.
237. *Id.*
238. "We are wanting by this amendment to state definitely what fair use is. That is so we can know and not be subject to suits." *Hearings S. 1361*, *supra* note 138, at 102.
239. *See* notes 216-218 and accompanying text *supra.*

library services . . .,"[240] such as providing a photocopy of an entire article from a journal. They seek freedom from the threat of harassment litigation that may be brought against a librarian who would photocopy from a copyrighted work. If such freedom is not granted, they claim that librarians will refuse to provide copies to anyone, which would be to the detriment of scholarship and research.[241]

In seeking greater protection than that provided for in the "fair use" provision of section 107, the libraries desire "a definite statement in the law that making a single copy to aid in teaching and research, and particularly in interlibrary loan, is permissible and not subject to possible suit. . . ."[242] To achieve this greater protection, the libraries propose that Congress adopt their "library copying exemption" amendment[243] in lieu of the present provision which allows a limitatiom upon the exclusive rights of the copyright owner for the purposes of permitting restricted archival and library reproduction.[244]

In essence, what the libraries seek by their "library copying exemption," is the right to freely photocopy an entire article from a periodical and supply only one copy to any individual patron. However, if the number of patrons, each of whom receives only one copy, is multiplied by thousands, the libraries would be asking for the privilege to make precisely what was described by Com-

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240. *Hearings S. 1361, supra* note 138, at 90.

241. "[W]e think that the need for clarity and certainty is underscored by the penalties that are provided in the bill which are sufficiently serious so without clear protection a librarian might very well refuse to make a copy of a journal for a user." *Hearings S. 1361, supra* note 138, at 93. "We still face the problem of interpretation on the part of the librarian who has to decide whether what he is doing is so totally, clearly all right that he is not going to be sued, or if he is sued, that he can afford to defend, and that defense will probably help him win it." *Id.* at 96.

242. *Hearings S. 1361, supra* note 138, at 106.

243. The proposed "library copying exemption" amendment provides in part:

> (d) The rights of reproduction and distribution under this section [108] apply to a copy of a work, . . . , made at the request of a user of the collections of the library or archives, including a user who makes his request through another library or archives, but only under the following conditions:
>
> (1) The library or archives shall be entitled, without further investigation, to supply a copy of no more than one article or other contribution to a copyrighted collection or periodical issue, or to supply a copy or phonorecord of a similarly small part of any other copyrighted work.
>
> (2) The library or archives shall be entitled to supply a copy or phonorecord of an entire work, or of more than a relatively small part of it, if the *library* or archives *has first determined*, on the basis of *a reasonable investigation* that a copy or phonorecord of the copyrighted work cannot be readily obtained from trade sources.

Hearings S. 1361, supra note 138, at 89.

244. S. 1361, § 108. *Limitations on Exclusive Rights: Reproduction by Libraries and Archives. Hearings S. 1361, supra* note 138, at 71.

missioner Davis as "wholesale copying."[245] He determined that such a privilege would be economically detrimental to publishers and therefore not a "fair use" of the publisher's copyrighted works.

Under this amendment, the libraries also seek the right to photocopy an *entire work* if they determine, after a reasonable investigation that the work is unavailable from trade sources. This provision appears to greatly exceed the present conceptions of fair use. Copying of an entire work has always been generally considered to be an infringement of the owner's copyright.[246] However, this amendment, if adopted, would provide a statutory privilege to do just that.

In addition to the excessive breadth of this amendment, many questions immediately arise as to what constitutes a "reasonable investigation" or what does "cannot be readily obtained" entail? Questions such as how extensive must the investigation be in terms of the number of searches that must be conducted, how long each must be, who, on the library staff, must conduct the investigation, or what documentation of the investigation must be made, are subject to argument and difficult to answer. The answers to these questions would have to originate from a compromise between the copyright users and the copyright owners before they would be acceptable to both groups. However, as of this time, the publishers have yet to agree to the present library practices being a fair use. The possibility of their agreeing upon the answers to the above questions would be a chimerical supposition at best. If adopted in its present form by Congress, the "library copying exemption" would afford the libraries so vast a latitude in their photocopying practices that it would ultimately result in driving many of the small subscription technical journals out of print.[247] In effect their amendment would not be a "fair use" but could, perhaps, be more appropriately described as "fair abuse."

