

**RADIO AND TELEVISION  
RIGHTS**

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*The Law Of*  
**Copyright, Trade-marks and Unfair Competition**  
and  
**The Broadcasting Industry**

**HARRY P. WARNER**

# RADIO AND TELEVISION RIGHTS

*A Standard Reference Book on the  
Law of Copyright, Trade-marks  
and Unfair Competition and  
the Broadcasting Industry*

By  
**HARRY P. WARNER**

*of the Washington, D. C. Bar*



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*To My Wife*

## Preface

Radio and Television Rights is both a companion volume to Radio and Television Law, as well as a study on the law of intellectual property.

Radio and Television Law deals primarily with the relationships between the Federal Communications Commission and the radio and television industries.

This volume is concerned with the subject matter and remedies available for protecting radio and television programs. The impetus to the writing of this volume is attributable to the day-to-day problems confronting an attorney in his representation of radio and television stations, program producers, etc.

The advent of television has opened up new vistas for the exploration of new legal problems. For example, television cuts across the privacy doctrine and tenders new and perplexing problems for both the lawyer and the courts. Similarly, it creates new problems in protecting program titles, character names and distinctive features of radio and television advertising. Television has likewise intensified the various problems confronting both the lawyer and the courts in protecting a sequential combination of program ideas.

I have tried as best I could to discuss the foregoing and other new problems tendered by this latest medium of mass communications.

This volume is also a study of the law of intellectual property. I found that in order to explain the subject matter and remedies available for protecting radio and television programs, it became necessary to write a treatise on the Copyright Code and to analyze and discuss such related subjects as common law copyright, the law of unfair competition, trademarks, right of privacy, etc.

Chapter XIX dealing with International Copyright Relations warrants brief comment. This chapter furnishes a comparative study and analysis of the laws of the various countries dealing with radio and television; it also offers a textual section-by-section analysis of the Universal Copyright Convention.

The task of writing this book has been lightened by the assistance and aid of my fellow attorneys as well as by the legal staffs of the Copyright Office and the Patent Office, Trade-Mark Operations.

None of the individuals listed below, whether in private practice or in government service are responsible for any of the opinions and conclusions expressed in this work.

At the outset I wish to express my indebtedness to Judge Learned Hand. His contributions in the fields of copyright law, unfair competition, trade-marks are too well known to be chronicled here. His opinions, to mention a few: *Fisher v. Dillingham*, 298 Fed. 145 (D.C., N.Y., 1924); *Nichols v. Universal Pictures Corporation*, 45 F.2d 119 (1930), *cert. denied*, 282 U.S. 902, 51 S.Ct. 216, 75 L.Ed. 795 (1930); *Sheldon v. Metro-Goldwyn Pictures Corporation*, 81 F.2d 49 (2d Cir. 1936), 106 F.2d 45 (2d Cir. 1939), *aff'd* 309 U.S. 390, 60 S.Ct. 681, 84 L.Ed. 825 (1940); *Cheney Bros. v. Doris Silk Corporation*, 35 F.2d 279 (2d Cir. 1929), *cert. denied*, 281 U.S. 728, 50 S.Ct. 245, 74 L.Ed. 1145 (1930); *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir. 1940), *cert. denied*, 311 U.S. 712, 61 S.Ct. 393, 85 L.Ed. 463 (1941); *National Comics Publications v. Fawcett Publications*, 191 F.2d 594 (2d Cir. 1951)—have not only marked out the boundaries on the law of intellectual property, but they have also supplied the philosophic basis for this work. I owe much to Judge Hand for marking out the paths which I have tried to follow.

The staff of the Copyright Office has been cooperative and very helpful, particularly Arthur Fisher, Register of Copyrights; George D. Cary, Principal Legal Adviser; Abraham L. Kamenstein, Chief of the Examining Division; Wilma P. Stine, Attorney Adviser; Louis Charles Smith, Senior Attorney; Richard S. MacCarteny, Chief, Reference Division; and William S. Strauss, Attorney Adviser, and formerly with the UNESCO Copyright Division. Mr. Strauss read the original manuscript of this book. The paucity of error in this book is attributable to him. For that, I owe him a debt of gratitude over and above the valuable criticisms and suggestions made by him and reflected throughout this book.

Harold A. Fendler of the California Bar read several chapters in manuscript form. His comments and suggestions on the chapters dealing with Infringement of Copyright, Mone-

tary Remedies for Infringement of Copyright and Program Ideas have been very helpful.

I am also indebted to the following members of the New York Bar: John Schulman, counsel for the Song Writer's Protective Association; Sidney Kaye, counsel for Broadcast Music, Inc.; Herman Finkelstein, general attorney for the American Society of Composers, Authors and Publishers; Julius Brauner, Henry Howard and Kenneth Yourd, from the Columbia Broadcasting System, and Joseph A. McDonald, formerly general counsel of the American Broadcasting Company and now treasurer of the National Broadcasting Company.

I am also indebted to Messrs. Fulton Brylawski, Paul M. Segal, George S. Smith, Philip J. Hennessey, William Peck and Albert Arent, all of the District of Columbia Bar for their aid and assistance.

Chapter XIV dealing with the American Federation of Musicians is for all practical purposes a verbatim reproduction of Professor Vern Countryman's article "The Organized Musicians" which was published in the Chicago Law Review in 1948-1949. I am indebted to both Professor Countryman and the Chicago Law Review for permission to reprint the article. The opinions and conclusions expressed in Chapter XIV are mine. Chapter XX on Common Law Copyright, Chapter XXI on Unfair Competition, Chapter XXII on The Right of Privacy, Chapter XXIV on the Lanham Act and Chapters XXV and XXVI on Program Ideas were originally published in the Vanderbilt Law Review, Washington Law Quarterly, Iowa Law Review, Southern California Law Review, and Virginia Law Review respectively. All of these chapters have been revised and expanded. I am indebted to the editors and staff of the law reviews for permission to reprint these chapters.

This book could not have been written without the encouragement, aid and assistance of my wife.

HARRY P. WARNER

Evans Building  
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# RADIO and TELEVISION RIGHTS

## Chapter I

### THE SUBJECT MATTER AND REMEDIES AVAILABLE FOR PROTECTING RADIO AND TELEVISION PROGRAMS

#### § 10. The Problem.

##### 11. Definitions.

#### 10. THE PROBLEM.

The radiobroadcast and television industries are the largest consumers of creative material in this country. With the average radio station operating 18 hours daily and television stations increasing their operating schedules,<sup>1</sup> the amount of creative material consumed defies tabulation.<sup>2</sup>

Creative material has reference to the title, program ideas, and the entire content of radio and television programs.

At the outset the title of a radio or television program, viz., "Duffy's Tavern," "See-Saw Zoo" etc., may be protected as a service mark under the Lanham Trade-Mark Act of 1946.<sup>3</sup> This statute likewise furnishes protection to such distinctive

<sup>1</sup> Warner, Radio and Television Law § 73g; See § 3.651 of the Rules and Regulations of the Federal Communications Commission (17 Fed Reg. 3905 and 4064 (1952)).

<sup>2</sup> E.g. Variety Magazine, January 2, 1952, at 108 ff; Folsom, Growth of TV Reviewed; Radio Annual and Television Yearbook (1951) 75; McConnell, Still A Great Sister Act, Variety Magazine, January 2, 1951 at p. 108.

<sup>3</sup> 60 STAT 443, 15 USCA § 1127 (1946): "2. Service mark. The term

'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce."

For the applicability of the Lanham Act to radio and television service marks, see Ch. XXIV, § 240 ff.

features of radio, as a theme song identifying a radio or television program, slogans, sound effects, character names, etc.<sup>4</sup>

The title of a program,<sup>5</sup> station call letters,<sup>6</sup> characters and character names,<sup>7</sup> slogans<sup>8</sup> and unique sounds<sup>9</sup> may also be protected under the law of unfair competition.<sup>10</sup>

A series of program ideas which are concrete, original and novel may be protected on the basis of an express or implied contract<sup>11</sup> arising from the manner in which the defendant gained access to the material.<sup>12</sup> The lower appellate California courts have extended the tort theory of plagiarism to a sequential combination of program ideas.<sup>13</sup>

<sup>4</sup> *Ibid.*

<sup>5</sup> *Prouty v. National Broadcasting Co.*, 26 FedSupp 265 (D Mass 1939); *Time, Inc. v. Barshay*, 27 FedSupp 870 (D NY 1939); *American Broadcasting Co. v. Wahl*, 121 Fed(2d) 412 (CCA2d 1941); *Town Hall v. Associated Town Halls*, 44 FedSupp 315 (D Del 1941); *The Lone Ranger, Inc. v. Cox*, 124 Fed(2d) 650 (CCA4th 1942); *The Lone Ranger, Inc. v. Currey*, 79 Fed Supp 190 (D Pa 1948); *Golenpaul v. Rossett*, 174 Misc 114, 18 NYS(2d) 889 (1940); *Town Hall, Inc. v. Franklin*, 174 Misc 17, 19 NYS(2d) 670 (1940).

<sup>6</sup> *Bamberger Broadcasting Service, Inc. v. Orloff*, 44 FedSupp 904 (D NY 1942); *Thomas Patriek, Inc. v. KWK Invest. Co.*, 357 Mo 100, 206 SW(2d) 359, 76 USPQ 77 (1947).

<sup>7</sup> *Uproar Co. v. National Broadcasting Co.*, 8 FedSupp 358 (D Mass 1934), modified 81 Fed(2d) 373 (CCA 1st 1936), cert. den., 298 US 670, 56 SupCt 835, 80 LEd 1393 (1936), noted in: 19 MinnLRev 477 (1935); 9 Southern California Law Review, 57 (1935); 33 Mich LRev 822 (1935); 83 UnivPaLRev 385 (1935); *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 FedSupp 754 (D Conn 1935); *Feldman v. Amos & Andy*, 68 Fed(2d) 746 (CtCusPatApp 1934); *Gardella v. Log Cabin Products Co.*, 89 Fed(2d) 891 (CCA2d 1937); *Wiley v. National Broadcasting Co.*, 31 FedSupp 568 (D Cal 1940); *Dan Dover v. R.K.O. Pictures, Inc.*, 50 USPQ 348, 31 TMR 251 (D Ill 1941); *The Lone Ranger, Inc. v. Cox*, 124 Fed(2d) 650 (CCA 4th 1942); *The Lone Ranger, Inc. v. Currey*, 79 FedSupp 190 (D Pa 1948); and see 2 Nims, *Unfair Competition and Trade Marks* (4th ed 1947), 884 §§ 271a *et seq.*

<sup>8</sup> *Cf. Ott v. Keith Mass. Corp.*, 309 Mass 185, 34 NE(2d) 683 (1941), wherein plaintiff used the following slogan: "That's Right, You're Wrong," as the title of a play; *Kay Kyser*, a band leader, used the slogan: "You're Right, That's Wrong," as an answer to a quiz program; the court refused to enjoin Kyser's use of the slogan, since plaintiff's title had acquired no secondary meaning.

See also: *Bickmore Gall Cure Co. v. Karns*, 134 Fed 833 (CCA3d 1905); *American Broadcasting Co. v. Wahl*, 121 Fed(2d) 412 (CCA2d 1941); *Orth v. Paramount Pictures Inc.*, 311 Mass 580, 42 NE(2d) 524 (1942); *Cash, Inc. v. Steinbook*, 220 AppDiv 569, 222 NYS 61 (1927), *affd*, 247 NY 531, 161 NE 170 (1928).

<sup>9</sup> *The Lone Ranger, Inc. v. Cox*, 124 Fed(2d) 650 (CCA4th 1942); *The Lone Ranger, Inc. v. Currey*, 79 Fed Supp 190 (D Pa 1948).

<sup>10</sup> The foregoing radio service marks were protected via the doctrine of secondary meaning. See 1 Nims, *Unfair Competition and Trade-Marks* (4th Ed 1947), 152, § 36, *et seq.* For the protection furnished radio and television service marks, via the law of unfair competition, see Ch. XXIII, § 230 ff.

<sup>11</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950) and cases cited therein.

<sup>12</sup> See Ch. XXV, § 250 ff.

<sup>13</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Kovaes v. Mutual Broadcasting System*, 99 CalApp2d 56, 221 P2d 108 (1950); *Masterson v. KLAC Radio-Television Station* (Cal SuperCt 1951, unreported).

The contents of a radio or television program are protected by the following remedies:

1. *Common Law Copyright.* The proprietor of a program may assert a common law copyright in the entire program. Common law copyright has reference to the exclusive unpublished property rights of the proprietor in the program and its incorporeal contents viz., the words, ideas, sentiments, characters, dialogues, descriptions, narration, music, etc.<sup>14</sup> Thus, in a recent California case, the author of a radio program entitled "Hollywood Preview" asserted a common law copyright in the format of the program. This consisted of the following sequential arrangement: "the program was entitled 'Hollywood Preview'; the title was repeated and emphasized throughout the production; the announcer introduced the master of ceremonies; the latter was prominent in motion pictures; he stated the title of the play and the name of the star; the drama was presented; it was a play not previously seen in motion pictures; its authors were named; listeners were asked to express their opinions of the play."<sup>15</sup>

Common law copyright inures in the entire program; any unauthorized reproduction of the program or any part thereof would infringe the common law rights. This means that the unauthorized use of original unpublished music, sketches, announcements, narrations, speeches, etc., would be prohibited.<sup>16</sup> Common law copyright is deficient in one respect; it does not furnish full and complete protection because of the doctrine of publication.<sup>17</sup> The latter is a technical legal con-

<sup>14</sup> E.g., *Golding v. RKO Pictures, Inc.*, 193 P2d 153, 162 (CalApp 1948), aff'd 35 Cal2d 690, 221 P2d 95 (1950): "Respondents' right is the common-law right of an author in his unpublished manuscript. It is the sole right to decide by whom, when, where, and in what form his manuscript shall first be published for the first time; to restrain others from publishing it without his permission and from using it without his authority; and to recover damages from those publishing it without his permission or using it without his authority." For a discussion of common-law copyright, see Warner, *Common Law Copyright in Radio and Television Programs*, 3 VandLRev 209 (1950). And see Ch. XX, § 200 ff.

<sup>15</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Kovaes v. Mutual Broadcasting System*, 99 CalApp2d 56, 221 P2d 108 (1950).

<sup>16</sup> *Golding v. RKO Pictures, - Inc.*, - 193 P2d 153 (CalApp 1948), aff'd, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>17</sup> *Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 SupCt 38, 54 LEd 150 (1909); *Holmes v. Hurst*, 174 US 82, 19 SupCt 606, 43 LEd 904 (1899); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (US 1834); *Grant v. Kellogg Co.*, 58 FSupp 48 (SD NY 1944), aff'd, 154 F2d 59 (2d Cir 1946); *Krafft v. Cohen*, 32 FSupp 821 (ED Pa 1940) rev'd, 117 F2d 579 (3d Cir 1941); *D'Ole v. Kansas City Star Co.*, 94 Fed 840, 842

cept whereby common law rights are frequently lost because a proprietor unknowingly dedicates his work to the public. Thus common law copyright becomes public property and may be used or copied by anyone.<sup>18</sup>

2. *The Copyright Code.* The contents of a radio or television program may be protected by statutory copyright.<sup>19</sup> If the program is dramatic in nature it can be registered with the Copyright Office as a dramatic composition;<sup>20</sup> or the script may be classified as a lecture or similar program prepared for oral delivery.<sup>21</sup> If the program contains original songs, the proprietor may obtain statutory copyright on all musical compositions.<sup>22</sup> If the television program has been preserved on film, copyright may be secured as a motion picture photoplay<sup>23</sup> or as a motion picture other than a photoplay.<sup>24</sup>

(CCWD Mo 1899); Ladd v. Oxnard, 75 Fed 703, 730 (CC Mass 1896); Keene v. Wheatley, 14 FedCas 180, 198, No. 7,644 (CCED Pa 1861); Golding v. RKO Radio Pictures, Inc., 193 P2d 153 (CalApp 1948), aff'd, 208 P2d 1 (Cal 1949); Stanley v. Columbia Broadcasting System, Inc., 192 P2d 495 (CalApp 1948); aff'd, 208 P2d 9 (Cal 1949); Pushman v. New York Graphic Society, Inc., 25 NYS2d 32 (SupCt 1941), aff'd, 287 NY 302, 39 NE2d 249 (1942); Berry v. Hoffman, 125 PaSuper 261, 189 Atl 516 (1937); White v. Kimmel, 94 FSupp 502 (DC Cal 1950). The doctrine of publication is discussed *passim* in § 203. And see National Comics Publications v. Fawcett Publications, 191 F2d 594, 598 (2d Cir 1951): "We do not doubt that the 'author or proprietor of any work made the subject of copyright' by the Copyright Law may 'abandon' his literary property in the work before he has published it, or his copyright in it after he has done so; but he must 'abandon' it by some overt act which manifests his purpose to surrender his rights in the 'work' and to allow the public to copy it."

<sup>18</sup> Cf. R.C.A. Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940), cert. denied, 311 US 712, 61 Sct 393, 85 LEd 463 (1941); Fashion Originators Guild v. Federal Trade Commission, 114 F2d 80 (2d Cir 1940), aff'd, 312 US 457, 61 Sct 703, 85 LEd 949 (1941); Moore v. Ford Motor Co., 43 F2d 685 (2d Cir

1930); Kraft v. Cohen, 32 FSupp 821 (ED Pa 1940), rev'd on other grounds, 117 F2d 579 (3d Cir 1941).

<sup>19</sup> Act of July 30, 1947, c. 391, 61 STAT 652, 17 USCA § 1 et seq. (Supp 1951).

<sup>20</sup> *Id.* § 5: "The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

. . . (d) Dramatic or dramatico-musical compositions." And see Kalem v. Harper Brothers, 222 US 55, 56 LEd 92, 32 Sct 51 (1911); MGM Distrib. Corp. v. Bijou Theatre Co., 3 FSupp 66 (D Mass 1933).

<sup>21</sup> 17 USCA § 5 (Supp 1951): ". . . (e) Lectures, sermons, addresses (prepared for oral delivery)." See Kreymsborg v. Durante, 21 USPQ 557, rehearing granted, 22 USPQ 248 (SD NY 1934); Connelly & Rivers v. Pickel (DC Calif 1934), unreported.

<sup>22</sup> 17 USCA § 5 (Supp 1951): ". . . (c) Musical compositions." See Harper & Bros. v. Donohue & Co., 144 Fed 491 (CCND Ill 1905); Ford v. Blaney Amusement Co., 148 Fed 642 (CCSD NY 1906).

