New Perspectives for Sampling - US and German developments and what comes next

Abstract:

The use of samples from sound recordings is establihsed parctice, however its legality in absence of a license is still unclear. Two appeals in the US and in germany might have shown the direction for future cases by permittng sampling in relatively narrowly described circumstances. This article discusses potential consequences from these recet judgments and their relavance for music samling as a cultural technique.

I. Introduction

The hindering effects of copyright law on music sampling have frustrated creators for quite some time. The advent of digital sampling technologies has multiplied this frustration and given rise to legal challenges from users and right holder. Two cases are emblematic of the frustration of the restrictive effects of copyright on musical creativity that builds on existing works. In the Germany “Metall auf Metall” litigation a sequence of judgments interpreted the German “free use” exception to the effect that unauthorized uses of samples are only permitted if the used sample cannot be reproduced by an averagely skilled music producer. In *Bridgeport v. Dimension* the US Appeal Court for the Eleventh Circuit shut the door on unauthorized sampling completely by coining the right holder friendly rule “Get a license or do not sample.”[1] Both judgments had been fiercely criticized by academic commentators,[2] the US judgment had further been ignored by lower courts in other circuits.[3] In late spring 2016, both judgments were, directly and indirectly, challenged.

II. Overcoming restrictive interpretations

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1 *Bridgeport Music, Inc. v. Dimension Films*, 383 F.3d 390, 398 (6th Cir. 2004), *aff'd on reh 'g*, 410 F.3d 792 (6th Cir. 2005).

2 See Steven D Kim, “Taking *de minimis* out of the mix: The Sixth Circuit threatens to pull the plug on digital sampling in *Bridgeport Music, Inc. v. Dimension Films*”, *Vill. Sports & Ent. L.J.* (2006), 103-131; Simon Apel, “Bidgeport Music, Inc. v. Dimension Films (USA), Metall auf [illegible] (2010), 331-350; [illegible]ngs: the German Federal Supreme Court of Justice’s Metall auf Metall I & II holdings in light of the US jurisprudence on digital sampling”, *E.I.P.R.* (2013), 356-360; M. Lea Somoano, “*Bridgeport Music, Inc. v. Dimension Films*: Has Unlicensed Digital Sampling of Copyrighted Sound Recordings Come to an End?”, *Berkeley Tech. L.J.* (2006), 289-309; Tracy Reilly, “Good Fences Make Good Neighboring Rights: The German Federal Supreme Court Rules on the Digital Sampling of Sound Recordings in *Metall auf Metall*”, *Minn. J.L. Sci. & Tech.* (2012), 153-209; Neil Conley & Tom Braegelmann, “*Metall auf Metall*: The Importance of the *Kraftwerk* Decision for the Sampling of Music in Germany”, *J. Copyright Soc’y U.S.A.* (2008-2009), 1017-1037

3 *VMG Salsoul, LLC v. Madonna Louise Ciccone*, Nos. 13-57104 and 14-55837, D.C. No. 2:12-cv-05967-BRO-C., pp. 29-30; listing six district courts that did not follow *Bridgeport v Dimension* the court stated: “Although we are the first circuit court to follow a different path than Bridgeport’s, we are in well-charted territory.”

The cases have similar fact patterns when broken down to the legally relevant acts. In the German and in the US case defendants had used parts of sound recordings which claimants owned. They integrated these samples into new songs which were commercially relatively succesful.

a. Germany – "Metall auf Metall"

VMG Salsoul, LLC v. Ciccone, 824 F.3d 871 (9th Cir. 2016)