4. *Effect of the Commissioner's Opinion Upon Publishers*

It should be noted at the outset that the publishers are not adverse to the idea of having their copyrighted works photocopied by educators, libraries, or anyone else.[248] They are aware of the

245. *See* note 216 and accompanying text *supra.*
246. Wihtel v. Crow, 309 F.2d 777 (8th Cir. 1962); Public Affairs Associates, Inc. v. Rickover, 284 F.2d 262, 272 (D.C. Cir. 1960), *vacated and remanded,* 369 U.S. 111 (1962); Leon v. Pacific Tel. & Tel. Co., 91 F.2d 484, 486 (9th Cir. 1937). *But see* Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1353 (1973).
247. *See* note 217 and accompanying text *supra.*
248. *See* note 291 and accompanying text *infra.*

fact that "photocopying is here to stay, and nothing that educators, librarians, or publishers decide is going to change that fact."[249] It is their firmly held belief "that those who use the copyrighted information . . . by photocopying should contribute to the cost of publishing and that copyright is the traditional instrument for insuring this contribution while protecting the public interest in wide dissemination."[250] Their belief seems highly justifiable from the viewpoints of common sense and economic fairness. It is common sense reasoning that there will invariably be a decrease in the number of subscriptions to a periodical, especially an esoteric periodical such as a technical medical journal, if the aggregate of researchers, librarians, and educators are each permitted to obtain a single copy from the library of any article they desire. Because large scale aggregate copying would lead to a reduction in subscriptions, the publishers would be forced by economic considerations to make a corresponding increase in their rates to defray the fixed cost of editing, organizing, and preparing the work for publication.[251] If the periodical, subject to aggregate photocopying, has a limited or small circulation, the mere cost of publishing the work would soon overrun not only return profits from sales but also the return in the cost of producing the periodical.[252] In the latter case, it would be economically unfeasible to publish the periodical and the publisher would soon cease to do so unless he were compensated for his loss. Since it is in the public interest to keep quality publications in print by private industry,[253] it seems eminently fair that

249. *Hearings S. 1361,supra* note 138, at 139.

250. *Hearings S. 1361, supra* note 138, at 152. "The researcher, student, scientist, or engineer does not really want the copy he has. . . . He is fundamentally looking for ideas. The fact that it is on a piece of paper in a particular form could not matter less to him. He is looking for ideas within the paper." MARKE, *supra* note 15, at 82. *See* note 201 *supra*.

251. 487 F.2d 1345, 1369 (Ct. Cl. 1973) (dissent); 170 U.S.P.Q. 670, 679 (1972). "Publishing cost have risen and are rising continuously, making the continuation of the scientific-journal system increasingly difficult." *Hearings S. 1361, supra* note 138, at 123.

252. *Hearings S. 1361, supra* note 138, at 129-30. "[W]hile the number of subscriptions remains static, the costs of preparation continually increases. At the same time photocopying technology continues to improve enabling copies to be made more cheaply and efficiently." *Id.* at 156. "We fear that no technological advances can cut the cost of production sufficiently to make up for the fact that the photocopy at present bears no part of the editorial and composition cost which are incurred before a single copy can be produced." *Id.* at 160.

253. If the government controlled publishing there is a substantial possibility that subconscious governmental control would occur, particularly in political and ideological publications. The control would come most likely in the form of a failure to grant appropriation funds for works adverse to the government's policy, or administratively from intentional or subconscious editing or poor preparation of "undesirable" publications. *See Hearings H.R. 4347, supra* note 15, at 1512; *Project, supra* note 18, at 955-57; Comment, *Library Photocopying: Striking a Balance, supra* note 22, at 509. "If they [libraries] are going to copy and join in the supplementary publishing scheme . . . they should help to pay for the initial costs of collecting jour-

those who directly receive the benefits of the publisher's efforts should help to pay for them, especially where their actions would otherwise drive the publications off the market.[254] The publishers, therefore, oppose both the "limited education exemption" and the "library copying exemption" on the basis that they would permit a greater increase in uncompensated copying than would be permitted under the present revision bill as viewed in the light of Commissioner Davis' opinion.[255]