<sup>23</sup> 17 USCA § 5 (Supp 1951): ". . . (1) Motion-picture photoplays." Cf. Jerome v. Twentieth Century-Fox Film Corp., 67 FSupp 736 (SD NY 1946), aff'd, 165 F2d 784 (2d Cir 1948).

<sup>24</sup> 17 USCA § 5 (Supp. 1951): ". . . (m) Motion pictures other than photoplays." The courts have refused to define the type or types of film included

The content of a television program may consist of a series of correlated, sequentially arranged still drawings, photographs, animated cartoons and music including a script for the same. Some of the drawings may be artistic, and some may be technical or scientific. The program may advertise an article of merchandise. The proprietor may seek multiple registration of program content: artistic drawings would be classified as works of art;<sup>25</sup> technical drawings as such;<sup>26</sup> photographs as such;<sup>27</sup> animated cartoons as motion pictures;<sup>28</sup> the music as a musical composition;<sup>29</sup> the script as a lecture<sup>30</sup> or a dramatic work;<sup>31</sup> and the advertising as a print or pictorial illustration.<sup>32</sup>

Statutory copyright, which is restricted to the "writings"<sup>33</sup> of an author, furnishes better protection to its limited subject matter than common law copyright. However, noncompliance with the statutory formalities of the Copyright Code may result in a loss of the benefits conferred by the statute upon the copyright proprietor. Although the statutory formalities of notice and registration have been eased and simplified, applicants frequently fail to comply with the minimum requirements of the Copyright Code.<sup>34</sup>

in "motion pictures other than photoplays." It is believed that travelogues, newsreels, documentary films and disconnected shorts would be included in this category. *Cf.* Tiffany Productions v. Dewing, 50 F2d 911 (D Md 1931); MGM Distrib. Corp. v. Bijou Theatre Co., 59 F2d 70 (1st Cir 1932); Pathé Exchange, Inc. v. International Alliance, Local 306, 3 FSupp 63 (SD NY 1932). A television film short subject based on a drama or dramatization of a literary or dramatic production could be classified as a "motion picture photoplay." See Vitaphone Corp. v. Hutchinson Music Co., 19 FSupp 359 (D Mass 1937), wherein a "slapstick" comedy short was considered a dramatization.

<sup>25</sup> 17 USCA § 5 (Supp. 1951): "... (g) Works of art; models or designs for works of art." *Cf.* United States v. Perry, 146 US 71, 13 Sct 26, 36 LEd 890 (1892).

<sup>26</sup> 17 USCA § 5 (Supp 1951): "... (i) Drawings or plastic works of a scientific or technical nature." See Taylor Instrument Co. v. Fawley-Brost Co., 139 F2d 98 (7th Cir 1943); *cf.* Korzybski

v. Underwood, 36 F2d 727 (2nd Cir 1929).

<sup>27</sup> 17 USCA § 5 (Supp 1951): "... (j) Photographs." Burrow-Giles Lithograph Co. v. Sarony, 111 US 53, 4 Sct 279, 28 LEd 349 (1884); Pagano v. Bessler Co., 234 Fed 963 (SD NY 1916); Cory v. Physical Culture Hotel, 14 FSupp 977 (WD NY 1936), *aff'd*, 88 F2d 411 (2nd Cir 1937).

<sup>28</sup> See notes 23 and 24 *supra*; Detective Comics, Inc. v. Bruns Publications, 111 F2d 432 (2d Cir 1940).

<sup>29</sup> See note 22 *supra*.

<sup>30</sup> See note 21 *supra*.

<sup>31</sup> See note 20 *supra*.

<sup>32</sup> *Ibid.*, 17 USCA § 5 (Supp 1951): "... (k) Prints and pictorial illustrations including prints or labels used for articles of merchandise." See Ansehl v. Puritan Pharmaceutical Co., 61 F2d 131 (8th Cir 1932), *cert. denied*, 287 US 666, 53 Sct 224, 77 LEd 374 (1933).

<sup>33</sup> *Ibid.*, 17 USCA § 4 (Supp 1951): "The works for which copyright may be secured under this title shall include all the writings of an author."

<sup>34</sup> *Cf.* Group Publishers, Inc. v. Winchell *et al.*, 86 FSupp 573, 577 (SD

The use and performance of musical compositions by radio and television stations tender a host of problems. Musical compositions may be performed directly or through devices for the mechanical reproductions of such works. The latter refer to electrical transcriptions, phonograph records, sound track, disc, tapes, rolls, etc. The mechanical reproduction of musical compositions may require the specific permission of the copyright proprietor or may be reproduced without his permission upon compliance with the compulsory license provisions of the Copyright Code.<sup>35</sup>

Musical compositions may be broadcast either as part of dramatic or non-dramatic performances. If the musical composition is performed as a dramatic work, the so-called "grand" rights are involved and the copyright proprietor's consent must be obtained. If the musical composition is performed as a non-dramatic work, the so-called "small rights" are involved. If the "small performing rights" are owned by members of the American Society of Composers, Authors and Publishers (ASCAP) they are licensed to ASCAP by its members. Radio and television stations then secure licenses from ASCAP which permit the reproduction of musical compositions limited only to the "small performing rights."<sup>36</sup>

The differences between "grand" and "small performing" rights are significant, particularly in television broadcasting.<sup>37</sup> A "grand" right has reference to the performance of a dramatico-musical work in substantially the same form and manner as was originally contemplated by the author. A clear case of a "grand" right is the adaptation of a musical comedy for radio and television. A "small performing" right on the other hand has reference to the rendition of a single musical composition performed independently from a dramatico-musical work such as an opera or musical comedy. Obviously the classification between "grand" and "small performing" rights approaches a shadowy borderline. Thus it has been contended that the vocal performance of two or three musical

NY 1949): "Strict compliance with the statutory requirements is essential to the perfection of the copyright itself and failure fully to conform to the form of notice prescribed by the act results in abandonment of the right and a dedication of one's work to the public."

See also *Block v. Plant et al.*, 87 FSupp 49 (ND Ill 1949).

<sup>35</sup> 17 USCA § 1(e) (Supp 1951). See Shafter, *Musical Copyright* 330 (1939).

<sup>36</sup> *Passim*, § 136.

<sup>37</sup> *Passim*, § 136a.

compositions from the same musical comedy in a single radio performance involves "grand rights." On the other hand if the musical compositions are used as a background or incidental music, the "small rights" are involved. The shadowy borderline between "grand" and "small performing" rights is further illustrated by the following hypothetical case. What rights are involved, when, for example, Mary Martin or Ezio Pinza sing several songs from the musical drama "South Pacific" with appropriate dramatic gestures and action against a simulated South Seas background in the Milton Berle Show? <sup>38</sup>

In this connection it should be pointed out that there are other performing right societies besides ASCAP. Thus Broadcast Music Inc. (BMI) and SESAC Inc. are engaged in the marketing of music to motion picture and television film producers and radio and television networks and stations. The customs and practices of the various performing right societies and other organizations such as the Song Writer's Protective Association (SPA) and the American Federation of Musicians (AFM) play an important role in the music industry and in the latter's relationships with the motion picture, radio and television industries. <sup>39</sup>

Another question tendered is whether the plural performances of a radio or television program constitute a public performance for profit which impose liability on the second user. Thus, does a hotel proprietor, i.e., a "second user" infringe the Copyright Code when he makes available to his guests the hearing of a copyrighted musical composition which has been broadcast by a radio station? <sup>40</sup>

3. *Unfair Competition.* May the law of unfair competition be employed to protect program content? This issue is tendered when common law and statutory copyright are unavailable as remedies or cannot be invoked. As a practical

<sup>38</sup> *Ibid.*

<sup>39</sup> The role and functions of the performing right societies and other organizations are discussed in detail in Ch. XIII, § 130 ff.

<sup>40</sup> *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 S Ct 410, 75 L Ed 971 (1931); *Society of European Stage Authors and Composers, Inc. v. N. Y. Hotel Statler Co.*, 19 F Supp 1 (SD NY

1937); *Associated Music Publishers v. Debs Memorial Radio Fund*, 46 F Supp 829 (SD NY 1942), aff'd 141 F2d 852 (2d Cir 1944), cert. denied, 323 US 766, 65 S Ct 120, 89 L Ed 613 (1944); *Law v. National Broadcasting Co.*, 51 F Supp 798 (DC NY 1943); *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

matter, the great bulk of intellectual property produced in the United States is not copyrighted.<sup>41</sup> And it is this type of literary material—news and sports programs, advertising continuities and the like—which seeks to invoke the doctrines of unfair competition to protect program content.<sup>42</sup>

A related problem and one which has arisen with the invention and development of phonograph records and transcriptions, motion pictures, radio and now television are the interpretive rights asserted by performers in intellectual property.<sup>43</sup> The process of recording by preserving in tangible and durable form the once ephemeral interpretations of artists enables such interpretive performances to be reproduced for a variety of uses. In addition, motion pictures and sound and visual broadcasting have enlarged the range of such performances well beyond the concert hall or the theatre.<sup>44</sup>

The foregoing problem must be viewed from the broad per-

<sup>41</sup> S. B. Warner, U. S. Copyright Act: Anti-Monopoly Provisions Need Some Revisions (1949): "Almost all the publications of the American book trade are copyrighted each year, as are also nearly all motion pictures and published music, together with many thousands of pieces of unpublished music. The Copyright Act forbids the copyrighting of publications of the United States Government. Very few State, county or municipal publications are copyrighted. Less than one-half of one per cent of the newspapers are copyrighted, though many columnists and comic strip writers copyright their products separately, so that they will be protected even when appearing in an uncopyrighted newspaper. N. W. Ayer & Son's Directory of Newspapers and Periodicals for 1948 lists 20,246 newspapers and periodicals as published in 1947, but this directory purports to cover only part of the field. The total number of newspapers and periodicals is much greater, probably well over a hundred thousand. The number copyrighted in 1947 was approximately 4,200. Of course, the few thousands of foreign works copyrighted each year are but an infinitesimal fraction of the number published.

"In the absence of figures of literary output for the United States or for the world, the number of copies of works

received each year by the Library of Congress probably gives the best available indication of at least that part of the output which influences American culture. In comparing these figures with the number of copyrighted works, it must be remembered that the Library of Congress receives many duplicates and books published in former years, and that only about half of the copyright registrations are considered of sufficient cultural significance to be turned over to the Library. In 1947 the Copyright Office registered 230,215 works and the Library of Congress received 6,789,169 items." [Footnotes omitted]

<sup>42</sup> Although copyright protection is available for advertising material, it is seldom employed: see Borden, Copyright of Advertising, 35 KyLJ 205 (1947); Note, 45 HarvLRev 542 (1932); cf. Savord, The Extent of Copyright Protection for Advertising, 16 Notre Dame Law 298 (1941); Freeland, Copyright Protection of Advertising, 27 KyLJ 391 (1939).

<sup>43</sup> Cf. Traicoff, Rights of the Performing Artist in His Interpretation and Performance, 11 AirLRev 225 (1940).

<sup>44</sup> See report of International Labour Organization (ILO), Rights of Performers in Broadcasting, Television and the Mechanical Reproduction of Sounds, Geneva, 1949.

spectives of the scope and protection furnished by common law copyright, statutory copyright and unfair competition. We shall discuss elsewhere the inadequacies of common law and statutory copyright.<sup>45</sup> Thus, the issue is narrowed. May the doctrines of unfair competition be invoked to protect interpretive performing rights or do the recognition of these rights require legislative remedies?

4. *Right of Privacy.* The right of privacy<sup>46</sup> has been defined as the "right to be left alone"<sup>47</sup> or the "right of inviolate personality."<sup>48</sup> This doctrine is primarily concerned with the protection of mental interests;<sup>49</sup> it precludes the unauthorized commercial exploitation of matters which are peculiarly personal, private and seclusive.<sup>50</sup>

Within recent years, and particularly since the advent of television, litigants, including performing artists have invoked the right of privacy to protect program content.<sup>51</sup> Whether the courts should extend the privacy doctrine to program content tenders substantially the same issue as is posed when a litigant invokes the law of unfair competition to protect word and program content. Both the privacy doctrine and unfair competition are recent developments in our jurisprudence; their extension to program content must be considered in the

<sup>45</sup> *Passim*, § 212.

<sup>46</sup> See Ch. XVII, § 270 ff.

<sup>47</sup> Warren and Brandeis, *The Right to Privacy*, 4 *HarvLRev* 193, 195 (1890); see *Melvin v. Reid*, 112 *CalApp* 285, 297 *Pac* 91 (1931).

<sup>48</sup> Warren and Brandeis, *supra* note 47, at 193. Nizer, *The Right of Privacy*, 39 *MichLRev* 526, 528 (1941): "The right of privacy, in essence, is anti-social. It is the right of an individual to live a life of seclusion and anonymity, free from the prying curiosity which accompanies both fame and notoriety. It presupposes a desire to withdraw from the public gaze, to be free from the insatiable interest of the great mass of men in one who has risen above—or fallen below—the mean. It is a recognition of the dignity of solitude, of the majesty of man's free will and of the power to mould his own destiny, of the sacred and inviolate nature of one's innermost self." For an excellent definition of the privacy doctrine, see *Cason*

*v. Baskin*, 155 *Fla* 198, 20 *So2d* 243 (1944). And see Feinberg, *Recent Developments in the Law of Privacy*, 48 *ColLRev* 713 (1948).

<sup>49</sup> *Harper & McNeely, A Re-examination of the Basis for Liability for Emotional Distress* (1938) *WisLRev* 426.

<sup>50</sup> *Supra*, note 46.

<sup>51</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 *Pa* 433, 194 *Atl* 631 (1937); *Chavez v. Hollywood Post No. 43 and Don-Lee-Broadcasting System* (*CalSuperCt* 1947) noted in 10 *Fed CommBJ* 36 (1949); *Peterson v. KMTR Radio Corporation* (*CalSuperCt* 1949) 18 *USL Week* 2044; *Gautier v. Pro-Football, Inc.*, 198 *Misc* 850, 99 *NY Supp2d* 812 (*NY City Court* 1950) *rev'd*, 106 *NYS 2d* 533 (*NY SupCt* 1951); *Sharkey v. National Broadcasting Co.*, 93 *FSupp* 986 (*DC NY* 1950). *Cf. Rogers v. Republic Productions, Inc.*, 7 *Radio Regulation* 2072 (*DC Cal* 1951).

light of the adequacy of the protection furnished by the Copyright Code and its philosophic basis.

The basic concepts underlying copyright legislation in the United States are both restricted and clarified by Article 1, section 8 of the Constitution which provides:

“The Congress shall have power: . . . To promote the Progress of Science and useful Arts by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>52</sup>

Thus the basis and objective of statutory copyright is the stimulation of creation.<sup>53</sup> The exclusive statutory rights secured authors to their writings are granted only for limited periods as, in the judgment of Congress, will tend to promote the progress of science and the useful arts.<sup>54</sup> To quote from the Committee Report recommending the adoption of the 1909 Copyright Act:

“The enactment of copyright legislation by Congress under the terms of the Constitution is not based upon any natural right that the author has in his writings, for the Supreme Court has held that such rights as he has are purely statutory rights, but upon the ground that the welfare of the public will be served and the progress of science and the useful arts will be promoted by securing to authors for limited periods the exclusive rights to their writings. . . . .

“First, how much will legislation stimulate the producer and so benefit the public; and second, how much will

<sup>52</sup> The Constitution of the United States (Gov't Printing Office 1938) 236.

<sup>53</sup> Luther H. Evans, Copyright and the Public Interest (R. R. Bowker Memorial Lectures, New York Public Library, 1949): “It is thus apparent that the draftsmen of the copyright clause of the federal constitution had before them more than one philosophic basis for the exercise of Congressional authority in this field and that the choice made was deliberate. This is not to say that the author's property rights were disregarded; on the contrary the very purpose of Section 8 was to confirm and strengthen such property right but not as either a natural right or an end in itself but as, and only as, the recognition of such right furthered the ultimate purpose of promoting the

progress of science and the useful arts. This purpose in turn was subordinated to another even wider purpose, namely, ‘to form a more perfect Union, establish Justice, . . . promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity . . .’

Whatever may be the basis of other national systems of copyright, in the United States the test both of the scope of legislative power and its application to any particular domestic situation is clearly that of the public interest.”

<sup>54</sup> Pennoek v. Dialogue, 27 US 1, 2 Pet 1, 7 LEd 327 (1829); Evans v. Eaton, 16 US 454, 3 Wheat 454, 4 LEd 433 (1818); Higgins v. Keuffel, 140 US 428, 431, 11 Sct 729, 35 LEd 503 (1891); Bleistein v. Donaldson Lithographing Co., 188 US 239, 23 Sct 298, 47 LEd 460 (1903).

the monopoly granted be detrimental to the public? The granting of such exclusive rights, under the proper terms and conditions, confer a benefit upon the public that outweighs the evils of the temporary monopoly."<sup>55</sup>

The grant of a "temporary" or limited monopoly contravenes the general anti-monopoly policy of the Sherman Act<sup>56</sup> and kindred legislation.<sup>57</sup> The economic and social justification for the grant of this limited monopoly is to bestow upon the public the cultural benefits derived from the labor, skill, talents, etc., of authors. Thus statutory copyright is exchanged for the benefits which an author gives the public.

On the other hand, common law copyright, unfair competition and the right of privacy are property or quasi-property rights<sup>58</sup> which are perpetual incorporeal monopolies. Thus common law copyright is perpetual in duration until or unless there is a general publication of the same whereby it becomes common property available to the general public.<sup>59</sup>

The perpetual monopoly which inheres in common law copyright has been a feature of our jurisprudence, even prior to the adoption of the Constitution;<sup>60</sup> it is derived from the English common law which subsequently repudiated the concept of perpetual common law copyright.<sup>61</sup> American jurisprudence has consistently recognized and enforced the perpetual monopoly conferred by common law copyright. Thus

<sup>55</sup> H. Rep't No. 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>56</sup> Act of July 2, 1890, c. 647, 26 STAT 209, 15 USC § 1.

<sup>57</sup> E.g. The Clayton Act, Act of October 15, 1914, 38 STAT 730, 15 USC § 12; The Federal Trade Commission Act, Act of September 26, 1914, c. 311, 38 STAT 719 as amended by Act of March 21, 1938, c. 49, 52 STAT 114, 15 USC § 54; see Callmann, Unfair Competition and Trade-Marks (2d Ed 1950), hereinafter designated as Callmann, § 15.1 et seq.

<sup>58</sup> The property concept for common law copyright is discussed in § 201 *passim*; for unfair competition in § 211a, *passim*; and for the right of privacy in § 272 *passim*.

<sup>59</sup> *Op. cit. supra*, note 18.