The defendant in the "Metall auf Metall" litigation brought a constitutional challenge against the interpretation of the free use defense under § 24(1)[4] of the German Law on Copyright and Related Rights (UrhG).[5] The producer Moses P., one of the twelve applicants in the constitutional challenge, had used a two second sample extracted from the song "Metall auf Metall" by the band Kraftwerk in composing the song "Nur Mir" for the German Hip Hop artist Sabrina Setlur. Applicants argued that a strict interpretation of the free use defense that would limit it to such instances of sampling in which the sample could not be reproduced by an averagely skilled music producer would unduly limit users of samples in their exercise of the right to artistic freedom s protected under Article 5(2) of the German Basic Law (read: Constitution). The German Constitutional Court (BVerfG) found that such a restrictive interpretation of the free use defense would indeed fail to create a just and fair balance between the interests of the producer of the sound recording and music samplers.[6] Whereas it agreed with the lower courts that the taking of shorter sequences does constitute infringement of the right in sound recordings,[7] the overly strict application of the free use defense, subjecting it to a requirement of reproduceability, does not.
The BVerfG remanded the case back to the lower courts requiring them to rebalance the right to artistic freedom and the property rights of the phonogram producers. The court argued that in earlier judgments the domestic courts, including the Federal Supreme Court (BGH),[8] had not given the right to artistic freedom under Article 5(3) of the German Basic Law sufficient weight when they had interpreted the free use

4 The translation provided by the German Federal Ministry of Justice and Consumer protection for § 24(1) reads: "*An independent work created in the free use of the work of another person may be published or exploited without the consent of the author of the work used.*", available under: https://www.gesetze-im-internet.de/englisch_urhg/.

5 BVerfG, Decision of 31.05.2016 – 1BvR 1585/13 ("*Metall auf Metall*").

6 The judgement has been discussed in more detail by e.g Matthias Leistner, "Die „Metall auf Metall" - Entscheidung des BVerfG. Oder: Warum das Urheberrecht in Karlsruhe in guten Händen ist", *GRUR* (2016), 772-777; Sven Schonhofen, "Sechs Urteile über zwei Sekunden, und kein Ende in Sicht: Die „Sampling"-Entscheidung des BVerfG", *GRUR-Prax* (2016), 277-279 and Fabian Böttger & Birgit Clark, "German Constitutional Court decides that artistic freedom may prevail over copyright exploitation rights ('*Metall auf Metall*')", *JIPLP* (2016), 812.814.

7 BVerfG, 31.05.2016 ("*Metall auf Metall*"), paras. 93-4.

8 LG Hamburg, Decision of 08.10.2004 – 308 O 90/99, appeal to OLG Hamburg, 07.06.2006 – 5 U 48/05; decided by BGH, Decision of 20.11.2008 – I ZR 112/06 – "*Metall auf Metall I"*, remanded to back OLG Hamburg, Decision of 17.08.2011 - 5 U 48/05, again appealed to BGH, 13.12.2012 – *"Metall auf Metall II"*.

exception. An effectively complete prohibition of sampling by requiring artists to reconstruct a particular sound sequence instead of using an existing sample constitutes a disproportionate restriction of the exercise of the right to artistic freedom of users of samples. The earlier judgments had been criticized also due to the paradoxical outcome which would protect complicated and elaborate musical arrangements to a lesser degree due to a higher difficulty to reproduce such samples.[9] The BGH will now have to restrike the balance and give artistic freedom more weight in this exercise.

b. U.S. – "Vogue"

The interpretation of the US de minimis defense was discussed in front of the US Court of Appeals for the Ninth Circuit on an appeal from the US Dirstrict Court from the Central District of California.[10] In Madonna's hit song "Vogue" the producer had used different variations of a 0,23 second horn hit that originated from another song. Claimants argued that this taking constituted copyright infringement of their right in the sound recording against which defendant successfully invoked the *de minimis* defense. Defendant succeeded in front of the District Court, which ignored the ruling of *Bridgeport v. Diamond*.[11] In the appeal the US Court of Appeals for the Ninth Circuit took engaged with the arguments of the Sixth Circuit, however it took a different position than the Sixth Circuit had taken in its controversial *Bridgeport v. Diamond* ruling.[12] In the latter case Judge Guy had applied a very restrictive interpretation of the *de minimis* defense under § 114(b) of the US Copyright Act to sound recordings. In this interpretation any taking from a sound recording constituted an infringement of the relevant sound recording.[13] Thereby, the court had established a special rule for sound recordings under the *de minimis* defense with the effect that sampling, as a general rule, required authorization from the right holder.[14] The Ninth Circuit criticized this reading of § 114(b) in *VMG Salsoul v. Ciccone.* It described the argument of the Sixth Circuit, namely that the formulation of the provisions would even protect smallest parts of sound recordings, as a logical fallacy.[15] Accordingly, the court permitted the application of the *de minimis* defense