The majority of the publishers favor adoption of the present revision bill, S. 1361, as is,[256] without any clarifications or amendments by educators or librarians. They oppose the educator's exemption on the basis that it would "legalize uncompensated, education copying that goes far beyond the boundaries of fair use."[257] The publishers are not in exact agreement on their proposals relating to a solution of the library photocopying problem. Some propose that the limited rights of libraries and archives to photocopy, as set out in section 108 of S. 1361, should be enacted in its present form.[258] Others maintain that section 108 should be deleted from the present bill, and the matter of library and archival reproduction rights should be "referred for study to the National Committee to be established under Title II of S. 1361."[259] However, before the ruling of the Court of Claims in *Williams and Wilkins*, the publishers were all in agreement that the codification of the doctrine of "fair use" in section 107[260] should be retained in S. 1361 as is. In essence they "are opposed to any legislative history which appears to construe fair use so as to permit the photocopying of single copies of entire articles without compensation."[261]

C. *Williams and Wilkins Company v. United States—The Court of Claims "A Holding Operation"*

The Court of Claims reversed Commissioner Davis' opinion[262]

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nals and the content that they represent." *Hearings S. 1361, supra* note 138, at 116.

254. The only way to save private limited circulation technical journals from extinction is to broaden the income base. This can only be done by spreading the cost of publication among a greater number of users, including those who use the journal through photocopying." *Hearings S. 1361, supra* note 138, at 156.

255. *Id.* at 140, 143, 149, 160, 173.

256. *Id.*

257. *Id.* at 214.

258. *Id.* at 140, 143. *See* notes 166, 220 and accompanying text *supra.*

259. *Hearings S.* 1361, *supra* note 138, at 173.

260. *See* note 220 *supra.*

261. *Hearings S. 1361, supra* note 138, at 152.

262. 487 F.2d 1345, 1362 (Ct. Cl. 1973).

and concluded that the interlibrary loan practices of the library of NIH and the NLM were a fair and not an unfair use of the Williams and Wilkins Company's medical journals. However, in its decision the Court of Claims has further compounded and confused the already difficult determination of what is or is not a fair use of a copyrighted work. Instead of utilizing the traditional and well established judicial considerations[263] for construing the fairness of a use, the court confuses the determination of what is a fair use by including a veritable host of other factors[264] having no relation to the well established factors. The court also compounds the problem of determining "fair use" by setting forth three major propositions[265] of its own that resemble only slightly the traditional factors to be considered.

1. *Failure of Publisher to Prove Actual Economic Harm*

First, the majority of the court concluded that the Williams and Wilkins Company failed to prove that it had or would be substantially harmed by the interlibrary loan practices carried out by the government's medical research libraries.[266] The court's basis for this conclusion is that the evidence shows that: (a) the overall subscriptions and sales therefrom, of the four journals involved, increased from 1958 to 1969; (b) the total annual income from the entire operations of the Williams and Wilkins Company increased from $272,000 in 1959 to $951,000 in 1968;(c) the four journals represent a relatively small percentage of the company's business; and (d) that the company's "business appears to have been growing faster than the gross national product or the rate of growth of manpower working in the field of science."[267]

It must be noted that, "by the very nature of an action for copyright infringement,"[268] the publishers have experienced great difficulty in proving their present actual damages as a result of the interlibrary loan programs.[269] The most relevant factor to which they can attribute the cause of their damages, is the cause and effect relation shown by the reduction in library subscriptions to their journals.[270] The Williams and Wilkins Company states that "library subscriptions to Williams and Wilkins journals for the past three years [1970-73] now show beyond a reasonable doubt that the interlibrary loan procedure is damaging our market."[271] They have offered statistical proof to show that although the number

263. *See* note 203 and accompanying text *supra.*
264. *See* note 296 and accompanying text *infra.*
265. 487 F.2d 1345, 1354 (1973).
266. *But see Hearings S. 1361, supra* note 138, at 159, 176.
267. 487 F.2d 1345, 1357 (1973).
268. *Id.* at 1368.
269. *Hearings S. 1361, supra* note 138, at 124, 151, 159.
270. *Id.* at 159.
271. *Id.*

of libraries purchasing their journals has increased, the total number of journals subscribed to by the totality of libraries, from 1970 to 1973, has decreased.[272] Moreover, subscriptions to some of the Williams and Wilkins Company's journals were cancelled by some libraries.[273] A survey, by random telephone sample, was conducted by the Williams and Wilkins Company among those libraries cancelling subscription, to ascertain how the library would provide the information, previously obtained from the cancelled journals, to those patrons requesting it. "Invaribly the reply was, 'by means of interlibrary loan.' "[274] Nevertheless, this statistical proof would not constitute proof of actual damages as required by the majority of the Court of Claims.