<sup>60</sup> Weil, Copyright Law (1917) 101.

<sup>61</sup> In *Donaldson v. Beckett*, 2 Bro PC 129, 4 Burr 2408 (1774), the fourth

question propounded to the House of Lords was whether the author of any literary composition and his assigns had the sole right of printing and publishing the same in perpetuity by the common law. Seven judges answered the question in the affirmative, four judges, in the negative. Despite *Donaldson v. Beckett*, it is believed that the weight of authority in England was opposed to the doctrine of perpetual copyright. See *Jeffreys v. Boosey*, 4 HLC 815 (1854). *Cf.* Fox, *Canadian Law of Copyright* (1944) 13: "Although both Lord Brougham and Lord St. Leonards in the case of *Jeffreys v. Boosey* laid down that copyright did not exist at common law but that on the contrary it was the creature of statute, the better view would appear to be that copyright did exist at common law in unpublished works. The right, however, of copyright at common law has never been exercised in the Common Law Courts."

section 2 of the Copyright Code provides that "Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished works without his consent, and to obtain damages therefor." <sup>62</sup>

The perpetual monopolistic aspect of common law copyright, unfair competition and right of privacy is at odds with the basic policy of free competition which is the heart of our social and economic order. Courts in applying these common law remedies are reluctant to establish perpetual monopolies in words, phrases and ideas in contravention to this basic anti-monopoly policy. Mr. Justice Brandeis aptly phrased this issue in the *Associated Press* case, an unfair competition action: "The fact that a product of the mind has cost its producer money and labor, and has a value for which others are willing to pay, is not sufficient to insure to it this legal attribute of property. The general rule of law is that the noblest of human productions—knowledge, truths ascertained, conceptions and ideas—become, after voluntary communication to others, free as the air to common use." <sup>63</sup> Furthermore, because "to appropriate and use for profit, knowledge and ideas produced by other men, without making compensation or even acknowledgment, may be inconsistent with a finer sense of propriety; but with the exceptions (under copyright and patent statutes) or in cases of special relationship 'where the suit is based upon breach of contract or of trust or upon unfair competition' the law has heretofore sanctioned the practice." <sup>64</sup>

<sup>62</sup> 17 USCA § 2 (Supp 1951). *Wheaton v. Peters*, 33 US (8 Pet) 591, 8 LEd 1055 (1834); *Bobbs-Merrill Co. v. Straus*, 147 Fed 15 (2d Cir 1906), aff'd 210 US 339, 28 Sct 722, 52 LEd 1086 (1908): "The owner of the common law copyright has a perpetual right of property . . ."; Weil, *Copyright Law* (1917) 109.

<sup>63</sup> Mr. Justice Brandeis dissenting in *International News Service v. Associated Press*, 248 US 215, 250, 39 SupCt 68, 76, 63 LEd 211, 225 (1918).

<sup>64</sup> *Id.* at 257, 39 SupCt at 79, 63 LEd at 228; see *Detmold v. Reeves*, 7 FedCas

No. 3,831, at 549 (CCED Pa 1851): "Men may be enriched, or made happy, by physical, as well as by moral or political truths, which, nevertheless, go without reward for their authors. He who devised the art of multiplication could not restrain others from using it after him, without paying him for a license. The miner who first found out that the deeper veins were the richer in metal, could not compel his neighbor to continue digging near the surface.

"The more comprehensive truths of all philosophy, whatever specific name we give to them, cannot be specifically

Recently, one or two of the courts have challenged the concept of perpetual monopoly of common law copyright. Thus a lower California court in an extremely provocative opinion held "that to allow the proprietor to perform his [common law] work publicly without loss of the right, no matter how widespread or commercially his performances may extend, is to permit an exploitation of the idea by way of a monopoly inconsistent with the public good. Therefore 'publication' should be construed to be the same as 'make public' as used in Section 983 of the Civil Code, and the owner of an intellectual product who, 'intentionally makes it public,' whether by performance or by any other means, should lose his right to exclusive performance unless he seeks the protection of federal copyright legislation and thereby acquires the limited right to exclusive performance which reflects the public policy of this country through their elected representatives. To hold otherwise would enable the proprietor of the right to have the advantage of retaining a perpetual, though partial, monopoly in his product contrary to the whole policy of the copyright act and the Constitution."<sup>65</sup>

In determining the extent and applicability of statutory copyright and the common law remedies of common law copyright, unfair competition and right of privacy, "we must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labor; the other that the world may not be deprived of improvements nor the progress of arts retarded."<sup>66</sup>

appropriated by anyone. They are almost elements of our being. We have not reasoned them out, perhaps, and may even be unconscious of their action; yet they are about us, and within us, entering into and influencing our habitual thoughts, and pursuits, and modes of life—contributing to our safety and happiness. And they belong to us as effectively as any of the gifts of heaven. If we could search the laws of nature, they would be, like water and the air, the common property of mankind; and those theories of the learned which we dignify with this title, par-

take, just so far as they are true, of the same universally diffused ownership. It is their application to practical use which brings them within the domain of individuals, and it is the novelty of such an application that constitutes it the proper subject of a patent."

<sup>65</sup> *Blanc v. Lantz et al.*, 83 USPQ 137 (CalSuperCt 1949); *Shapiro Bernstein & Co., Inc. v. Miracle Record Co.*, 91 FSupp 473 (DC Ill 1950).

<sup>66</sup> Lord Mansfield in *Sayre v. Moore*, 1 East 361, 31 EngRep 140 (KB 1785).

The philosophic basis of copyright legislation is clearly delineated. A copyright proprietor obtains a limited monopoly in exchange for his writings which are made available to the general public. But the perpetual monopolistic feature of the common law remedies of common law copyright, unfair competition and the right of privacy is challenged by the policy of free competition. Perpetual monopolies in word and program content contravene the limited monopoly conferred by the Copyright Code; more importantly they challenge the basic anti-monopoly policy of our jurisprudence. Our problem is to consider and evaluate these remedies against the background of a national competitive policy. To rephrase the issue, we must reconcile the need for the free flow of ideas, knowledge, and truths with the equally meritorious requirement that writers, authors, etc., of creative material be protected and compensated for their intellectual efforts.

## 11. DEFINITIONS.

The following definitions or explanation of terms used throughout this work will facilitate the subsequent discussion.

A. Common law copyright may be described as an individual's right in his original unpublished intellectual productions and which are protected via the common law.<sup>1</sup>

B. Statutory copyright is an exclusive property right granted by the Copyright Code to an author for his intellectual writings; it is for a limited term of years and confers the following benefits:

- a) the right to print, reprint, publish, vend and copy a work;<sup>2</sup>
- b) the right to modify and transform a work;<sup>3</sup>
- c) and the right to perform the work.<sup>4</sup>

<sup>1</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657, 658 (ED NY 1940), aff'd 119 F2d 422 (2d Cir 1941); *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950).

<sup>2</sup> 17 USCA § 1(a) (Supp 1951).

<sup>3</sup> *Ibid.* § 1(b). The right of transformation includes the right of transla-

tion; the right to dramatize a non-dramatic work; to convert a dramatic work into a novel or other non-dramatic forms; the right of arrangement or adaptation of musical works; and "to complete, execute and finish it if it be a model or design for a work of art."

<sup>4</sup> *Ibid.* § 1(c), (d) and (e).

The statutory right, to quote Lord Mansfield is “incorporeal; it relates to ideas detached from any physical substance.”<sup>5</sup> To paraphrase Lord Mansfield’s definition:<sup>6</sup>

1. Copyright signifies an incorporeal right to the sole printing, publishing, vending, transforming and performing of intellectual works.<sup>7</sup>

2. The property in the copyright is an incorporeal right to print, publish, vend, transform and perform a set of intellectual ideas communicated in a set of visible and audible lines, colors, sounds and words.<sup>8</sup> This property is detached from the work or any other physical existence whatsoever.<sup>9</sup>

<sup>5</sup> Millar v. Taylor, 4 Burr 2396, 98 EngRep 201 (1769); Trustees v. Greenough, 105 US 527, 26 LEd 1157 (1881); Stephens v. Cady, 14 How 529, 14 LEd 528 (1852). Wheaton v. Peters, 8 Pet 591, 8 LEd 1055 (1834); Stevens v. Gladding, 17 How 447, 15 LEd 155 (1855); Ager v. Murray, 105 US 126, 26 LEd 942 (1881); Bobbs-Merrill Co. v. Straus, 210 US 339, 28 Sct 722, 52 LEd 1086; In Re Leslie-Judge Co., 272 Fed 886 (2d Cir 1921); Italiani v. Metro-Mayer-Goldwyn Corp., 45 CalApp 2d 464, 114 P2d 370 (1941). For an excellent analysis of the nature of copyright see Security-First Nat. Bank v. Republic Pictures Corp., 97 FSupp 360 (SD Cal 1951).

<sup>6</sup> Millar v. Taylor, 4 Burr 2396, 98 EngRep 201 (1769).

<sup>7</sup> Anglo-American jurisprudence considers copyright as a rule of property law based on the idea of creation through labor. See Bowker, *The Copyright, Its Law and Its Literature* (1886) 13; Drone, *A Treatise On the Law of Property In Intellectual Productions in Great Britain and the United States* (1879) 2 *et seq.*; Weil, *American Copyright Law* (1917) 3 *et seq.* Continental jurisprudence has rejected the property theory, and considers copyright as a personal right of the author or as a right *sui generis* which must be distinguished from the traditional classification of rights. See Ladas, *The International Protection of Literary and Artistic Property* (1938) 7 ff. Mr. Justice Holmes’ concurring opinion in *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 18, 28 Sct 203, 52 LEd 367 (1908) war-

rants quotation: “The notion of property starts, I suppose, from confirmed possession of a tangible object and consists in the right to exclude others from interference with the more or less free doing with it as one wills. But in copyright property has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is *in vacuo* so to speak. It restrains the spontaneity of men where, but for it, there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right. It may be infringed a thousand miles from the owner and without his ever becoming aware of the wrong. It is a right which could not be recognized or endured for more than a limited time, and therefore, I may remark in passing, it is one which hardly can be conceived except as a product of statute, as the authorities now agree.

“The grant of this extraordinary right is that the person to whom it is given has invented some new collocation of visible or audible points—of lines, colors, sounds or words. The restraint is directed against reproducing this collocation, although but for the invention and the statute any one would be free to combine the contents of the dictionary, the elements of the spectrum, or the notes of the gamut in any way that he had the wit to devise. . .”

<sup>8</sup> *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 28 Sct 203, 52 LEd 367 (1908).

<sup>9</sup> *Local Trademarks, Inc. v. Price*, 170 F2d 715 (5th Cir. 1948): “A copyright

3. Copyright may be violated by another's printing, publishing, vending, transforming or performing the work without the proprietor's consent.<sup>10</sup>

4. Copyright is a property in notion which has no corporeal tangible substance. "The right to exclude is not directed to an object in possession or owned, but is *in vacuo* so to speak. It restrains the spontaneity of men where, but for it, there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right."<sup>11</sup>

5. No purchase, disposition or transfer of the work can be construed as a conveyance of the copyright without the proprietor's express consent.<sup>12</sup>

6. Copyright is inheritable.<sup>13</sup>

C. Literary property as used herein refers to the writings of an author which may be protected at common law or by the statute.<sup>14</sup>

D. Intellectual property comprehends "all products of the mind" including copyright and literary property. From a technical point of view, radio and television programs, maps, photographs, etc., are not strictly literary property; they are intellectual property or products of the mind.

is an intangible, incorporeal right in the nature of a privilege or franchise and is independent of any material substance such as the manuscript or plate for printing. It is entirely disconnected therefrom;" Chamberlain v. Feldman, 300 NY 135, 89 NE2d 863 (1949).

<sup>10</sup> These are the rights secured by the Copyright Code, 17 USCA § 1 (Supp 1951).

<sup>11</sup> *Op. cit. supra* note 8. Copyright has also been described as a negative right. Thus Judge Learned Hand in *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert. denied, 311 US 712, 61 S Ct 393, 85 L Ed 463 (1940) stated that "Copyright in any form, whether statutory or at common-law, is a monopoly; it consists only in the power to prevent others from reproducing the copyrighted work."

<sup>12</sup> This is confirmed by 17 USCA § 27 (Supp 1951): § 27. Copyright Distinct from Property in Object Copyrighted; Effect of Sale of Object, and

of Assignment of Copyright.—"The copyright is distinct from the property in the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object; but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained." And see *Davenport Quigley Expedition v. Century Productions*, 18 FSupp 974 (DC NY 1937); *McClintic v. Sheldon*, 182 Misc 32, 43 NYS2d 695 (1943) reversed on other grounds, 269 AppDiv 356, 55 NYS2d 879 (1944); *Security First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1950).

<sup>13</sup> *Ibid.*, § 28.

<sup>14</sup> *Cf.* Ball, *Law of Copyright and Literary Property* (1944) § 44 ff.

E. Protectibility and copyrightability are not synonymous concepts. Copyrightability is restricted to the subject matter of the Copyright Code.<sup>15</sup> Protectibility, on the other hand, is co-extensive with intellectual property or all products of the mind. For example, works protected by common law copyright are protectible, not copyrightable. Conversely, photographs and maps which are not literary property, are copyrightable and protectible. Advertising slogans, merchandising plans, and a sequential combination of concrete, novel and original radio or television program ideas are neither literary property nor copyrightable; they are protectible by express or implied contract,<sup>16</sup> or as the *Kovacs* case holds, by the tort theory of plagiarism.<sup>17</sup>

<sup>15</sup> 17 USCA § 5 (Supp 1951).

<sup>16</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 78 (1950). And see § 250 *et seq.*, *passim*.

<sup>17</sup> *Kovacs v. Mutual Broadcasting*

*System*, 99 CalApp2d 56, 221 P2d 108 (1950); *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1950).

*Book I*  
Protection of the  
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# Book I: Part A

## Chapter II

### THE HISTORICAL AND CONSTITUTIONAL BASIS OF COPYRIGHT LEGISLATION

- § 20. Historical Basis of Copyright.  
21. Constitutional Basis of Copyright Legislation.  
22. Copyright Legislation in the United States.

#### 20. HISTORICAL BASIS OF COPYRIGHT.

The growth of the law of copyright protection has closely followed the development of mechanical means of reproduction.<sup>1</sup> The invention of the printing press resulted in the protection of literary copyright. Artistic copyright was established with the expansion and use of engraving lithographs. The rights to exclusive reproductions of records and other mechanical contrivances resulted from the invention of those devices. The invention and development of radio and television has resulted in the extension of copyright protection to this new media of mass communication.

The law of copyright had its inception in the invention of the printing press. Prior to the invention of the printing press, an author derived no pecuniary or economic benefits from his literary, musical or artistic efforts. This was explicable in terms of then existent practices. As a general rule, an author only produced a single—the original—copy of his work. This he sold outright or he worked in most cases in the household of a patron who supplied his material wants and to whom he naturally offered the sole copy of his work.

<sup>1</sup> For the historical basis of copyright, see: Drone, *A Treatise on the Law of Property in Intellectual Productions in Great Britain and the United States* (1879); Birrell, *Seven Lectures on the Law and History of Copyright in Books* (1899); Bowker, *Copyright, Its History and Its Law* (1912); Putnam, *Authors and Their Publishers in Ancient Times* (1894); Brown, *The Origin and Growth of Copyright* 34 *Law Magazine and Review* 54 (1908); Kilroe, *Lecture on Copyright Law* (1944).

In the case of the more important literary or musical works, only a few manuscript copies were made during the author's lifetime, and the slow labor of the copyist was generally devoted to reproductions of religious and classical works. The work of the living author existed in a few copies only and generally these copies were not for public sale. Manuscript copies were ordered from the copyist who alone was paid for his technical work.

This state of affairs was fundamentally changed by the invention of printing, with the possibilities it created for rapid large-scale production for commercial purposes.<sup>2</sup> In consequence the printer-booksellers soon found themselves in competition for the best works—those most in favor with the public, and which were being printed and marketed simultaneously by several houses. This competition resulted in none of the printer-booksellers achieving a profitable sale.

This decline in the manufacture and sale of books deprived such countries as Italy, Great Britain and France of an important new industry, and a means of adding considerably to their cultures. Accordingly the sovereigns of these countries granted certain booksellers "crown" privileges, giving them a monopoly in certain books. Thus the booksellers were in a position to cover their expenses and even to make a profit; they then secured the services of the best authors and were able to remunerate them suitably.

This, then, is the economic basis of copyright. An author secured pecuniary benefits as a result of the protection furnished the publisher. Copyright legislation, not only in Europe, but in the United States, subsequently recognized these economic and pecuniary rights as vesting in the person of the author himself. The authors then transferred these exclusive rights to the publishers with the result that the economic rights of publishers were now indirectly protected through the privileges which had been secured to authors.

There is another aspect in the development of copyright which is extremely significant, particularly in England. The use of the printing press in England resulted in the widespread dissemination of information and enlightenment; it effectuated changes in the social, political and religious life

<sup>2</sup> Kilroe, *supra*, note 1: "In 1485 (10,000) ten thousand copyists in Paris before printing was invented there were and Orleans."

of England.<sup>3</sup> These changes were preceded by the so-called "great controversies,"<sup>4</sup> which were aired in the press and resulted in the Government's control of speech, printing and literature.<sup>5</sup> This Government control, which was exercised by the Star Chamber played a significant and important role in the development of copyright.<sup>6</sup>

The Star Chamber prevented the printing of works which offended the Crown by issuing decrees which regulated printing. Thus on June 23, 1585, it required every book to be licensed:

"... nor shall anyone print any book, work or copy, against the form or meaning of any restraint contained in any statute or laws of this realm, or in any injunction made by her majesty or her privy council; or against the true intent and meaning of any letters patent, commissions or prohibitions under the great seal; or contrary to any allowed ordinance set down for the good government of the Stationers Company."<sup>7</sup>

The Star Chamber likewise controlled printing and incidentally recognized the copyright of authors by chartering the Stationers Company. The latter traces its origin back to 1403, when it was a voluntary and informal association or brotherhood of printers, bookbinders and publishers formed on the model of a city company. The Clerk of the Company maintained a record of all manuscripts and their proprietors in "The Hall Book." This form of private regulation is the origin of the requirement for registration and deposit of copyrighted works.<sup>8</sup>

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*, e.g., "(a) The struggle between the King and Rome, the unbelievable power of the Interdiction, the Papal Bull of Deposition and Excommunication, Henry IV of Germany; John of England and Pope Innocent III. The statute of Praemunire (16 Richard II, Chapter 5) . . . was passed in 1393. . . . (b) The struggle between the Kings and Parliament for Power. . . (c) The Religious Controversy." See Holdsworth, *Press Control and Copyright in the 16th and 17th Centuries*, 29 *YaleLJ* 841 (1920).