9 One of the criticisms voiced in the literature argued that the result achieved by this standard would be that sequences that could not be easily reproduced would be granted lower protection compared to sequences that can be reproduced by a skilled musician. This result, it was argued, seems rather paradoxical; see e.g. Niemann & Mackert, "Limits of sampling sound recordings: the German Federal Supreme Court of Justice's Metall auf Metall I & II holdings in light of the US jurisprudence on digital sampling", *E.I.P.R.* (2013), p. 360.

10 *VMG Salsoul, LLC v. Ciccone,* 2013 WL 8600435 (C.D. Cal. Nov. 18, 2013).

11 Interestingly, Judge O'Connell did not mention this case with a single word.

12 See for critical commentary e.g.: Matthew S. Garnett, "The Downhill Battle to Copyright Sonic Ideas in Bridgeport Music", *Vand. J. Ent. L. & Prac.* (2004-2005), 509-531; David M. Morrison, "Bridgeport Redux: Digital Sampling and Audience Recording", *Fordham Intell. Prop. Media & Ent. L.J.* (2008), 75-142; Jennifer R. R. Mueller, "All Mixed Up: Bridgeport Music v. Dimension Films and De Minimis Digital Sampling", *Ind. L.J.* (2006), 435-463.

13 17 USC §114(b) reads in its relevant part: "the exclusive rights of the owner of copyright in a sound recording (...) do not extend to the making or duplication of another sound recording that consists *entirely* of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording."

14 Other works or subject matter protected by copyright would not be subject to such a strict interpretation.

15 *VMG Salsoul v. Ciccone*, Nos 13-57104 and 14-55837, at 27.

to small extracts from sound recordings. However, the strict conditions of the defense apply, which means that an average audience must not be able to recognize the appropriated sound sequence in the new creation.[16]

III. Sampling in perspective

Obviously, the judgments have to be seen against the background of their respective national jurisdictions and the applicable copyright exceptions. And it can be considered a mere coincidence that within a few weeks two courts at the shores of the Atlantic and the Pacific Ocens came to effectively the same result: that sampling of short extracts is permitted. As opposed to those judgments challenged, the tone of the recent rulings suggests a much milder approach to sampling that is focusing on enabling musical creativity rather than preventing it. A few selected aspects of both judgments merit brief and, yet, inconclusive, comment. It is clear already at this point in time that the ramifications of both rulings will not be seen immediately and further carification by the courts, and potentially legislators, will be necessary.

a. The limits of de minimis and free use

Neither court in the sping 2016 ruling gave users of samples a carte blanche to use extracts from sund recordings without prior authorization. However both courts made clear that certain uses of samples must remian free and cannot be prohibited by the rigt holders of the respective sound recording. Free use and *de minimis*, aside from their specific application to sampling, only permit small taking fro other original works. Both find their limits in the quantity of the appropriated parts and the quality of the subsequent use of the extract.

The German free use exception does not go as far as to enable the use of any sample. The exception itself covers only short extracts that disappear behind the creative efforts of the new work. Longer extracts, unless they are covered by another exception, will still require authorization from the right holder. The BVerfG did also not exclude the possibility of a legislative intervention to the effect that the use of short samples could be subject to mandatory remuneration.[17] However, in such a scenario, a requirement of prior authorization cannot be imposed. Such a requirement would enable right holders to prevent the use of samples and restrict users of samples in the exercise of their right to artistic freedom.[18]

Although the US *de minimis* defense does not allow for a remuneration right, the scope of the defense has similar limits. Under the US defense sampling is limited to

16 See *Newton v. Diamond* 388 F.3d 1189, at 1196 , *Fisher v. Dees*, 794 F.2d 432, 435 n.2 (9th Cir. 1986); see also *Dymow v. Bolton*, 11 F.2d 690, 692 (2d Cir. 1926); in *Newton* the appellate court stated "that an average audience would not discern [the original author's] hand as a composer, in *Fisher* the court established the rule that "a taking is considered *de minimis* only if it is so meager and fragmentary that the average audience would not recognize the appropriation" and in *Dymov* that only such reproductions are infringing which "ordinary observations would cause to be recognized as having been taken from the work of another."