Although it is difficult for publishers to prove their present damages, it appears more than reasonable that they will be harmed if the interlibrary loan practice, which is irrefutably in the best interest of the libraries,[275] continues to flourish. The increase in technological achievements that have made photocopying faster, easier and less expensive, would apparently lead to greater photocopying by the libraries who must generally operate under a limited budget.[276] Although it is asserted by a few libraries that the interlibrary photocopying program tends to lead to an increase in subscriptions,[277] the increased facility in obtaining inexpensive copies tends to negate the incentive to subscribe to a journal, while maintaining the libraries objectives of disseminating information requested by its patrons. The Court of Claims, however, ignored such future considerations of the potential effects of technology or an upsurge in the interlibrary loan program, and required solid evidence of actual damages.

What the majority of the court deems sufficient for proof of harm is "solid evidence,"[278] that the libraries' photocopying has caused economic harm. This evidence must be supported by an impartial and "hard factual study of the actual effect of photocopy-

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272. *Id.* at 151.

273. *Id.* at 159. Evidence exist that at least "one subscriber cancelled a subscription . . . because the subscriber believed the cost of photocopying the journal had become less than the journal's annual subscription rate." Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1378 (Ct. Cl. 1973); 172 U.S.P.Q. 670, 679 (1972).

274. *Hearings 1361, supra* note 138, at 159.

275. *Id.* at 151. *But see* Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1359 (1973).

276. *See Library Photocopying: Striking a Balance, supra* note 22, at 509, 510; *Project, supra* note 18, at 941-43.

277. *Hearings S. 1361, supra* note 138, at 101. MARKE, *supra* note 15, at 77.

278. 487 F.2d 1345, 1358 (Ct. Cl. 1973).

ing"[279] upon the publishers business. Such a burden of proof seems unwarranted, in view of the difficulty in proving actual damages and especially in view of the fact that "it is well established . . . that proof of actual damage is not required, and the defense of fair use may be overcome where potential injury is shown."[280] Such a potential injury was determined by Commissioner Davis and is further substantiated by the decrease in the total number of journals subscribed to by libraries that was experienced by the Williams and Wilkins Company.[281]

The majority of the court acknowledged the fact that there was a decrease in the subscriptions of the Company's journals in certain years and also the fact that profits were in all years low.[282] Nevertheless, the court accepted the government's explanation that the losses on subscriptions and profits were the results of particular circumstances other than photocopying.[283] Regardless of the losses incurred by the Williams and Wilkins Company and their small profits, the majority refused to discern any potential detrimental effect of library photocopying upon the Company's market for medical trade journals.[284]

From the evidence that the majority of the court puts forth to show there is no substantial injury, the extent of the injury to the publisher's business required to show economic harm must be such as to seriously affect the total business of the publisher,[285] irrespective of the fact that the journals infringed may constitute only a relatively small part of that total business. The court seems also to require that the total taxable income of the publisher be seriously affected or that the business growth rate be stalled or reversed, as a result of the libraries practices.[286] From an economic point of view, it would be unsound and extremely poor management to let a small portion of the total business, such as the publication of technical journals, cause the economic consequences that the court requires to show economic harm.[287] If such were to occur,

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279. *Id.* at 1359.

280. *Id.* at 1358.

281. *Id.* at 1368. *See, e.g.*, Henry Holt & Co. Inc. v. Liggett & Myers Tobacco Co., 23 F. Supp. 302, 305 (E.D. Pa. 1938); NIMMER, *supra* note 3, at § 145.

282. 487 F.2d 1345, 1357 (Ct. Cl. 1973).

283. *Id.* at 1357 n.20.

284. *See* MARKE, *supra* note 13, at 85. *Contra*, Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1370 (Ct. Cl. 1973); Williams v. Wilkins, 172 U.S.P.Q. 670, 679 (1972).

285. *See* notes 281-284 and accompanying text *supra*.

286. 487 F.2d 1345, 1354 (Ct. Cl. 1973).

287. [A]s publishers and businessmen, we would be remiss if we did not consider all the factors that influence the economic viability of our journals. For when this economic viability is threatened, so too is the very existence of the journals and their role in the spreading of vital medical and scientific information.

Hearings S. 1361, supra note 138, at 168 (letter from Chairman of the Board of Williams and Wilkins Company to customers and friends).

the publisher would, in the interest of the total business, allow the unprofitable journals to fail[288] unless he received compensation to offset the losses he would incur from library photocopying.