<sup>5</sup> Holdsworth, *supra*, note 4.

<sup>6</sup> The activities of the Star Chamber are discussed in the works, *op. cit.*,

*supra*, notes 1 and 5, and in *Tonson v. Collins*, 1 Blackstone 301 (1760); *Millar v. Taylor*, 4 Burr 2303, 98 ER 201 (1769); *Donaldson v. Beckett*, 4 Burr 2408, 2 BroPC 129 (1774).

<sup>7</sup> 28 Eliz 4 (1585). On July 11, 1637, the Star Chamber by decree, "limited the number of founders of letters for printing to serve the whole Kingdom to four" . . . quoted in Kilroe, *op. cit.*, *supra*, note 1.

<sup>8</sup> Kilroe, *op. cit.*, *supra*, note 1. And see Rogers, *A Chapter in the History of Literary Property: The Booksellers' Fight for Perpetual Copyright*, 5 *Ill Rev* 551 (1911); Rogers, *Some Historical Matter Concerning Literary Property*, 7 *MichLRev* 101 (1908).

In 1556, Queen Mary granted the Company a charter and empowered it to promulgate ordinances, provisions, regulations and by-laws; these could not be contrary to the laws or statutes of England or in prejudice to the commonweal of the English Kingdom.<sup>9</sup> The charter provided that no person was allowed to practice or exercise any of the arts of printing unless he was a member of the Company. The Company was authorized to search, seize, burn or convert to their own use any books printed which were contrary to law.<sup>10</sup> The Society was likewise empowered to levy fines and imprison any person violating the law.

The Stationers Company "has played an important role in English copyright from 1556 to 1912; the records of entries in its books is now *prima facie* evidence of the date of publication and ownership at the time the entries were made. Its by-laws or decrees become binding in the printing and selling of books."<sup>11</sup> The most important by-laws were as follows:

1. Members were precluded from printing or selling the works registered by another member without his consent and under penalty of 12 pence for each book printed or offered for sale.

2. All new books and reprints had to be registered in the name or names of members of the Company.

The various decrees promulgated by the Court of Star Chamber aided the monopoly conferred upon the Stationers Company. As stated above, it enjoined the piracy of books by unlicensed printers and forbade the importation of books printed abroad.

In 1640, the Star Chamber was abolished. This meant that the various regulations restricting the press, the restraints on unlicensed printing effectuated by the proclamations and

<sup>9</sup> 3 and 4 Philip & Mary (1556): "That we considering and manifestly perceiving that several seditious & heretical books, both in verse & prose, are daily published, stamped & printed by divers scandalous, schismatical & heretical persons, not only exciting our subjects & liegemen to sedition & disobedience against us, our crown & dignity, but also to the renewal & propagating very great & detestable heresies

against the faith & sound Catholic doctrine of holy mother the church; and being willing to provide a proper remedy in this case. . . ."

<sup>10</sup> In *Millar v. Taylor*, 4 Burr 2303, 2374, 98 ER 201 (1769), the Stationers Company was described as "having been made a kind of literary constables, to seize all books that were printed contrary to the statute."

<sup>11</sup> Kilroe, *op. cit.*, *supra*, note 1.

decrees of the Star Chamber, and the charter powers given the Stationers Company were illegal and no longer effective.<sup>12</sup>

Thereafter Parliament in 1643 enacted an ordinance which prohibited printing unless the book was first licensed and entered in the Register of the Stationers Company. This ordinance prohibited printing without the consent of the owner; and any infringing copies were forfeited to the owner.<sup>13</sup>

The royal decrees of the Star Chamber and the various ordinances of Parliament formed the basis of the Licensing Act of 1662<sup>14</sup> which expired in 1694.<sup>15</sup> The Licensing Act prohibited the printing of any book unless first licensed and entered in the Register of the Stationers Company; it also prohibited printing without the consent of the owner upon pain of forfeiture of the book plus a named sum per copy. A copy of the book had to be deposited with the Stationers Company at the time of application for a license and at the beginning of the book, the licensor printed a statement that the book contained nothing which was "contrary to the Christian faith, or the doctrine of discipline of the Church of England, or against the state and government of this realm, or contrary to good life or good manners, or otherwise, as the nature and subject of the work shall require."<sup>16</sup>

This Act expressly recognized copyright as a common law right and further required ownership to be proved in order to maintain an action under the statute.<sup>17</sup>

This legislation was productive of litigation in the courts. Some of the cases were disputes between different patentees of the Crown; others, "whether it belonged to the author, from his invention or labour; or the King, from the subject matter." But the cases recognized "that a copyright was a thing acknowledged at common law."<sup>18</sup>

<sup>12</sup> Fox, Canadian Copyright Law (1944) 15.

<sup>13</sup> The Licensing Ordinances enacted by Parliament resulted in Milton's "AREOPAGITICA" in defense of the liberty of unlicensed printing.

<sup>14</sup> Act of 13 and 14 Car 2, c. 9 (1662).

<sup>15</sup> 31 Car 2 (1679). The Licensing Act of 13 and 14 Car 2 was revived by 1 Jac 2, c. 7 and continued by

4 William and Mary, c. 24; it expired in 1694.

<sup>16</sup> *Op. cit., supra*, 14.

<sup>17</sup> Fox, Canadian Copyright Law (1944) 17.

<sup>18</sup> The following cases are cited and discussed in *Millar v. Taylor*, 4 Burr 2303, 98 ER 201 (1769); *Atkins v. Stationers Company* (1666): "That copyright was a thing acknowledged at common law"; *Roper v. Streater*

The Licensing Act expired in 1694. It was supplanted by the Statute of Anne,<sup>19</sup> the first English Copyright Act and the forerunner of English and American copyright legislation.

The Statute of Anne granted to "the authors or their assigns" the sole right of publication for 21 years for books printed before the effective date of the Act which was April 10, 1710; for new books not then printed, the right was for a term of 14 years and for a further term of 14 years if the author was living at the expiration of the first term. No book was entitled to protection under the statute until the title had been entered in the registry books of the Stationers Company and copies of the work had been deposited in certain designated libraries of the Kingdom. The statute prescribed suitable penalties and was subsequently amended by requiring the notice of entry to appear on every copy of the published work.<sup>20</sup>

It will be recalled that under the Licensing Act copyright was referred to as a common law right. With the passage of the Statute of Anne, the questions tendered the courts in the "great landmark" cases of *Millar v. Taylor*<sup>21</sup> and *Donaldson v. Beckett*<sup>22</sup> were whether copyright existed at common law, whether it was a natural right or one dependent on statute, and whether the common law right survived the expiration of the statutory copyright term.<sup>23</sup>

In *Millar v. Taylor*, the Court of King's Bench in 1769 held that perpetual copyright after publication existed at the common law and was not taken away or limited by the Statute of Anne.<sup>24</sup> Five years later in *Donaldson v. Beckett*, the identical issues were tendered the House of Lords, which by the narrow margin of six to five reversed the Court of King's Bench.<sup>25</sup>

(1672): "That the plaintiff, by purchase from the executors of the author, was the owner of the copy at common law".

<sup>19</sup> 8 Anne, c. 19 (1709).

<sup>20</sup> *Ibid.*

<sup>21</sup> 4 Burr 2303, 98 ER 201 (1769).

<sup>22</sup> 4 Burr 2408, 2 BroPC 129 (1774). This case is discussed in detail in Ball, *The Law of Copyright and Literary Property* (1944) 19-25; Rogers, *op. cit.*, *supra*, note 8.

<sup>23</sup> In *Tonson v. Collins*, 1 Blackstone 301, 321 (1760), the same issue was

tendered, viz., whether copyright existed independently of the Statute of Anne. The judges refused to decide the case since "the whole case was a collusion and that the defendant was nominal only and the whole expense paid by the plaintiff."

<sup>24</sup> *Op. cit.*, *supra*, note 21. See Kilroe's discussion of this case and the role played by Lord Mansfield in the same, *op. cit.*, *supra*, note 1.

<sup>25</sup> *Op. cit.*, *supra*, note 22; Kilroe, *op. cit.*, *supra*, note 1.

In this case, James Thomson had written a tragedy entitled "Sophonisiba" and a poem entitled "Spring." He sold these works to Andrew Millar. Millar subsequently acquired by purchase additional literary works written by Thomson. After Millar's death in 1768, several of these works were sold at auction by his executors to Thomas Beckett. Thereafter, Alexander Donaldson published several of the poems written by Thomson, and which had been purchased by Millar, in book form under the title "Seasons." On January 21, 1771, Beckett filed a bill in Chancery and was granted a perpetual injunction by Lord Chancellor Apsley to enforce a common law copyright. An appeal was taken to the House of Lords which submitted five questions in writing to eleven judges of the common law courts who were summoned to attend the House of Lords from time to time in an advisory capacity.<sup>26</sup> The questions were as follows:

1. Whether at common law an author of any book or literary composition had the sole right of first printing and publishing the same for sale and might bring an action against any person who printed, published, and sold the same without his consent? Eleven judges rendered an affirmative answer against one in favor of the negative.

2. If the author had such right originally, did the law take it away on his printing and publishing such book or literary composition; and might any person afterwards reprint and sell for his own benefit such book or literary composition against the will of the author? This question was decided in the negative by eight to three.

3. If such action would have lain at common law is it taken away by the Statute of 8th Anne; and is an author by the said statute precluded from every remedy, except on the foundation of the said statute, and on the terms and conditions prescribed thereby? This question was answered in the affirmative by six to five.

<sup>26</sup> *Ibid.* Kilroe, *op. cit.*, *supra*, note 1: "The case of Donaldson vs. Beckett is the greatest of all cases relating to English copyright. Both sides of the question were masterfully presented by the most able counsel in the Kingdom. The debate in the House of Lords was bitter, venomous and acrimonious. The

case is the foundation of English copyright law and its greatest landmark." As a result of Donaldson v. Beckett, the universities obtained an Act of Parliament, 15 Geo III, c. 53 (1775), which gave them the perpetual right to reprint the books given them.

4. Does the author of any literary composition and do his assigns have the sole right of printing and publishing the same in perpetuity by the common law? Seven judges rendered an affirmative answer, four judges, a negative answer.

5. Is this right in any way impeached, restrained or taken away by the Statute 8th Anne? This was answered in the affirmative by six to five.

Thus it was held by a majority of the judges that the perpetual rights conferred by the common law existed only so long as the work remained unpublished, but that upon publication, the common law rights were abrogated and the extent and duration of the rights conferred by the statute were measured by the terms prescribed by such legislation. Finally in *Jeffreys v. Boosey*, it was held that copyright did not exist at common law but that on the contrary, it was the creature of statute.<sup>27</sup>

The Act of 1709 was replaced by the Literary Copyright Act of 1842<sup>28</sup> which remained the governing statute as to literary property until it was repealed by the Copyright Act of 1911.<sup>29</sup> This act defined "books" to include "volume, part or division of a volume, pamphlet, sheet or letterprint, sheet of music, map, chart or plan" separately published. The term of copyright was extended to 42 years after publication or the life of an author, plus seven years, whichever was the longer.<sup>30</sup>

Engravings and prints were protected by four acts. The first was enacted in 1734, and the term of protection was fourteen years.<sup>31</sup> The Act of 1776 extended the term to 28 years.<sup>32</sup> Lithographs were accorded protection by the International Copyright Act of 1852.<sup>33</sup> The Sculpture Copyright Act of 1814 extended copyright to statuary, models and busts.<sup>34</sup> The Bulwer-Lytton Act protected the right of public performance in dramatic works.<sup>35</sup> Performing rights in musical

<sup>27</sup> *Jeffreys v. Boosey*, 4 HLC 815 (1854). But cf. Fox, Canadian Copyright Law (1944) 19.

<sup>28</sup> 5-6 Vic c. 45 (1842). By the Act of 54 Geo III, c. 56, s. 4 (1814), the term of copyright was extended to 28 years from the date of publication, and "if the author shall be living, at the expiration of that period for the rest of his life."

<sup>29</sup> 1-2 Geo V, c. 46 (1911).

<sup>30</sup> *Op. cit., supra*, note 28.

<sup>31</sup> 8 Geo II, c. 13 (1734). The Prints and Engravings Copyright Act of 1836, 6-7 Will IV, c. 59; Engraving Copyright Act of 1766, 7 Geo III, c. 38; Prints Copyright Act of 1777, 17 Geo III, c. 57.

<sup>32</sup> *Ibid.*

<sup>33</sup> 15-16 Vic c. 12, s. 14 (1852).

<sup>34</sup> 54 Geo III, c. 56 (1814).

<sup>35</sup> 3-4 Will IV, c. 15 (1833).

compositions were recognized by the 1842 Act.<sup>36</sup> The Copyright (Musical Compositions) Act was passed in 1882 "to protect the public from vexatious proceedings for the recovery of penalties for the unauthorized performance of the same."<sup>37</sup> A Mr. Harry Wall conceived the idea of collecting royalties on performing rights on a vast scale and carried on his business under the name of the Copyright Performing Right Protection Office. He secretly purchased the performing rights to a great many musical compositions and declined to announce to the public or users of music the compositions in which he claimed rights, except upon payment of 21 guineas for each composition concerning which he gave this information. Wall ruthlessly enforced his claims.

Wall's activities<sup>38</sup> prompted an investigation by Parliament with the result that the 1882 Act required the copyright owner in order to retain the right of performance, to publish a notice reserving such right on the title page of every published copy of the music.<sup>39</sup>

In 1862 Parliament passed the Fine Arts Copyright Act which extended protection to paintings, drawings and photographs for the life of the author and seven years after his death. This protection was lost if the author in selling the original failed to obtain a written reservation of copyright from the purchaser.<sup>40</sup>

In 1875 A Royal Commission was appointed to appraise the copyright laws of England. This report which was published in 1878 stated:

"The law of England . . . . . consists partly of the provisions of fourteen Acts of Parliament, which relate in whole or in part to different branches of the subject, and partly of common law principles, nowhere stated in any definite or authoritative way, but implied in a considerable number of reported cases scattered over the law reports.

"The first observation which a study of the existing law suggests is that its form, as distinguished from its substance seems to us bad. The law is wholly destitute of

<sup>36</sup> 5-6 Vic c. 45 (1842).

<sup>37</sup> 45-46 Vic c. 40 (1882).

<sup>38</sup> Wall and his solicitor were arraigned in courts for illegal conduct in prosecuting these claims. The solicitor was suspended for two years from

practice and Wall was sentenced to three months in prison. *Re Wall*, 4 TLR 749 (1888).

<sup>39</sup> *Op. cit.*, *supra*, note 37.

<sup>40</sup> 25-26 Vic, c. 68 (1862).

any sort of arrangement, incomplete and often obscure, and even when it is intelligible upon long study, it is in many parts so ill-expressed that no one who does not give such study to it can expect to understand it.

“The common law principles which lie at the root of the law have never been settled. The well known cases of *Millar vs. Taylor*, *Donaldson vs. Beckett*, and *Jeffreys vs. Boosey*, ended in a difference of opinion amongst many of the most eminent judges who have ever sat upon the Bench.

“The fourteen Acts of Parliament which deal with the subject were passed at different times between 1735 and 1875. They are drawn in different styles, and some are drawn so as to be hardly intelligible. Obscurity of style, however, is only one of the defects of these Acts. Their arrangement is often worse than their style. Of this the Copyright Act of 1842 is a conspicuous instance.

“The law is not only arbitrary in some points, but is incomplete and obscure in others. The question whether there is such a thing as copyright at common law apart from the statute, has never been decided, and has several times led to litigation; yet the courts have always leant to the opinion that there is no copyright independent of statute;—at all events they have never positively decided that there is.”<sup>41</sup>

In 1911 the copyright laws of England were revised, consolidated and amended.<sup>42</sup> It repealed all of the earlier copyright statutes except that section of the Fine Arts Copyright Act of 1862 which penalized the fraudulent alteration of artists' work, and two short penal Acts dealing with the sale of pirated copies of musical works.<sup>43</sup> Common law copyright in unpublished works was abolished, with the result that copyright in published and unpublished works was assimilated except as to the areas and terms of protection.<sup>44</sup> Since England is a member of the International Copyright Convention registration is no longer necessary and copyright is secured

<sup>41</sup> Copyright Commission, 13 *Law Journal* 397, 416, 430 (1878).

<sup>42</sup> 1 and 2 Geo V, c. 46 (1911). For a discussion of the 1911 Act, see Copinger & James, *Law of Copyright* (8th Ed 1948).

<sup>43</sup> Ladas, *The International Protection of Literary and Artistic Property* (1938), 879 ff.

<sup>44</sup> *Ibid.*, at 885. A published work

is protected, regardless of the nationality or residence of the author, “if the work was first published within such parts of His Majesty's dominion to which the Act extends.” An unpublished work is protected only if the author “was at the time of the making of the work a British subject or resident within such part of His Majesty's Dominions as aforesaid.”

an author by the act of creation and no formality of any kind is required.<sup>45</sup>

It is believed that Great Britain's latest legislation dealing with copyright is the Dramatic and Musical Performers' Protection Act of 1925.<sup>46</sup> This statute provides that if any person knowingly makes any record, directly or indirectly, from or by means of the performance of any dramatic or musical work without the consent in writing of the performers, he shall be guilty of an offense and liable on summary conviction to a fine not exceeding 40s. for each record in respect of which an offense is proved, but not exceeding 50 pounds in respect to any one transaction.<sup>47</sup>

## 21. CONSTITUTIONAL BASIS OF COPYRIGHT LEGISLATION.

We have discussed elsewhere the constitutional basis of copyright legislation.<sup>1</sup> Briefly stated, statutory copyright is a limited monopoly created by federal statute. Congress' authority to enact copyright legislation is derived from the Constitution which provides that "The Congress shall have power . . . . To promote the Progress of Science and useful Arts, by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>2</sup>

At the outset the power given Congress is limited and not general. Congress is not empowered by the Constitution to pass laws for the protection and benefit of authors and inventors except as a means "to promote science and the useful arts." Thus the monopoly conferred by Congress is for the purpose of promoting progress.<sup>3</sup>

Obviously, the constitutional authorization is not to be read and interpreted literally. The various phrases in this clause

<sup>45</sup> *Ibid.*, 890.

<sup>46</sup> 15 and 16 Geo V, c. 46 (1925).

<sup>47</sup> This statute is not technically speaking a copyright Act, since it does not deal with rights in work, but with the rights of performers in works. Such performers do not by reason of the Act acquire any proprietary right in their performance which could be protected by injunction or otherwise, but that their right thereunder is to enforce the summary remedies granted by this

legislation. See *Musical Performers' Protection Assn. v. British International Pictures* (1930), 46 TLR 485; *Gramophone Co., Ltd. v. Stephen Wardine & Co.* (1934), 1 Ch 450.