17 BVerfG, 31.05.2016 ("*Metall auf Metall*"), para. 80, critically Rupprecht Podszun, "Postmoderne Kreativität im Konflikt mit dem Urheberrechtsgesetz und die Annäherung an »fair use«", *ZUM* (2016), 606-612, p. 611.

short extracts. Their integration into a new work must have the effect that they become unrecognizable to an average audience. Accordingly, in the US and in Germany, the respective defenses and exceptions do not permit the appropriation and re-use of longer sequences. In the absence of other relevant exceptions to the exclusive right of phonogram producers such samples do, in any case, require authorization.

b. The 'fundamental' message

In particular the German ruling is a soothing remedy for the legally ailing sampling community. Not only did the BVerfG permit, albeit within the limited scope of the free use exception, the sampling of extracts from sound recordings, but it did so on the basis of fundamental rights. Sampling was recognized as a form of artistic expression that can seek protection under the German Basic Law on (at least) equal footing of the right to property (incl. copyright).[19] This might not only have implications in Germany but could also signal a change in the approach to sampling at EU level – at least one could think about it. As similar safeguards for artistic freedom are directly or indirectly,[20] contained in the EU Charter of Fundamental Rights[21] and the European Convention of Human Rights, a potential reference to the CJEU on the compatibility of the interpretation of the German free use exception to (digital) sampling might raise similar questions.[22]

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18 BVerfG, 31.05.2016 ("*Metall auf Metall*"), para. 96.

19 BVerfG, 31.05.2016 ("*Metall auf Metall*"), paras. 89-90

20 Whereas the EU Charter does contain a special provision for the protection of the arts an sciences (Article 13), the ECHR does not expressly protect the arts. However, the ECtHR has considered artistinc expression as being protected under Article 10 ECHR, as an element of the right to freedom of expression, see. e.g. Cultural rights in the case-law of the European Court of Human Rights, Report prepared by the Research Divison of the European Court of Human Rights (2011), available under http://www.echr.coe.int/documents/research_report_cultural_rights_eng.pdf. See also Eleni Polymenopoulpou, "Does one Swallow Make a Spring? Artistic and Literary Freedom at the European Court of Human Rights", *HRLR* (2016), 511-539, suggesting that although artistic expression is within the scope of protection of Article 10 ECHR, it does not enjoy a special status in relation to other forms of expression.

21 Charter of Fundamental Rights of the European Union, OJ C 326, 26.10.202, p. 391-407 (*EU Charter*).

22 On one occasion the CJEU has expressly addressed the balance between the protection of intellectual property under Article 17(2) EU Charter and the right to freedom of expression under Article 11 EU Charter; see for the CJEU CJEU, Judgment in Case C-201/13, *Johan Deckmyn and Vrijheidsfonds VZW v Helena Vandersteen and Others*, EU:C:2014:2132, see for commentary on the judgement Eleonora Rosati, "Just a Laughing Matter? Why the CJEU Decision in *Deckmyn* is Broader than Parody", *C.M.L. Rev.* (2015), 511-530; Sophie Arrowsmith, "What is a parody? Deckmyn v Vandersteen (C-201/13)", *E.I.P.R.* (2015), 55-59; with particular respect to music sampling: Bernd Justin Jütte, "The EU's Trouble with Mashups: From Disabling to Enabling a Digital Art Form", *JIPITEC* (2014), 173-193, pp 179 et seq. and Julien Cabay & Maxime Lambrecht, "Remix prohibited: how rigid EU copyright laws inhibit creativity", *JIPLP* (2015), 359-377, pp 363, 370, see further Sabine Jacques, "Mash-ups and Mixes: What Impact Have the Recent Copyright Reforms Had on the Legality of Sampling?", *Ent. L.R.* (2016), 3-10, p. 6. The ECtHR discussed the interplay of Article 10 (Freedom of Expression) and Article 1 of the First Protocol to the Convention (Right to Property) in ECtHR (5th section), 10 January 2013, case of Ashby Donald and other v. France, Appl. nr. 36769/08 and ECtHR (5th section) of 19 February 2013, case of Fredrik Neij and Peter Sunde Kolmisoppi (The Pirate Bay) v. Sweden, Appl. nr. 40397/12, see for a comment on both cases and the corresponding jurisprudence of the CJEU: Bernd Justin Jütte, "The Beginning of a (Happy?) Relationship: Copyright and Freedom of Expression in Europe", *E.I.P.R.* (2016), 11-22.