2. *Detrimental Effect to Medical Science if Library Photocopying is Stopped*

The second proposition upon which the majority of the court bases it's decision is the belief "that medical science would be seriously hurt if such library photocopying were stopped."[289] The court assumes[290] that a finding of copyright infringement by them would result in the entire cessation of library photocopying of medical journals for its patrons. This assumption does not take into account the practical considerations that photocopying has for publishers and, moreover, this assumption is not supported by the facts of this case. First, from a practical standpoint, the publishers are aware of the advantages of photocopying and its permanence upon modern library and educational practices. Indeed, the publishers do not seek to stop library photocopying, they only wish to be compensated for the loss that such photocopying causes. It has been stated by publishers that:

> [I]t is unrealistic and not in the public interest to consider restricting in any way the use of photocopying devices. They serve a useful purpose in the dissemination of knowledge. Since we, as publishers, are in that business, we certainly don't want to see the spread of knowledge curtailed.[291]

The majority of the court's concern that library photocopying would be stopped if they found that it constituted copyright infringement is without factual basis for the United States Court of Claims does not have the power to enjoin government agencies,[292] such as the libraries involved in this case. All that the Court of Claims can do, if it finds infringement of a copyright by a government agency, is award reasonable and entire compensation.[293] Simply stated, this means that the Court of Claims could not *order* the government libraries to stop photocopying medical journals if it found their prior practices to be an infringement. It could only

288. "[I]n recent years there have been journals that have failed and in the opinion of those at Williams and Wilkins, photocopying has played a role in these failures." Williams and Wilkins Co. v. United States, 487 F.2d 1345, 1369 (Ct. Cl. 1973) (dissent).
289. *Id.* at 1356 (emphasis added).
290. *Id.* at 1386 (dissent).
291. *Hearings S. 597, supra* note 138, at 976.
292. United States v. King, 395 U.S. 1 (1969).
293. 28 U.S.C. § 1498 (1962).

make them pay reasonable damages for the violation of the proprietor's copyright.

It may be asserted that the fear of damage suits would cause the libraries to stop photocopying medical journals entirely. This assertion is callous and unmeritorious for it places the libraries in the position of saying: "Since the law holds illegal our prior practice of freely photocopying medical journals without permission, we will stop photocopying altogether and thereby seriously hurt medical science rather than avoid damage suits by seeking permission to photocopy from the copyright proprietor who doesn't want us to stop photocopying but has the effrontery to want us to pay for it." In addition, an assertion that the cost to the libraries for permission to photocopy would cause them to stop photocopying cannot be sustained because the libraries could erase their expense by passing this cost on to the patrons requesting the photocopies.

Perhaps, as the dissent points out,[294] the majority was concerned that its decision would set a precedent for injunctive relief in suits against non-government libraries which is expressly authorized under present copyright law. However, "the present law leaves it to the discretion of the court whether an injunction will be granted or denied."[295] Thus the fear of the majority of the court that a finding of infringement would result in the cessation of library photocopying of medical journals appears unwarranted for the reasons that: (1) the court is powerless to grant the injunction against the government libraries, (1) no one desires to stop library photocopying, and (3) other courts would not be bound by stare decisis to grant an injunction.

3. *Final Solution is for Congress*

The decision of the court adds further confusion to the meaning of doctrine of fair use in that it does not say which of the multiplicity of factors or combinations thereof it considers are essential or predominant. Nor does the majority say if any one or more would be sufficient for the court to find a particular practice a "fair use." Before it held that the government library photocopying was a fair use, the court required the coexistence in combination of *all* of the following factors: (1) no prior dispositive decisions; (2) lack of commercial gain by the library and its patrons; (3) declaration and enforcement of reasonably strict limitations on photocopying; (4) length of time photocopying has been performed; (5) general acceptance of the practice; (6) serious effects upon users if practice is stopped; (7) lack of hard factual proof of actual damages; (8) inaction by Congress; (9) lack of a satisfactory compensation

294. 487 F.2d 1345, 1386 (Ct. Cl. 1973).
295. *Id.* at 1386-87.

program; (10) and the present efforts of Congress to pass legislation on copyright law revision.[296]

The sheer number of factors that this court requires to exist, all in combination, is, of itself, sufficient to make the import of this decision extremely narrow. Notwithstanding this fact, the court further restricts the precedential value of its decision by stating:

> [O]ur decision is restricted to the type and context of use by NIH and NLM, as shown by this record. . . . We do not pass on dissimilar systems or uses of copyrighted materials by other institutions or enterprises, or in other fields, or as applied to items other than journals, articles, or with significant variations. We have nothing to say, in particular, about the possibilities of computer print-outs or other such products of the newer technology now being born.[297]