<sup>1</sup> *Infra*, § 10.

<sup>2</sup> The Constitution of the United States (Gov't Printing Office 1938) 236.

<sup>3</sup> See H.Rep't No. 2222 which accompanied H.R. 28192, 60th Cong 2d Sess (1909); *White v. Kimmel*, 94 F.Supp 502 (DC Cal 1950).

are and have received a broad and liberal construction comparable to the broad and liberal interpretation given to the concept of interstate commerce.<sup>4</sup> Thus copyright legislation implementing this clause has made the subject matter of copyright co-extensive with the constitutional authorization.<sup>5</sup>

The liberal interpretation to be given this clause is illustrated by the *Sarony* case wherein the Supreme Court furnished enlarged definitions of the phrase, "authors" and "writings." "Author," was defined as "he to whom anything owes its origin; originator; maker; one who completes a work of science or literature."

With reference to the phrase "writings", the Court said:

"So, also, no one would now claim that the word 'writing' in this clause of the Constitution, though the only word used as to subjects in regard to which authors are to be secured, is limited to the actual script of the author and excludes books and all other printed matter. By 'writings' in that clause is meant the literary productions of those authors, and Congress very properly has declared these to include all forms of writing, printing, engraving, etching, etc., by which the ideas in the mind of an author are given visible expression."<sup>6</sup>

Prior to the enactment of the Townsend Amendment,<sup>7</sup> which added motion-picture photoplays<sup>8</sup> and motion pictures other than photoplays<sup>9</sup> to the subject matter of copyright, the courts held that cinematographic works were protected by the copyright statute then in force.<sup>10</sup> Similarly the Supreme Court had no difficulty in extending the phrase, "writings"

<sup>4</sup> E.g., *Gibbons v. Ogden*, 9 Wheat (US) 1, 189, 6 LEd 23 (1824); *Pensacola Telegraph Co. v. Western Union Telegraph Co.*, 96 US 1, 9, 25 LEd 708 (1878); *North American Co. v. Securities & Exchange Co.*, 327 US 686, 66 S Ct 785, 90 LEd 945 (1946); *United States v. Yellow Cab Co.*, 332 US 218, 67 S Ct 1560, 91 LEd 2010 (1947). And see *Humes*, *Trend of Decisions Respecting the Power of Congress to Regulate Interstate Commerce*, 26 *ABAJ* 846 (1940); *Ballentine*, *The Federal Power Over Interstate Commerce Today*, 25 *ABAJ* 252 (1939).

<sup>5</sup> *Cf.* *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 S Ct 298, 47 LEd 460 (1903), with *Baker v.*

*Selden*, 101 US 99, 26 LEd 841 (1879), and *Higgins v. Keuffel*, 140 US 428, 11 S Ct 729, 35 LEd 503 (1891).

<sup>6</sup> *Burrow-Giles Lithographic Co. v. Sarony*, 111 US 53, 4 S Ct 279, 28 LEd 349 (1884). See also *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>7</sup> Act of August 24, 1912, c. 356, 37 STAT 488.

<sup>8</sup> 17 USCA § 5(1) (Supp 1951).

<sup>9</sup> *Ibid.*, § 5(m).

<sup>10</sup> *Kalem v. Harper Bros.*, 222 US 55, 32 S Ct 20, 56 LEd 92 (1911); *Edison v. Lubin*, 122 Fed 240 (3d Cir 1903); *American Mutoscope & Biograph Co. v. Edison Mfg. Co.*, 137 Fed 262 (D NJ 1905).

to cover radio, radiobroadcasting<sup>11</sup> and the latter term comprehends television.<sup>12</sup>

The only limitations on the phrase "writings" are the requirements that they be original and reduced to a tangible form. We shall discuss originality elsewhere,<sup>13</sup> but originality in the copyright sense does not mean that the work must be novel, i.e., the first of its kind in existence.<sup>14</sup> All that the law requires is that the work reflect independent and creative effort.<sup>15</sup>

Practical considerations have prompted the courts to require the writings of an author to be reduced to tangible form.<sup>16</sup> As we shall discuss elsewhere,<sup>17</sup> copyright protects the order of ideas. But the courts cannot protect evanescent ideas until or unless they have been clothed in physical form. The observation of Justice Yates in his dissenting opinion in *Millar v. Taylor* is still pertinent:

<sup>11</sup> *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 S Ct 410, 75 L Ed 971 (1931).

<sup>12</sup> Warner, *Radio & Television Law*, § 72.

<sup>13</sup> *Passim*, §§ 30 and 153.

<sup>14</sup> *Gerlach-Barklow v. Morris & Bendien*, 23 F2d 158, 161 (2d Cir 1927); *Hoague-Sprague v. Meyer*, 31 F2d 583, 586 (D NY 1929); *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99, 103 (2d Cir 1951): "It is clear that nothing in the Constitution commands that copyrighted matter be strikingly unique or novel. . . All that is needed to satisfy both the Constitution and the statute is that the 'author' contributed something more than a 'merely trivial' variation, something recognizably 'his own.' Originality in this context 'means little more than a prohibition of actual copying.' No matter how poor artistically the 'author's' addition, it is enough if it be his own. *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 250, 23 S Ct 298, 47 L Ed 460."

<sup>15</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95, 99 (1950): "It is not essential that any production, to be original or new within the meaning of the law of copyright, shall be different from another . . . the true

test of originality is whether the production is the result of independent labor or of copying.' *Drone, Copyrights*, cited with approval in *Fred Fisher, Inc. v. Dillingham, D.C.*, 298 F 145, 151." But *cf.* *Amsterdam v. Triangle Publications, Inc.*, 189 F2d 104, 106 (3d Cir 1951): "We think there is no doubt that in order for a map to be copyrightable its preparation must involve a modicum of *creative* work. . . Moreover we regard the rule as in accord with the spirit and intent of Article I, Section 8, clause 8, of the Constitution which is the basic authority for the granting of copyrights." But *cf.* *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951); *Yaukwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

<sup>16</sup> *Dellar v. Samuel Goldwyn, Inc.*, 150 F2d 612 (2d Cir 1945) cert. denied, 327 US 790, 66 S Ct 802, 90 L Ed 1016 (1946); *Becker v. Loew's, Inc.*, 133 F2d 889 (7th Cir 1943), cert. denied, 319 US 772, 63 S Ct 1438, 87 L Ed 1720 (1944); *Gropper v. Warner Bros. Pictures*, 38 F Supp 329 (SD NY 1941); *Eichel v. Marcin*, 241 Fed 404, 408 (D NY 1913).

<sup>17</sup> *Passim*, §§ 151 and 154.

“Now where are the indicia or distinguishing marks of ideas? What distinguishing marks can a man fix upon a set of intellectual ideas so as to call himself the proprietor of them? They have no earmarks upon them.”<sup>18</sup>

## 22. COPYRIGHT LEGISLATION IN THE UNITED STATES.

Copyright legislation<sup>1</sup> in the United States had its inception in the recommendations of the Colonial Congress to the several colonies or states:

“to secure to the authors or publishers of any new books not heretofore printed, being citizens of the United States . . . the copyright of such books for a certain time not less than fourteen years from the first publication.”<sup>2</sup>

The Colonial Congress likewise proposed a renewal of the term of copyright for another term of not less than 14 years for the authors “if they shall survive the term first mentioned and to their executors, administrators and assigns.” The rights recommended to be granted were the “exclusive right of printing, publishing and vending.”<sup>3</sup>

Three of the original thirteen states, Connecticut, Massachusetts and Maryland, passed copyright legislation prior to the recommendations for the protection of literary works made by the Colonial Congress.<sup>4</sup> All of the thirteen states,

<sup>184</sup> Burr 2303, 2366 (KB 1769). See *Jeffreys v. Boosey*, 4 HLCas 815, 965 (1854): “*Volat irrevocabile verbum*, whether borne on the wings of the wind or the press and the supposed owner loses all control over them. . . . He has produced the thought and given it utterance, and, *eo instante*, it escapes his grasp.”

<sup>1</sup> Solberg, *Copyright Enactments of the United States* (Copyright Office, Bulletin No. 3, Washington, 1906), contains copies of the Colonies' Copyright Act and all the Copyright Acts passed by the United States Congress to 1906. For an excellent summary and outline of copyright legislation in this country see Testimony of E. P. Kilroe, Hearings on Revisions of Copyright Laws (The Duffy Bill), 74th Cong 2d Sess (1936) at 1195 *et seq.*

<sup>2</sup> Kilroe, *supra*, note 1.

<sup>3</sup> *Ibid.*

<sup>4</sup> E.g., Massachusetts.—Preamble to the copyright law of Massachusetts, entitled “An act for the purpose of securing to authors the exclusive right and benefit of publishing their literary productions, for 21 years,” passed March 17, 1783:

“Whereas the improvement of knowledge, the progress of civilization, the public weal of community, and the advancement of human happiness, greatly depend on the efforts of learned and ingenious persons in the various arts and sciences: As the principal encouragement such persons can have to make great and beneficial exertions of this nature, must exist in the legal security of the fruits of their study and industry to themselves; and as such security is one of the natural rights of all men, there being no property

except Delaware enacted copyright statutes prior to the adoption of the Constitution.<sup>5</sup>

Since state legislation effectuated the recommendations of the Colonial Congress, the statutes were substantially the same. There were variations in the term of copyright and the penalties for infringement. But for the most part, they were similar. A good example is the statute passed by the state of New Jersey in 1783:

a) works protected: "any book or pamphlet not yet printed;"

b) rights granted: "the exclusive right of printing and publishing;"

c) persons entitled to benefits: protection extended only to works of an author "being an inhabitant or resident in the United States of America and his heirs and assigns;"

d) term of copyright: 14 years from the date of first publication with a renewal of 14 years "to the author thereof if then living, his heirs and assigns;"

e) penalty for infringement: "double the value of all the copies of such book or pamphlet so printed, introduced, distributed, vended, or exposed for sale;"

f) registration: title of the book or pamphlet with the name of the author, assignee, or proprietor must be registered in the office of the Secretary of State.<sup>6</sup>

The deficiencies of state copyright legislation were obvious. The statutes were limited in their operation to the boundaries of each state; if an author desired protection in several states, it necessitated compliance with a multitude of state laws.

Upon the adoption of the Constitution in 1789, the copyright laws of the several states became void.

The need for a uniform national law was evident. In 1790, the first federal copyright statute was enacted. This act furnished protection to the author or his assigns of any "book, map or chart" for a 14 year term with a privilege of renewal for another 14 years. The rights granted under this legislation were restricted to the sole rights "of printing, reprinting,

more peculiarly a man's own than that which is produced by the labour of his mind;

"Therefore, to encourage learned and

ingenious persons to write useful books for the benefit of mankind."

<sup>5</sup> Kilroe, *op. cit.*, *supra*, note 1.

<sup>6</sup> *Ibid.*

publishing and vending."<sup>7</sup> In 1802, designs, engravings, etchings and prints were protected for the first time.<sup>8</sup> In 1831 a revised consolidated statute was enacted which furnished protection to authors and composers of musical compositions; this right was limited to the printing and sale of musical compositions.<sup>9</sup>

In *Wheaton v. Peters*,<sup>10</sup> decided in 1834, and one of the first copyright cases that was decided by the Supreme Court, the same questions were tendered as in *Donaldson v. Beckett*.<sup>11</sup> The Supreme Court reached the same conclusions as the House of Lords: that while literary property was protected at common law, registration of works protected by the statute superseded such common law rights; and that upon publication without compliance with the requirements of the statute, such common law rights were lost.

To return to copyright legislation, in 1856, the statute was extended to dramatic compositions, with the exclusive right of public performance in the owner or proprietor thereof. Protection was restricted to the "grand performing" rights or dramatic rights and extended to music only if the latter was part of a dramatic work.<sup>12</sup>

Subsequent legislation extended copyright protection to photographs and negatives,<sup>13</sup> paintings, drawings, statues,

<sup>7</sup> Act of May 31, 1790, 1 STAT 124.

<sup>8</sup> Act of April 29, 1802, 2 STAT 171. This legislation required the notice or claim of copyright to be inserted on the title page or the page immediately following of all printed books. See also the Act of February 15, 1819, *Kilroe, op. cit., supra*, note 1, wherein the circuit courts were given jurisdiction, both at law and at equity, of copyright cases.

<sup>9</sup> Act of February 3, 1831, 4 STAT 436. The Committee on the Judiciary which reported out this bill said: "It has furthermore been claimed, and, it seems to your committee, with propriety, that the law of copyright ought to extend to musical compositions as does the English law. It has been the aim of your committee, in preparing the accompanying bill, to bring the two statutes into one, and to make that free from the objections alluded to,

but chiefly to enlarge the period for the enjoyment of copyright, and thereby to place authors in this country more nearly upon an equality with authors in other countries."

<sup>10</sup> 8 Pet 591, 8 LEd 1055 (1834). The first reported copyright case under the Copyright Act of 1790, *op. cit., supra*, note 7, was *King v. Force*, 14 FedCas 521 (1820), wherein noncompliance with the statutory formality of the date of deposit of title of a map to be engraved on the map, invalidated the copyright.

<sup>11</sup> 4 Burr 2408, 2 BroPC (1774).

<sup>12</sup> Act of August 18, 1856, 11 STAT 138.

<sup>13</sup> Act of March 3, 1865, 13 STAT 540. Prior to the enactment of this law, it had been held that a photograph was not a print, cut, or engraving. See *Wood v. Abbott*, 5 Blatch 325, 30 Fed Cas 424 (D NY 1866).

sculpture, and models or designs for works of the fine arts.<sup>14</sup> The Act of July 8, 1870, which codified the various copyright acts, also granted to authors the right to translate and dramatize their works.<sup>15</sup> Prior to the 1870 legislation, translations were not protected by the copyright laws.<sup>16</sup> Similarly the right to transform a novel or other literary work into a drama was secured to authors for the first time.<sup>17</sup>

In 1873, Congress effectuated a codification of the 1870 Act. The following works were protected: books, maps, charts, dramatic or musical compositions, engravings, cuts, prints, photographs and negatives thereof, paintings, drawings, statues, statuary, chromos, models or designs intended to be perfected as works of the fine arts, public performance of a dramatic composition, and the right to dramatize and translate works.<sup>18</sup>

In 1874, commercial prints or labels, restricted to pictorial illustrations of works connected with the fine arts were registerable; however, "no prints or labels designed to be used for any other articles of manufacture shall be entered under the copyright law, but may be registered in the Patent Office."<sup>19</sup>

The movement for international copyright reciprocity resulted in the enactment by Congress in 1891 of the Chace Copyright Act.<sup>20</sup> This legislation for the first time extended the copyright privilege to foreign and non-resident authors upon their compliance with the following conditions: entry of title, notice and deposit had to be effectuated "on or before the day of publication in this or any foreign country;" and all books, photographs, chromos or lithographs had to be "printed from type set within the limits of the United States or from plates made therefrom, or from negatives or drawings on stone made within the limits of the United States."<sup>21</sup> The latter, which was referred to as the "American Manu-

<sup>14</sup> Act of July 8, 1870, 16 STAT 212.

<sup>15</sup> *Ibid.*

<sup>16</sup> In *Stowe v. Thomas*, 23 FedCas 201 (CC Pa 1853), it was held that a German translation of "Uncle Tom's Cabin" was not an infringement of the copyright.

<sup>17</sup> *Op. cit.*, *supra*, note 14.

<sup>18</sup> Act of December 1, 1873, 17 STAT 85.

<sup>19</sup> Act of June 18, 1874, 18 STAT 78. Additional legislation between

1874 and 1891: Act of August 1, 1882, 22 STAT 181, which provided that manufacturers of designs for molded decorative articles, tiles, plaques, or articles of pottery or metal subject to copyright might put the copyright mark on the back or bottom of such articles.

<sup>20</sup> Act of March 3, 1891, 26 STAT 1109. And see SRep't 1188, which accompanied S 2496, 49th Cong 1st Sess (1886).

<sup>21</sup> *Ibid.*

facturing Clause" was amended in 1949. The 1949 legislation will be discussed passim, in this section.

In 1897, Congress enlarged the performing rights of authors by extending the copyright privilege to the performing rights in all music, whether for profit or otherwise. Thus, the "small performing rights" in a musical composition were protected.<sup>22</sup>

The most significant development in copyright legislation, and the last major revision, was the Act of March 4, 1909.<sup>23</sup> To quote Howell:

<sup>22</sup> Act of January 6, 1897, 29 STAT 481. And see HRep't No 741, 54th Cong 1st Sess (1897):

U. S. Congress. House. Committee on Patents. Musical Compositions. Report accompanying HR 7015 to amend copyright law to provide for heavier penalties for infringement of musical copyright. Submitted by J. D. Hicks, May 11, 1898. Washington, U. S. Govt. Print. Off. 1898. 5 p. (US 55th Cong 2d Sess. House. Report 1289).

U. S. Congress. House. Committee on Patents. Musical, Dramatic and Operatic Works. Report amending HR 1978, to amend copyright law to secure musical compositions the same protection as those of dramatic character, and to exact a penalty for misuse of dramatic and operatic works. Submitted by W. T. Draper, March 12, 1896. Washington, U. S. Govt. Print. Off., 1896. 2 p. (U. S. 54th Cong 1st Sess. House. Report 741).

U. S. Congress. House. Committee on Patents. Musical, Dramatic and Operatic Works. Report favoring S 2306; to amend Sec. 4966 of Copyright Law so as to include musical compositions, and to exact a penalty for misuse of dramatic and operatic works. Submitted by W. F. Draper, Dec. 7, 1896. Washington, U. S. Govt. Print. Off., 1896. 2 p. (U. S. 54th Cong 2d Sess. House. Report 2290).

<sup>23</sup> Act of March 4, 1909, c. 320, 35 STAT 1075. For the legislative history of the 1909 legislation, see the following:

U. S. Congress. House. Committee on Patents. Arguments Before the Committee on Patents of the House of Representatives Conjointly with the

Senate Committee on Patents, on HR 19853; to amend and consolidate the acts respecting copyright. June 6-9, 1906. Washington, U. S. Govt. Print. Off., 1906. 206 p.

U. S. Congress. House. Committee on Patents. Arguments Before the Committee on Patents of the House of Representatives on HR 11943; to amend Title 60, Chapter 3, of the Revised Statutes of the United States relating to Copyrights, so as to permit renting or loaning musical works. May 2, 1906. Washington, U. S. Govt. Print. Off., 1906. 25 p. Letters and Opinions on HR 11943 are published in Arguments before the Committee on Patents of the House of Representatives on HR 18851, May 17, 1906. Arguments continued, May 3, 1906. Washington, U. S. Govt. Print. Off., 1906. 23 p.