Beyond the immediate legal effect the protection as an artistic activity brings for sampling, the judgment of the BVerfG is important for less palpable reasons. The recognition of sampling as an art form lends sampling credibility, certainly more than it had before. Whereas artistic appropriation has long been recognized as a cultural technique, and copyright claims were only seldom claimed against minimal uses of graphic material for collages and other uses of graphic art, music sampling has often been equated with piracy and been shrouded in clouds of illegality, legal uncertainty at least. The essential function of sampling for certain genres of music would also counter one of the arguments of the Sixth Circuit that sampling does not occur for artistic purposes, *viz*. samples are not used for the content of the parts taken but is merely to save costs.[23] Recognizing sampling as an artistic expression underlines that samples are indeed and particularly, used as a part of an artistic exercise.

c. The finality of the rulings

In both cases the final judgment has not been cast, yet. The BVerfG is the highest possible judicial forum in Germany, in the US only the Supreme Court sits over the 13 Courts of Appeal.
By accepting the constitutional challenge to the earlier ruling of the BGH, the BVerfG has remanded the case back to the civil courts, which will now have to follow the instructions by taking artistic freedom more seriously. The instructions also included rather detailed suggestions for a potential request for a preliminary ruling to the CJEU. The BVerfG stressed that, in case German courts would find the Information Society Directive[24] applicable, it must inquire about the conformity of this EU instrument, in particular its Article 5, with the relevant provisions of the EU Charter. In the absence of a free use exception, or any other open norm, the Information Society Directive does not contain an exception that would permit the unauthorized use of musical samples.[25] If this can be reconciled with an effective protection of the right to artistic freedom under Article 13(1) EU Charter would have to be subject to a preliminary reference.[26] A rather unlikely option would be a challenge in front of the European Court of Human Rights considering the rather reserved position the Strasbourg Court has taken in recent copyright cases.[27] The court has given the

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23 *VMG Salsoul v. Ciccone*, Nos 13-57104 and 14-55837, at 36; this had been raised in Bridgeport v. Dimension to argue for a stricter protection of phonorecords (*Bridgeport Music v. Dimension*, 383 F.3d 390, at 399; cf. Garnett, "The Downhill Battle to Copyright Sonic Ideas in Bridgeport Music", *Vand. J. Ent. L. & Prac.* (2004-2005), p. 516.

24 Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, OJ L 167, 22.6.2001, p. 10-19 (*InfoSoc Directive*).

25 It has been discussed that there might be rooms for an accommodation of sampling and other trasnformative uses in the light of the *Deckmyn* judgement (see e.g. Jütte, "The EU's Trouble with Mashups: From Disabling to Enabling a Digital Art Form", *JIPITEC* (2014); Cabay & Lambrecht, "Remix prohibited: how rigid EU copyright laws inhibit creativity", *JIPLP* (2015)), but it is still uncertain and, it is argued, rather unlikely, that the current European set of rules permits such accommodation.

26 BVerfG, 31.05.2016 ("*Metall auf Metall*"), para. 123

27 See Jütte, "The Beginning of a (Happy?) Relationship: Copyright and Freedom of Expression in Europe", *E.I.P.R.* (2016), p. 20, also Christophe Geiger & Elena Izyumenko, "Copyright on the Human Rights' Trial: Redefining the Boundaries of Exclusivity Through Freedom of Expression", *IIC* (2014), 316-342 and Elena Izyumenko, "The Freedom of Expression Contours

member states a wide margin of discretion in balancing the right to freedom of expression against property rights.[28] Only if the BGH would be able to find an interpretation that would continue its prior jurisprudence could the applicants in the constitutional challenge be tempted to turn to Strasbourg as a last desperate attempt.