As a result of this restrictive language, the decision does not and appears not to be intended to give guidance to other courts or to the legislature as to what is a fair use or what are the relevant factors to be considered that would be applicable to other cases. The court shifts the entire burden of setting guidelines for library photocopying onto the legislature. It is the "hope" of the majority that "the result in the present case will be but a holding operation in the interim period before Congress enacts its preferred solution."[298] What the majortiy hopes will be a "holding operation" may result in a Pyrrhic victory for the libraries, for "it must be continuously remembered that there will be nothing to copy unless the journals remain alive, and that uncompensated photocopying will in the end kill them."[299] If the existing eighteen year delay in the ability of Congress to pass a revision bill is any indication of the future amount of time required to pass a revision bill, the ruling of the majority of the Court of Claims in *Williams and Wilkins* may indeed be "the Dred Scott decision of copyright law."[300]

The decision of the Court of Claims, in a "ground breaking" case, leaves much to be desired, especially at a time when Congress is attempting to resolve the controversial library photocopying problem and is itself seeking clarification of the present meaning

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296. *Id.* at 1362.
297. *Id.*
298. *Id.* at 1363.
299. *Hearings S. 1361*, *supra* note 138, at 152 (Statement of Director of Marketing for Williams and Wilkins Co.).
300. 487 F.2d 1345, 1387 (Ct. Cl. 1973) (dissent).

and interpretation of the judicially created doctrine of fair use.[301] The multitude of factors required by the court to determine the fairness of a use, results in the fact that the decision supports neither the position of the educators, or libraries in general. The decision of the court has the effect of casting the publishers and their reliance upon the "flexibility of the courts" into a stormy sea of conflicting judicial interpretations. It seems doubtful that the "holding operation" of the court will induce the library, educational or publishing factions to, once again, forsake their "entrenched positions" and come to a compromise.[302] Instead, it may cause them to reinforce their uncompromising positions.

In view of the "flexibility" accorded the *Williams and Wilkins* case by the Court of Claims, the reconciliation of the interest of the copyright proprietor on the one hand, and the legitimate public interest in the rapid dissemination of knowledge on the other, is, perhaps, more than ever before an appropriate matter for the legislature to resolve. Thus far, however, Congress has not acted upon the problem because it is still investigating the factors involved in reaching an appropriate compromise.[303] Most notable of the factors considered by Congress is the actual impact that technological innovations in copying devices have and will have upon the publishing industries, and the formulation of a practical plan for compensating the publishers that is acceptable to all parties concerned. The position in which Congress finds itself is summed up by Senator McClellan who states:

> We have to try to find some middle ground so the publishers and authors will be protected, that is to say, will be better able to get a return adequate to carry on the work before us and also so that the material gets further disseminated.[304]

D. *Williams and Wilkins Company Plan—A Practical and Workable Solution?*

Of the many proposed plans for collecting royalties for library

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301. On commenting upon the determination of what is a fair use for library photocopying purposes, Senator McClellan remarked that "the whole subject is very complex, and it is most difficult to provide even by rules, regulation, or even by statute, clarification about which there could not be different interpretations. . . . But we have to go as far as we can toward making it certain, as far as what we can and we cannot do." *Hearings S. 1361, supra* note 138, at 96-97. "We are trying to legislate on every particular kind of journal and every particular kind of publication and information that may be copyrighted. . . . We need some help, do you not see?" *Id.* at 117 (remarks of Senator McClellan to Executive Director of American Chemical Society).

302. *See* note 148 *supra.*

303. "I would be glad if you folks could get some understanding and agreement . . . and not come in here and ask us to pass a law to regulate this." (Compensation agreement between publisher and libraries) (Statement of Senator McClellan). *Hearings S. 1361, supra* note 138, at 154.

304. *Id.* at 148.

photocopying,[305] the one that appears most practical is the "blanket license/institutional rate" plan developed by the Williams and Wilkins Company.[306] Originally proposed as a copyright royalty license,[307] the plan was divided into two parts, an institutional rate portion and a per page rate portion. Under the institutional or flat rate, "one time payment" portion, the library would purchase the journal at an institutional rate as opposed to an individual subscriber rate. The difference between these two rates would constitute the licensee fee which, as determined by the Williams and Wilkins Company, was based on the number of text pages published, and a susceptability to photocopying factor,[308] all multiplied by a ratio no higher than 5¢ per page. The average institutional rate fee computed for Williams and Wilkins, 1972 journals, amounted to $3.65.[309] However, this "one time payment" licensee rate was applicable only to libraries not participating in the interlibrary loan program, and permitted only a single photocopy to be made per person while physically in the library.