U. S. Congress. House. Committee on Patents. Arguments Before the Copyright Subcommittee of the Committee on Patents, House of Representatives, on Common-law Rights as Applied to Copyright (section 4, HR 21592) January 20, 1909. Washington, U. S. Govt. Print. Off., 1909. 42 p.

U. S. Congress. Senate. Committee on Patents. Arguments Before the Committees on Patents of the Senate and House of Representatives, Conjointly, on the Bills S 6330 and HR 19853; to amend and consolidate the acts respecting copyright. June 6-9, December 7-11, 1906. Washington, U. S. Govt. Print. Off., 1906. 217 p. Senate Bill 6330 is identical with HR 19853. Statements by Samuel L. Clemens (Mark Twain), Rev. Edw. Everett Hale, and others.

Hearings before the Committee on

“The Copyright Act of 1909 was the outcome of several years of painstaking labor and extensive discussion on the part of every interest involved, including eminent members of the bar. Care was taken to use in the text, so far as possible, words and phrases which had already received judicial construction; and around it has grown during the last 30-odd years a considerable body of court decisions. In its final form, however, the Act was very largely a compromise measure, being a composite of several tentative bills and proposals embodying different points of view and interests, and changes appear to have often been made in one place without the necessary corresponding changes in other places, resulting in a lack of clearness and coherence in certain sections which has caused no little perplexity in the practical administration of the Act, not to speak of disturbance in the mind of the interested public.

Moreover, the subsequent development of the movies and the radio and the changes in the business methods and practices have brought new factors to be reckoned with, and while the courts have found the terms of the Act fairly adaptable to meet the situation, there has been a lack of uniformity in their application to particular cases. However, some notable improvements over the old law were achieved, among which may be mentioned:

(1) Making the subject-matter of copyright include ‘all the writings of an author,’ thus broadening the field in conformity with the Constitution.

(2) Exempting books of foreign origin in foreign languages from the need of being reprinted in the United States (this being the greatest advance from the international standpoint).

(3) In case of published works, making copyright date from publication with notice, instead of filing the title, which often took place long before the work was ready for publication.

(4) Making statutory copyright available for unpublished works designed for exhibition, performance or oral delivery.

(5) Extending the renewal term of protection by 14 years, to bring the possible maximum term of protection up to 56 years.

(6) Making the certificate of registration *prima facie* evidence of the facts recorded in relation to any work.”<sup>24</sup>

Patents of the Senate and House on 11 Rep’t No. 2222, which accompanied pending bills to amend and consolidate H.R. 28192, 60th Cong 2d Sess (1909). the copyrights acts, March 26, 27, 28, 24 Howell, The Copyright Law 1908 Govt. Printing Office, 1908; see (1948) 7-8.

The 1909 Act effected other changes in the law:

7. It granted to authors the right to mechanically reproduce their music. Mechanical reproduction rights via phonograph records, pianola rolls, etc., were restricted to musical compositions published and copyrighted after July 1, 1909. In addition, if an author permitted his musical compositions to be mechanically reproduced, other manufacturers could record such musical works upon payment of a license fee of two cents for each record or roll manufactured. This is the "compulsory license" provision of the Copyright Act.<sup>25</sup>

8. It granted authors the right to novelize their works, viz., convert a dramatic work into a novel.<sup>26</sup>

In 1912, the Townsend Amendment effected minor changes in the Copyright Act of 1909. Motion picture photoplays and motion pictures other than photoplays were added to the classification of copyrightable works. Section 11 of the 1909 Act (now section 12 of the Copyright Code) was amended by the inclusion of express directions for the deposit of title and description and of a certain number of prints from the scenes, acts or sections of each motion picture to be copyrighted. The Act of 1912 further amended section 25 (§ 101 of the Copyright Code) by providing for special limited damages in the case of infringement of dramatic or non-dramatic works by motion pictures, where the infringer was unaware that he was infringing and that such infringement could not reasonably have been foreseen.<sup>27</sup>

<sup>25</sup> The mechanical reproduction rights were granted to authors to nullify the decision of the Supreme Court in *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 28 S Ct 203, 52 L Ed 367 (1908), which held that a perforated music roll, mechanically reproducing a song was not a copy, hence neither a performance of the song nor an infringement thereof.

<sup>26</sup> *Cf.* *Fitch v. Young*, 230 Fed. 743 (D NY 1916), and *Hervieu v. Ogilvie Publishing Co.*, 169 Fed 978 (CC NY 1909).

<sup>27</sup> Act of August 24, 1912, 37 STAT 488; Act of March 2, 1913, 37 STAT 724; Act of March 28, 1914, 38 STAT 311. And see the following:

U. S. Congress. Senate. Committee

on Patents. Motion Picture Films. Report favoring HR 24224, to amend Copyright Act by adding two classes of works (1) motion picture photoplays and (2) motion pictures other than photoplays. Submitted by Norris-Brown, July 8, 1912. Washington, U. S. Govt. Print. Off., 1912. 3 p. (US 62d Cong 2d Sess. Senate: Report 906). Includes House, Report 756, 62d Cong 2d Sess 3 p.

U. S. Congress. House. Committee on Patents. Townsend Copyright Amendment. Complete file of arguments before the Committee on Patents, House of Representatives, on HR 15263 and HR 20596, commencing January 24-April 3, 1912. Washington, U. S. Govt. Print. Off., 1912. 116 p. State-

In 1947, Congress codified and enacted into positive law the various provisions of law contained in the United States Code relating to copyrights.<sup>28</sup> This codification did not effectuate any changes in the substantive law of copyrights. The purpose of the 1947 legislation was "to enable anyone interested in the copyright law to find all the positive statutory law on the subject in one place."<sup>29</sup>

In 1949, Congress amended the "American Manufacturing Clause" and other provisions of the Copyright Code dealing with copyright registration in the United States of all works produced in foreign countries.<sup>30</sup> The 1909 Act required all foreign authors and publishers to pay a \$4 fee and send to the Copyright Office one copy of their book and other work in order to secure registration in this country. The prior law also required foreign authors and publishers of books and periodicals written in the English language to do two things to obtain copyright in the United States:

- a) register the book or periodical in the Copyright Office within 60 days of publication abroad;
- b) manufacture the work in the United States thereafter.

The 1949 legislation still requires authors and publishers of foreign works to pay a \$4 fee; however, they are given an

ments of Hon. Ligon Johnson, Hon. Edward W. Townsend, Augustus Thomas, and others on infringement of copyright for dramatic and musical compositions by the moving-picture interests.

U. S. Congress. House. Committee on Patents. Townsend Copyright Amendment. First-Second hearings before Committee on Patents, House of Representatives, on HR 15263. February 14 and 21, 1921. Washington, U. S. Govt. Print. Off., 1912. 2 v.

U. S. Congress. House. Committee on Patents. Townsend Copyright Amendment. Hearings before the Committee on Patents, House of Representatives, on HR 22350, April 17, 1912. Washington, U. S. Govt. Print. Off., 1912. 9 p. Statement of Mr. J. J. O'Connell, representing the motion-picture interests of the United States.

U. S. Congress. House. Committee on Patents. Townsend Copyright Amendment. Statements before the

Committee on Patents, House of Representatives, of Hon. Ligon Johnson and Hon. E. W. Townsend relative to HR 15263. January 24, 1912. Washington, U. S. Govt. Print. Off., 1912. 5 p.

The following minor amendments were also effectuated: Act of December 18, 1919, 41 STAT 369, deletion of a phrase in § 21 of the 1909 Act; Act of July 3, 1926, 44 STAT 818, amendment to § 15 of 1909 Act; Act of May 23, 1928, 45 STAT 713, amendment to §§ 57 and 61 of the 1909 Act.

<sup>28</sup> Act of July 30, 1947, c. 391, 61 STAT 652, 17 USCA § 1 *et seq.* (Supp 1951).

<sup>29</sup> HRRep't 254, which accompanied HR 2083, 80th Cong 1st Sess (1947). On October 31, 1951, by Public Law No. 248, 65 STAT 710, the 82d Cong 1st Sess effectuated minor typographical corrections in the Copyright Code.

<sup>30</sup> Act of June 3, 1949, c. 171, 63 STAT 153.

option of sending an additional copy of the work and a library card instead of paying the \$4 fee.

The 1949 Amendment changes the American manufacturing clause by allowing 6 months for registration in the Copyright Office and five years within which to manufacture in this country. More importantly it permits American publishers to import, subject to duty, 1500 copies of a book which may be manufactured abroad, to test the market and thus determine whether the book can be profitably published in this country.<sup>31</sup>

On July 17, 1952, effective January 1, 1953, Congress enacted new legislation recognizing performing and recording rights in lectures, sermons, addresses and other nondramatic literary works.<sup>32</sup> This legislation is of extreme significance to the radio and television industries and is discussed in greater detail elsewhere.<sup>33</sup>

As a matter of historical interest between 1828 and 1898, Congress passed eight private copyright bills taking works out of the public domain and giving them copyright protection. In one bill, the United States paid \$10,000 for a work and then placed it in the public domain.<sup>34</sup>

<sup>31</sup> See SRep't No. 375 and HRep't No. 238, which accompanied HR 2285, 81st Cong' 1st Sess (1949).

<sup>32</sup> Public Law 575—82d Cong Ch 923, 66 STAT. 752.

<sup>33</sup> *Passim*, §§ 121 and 122.

<sup>34</sup> *Op. cit.*, *supra*, note 1.

## Chapter III

### THE SUBJECT MATTER OF COPYRIGHT PROTECTION

#### § 30. General Discussion.

##### 31. The Subject Matter of Copyright.

31a. Books, Including Composite and Cyclopaedic Works, Directories, Gazeteers, and other Compilations.

31b. Periodicals including Newspapers.

31c. Lectures, Sermons and Addresses Prepared for Oral Delivery.

31d. Dramatic or Dramatico-Musical Compositions.

31e. Musical Compositions.

31f. Maps.

31g. Works of Art.

31h. Reproductions of Works of Art.

31i. Drawings or Plastic Works of A Scientific or Technical Character.

31j. Photographs.

31k. Prints, Pictorial Illustrations and Commercial Prints and Labels.

31l. Motion Picture Photoplays and Motion Pictures other than Photoplays.

32. Component Parts of Copyrighted Works.

33. New Versions of Works in the Public Domain.

34. Non-Copyrightable Material.

#### 30. GENERAL DISCUSSION.

Copyright protection is extended to "all the writings of an author."<sup>1</sup> This phrase is co-extensive with that clause in the Constitution authorizing Congress to secure to authors for limited times the exclusive right to their writings. Thus everything is copyrightable under the Act which could constitutionally be made copyrightable.<sup>2</sup>

The courts have liberally construed this clause. The term "writings" embrace "all forms of writing, printing, engraving, etching, etc., by which the *ideas* in the mind of the author are given *visible expression*."<sup>3</sup> Thus in an early case it was held that a photograph infringed a copyrighted engraving under statutes passed before photographic processes were developed.<sup>4</sup> Similarly, before the inclusion of motion pictures

<sup>1</sup> 17 USCA § 4 (Supp 1951): "The works for which copyright may be secured under this title shall include all the writings of an author."

<sup>2</sup> Weil, Copyright Law (1917) 181 ff.

<sup>3</sup> Burrow-Giles Lithographic Co. v. Sarony, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884).

<sup>4</sup> Rossiter v. Hall, 5 Blatch 362 (2d Cir 1866).

as a copyrightable classification,<sup>5</sup> the Supreme Court held that a film was a "writing" since it reproduced an artist's visual conception of an author's ideas as expressed in words.<sup>6</sup> Although the statute does not mention radio, the Copyright Act has been extended to radio broadcasting<sup>7</sup> and will include television. Television broadcasting is a species of "radio communication" or "communication by radio."<sup>8</sup>

Although the term "writings" has been given a broad and liberal interpretation, the courts have imposed certain limitations or restrictions on this phrase.

For a "writing" to be copyrightable, the ideas expressed therein must be given visible expression. This means that the "order of ideas" must be set forth in some reasonably permanent medium.<sup>9</sup> Thus a speech which is delivered orally, a pantomime, tableaux or dance are not registerable unless they have been reduced to writing.<sup>10</sup> However, if dances and ballets which are dramatic in nature, viz., tell a story and more importantly are preserved as a writing, either as a dramatic, dramatico-musical composition,<sup>10</sup> motion-picture photoplay,<sup>11</sup> or motion picture other than a photoplay,<sup>12</sup> they are entitled to statutory copyright.

The requirement of permanency<sup>13</sup> would preclude the

<sup>5</sup> Act of August 24, 1912, 37 STAT 488, known as the "Townsend Bill." And see *passim*, § 311.

<sup>6</sup> *Harper & Brothers v. Kalem Co.*, 169 Fed 61 (2d Cir 1909) aff'd 222 US 55, 32 Sct 20, 56 LEd 92 (1911).

<sup>7</sup> *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *Remick & Co. v. American Automobile Accessories Co.*, 5 F2d 411 (6th Cir 1925), reversing 298 Fed 628 (DC Ohio 1924), cert. denied, 269 US 556, 46 Sct 19, 70 LEd 409 (1925).

<sup>8</sup> 48 STAT 1064, 47 USCA § 3(b). See Warner, Radio and Television Law, § 71 *et seq.*

<sup>9</sup> Weil, Copyright Law (1917) 30: "An idea is too evanescent to be copyrighted until it has been crystallized in the form of a physical expression."

<sup>10</sup> E.g., Regulations of the Copyright Office 37 Code Fed Regs 202.5 (hereinafter designated as 37 Fed Reg —) and found in 13 Fed Reg 8650 (1948): "Dramatic and dramatico-musical compositions (Class D). This class includes

works dramatic in character such as plays, dramatic scripts designed for radio and television broadcast, pantomimes, ballets, musical comedies and operas."

<sup>11</sup> *Id.*, § 203.13: "Motion-picture photoplays (Class L). This class includes motion pictures, dramatic in character, such as features, serials, animated cartoons, musical plays, and similar productions intended for transmission by television or other means."

<sup>12</sup> *Id.*, § 202.14: "Motion pictures other than photoplays (Class M). This class includes non-dramatic motion pictures, such as newsreels, musical shorts, travelogues, educational and vocational guidance films, and similar productions intended for projection on a screen, or for transmission by television or other means."

<sup>13</sup> Chaffec, Reflections on the Law of Copyright (1945), 45 CollRev 503, 504: "The word 'Writings' seems to exclude from copyright protection, not only ideas still in the author's head, but

Copyright Office from registering for copyright protection a television broadcast. From a practical point of view registration is impossible since a television broadcast is a sequence or series of evanescent pictures. However, the subject matter of a television broadcast can be copyrighted if it is reduced to a tangible medium. Thus the subject matter of a television broadcast can be reduced to writing in the form of a book<sup>14</sup> or dramatic composition;<sup>15</sup> or the television broadcast can be preserved on film and registered as a motion-picture photoplay<sup>16</sup> or a motion picture other than a photoplay.<sup>17</sup>

The second requirement for a writing or work to be copyrightable is that it reflect originality. As a practical matter, the Copyright Office will accept for registration any writing or work submitted it, provided that the applicant employ the proper form in applying for copyright registration,<sup>18</sup> and

also transitory expressions of his ideas. My ideal thus qualified, does not require actual handwriting or typewriting or print. Any sort of crystallization of a literary or artistic creation, so as to render it *durably* perceptible to sight, hearing, and touch should be enough to satisfy this *test of permanence*."

14 § 202.2: "*Books (Class A)*. This class includes such publications as fiction and non-fiction, poems, compilations, composite works, directories, catalogs, annual publications, information in tabular form, and similar text matter, with or without illustrations, published as a book, pamphlet, leaflet, card, single page or the like. Foreign periodicals and contributions thereto are also registered in this class. Applications for registration in Class A for American editions are made on Form A, and foreign editions on Form A Foreign."

15 *Op. cit.*, *supra*, note 10.

16 *Op. cit.*, *supra*, note 11.

17 *Op. cit.*, *supra*, note 12.

18 37 Fed Reg § 202.1: "*Application forms*—(a) *In general*. Section 5 of Title 17 of the United States Code provides thirteen classes (Class A through Class M) of works in which copyright may be claimed. Examples of certain works falling within these classes are given in §§ 202.2 to 202.14, inclusive, for the purpose of assisting persons, who desire to obtain registra-

tion of a claim to copyright, to select the correct application form.

(b) *Claims of copyright*. All works deposited for registration shall be accompanied by a "claim of copyright" in the form of a properly executed application and the statutory registration fee.

(c) *Forms*. The Copyright Office supplies without charge the following forms for use when applying for the registration of claim to copyright in a work and for the filing of a notice of use of musical compositions on mechanical instruments.

Form A—Books published in the United States of America (Class A).

Form A Foreign—Books first published outside the United States of America (Class A).

Form B—Periodicals (Class B).

Form B5—Contributions to periodicals (Class B).

Form C—Lectures or similar productions prepared for oral delivery (Class C).

Form D—Dramatic or dramatico-musical compositions (Class D).

Form E—Musical compositions (Class E).

Form F—Maps (Class F).

Form G—Works of art; models or designs for works of art (Class G).

Form GG—Published three-dimensional works of art (Class G).

comply with the other formalities prescribed by the act.<sup>18a</sup> The Copyright Office makes no determination as to the originality, literary or artistic merits of a work or writing. These issues are tendered the courts by infringement or plagiarism actions.<sup>19</sup> "Generally speaking, the modern tendency has been to deem that if the work has enough merit and value to be the object of piracy, it should be entitled to [copyright] protection."<sup>20</sup>

The courts in passing upon the issue of originality of a copyrightable work, are not concerned with the artistic merit or intrinsic worth of a writing.<sup>21</sup> As Mr. Justice Holmes observed, courts are extremely reluctant to make themselves the final arbiters of originality or artistic quality. "It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations outside of the narrowest and most obvious limits."<sup>22</sup>

Form H—Reproductions of a work of art (Class H).

Form I—Drawings or plastic works of a scientific or technical character (Class I).

Form J—Photographs (Class J).

Form K—Prints and pictorial illustrations (Class K).

Form KK—Prints or labels used for articles of merchandise (Class K).

Form L—Motion-picture photoplays (Class L).

Form M—Motion pictures other than photoplays (Class M).

Form R—For renewal copyright of works other than commercial prints and labels.

Form RR—For renewal copyright of commercial prints or labels.