The US Court of Appeals Ninth Circuit has rendered its judgment with express reference to a contradictory judgment by the Sixth Circuit, thus creating a circuit split.[29] This has created only a limited degree of legal uncertainty as many lower courts in other districts had already refused to follow the *Bridgeport v. Diamond* interpretation of the *de minimis* application to sound recordings. However, to provide clarity on the question whether *de minimis* applies to sound recordings, the US Supreme Courts could finally feel inclined to seize itself of matter and provide a final authoritative interpretation.

It is not unlikely that higher national or supranational courts will intervene the proceedings with more or less uncertain outcomes. In the US, it is rather likely that the Supreme Court will side with the Ninth Circuit and the district courts that ignored *Bridgeport v. Diamond*. A strict grammatical interpretation of the *de minimis* rule in § 114(b) is unlikely to yield another result. The CJEU, on the other hand, might have difficulties following the interpretation of the German Court, as this would mean overruling a significant body of jurisprudence on the interpretation of the exclusive rights and Article 5 of the InfoSoc Directive. Furthermore, the scope of Article 13 of the EU Charter is still relatively vague, as is its relation to Article 17(2).

IV. Concluding remarks

Both judgments will have significant impacts on the legality of sampling in their respective jurisdictions. The direct implications for other jurisdiction will be negligible. In the US, the However, a potential reference of the German Federal Supreme Court to the CJEU could have effects beyond German copyright law. What is at stake here is the integrity of the InfoSoc Directive with its extensive interpretation of the subject matter of copyright pursuant to *Infopaq*[30] and the closed list of limitations and exceptions under Article 5. If the system of the Directive is challenged based on Article 13 of the EU Charter the CJEU would have only limited options. In the absence of a provision similar to the German free use, only a retreat from *Infopaq*, pursuant to which even very small parts of sogs and their sound recordings are protected, could allow for unauthorized uses of sampes such as those in “Metall auf

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of Copyright in the Digital Era: A European Perspective”, *JWIP* (2016), 115-130.

28 ECtHR (5th section), 10 January 2013, case of Ashby Donald and other v. France, Appl. nr. 36769/08, para. 40.

29 The Ninth Circuit addressed this extreme measure explicitly, however with reference to earlier judgement from other district courts which had ignored the *Bridgeport v. Dimension* precedent of the Sixth Circuit, *VMG Salsoul v. Ciccone*, Nos 13-57104 and 14-55837, at 29-30.

30 See *CJEU, Judgment in Case C-5/08, Infopaq International A/S v Danske Dagblades Forening, EU:C:2009:465*, where the CJEU rules that small snippets of newspaper articles could be protected by copyright if the „elements thus reproduced are the expression of the intellectual creation of their author” (para. 51).

Metall" and *VMG Salsoul v. Ciccone*.[31] If the CJEU were to take this route the German Constitutional Court would have to reverse its own interpretation of § 85 UrhG and refuse the protection of small excerpts from phonorecords. Such an interpretation would then also take effects in EU Member States. As it is unlikely that the CJEU will depart from its established case-law, it would be difficult to accommodate free use within the copyright acquis. This could be possible under the grandfather clause of Article 5(4) which permits Member States to maintain exceptions for the "use in certain other cases of minor importance where exceptions or limitations already exist under national law, provided that they only concern analogue uses". It would be difficult however, to argue that sampling constitutes a case of minor importance, considering the widespread use of this technique. In a more exciting scenario the CJEU would come to the conclusion that the very limited system of Article 5 is not in conformity with the protection of artistic expression under Article 13 and 11 of the EU Charter.

31 See on the potentially restrictive effects of Infopaq on music sampling: Luke McDonagh, "Is the Creative Use of Musical Works Without a Licence Acceptable Under CopyrightLaw?", *IIC* (2012), 401-426.