Considering, the institutional rate license fee too minimal to cover losses attributable to the interlibrary loan program, and the fact that each participant in the program already kept records of all interlibrary loan transactions,[310] the company considered it reasonable "that these 'lending or sending' libraries could more equitably be licensed on a pay as you go basis."[311] The amount of the fee on the "pay as you go" basis was set at 5¢ per page

305. "Most of these plans provide for some licensing of library photocopying in return for a fee paid to the copyright owner." Comment, *Library Photocopying: Striking a Balance*, *supra* note 22, at 510. Included in such plans are proposals for a private agency to collect copyright royalty fees which would operate similar to American Society of Composers, Authors and Publishers (ASCAP) or Broadcast Music Industries (BMI). Other proposals contemplate legislatively created collection systems on a *per use* or a flat fee basis. For a thorough discussion of the merits of proposed plans, *see* Breyer, *Uneasy Case for Copyright*, *supra* note 176; Symposium, *Can Copyright Law Respond to the New Technology*, 61 L. LIB. J. 387 (1968); *Project*, *supra* note 18, at 464-75; Note, *Education and Copyright Law: Analysis of the Amended Copyright Revision Bill and Proposals for Statutory Licensing and a Clearinghouse System*, 56 VA. L. REV. 644 (1970).

306. *Hearings S. 1361*, *supra* note 138, at 157-71.

307. *Id.* at 158.

308. This factor measures the susceptibility of the journal to photocopying as determined by the Williams and Wilkins experience with reprints of the particular journal. *Id.* at 158.

309. The $3.65 represented an average copying fee based on the Williams and Wilkins Company's total manufacturing costs, the number of pages published in the journal, the subscription price, and the susceptibility of the journal to photocopying. *Id.* at 153.

310. *See* note 207 *supra*.

311. *Hearings S. 1361*, *supra* note 138, at 158.

photocopied. The Williams and Wilkins Company considered Commissioner Davis' opinion as having the effect of law and therefore felt justified in announcing the future institution of their licensing scheme to the libraries.[312]

The libraries, upon the advice of counsel, opposed the licensing plan on the basis that they did not consider the Commissioner's decision as binding or having the effect of law until the case had been finally adjudicated.[313] For the same reason, they rejected any implication that it was necessary for them to pay a copyright royalty. However, the NIH and NLM were willing to "accede to a rise in price based on an institutional rate which would be applicable 'to all libraries, great and small.' "[314] In view of the "deluge of letters from libraries threatening a boycott of W. & W. journals on the basis that a license for photocopy was not necessary . . ."[315] the company withdrew its licensing plans. However, accepting the libraries position, the company set forth new institutional subscription rates, at an increased cost, to all libraries and accompanied them with an express rejection that the new institutional rates had any connection with a copyright royalty or license, implied or otherwise. In effect the company received its average license fee of $3.65, while the libraries received no license to photocopy.[316] The ruling of the court of claims will apparently not aid the NIH or NLM in reducing their new institutional rates because the rates are expressly stated as having no relationship to a licensee to photocopy.

Having, circuitously obtained compensation for non-interlibrary loan photocopying, the Williams and Wilkins Company has proposed an institutional rate plan to cover interlibrary loan operations. Their plan is that the regional medical libraries pay twice the established institutional rate, and the medical school libraries pay one and one-half the established institutional rate.[317]

The advantage of the institutional or flat rate licensing plan for the libraries, is that it eliminates the need for keeping cumber-

312. *Id.* at 160-61.
313. *Id.* at 165.
314. *Id.*
315. Most of these letters were from NIH and NLM and its subsidiary libraries. They were a response to the Department of Health, Education, and Welfare's (HEW) directive that no royalties were to be paid to publishers from their HEW grant funds.
316. Senator McClellan: "So you got your $3.65 after all?" Mr. Albrecht (Dir. Marketing, Williams and Wilkins Co.). "Yes, but we didn't give the libraries what we wanted to give them." Senator McClellan: "They would not have any objection now to your giving it to them? I mean, you got their money. Why don't you just say 'thank you,' and go ahead with your plans?" Mr. Grenbaum (Counsel, Williams and Wilkins Co.): "The reason you can't do that, Mr. Chairman, would be that it would eliminate any kind of control you would eventually have. The technology is going to change." *Hearings S. 1361, supra* note 138, at 155.
317. *Id.* at 171.