Form U—For notice of use of musical compositions on mechanical instruments.

<sup>18a</sup> E.g., publication with notice of copyright, *passim*, § 62 ff and the registration fee, *passim* § 65.

<sup>19</sup> *Cf.* Higgins v. Keuffel, 140 US 428, 11 SCt 731, 35 LEd 470 (1891); Chamberlin v. Uris Sales Corporation, 56 FSupp 987 (DC NY 1944), *aff'd* 150 F2d 512 (2d Cir 1945); Universal Pictures Co., Inc. v. Harold Lloyd Corp., 162 F2d 354 (9th Cir 1947); Eggers v.

Sun Sales Corp., 263 Fed 373 (2d Cir 1926). See also ch. XVIII, § 180 ff.

<sup>20</sup> Howell, The Copyright Law (1948) 11.

<sup>21</sup> Bouccicault v. Fox, 4 Blatch 87 (1862): "It is difficult to lay down any precise rule which can be applied in all cases as a test of originality. A work may be original in the eye of the law, when it is not in the eye of the critic. . . . The policy of the law is to encourage literary labor so far as it can be done without infringing upon the rights already granted to others. Plagiarism and servile imitations are not to be encouraged. Those literary thefts which are committed upon copyrighted works the law promptly suppresses. The mere copyist of the slavish imitator who reproduces old materials in their old form without new combination is entitled to no protection under the statute. But the law rests upon no code of comparative criticism. It protects alike the humblest efforts at instruction or amusement, the dull productions of plodding mediocrity and the most original and imposing displays of intellectual power."

<sup>22</sup> Bleistein v. Donaldson Lithographing Co., 188 US 239, 23 SCt 298, 47 LEd 460 (1903). Weil, at 182: "Copy-

As a general rule, a work is original in the eye of the law, if it reflects independent labor.<sup>23</sup> "It is not essential that any production to be original or new within the meaning of the law of copyright shall be different from another \* \* \* the true test of originality is whether the production is the result of independent labor or copying."<sup>24</sup> Thus originality and hence copyrightability may exist in compilations such as a city directory,<sup>25</sup> list of words in a code,<sup>26</sup> trade or other cata-

right is now possible to an 'author' in any of his 'writings'. Such writings must merely tend to promote 'the progress of science and the useful arts', to be copyrightable. Literary merit is not essential. Artistic merit is not requisite. The courts will not act as critics and, curiously enough, the more cultured the judge the more reluctant he is, apparently, to pass on any question involving the taste, merit or intrinsic value of a given work in which copyright is claimed." See also: *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>23</sup> Weil, 41-2: "From these opinions it may be deduced: (1) that neither literary or artistic merit, even in a minor degree, is required to render a work copyrightable under the Constitution; (2) that intellectual labor, if necessary for such a purpose will be deemed to mean thought, in a physiological sense; (3) that originality is probably still necessary to make a work copyrightable but that this does not mean that the work must be unique either in whole or in part, but simply that it is not consciously copied or reproduced, literally, or colorably, in whole or in part, from any other work or works; (4) that the degree of such originality may be 'very moderate'; and finally (5) that the Courts will deem nearly all writings, original in the sense just outlined, to be calculated to promote the progress of science and the useful arts, without even casual critical examination on the part of the Court."

<sup>24</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95, 99 (1950); *Yale University Press v. Peterson & Co.*, 40 F2d 290, 291-292 (DC NY 1930), quoting from *Jewelers' Circular Pub-*

*lishing Co. v. Keystone Publishing Co.*, 281 Fed 83, 88 (2d Cir 1922): "The right to copyright a book upon which one has expended labor in its preparation does not depend upon whether the materials which he has collected consist or not of matters which are publici juris, or whether such materials show literary skill or originality, either in thought or language, or anything more than industrious collection. The man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the author. He produces by his labor a meritorious composition, in which he may obtain a copyright, and thus obtains the exclusive right of multiplying copies of his work"; *Jones Bros. Co. v. Underkoffler*, 16 FSupp 729 (DC Pa 1936); *Allegrini v. De Angelis*, 59 FSupp 248 (DC Pa 1944), aff'd 149 F2d 815 (3d Cir 1945). See also the so-called early English "directory" cases: *Kelly v. Morris*, LR 1 Eq 697 (1866); *Morris v. Ashbee*, LR 7 Eq 34 (1868); *Hogg v. Scott*, LR 18 Eq 444 (1874); *Pike v. Nicholas*, LR 5 ChApp 251 (1869). See also, *Colliery Engineer Co. v. Ewald*, 126 Fed 843 (CC NY 1903).

<sup>25</sup> *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948); *Adventures in Good Eating, Inc. v. Best Places to Eat, Inc.*, 131 F2d 809 (7th Cir 1942); *American Travel and Hotel Directory v. Gehring*, 4 F2d 415 (DC NY 1925); *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 281 Fed 83 (2d Cir 1922); *Powell v. Stran-sky*, 92 FSupp 434 (DC SD 1951).

<sup>26</sup> *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); *American Code Co. v. Bensinger*, 282 Fed 829 (2d Cir 1922).

logues,<sup>27</sup> law reports,<sup>28</sup> etc., even if existing materials are used, provided that the author has arranged and combined such material in a new form, has exercised some skill and discretion and has presented something which is his own and is useful.<sup>29</sup> It is believed that originality requires something more than independent labor on the part of the author. Several of the recent cases suggest that in order for a work to be original and hence copyrightable, an author must exercise some *creative skill*. Thus in *Amsterdam v. Triangle Publications, Inc.*,<sup>30</sup> plaintiff claimed that his map was original. What plaintiff did was to study various maps published by the United States Geological Survey, the Pennsylvania Department of Highways, maps prepared by the various townships and municipalities within the state, and all other maps that he could find. He then prepared from the information shown on these maps, a large map of Delaware County. From this large map he designed and published a small map which was the basis of the litigation. The plaintiff exercised independent labor in creating this new map, but the information contained therein, although not on any of the base maps, was collectively on all of these maps. The court held that originality was lacking because copyrightability requires "a modicum of creative ability." The result in the *Amsterdam* case may be explained on the ground that information contained in governmental publications, such as maps, is in the public domain,<sup>31</sup> and

<sup>27</sup> *Burndy Engineering Co. v. Penn-Union Electric Corp.*, 25 FSupp 507 (DC Pa 1938); *Basevi v. Edward O'Toole Co.*, 26 FSupp 39 (DC NY 1937); *Leon v. Pacific Telephone & Telegraph Co.*, 91 F2d 484 (9th Cir 1937); *Ansehl v. Puritan Pharmaceutical Co.*, 61 F(2d) 131 (8th Cir 1932) cert. denied, 287 US 666, 53 SCT 224, 77 LEd (1933); *Perkins Marine Lamp & Hardware Co. v. Goodwin Stanley Co.*, 86 FSupp 630 (DC NY 1949).

<sup>28</sup> *Christianson v. West Publishing Co.*, 149 F2d 202 (9th Cir 1945); *Edward Thompson Co. v. American Lawbook Co.*, 122 Fed. 922 (2d Cir 1903); *Amsterdam v. Triangle Publications*, 93 FSupp 79 (DC Pa 1950), aff'd, 189 F2d 104 (3d Cir 1951).

<sup>29</sup> *Allegrini v. De Angelis*, 59 FSupp 248 (DC Pa 1944), aff'd 149 F2d 815

(3d Cir 1945); *Long v. Jordan*, 29 F Supp 287 (DC Cal 1939); *Yale University Press v. Row Peterson & Co.*, 40 F2d 290 (DC NY 1930); *Stephens v. Howell Sales Co.*, 16 F2d 805 (DC NY 1926); *Alfred Bell & Co., Inc. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>30</sup> 93 FSupp 79 (DC Pa 1950), aff'd 189 F2d 104 (3d Cir 1951); *Konover v. Marks*, 91 USPQ 370 (DC NY 1951).

<sup>31</sup> 61 STAT 652 (1947), 17 USCA § 8 (Supp. 1951): "No copyright shall subsist in the original text of any work which is in the public domain, or in any work which was published in this country or any foreign country prior to July 1, 1909, and has not been already copyrighted in the United States, or in any publication of the United States Government or any reprint, in

hence not subject to copyright. As the court suggests, a map is copyrightable "only when the publisher of the map in question obtains originally some of that information by the sweat of his brow."<sup>32</sup>

In *Shapiro, Bernstein & Co., Inc. v. Miracle Records*, an action for infringement of musical copyright, it was agreed that the basses of both compositions were identical. The question before the court was whether the bass was original. The court held that "this bass is too simple to be copyrightable; that it is a mechanical application of a simple harmonious chord; and that the purpose of the copyright law is to protect creation, not mechanical skill."<sup>33</sup>

Obviously no rule can be prescribed to measure and define originality, other than to state that it requires independent labor plus some creative ability, skill and discretion. In other words, originality calls for something more than mechanical or clerical ability; and that "something more" is a question of fact for the trier of facts and depends to some extent on the subject matter for which copyright registration is sought. Statutory copyright embraces such items as a city directory,<sup>34</sup> trade catalogues,<sup>35</sup> code books,<sup>36</sup> cable and telegraph code compilations,<sup>37</sup> character analysis charts of handwriting,<sup>38</sup>

whole or in part, thereof: *Provided*, That copyright may be secured by the Postmaster General on behalf of the United States in the whole or any part of the publications authorized by section 1 of the Act of June 27, 1938.

"The publication or republication by the Government, either separately or in a public document, of any material in which copyright is subsisting shall not be taken to cause any abridgement or annulment of the copyright or to authorize any use or appropriation of such copyright material without the consent of the copyright proprietor."

<sup>32</sup> *Amsterdam v. Triangle Publications, Inc.*, 189 F2d 104 (3d Cir 1951).

<sup>33</sup> *Shapiro, Bernstein & Co. v. Miracle Record Co.*, 91 FSupp 473 (DC Ill 1950). See also: *Chamberlin v. Uris Sales Corp.*, 56 FSupp 987 (DC NY 1944), aff'd 150 F2d 512 (2d Cir 1945); *Triangle Publications v. New England Newspaper Pub. Co.*, 46 FSupp

198 (DC Mass 1942); *Dorsey v. Old Surety Life Ins. Co.*, 98 F2d 872 (10th Cir 1938). But cf. *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>34</sup> *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948); *Jewelers' Circular Publishing Co. v. Keystone Publishing Co.*, 281 Fed 83 (2d Cir 1922); *Ladd v. Oxnard*, 75 Fed 703, 731 (DC Mass 1896).

<sup>35</sup> *Burndy Engineering Co. v. Penn-Union Electric Corp.*, 25 FSupp 507 (DC Pa 1938); *No-Leak-O Piston Ring v. Norris*, 277 Fed 951 (4th Cir 1921); *Campbell v. Wireback*, 269 Fed 372 (4th Cir 1920); *Da Prata Statuary Co. v. Guiliani Statuary Co.*, 189 Fed 90 (DC Minn 1911).

<sup>36</sup> *American Code Co., Inc. v. Bensing*, 282 Fed 829 (2d Cir 1922).

<sup>37</sup> *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); cf. *Edwards & Deutsch Lithographing Co. v. Boorman*, 15 F2d

a freight tariff index,<sup>39</sup> a new arrangement of a musical composition,<sup>40</sup> horse-racing charts,<sup>41</sup> race results,<sup>42</sup> stud book of brood mares,<sup>43</sup> race track program,<sup>44</sup> etc. But these works are original and hence copyrightable because they "ordinarily result from the labor of assembling, connecting and categorizing disparate facts which in nature occurred in isolation. A compilation, in short, is a synthesis," which reflects "individuality of expression or must reflect peculiar skill and judgment."<sup>45</sup> Although section 8 of the Copyright Code provides that no copyright shall subsist in the original text of any work which is in the public domain,<sup>46</sup> a compilation made from public documents or the transformation of material in the public domain is copyrightable if it is arranged and combined in a new form, and requires the exercise of creative ability, skill and discretion.<sup>47</sup>

As stated previously, the Constitution requires that copyright promote the progress of science and the useful arts. The early cases restricted copyright protection to literary works and the fine arts. In *Baker v. Selden*, it was held that the copyright law was intended to promote learning and the sciences and should not be employed to encourage industry.<sup>48</sup> Similarly in *Higgins v. Keuffel*, the Supreme Court intimated that a mere advertisement could have no possible influence upon science and the useful arts to bring it within the scope

35 (7th Cir 1926), cert. denied, 273 US 738, 47 S Ct 247, 71 L Ed 867 (1927), wherein an interest and discount time teller was copyrightable.

<sup>38</sup> *Deutsch v. Arnold*, 98 F2d 686 (2d Cir 1938).

<sup>39</sup> *Guthrie v. Curlett*, 36 F2d 694 (2d Cir 1929).

<sup>40</sup> *Arnstein v. Marks Music Corp.*, 11 FSupp 535 (DC NY 1935), aff'd 82 F2d 275 (2d Cir 1936).

<sup>41</sup> *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942); *Daily Racing Form Pub. Co. v. Cosmopolitan Press* (SD NY 1934, unreported). See dictum in *Adhams Press, Ltd. v. London & Provincial Sporting News Agency* (1929), Ltd. [1936], 1 Ch. 357, 364. *Contra*, *J. Mack in Regal Press, Inc. v. Tru-Sport Publishing Co.* (SD NY 1935, unreported).

<sup>42</sup> *Daily Racing Form Pub. Co. v.*

*Cosmopolitan Press* (SD NY 1934, unreported).

<sup>43</sup> *Weatherby & Sons v. International Horse Agency & Exch., Ltd.* [1910], 2 Ch. 297, 304.

<sup>44</sup> *Sonder v. O'Brien* [1934], State Rep'ts, South Australia, 87; *Canterbury Park Race Course Co. v. Hopkins* (1932), 49 Weekly Notes, New South Wales 27.

<sup>45</sup> *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942).

<sup>46</sup> *Op. cit.*, *supra*, note 31.

<sup>47</sup> *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942); *Hirsch v. Paramount Pictures*, 17 FSupp 816 (DC Cal 1937); *American Code Co., Inc. v. Bensing*, 282 Fed 829 (2d Cir 1922).

<sup>48</sup> *Baker v. Selden*, 101 US 99, 25 LEd 841 (1879).

of the copyright law.<sup>49</sup> But later decisions recognized that the phrase “writings” in the Constitution must be expanded to meet new conditions, that copyright must be extended to the literature of commerce “so that it now includes books that the old guild of authors would have disdained; catalogues, mathematical tables, statistics, designs, guide-books, directories, and other works of similar character. Nothing it would seem, evincing, in its makeup, that there has been underneath it, in some substantial way, the mind of a creator or originator, is now excluded. A belief that in no other way can the labor of the brain, in these useful departments of life, be adequately protected, is doubtless responsible for this wide departure from what was unquestionably the original purpose of the Constitution.”<sup>50</sup>

In *Bleistein v. Donaldson Lithographing Co.*,<sup>51</sup> the Supreme Court reversed *Higgins v. Keuffel*<sup>52</sup> and held as a matter of law that ordinary circus posters incapable of any use save advertising were copyrightable. As Mr. Justice Holmes stated, “a picture is none the less a picture and none the less a subject of copyright that it is used for advertising . . . . It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.”<sup>53</sup> Thus the following types of advertising have been held to be proper subjects of copyright: circus posters,<sup>54</sup> catalogue cuts of orthopedic devices,<sup>55</sup> lithographs of vegetable products,<sup>56</sup> catalogue designs of brassware,<sup>57</sup> catalogue pictures of statuary,<sup>58</sup> fashion plates of feminine styles,<sup>59</sup>

<sup>49</sup> *Higgins v. Keuffel*, 140 US 428, 11 SCt 731, 35 LEd 470 (1891); *McCarrick v. Dugan Piano Co.*, 220 Fed 837 (5th Cir 1915); *Mott Iron Works v. Clow*, 82 Fed 316 (7th Cir 1897); *Ehret v. Pierce*, 10 Fed 553 (CC NY 1880).

<sup>50</sup> *National Tel. News Co. v. Western Union Tel. Co.*, 119 Fed 294, 297 (7th Cir 1902).

<sup>51</sup> 188 US 239, 23 SCt 298, 47 LEd 460 (1903); *Westermann Dispatch Co. v. Dispatch Printing Co.*, 249 US 100, 39 SCt 194, 64 LEd 499 (1919). *Cf.* *Bobrecker v. Denebeim*, 28 FSupp 383 (DC Mo 1939).

<sup>52</sup> 140 US 428, 11 SCt 731, 35 LEd 470 (1891).

<sup>53</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 SCt 298, 47 LEd 460 (1903).

<sup>54</sup> *Ibid.*

<sup>55</sup> *Campbell v. Wireback*, 269 Fed 372 (4th Cir 1920).

<sup>56</sup> *Stecher Lithograph Co. v. Dunston Lithograph Co.*, 233 Fed 601 (DC NY 1916).

<sup>57</sup> *White Mfg. Co. v. Shapiro*, 227 Fed 957 (DC NY 1915).

<sup>58</sup> *Da Prato Statuary Co. v. Guiliani Statuary Co.*, 189 Fed 90 (CC Minn 1911).

<sup>59</sup> *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (CC Pa 1911).

and catalogue illustrations of furniture<sup>60</sup> and designs for monuments.<sup>61</sup> The more recent decisions would extend copyright protection not only to the pictorial illustration, but to the printed text where the wording is attractive and its arrangement is designed to arrest the reader's attention.<sup>62</sup>

Since television is a visual medium, all advertising over television stations which employs visual aids in the form of pictorial illustrations, cuts, cartoons, etc. are within the scope of the Copyright Code. And protection is not restricted to pictorial illustrations but includes the printed continuity.<sup>63</sup>

It is clear that there must be some limitation to the scope and extent of copyrightable subject matter. As was stated in *National Telegraph News Co. v. Western Union Telegraph Co.*, it would be both inequitable and impracticable to give copyright to every printed article. "It would be difficult to define, comprehensively, what character of writing is copyrightable and what is not. But, for the purposes of this case, we may fix the confines at the point where authorship properly ends and mere annals begin. Nor is this line easily drawn. Generally speaking, authorship implies that there has been put into production something meritorious from the author's own mind; that the product embodies the thought of the author, as well as the thought of others; and would not have found existence in the form presented, but for the distinctive individuality of mind from which it sprang. A mere annal, on the contrary, is the reduction to copy of an event that others, in a like situation, would have observed; and its statement in the substantial form that people generally would have adopted. A catalogue, or a table of statistics, or business publications generally, may thus belong to either one or the other of these classes. If, in their makeup, there is evinced some peculiar mental endowment—the grasp of mind, say in a table of statistics, that can gather in all that is needful, the discrimination that adjusts their proportions—there may be authorship within the meaning of the copyright grant as interpreted by

<sup>60</sup> *Maple & Co. v. Junior Army & Navy Stores*, LR 21, ChD 369 (1882).