some and complicated records of each requested copy, or the need for an accounting and payment to the publishers. The library does nothing except pay the license fee and may thereafter copy as much as it desires. Likewise no accounting or separate collection procedures are required by the publisher.[318] Although the basic principles of the plan are sound, the libraries should proceed with caution in adopting it, lest the same situation occur as has occurred with the C.A.T.V. royalty payment issue.[319] The details of the plan will have to be set out so that the institutional rate will be made to reflect the actual injury to the publishers' markets that photocopying causes. The details should be subject to adjustment as new information is made available.

It is submitted that the additional factor which should be added to the institutional rate plan, is that the details and adjustment factors be turned over to the National Commission on New Technological Uses of Copyrighted Works for its study, evaluation and recommendations. This will not solve the problem of the publisher's present losses due to photocopying; however, if he deems it necessary, the National Commission could provide information for pro rata payments to recoup losses for publishers still in existence. However, in light of the court of claims ruling, publishers will face a difficult time in recovering compensation for photocopying from libraries, unless Congress intervenes. The flat rate license plan seems most appropriate for library photocopying of journals and books, but its suitability in the educational fields is dependent upon other factors, such as what classroom use is a fair use, or the frequency of use of the copyrighted work by a teacher or teachers, the number of copies made, and so forth. Finding the solution to the problem of compensation for educational use beyond that considered a fair use is more difficult than finding a solution for compensation for library photocopying. It should also be turned over to the National Commission.

Conclusion

In *Goldstein v. California*,[320] the United States Supreme Court

318. *Id.*

319. The copyright proprieters made a consensus agreement with broadcasters to agree to a satisfactory compromise on CATV royalty schedules. If no agreements were reached prior to enactment of S. 1361, the parties involved would be subject to compulsory licensing. The CATV group received all they were after by the consensus agreement, but the copyright proprieters did not achieve the adequate CATV royalty schedule they sought and the CATV group refuses to arbitrate further, leaving the parties in an impass.

320. 412 U.S. 546 (1973).

held that a state could, via statute or the common law, protect literary property in perpetuity provided that the literary property protected did not fall within the enumerated categories of subject matter that are copyrightable.[321] This decision has sustained and clarified the concurrent operation of federal and state government in the protection of literary property. However, our dual system of "copyright" laws with its dividing line of "publication"[322] has become anachronistic because of technological advancements which have rendered it obsolete.[323]

In order to update American copyright law, Congress has been attempting to pass legislation to preempt all state protection that is equivalent to copyright.[324] However, the interests of educators, libraries and publishers, among others, have been a major factor in the delay of such legislation.[325] Each group has a legitimate and valid interest to be protected in the realm of photocopying and fair use. Both seek to further the "progress of science and the useful arts" by providing for an adequate dissemination of knowledge to the public.

Since both interests are equally valid, some compromise must be reached by both sides. The educators and librarians must come to realize that an uncontrolled "fair use" would have a detrimental effect upon publishers. At the present the best program[326] appears to be that of the Williams and Wilkins Company, which places no large administrative burden upon photocopiers. Nor does it place a burden upon publishers to police the fair use practices of photocopiers. Although conceptually sound, the details of the Williams and Wilkins plan would require study by an impartial group to ensure fairness for both sides in their formulation. To that effect the National Commission on New Technological Uses of Copyrighted Works should be established as soon as possible so that "hard factual studies" can be conducted to give "solid evidence" upon which the details of the Williams and Wilkins plan can be set out. During the interim between legislative enactment of omnibus copyright revision law, the Commission could be providing the needed factual evidence to support future provisions that would be more equitable to all concerned.*

BRUCE HART

321. *Id.* at 560.
322. *See* notes 173-175 and accompanying text *supra.*
323. *See* notes 13-24 and accompanying text *supra.*
324. *See* notes 159-180 and accompanying text *supra.*
325. *See* notes 224-261 and accompanying text *supra.*
326. *See* notes 306-320 and accompanying text *supra.*

* Subsequent to the writing of this article, Pub. L. 93-573 was signed by President Ford on December 31, 1974. It established in the Library of Congress a National Commission on New Technological Uses and also made the "Record Piracy" Act of 1971 a permanent part of the copyright law.