<sup>61</sup> *Grace v. Newman*, LR 19 Eq 623 (1875).

<sup>62</sup> *Ansehl v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir 1932), cert. denied, 287 US 666, 53 Sct 224, 77 LEd

374 (1933); *Deward & Rich v. Bristol Savings & Loan Corporation*, 29 FSupp 777 (DC Va 1939).

<sup>63</sup> *Cf. Ansehl v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir 1932), cert. denied, 287 US 666, 53 Sct 224, 77 LEd 374 (1933); *MacCarteney, Tele-*

the Courts. But if, on the contrary such writings are a mere notation of the figures at which stocks or cereals have sold, or the result of a horse race, or base-ball game, they cannot be said to bear the impress of individuality, and fail, therefore, to rise to the plane of authorship. In authorship, the product has some likeness to the mind underneath it; in a work of mere notation, the mind is guide only to the fingers that make the notation. One is the product of originality; the other the product of opportunity."<sup>64</sup>

Finally, copyright protection is not available to illegal or immoral works. The standards employed by the courts are the tests laid down in cases arising under the Postal Statutes<sup>65</sup> which deny mailing privileges to indecent works.<sup>66</sup> Under these statutes, the work must be considered in its entirety and have a direct tendency to corrupt morals.<sup>67</sup> In the case of advertising, the courts will not extend copyright protection to advertising which is false and misleading and deceives the public.<sup>68</sup> This is premised on the constitutional objectives of the Copyright Code—the promotion of the general welfare and the progress of science and the useful arts.<sup>69</sup> "But as the court admitted, this does not mean that extravaganzas may not be indulged in for the purpose of illustration and to accomplish a laudable end in view; for otherwise the modern use of applied psychology for advertising purposes would have to be given up."<sup>70</sup>

### 31. THE SUBJECT MATTER OF COPYRIGHT.

Section 5 of the Copyright Code lists 13 classes of work which may be registered with the Copyright Office.<sup>1</sup> This

vision as a Problem of Copyright Registration, Printer's Ink, July 23, 1948.

<sup>64</sup> National Telegraph News Co. v. Western Union Telegraph Co., 119 Fed 294, 297 (7th Cir 1902).

<sup>65</sup> 18 USCA §§ 1461-1463.

<sup>66</sup> Walker v. Popenoe, 80 USApp DC 129, 149 F2d 511 (1945); Krause v. United States, 29 F2d 248 (4th Cir 1928); Swearingen v. United States, 161 US 446, 16 Sct 562, 40 LEd 765 (1896); United States v. Two Obscene Books, 99 FSupp 760 (DC Cal 1951).

<sup>67</sup> Khan v. Leo Feist Inc. 70 FSupp 450 (DC NY 1947) aff'd 165 F2d 188 (2d Cir 1947); Cain v. Universal Pic-

tures Co., Inc., 47 FSupp 1013 (DC Cal 1942).

<sup>68</sup> Cf. Callmann Unfair Competition and Trade-Marks (2d Ed 1950), Ch V "False and Misleading Advertising", pp 296 ff.

<sup>69</sup> Stone v. Dugan, 220 Fed 837 (5th Cir 1915).

<sup>70</sup> Howell, The Copyright Law (1948) 15.

<sup>1</sup> 17 USCA § 5 (Supp 1951):

"§ 5. CLASSIFICATION OF WORKS FOR REGISTRATION.—The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

section does not define what is copyrightable; it is illustrative of the "writings of an author" for which copyright may be secured.<sup>2</sup> The classification of works prescribed by section 5 is for the convenience of the Copyright Office and those applying for copyright;<sup>3</sup> it does not limit the subject matter of copyright nor does any error in classification invalidate or impair copyright protection.<sup>4</sup>

**31a. BOOKS, INCLUDING COMPOSITE AND CYCLOPAEDIC WORKS, DIRECTORIES, GAZETEERS, AND OTHER COMPILATIONS.**

The word, book as used in the statute is not restricted in its technical sense to a bound volume but embraces any species of publication which the author selects to embody his literary product.<sup>1</sup> This classification includes all printed literary works (except dramatic compositions) whether published as a book or pamphlet or printed as a leaflet, card or single page.<sup>2</sup> This category embraces tabulated forms of information, charts,<sup>3</sup> tables of figures;<sup>4</sup> single poems<sup>5</sup> and the lyrics of a

(a) Books including composite and cyclopedic works, directories, gazeteers, and other compilations.

(b) Periodicals, including newspapers.

(c) Lectures, sermons, addresses (prepared for oral delivery).

(d) Dramatic or dramatico-musical compositions.

(e) Musical compositions.

(f) Maps.

(g) Works of art; models or designs for works of art.

(h) Reproductions of a work of art.

(i) Drawings or plastic works of a scientific or technical character.

(j) Photographs.

(k) Prints and pictorial illustrations including prints or labels used for articles of merchandise.

(l) Motion-picture photoplays.

(m) Motion pictures other than photoplays.

The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title, nor shall any error in classification invalidate or impair the copyright protection secured under this title."

<sup>2</sup> 17 USCA § 4 (Supp 1951).

<sup>3</sup> HR No. 2222 which accompanied H.R. 28192, 60th Cong 2d Sess (1909).

<sup>4</sup> *Bouvé v. Twentieth-Century Fox Film Corporation*, 74 AppDC 271, 122 F2d 51 (1941); *Seltzer v. Sunbroek*, 22 FSupp 621 (DC Cal 1938). But *cf. Corcoran v. Montgomery Ward & Co.*, 121 F2d 575 (9th Cir 1941), cert. denied, 314 US 687, 62 S Ct 300, 86 LEd 550 (1942).

<sup>1</sup> *Holmes v. Hurst*, 174 US 82, 19 S Ct 606, 43 LEd 904 (1899); *Seoville v. Toland*, 21 FedCas 863 (Ohio 1848). See also: *Group Publishers, Inc. v. Winchell*, 86 FSupp 573 (DC NY 1949); *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 384 (DC Ohio 1934).  
<sup>2</sup> *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 384 (DC Ohio 1934); *Penn Sportservice, Inc. v. Goldstein*, 47 USPQ 210 (DC Pa 1940).

<sup>3</sup> *Deutsch v. Arnold*, 98 F2d 686 (2d Cir 1938); *Triangle Publications v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942).

<sup>4</sup> *Edwards & Deutsch Lithographing Co. v. Boorman*, 15 F2d 35 (7th Cir 1926), cert. denied, 273 US 738, 47 S Ct 247, 71 LEd 867 (1927).

<sup>5</sup> *Philips v. Constitution Publishing Co.*, 72 USPQ 69 (DC Ga 1947).

song printed and published without music;<sup>6</sup> motion picture scenarios and shooting scripts; catalogues<sup>7</sup> and circulars or folders containing information<sup>8</sup> in the form of reading matter and literary contributions to periodicals or newspapers.<sup>9</sup>

Since the Copyright Office registers published motion picture scenarios and shooting scripts as books, it follows that the published scenario and shooting script of a television film and the published script of a "live" television program are within this classification.<sup>10</sup>

Page proof of contributions to periodicals bound together in book form is registerable as a book and not within the classification of periodicals.<sup>11</sup>

The Copyright Office registers within this classification such compilations as directories,<sup>12</sup> dictionaries,<sup>13</sup> a list of illustrated trade-marks,<sup>14</sup> advertising catalogues,<sup>15</sup> the syllabi of legal reports,<sup>16</sup> a daily race chart,<sup>17</sup> word lists,<sup>18</sup> etc.

It is doubtful whether slogans or mottoes can be copyrighted

<sup>6</sup> Kahn v. Leo Feist, Inc., 70 FSupp 450 (DC NY 1947), aff'd 165 F2d 188 (2d Cir 1947).

<sup>7</sup> Burndy Engineering Co. v. Penn Union Electric Corp., 25 FSupp 507 (DC Pa 1938); Donnelly & Sons Co. v. Haber, 43 F Supp 456 (DC NY 1942); Perkins Marine Lamp & Hardware Co. v. Goodwin Stanley Co., 86 FSupp 630 (DC NY 1949).

<sup>8</sup> Chain Store Business Guide v. Wexler, 79 FSupp 726 (DC NY 1948); General Drafting Co., Inc. v. Andrews, 37 F2d 54 (2d Cir 1930); Crocker v. General Drafting Co., 50 FSupp 634 (DC NY 1943).

<sup>9</sup> Regulations of the Copyright Office, 37 FR:

"§ 202.2 *Books (Class A)*. This class includes such publications as fiction and non-fiction, poems, compilations, composite works, directories, catalogs, annual publications, information in tabular form, and similar text matter, with or without illustrations, published as a book, pamphlet, leaflet, card, single page or the like. Foreign periodicals and contributions thereto are also registered in this class. Applications for registration in Class A for American editions are made on Form A, and foreign editions on Form A Foreign."

<sup>10</sup> The terms, script, scenario, and

continuity are used interchangeably. Socolow, Law of Radio Broadcasting (Barker, Voorhis & Co., 1939), 150 ff., refers to a "continuity" as a timetable or chronological development of the contents of a program; a script is the literary content of the matters described in the continuity.

<sup>11</sup> Bouvé v. Twentieth Century-Fox Film Corp., 74 AppDC 271, 122 F2d 51 (1941).

<sup>12</sup> Chain Store Business Guide v. Wexler, 79 FSupp 726 (DC NY 1948).

<sup>13</sup> Barfield v. Nicholson, 2 Sim & St 1 (1824).

<sup>14</sup> Jewelers Circular Pub. Co. v. Keystone Publishing Co., 274 Fed 932 (DC NY 1921).

<sup>15</sup> Ansehl v. Puritan Pharmaceutical Co., 61 F2d 131 (8th Cir 1932), cert. denied, 287 US 666, 53 S Ct 224, 77 LEd 374 (1933).

<sup>16</sup> Callaghan v. Myers, 128 US 617, 9 S Ct 177, 32 LEd 547 (1888); West Publishing Co. v. Thompson Co., 169 Fed 833, 854 (DC NY 1909).

<sup>17</sup> Triangle Publications, Inc. v. New England Newspaper Pub. Co., 46 FSupp 198 (DC Mass 198).

<sup>18</sup> Collège Entrance Book Co. v. Amseco Book Co., 119 F2d 874 (2d Cir 1941).

under this classification. "No case appears to have arisen in the United States involving a claim of copyright in a slogan or motto, but in an English case copyright protection was unsuccessfully claimed in a beauty-parlor slogan 'Youthful appearance is a social necessity'. Lord Justice Scrutton, eminent English authority on copyright law, said in the course of his opinion: 'The claim in this case goes beyond anything ever held to be an infringement. The matter, in respect of which copyright is claimed, is too small for the court to attach any proprietary value to it.'"<sup>19</sup>

If the slogan or motto is affixed to a pictorial illustration, both the slogan and illustration may possibly be registered as a print or label used for articles of merchandise.<sup>20</sup> It might also be feasible to register the illustration and slogan as a trade-mark or service mark with the Patent Office.<sup>21</sup>

### 31b. PERIODICALS INCLUDING NEWSPAPERS

This term includes newspapers, magazines, reviews and serial publications appearing oftener than once a year. This category embraces periodical publications which are considered second class matter at the post office.<sup>1</sup> Serial publica-

<sup>19</sup> Howell, *The Copyright Law* (1948) 16, quoting from *Sinanide v. La Maison Kosmeo*, 44 LTR 574, 139 LT 365 (1928). *Maxwell v. Hogg*, LR 2 Ch 307, 318 (1867): "I apprehend, indeed, that if it were necessary to decide the point, it must be held that there cannot be what is termed copyright in a single word, although the word may be used as the fitting title for a book. The copyright contemplated by the Act must not be in a single word, but in some words in the shape of a volume, or part of a volume, which is communicated to the public, by which the public are benefited, and in return for which a certain protection is given to the author of the work. All arguments, therefore, for the purpose of maintaining this bill on the ground of copyright appears to me to fall to the ground. But in *Heim v. Universal Pictures Co.*, 154 F2d 480, 487, n. 8 (2d Cir 1946), Judge Frank suggested that statutory copyright might exist in the following phrases: 'Euclid alone has looked on

Beauty bare,' or 'Twas brillig and the slithy toves'."

<sup>20</sup> *Passim*, § 31k.

<sup>21</sup> *Ibid.*

<sup>1</sup> Regulations of the Copyright Office, 37 FR:

"§ 202.3 *Periodicals (Class B)*. This class includes such publications as newspapers, magazines, reviews, bulletins, and serial publications, which appear at intervals of less than a year. Applications for registration of these works in Class B are made on Form B. Applications for registration of serial publications which are not 'periodicals' should be made in Class A. Contributions to periodicals are also registered in Class B on Form B5, except in the case of advertisements (commercial prints) which are registered in Class K on Form KK. Applications for registration of periodicals produced outside of the United States and contributions to such periodicals will be received on Form A Foreign."

tions which are not clearly "periodicals" should be registered as books and the application for registration should be accompanied by an affidavit which recites that the work has been printed in this country.<sup>2</sup> Thus periodicals bound together in book form are registerable as books.<sup>3</sup>

The substance of information concerning public events cannot be copyrighted; news is public property. Thus a news event such as a fire, parade, etc., is a matter of public information. The person first reporting a public event can assert no exclusive right in the same and thus prevent others from spreading knowledge about it.<sup>4</sup> On the other hand if a newspaper article is "more than a mere chronicle of facts or news" and "reveals a peculiar power of portrayal, and a felicity of wording and phrasing well calculated to seize and hold the interest of the reader, which is quite beyond and apart from the mere fact of setting forth of the facts," and "if the arrangement and manner of statement plainly discloses a distinct literary flavor and individuality of expression peculiar to authorship,"<sup>5</sup> the article may be copyrighted.

It is believed that a radio news report reflecting "a felicity of wording and phrasing" is copyrightable. Similarly a televised news report preserved on film would be registerable as a motion picture other than a photoplay. A persuasive argument could be made that any televised news program is copyrightable because of the technical skills and creative abilities required to present the same. These technical skills and creative abilities have reference to the use of the camera, lighting, cutting and editing of the film, etc.

What constitutes news is not susceptible of definition, although Mr. Justice Brandeis has referred to it as "a report of recent occurrences."<sup>6</sup>

The extension of radio and television broadcasting to news

<sup>2</sup> Cf. *Cory v. Physical Culture Hotel*, 88 F2d 411 (2d Cir 1937); *Ball, Law of Copyright and Literary Property* (1944) 80-1. See also § 67 for the requirements of the American Manufacturing Clause.

<sup>3</sup> *Bouvé v. Twentieth Century-Fox Film Corp.*, 74 AppDC 271, 122 F2d 51 (1941).

<sup>4</sup> *International News Service v. Associated Press*, 248 US 215, 234, 39 S Ct

68, 63 LEd 211 (1918); *Chicago Record-Herald Co. v. Tribune Assn.*, 275 Fed 797 (5th Cir 1921).

<sup>5</sup> *Chicago Record-Herald Co. v. Tribune Co.*, 275 Fed 797, 798 (7th Cir 1921).

<sup>6</sup> *International News Service v. Associated Press*, 248 US 215, 39 S Ct 68, 63 LEd 211 (1918). See also *Sweenck v. Pathé News, Inc.*, 16 FSupp 746, 747 (DC NY 1936).

have tendered novel issues to the courts. Thus is a sports broadcast a news event? In the unfair competition cases, the courts have enjoined unauthorized broadcasts of news and sports programs.<sup>7</sup> In the *Pittsburgh Athletic Company* case, it was held that the exclusive right to broadcast a play-by-play description of a baseball game was a property right and that "the Pittsburgh Athletic Company, by reason of its creation of the game, its control of the park, and its restriction of the dissemination of news therefrom, has a property right in such news, and the right to control the use thereof for a reasonable time following the game."<sup>8</sup> Similarly in the unreported Louis-Walcott litigation, ballroom operators and theatre owners were enjoined from retelescoping a boxing bout.<sup>9</sup>

It is believed that a distinction must be made between the running account of a sporting event and the results of that sporting event.<sup>10</sup> A blow-by-blow description of a fight can well require a "peculiar power of portrayal and a felicity of wording and phrasing." Even if the announcer's description of the sporting event is lacking in originality of expression, the courts would in all probability hold that a running account is copyrightable because the promoter incurs substantial expenditures and efforts in arranging the fight or baseball

<sup>7</sup> *Passim*, §§ 213, 213a and 214.

<sup>8</sup> *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490, 492 (DC Pa 1938); *20th Century Sporting Club v. Transradio Press Service*, 165 Misc 71, 300 NYSupp 159 (1937); *Rudolph Mayer Pictures, Inc. v. Pathé News, Inc.*, 235 AppDiv 774, 255 NY Supp 1016 (1932).

<sup>9</sup> This litigation has been published in pamphlet form by the National Broadcasting Company entitled "Proceedings in Philadelphia Actions in CP No. 1, June Term, 1948, To Enjoin Commercial Uses of the Television Broadcast of the Louis-Walcott Fight." *Louis et al. v. Richman tr/as Broadwood Hotel Equity No. 1803*, Pa. CP June 1948; *Louis et al. v. Friedman tr/as Lawndale Theatre, Equity No. 1804*, Pa CP June 1948; *Louis et al. v. California Productions et al.*, NY SCT June, 1948; *Twentieth Century Sporting Club, Inc. v. Massachusetts Charitable Mechanic Ass'n*, Equity No. 60230, Mass SuperCt, June, 1948.

<sup>10</sup> This distinction is suggested in *Rudolph Mayer Pictures, Inc. v. Pathé News, Inc.*, 235 AppDiv 774, 255 NY Supp 1016 (1932). And see *Solinger, Unauthorized Uses of Television Broadcasts* (1948), 48 ColLR 848, 858:

"In *Rudolph Mayer Pictures, Inc. v. Pathé News, Inc.*, a promoter of a prize fight and a purchaser of exclusive motion picture rights to the fight obtained an injunction against the sale and exhibition of an unauthorized newsreel. The defendant alleged, in an affidavit opposing the motion for a temporary injunction, that it did not record the entire event but 'only enough to convey to the public, by an actual reproduction of the events, the news that the fight took place and that it ended in a draw.' The plaintiffs, on the other hand, insisted that the court must distinguish between 'public events and private events affected with a public interest.' There were no written opinions, but the fact that the court granted the injunction over defendant's contention

game.<sup>11</sup> On the other hand, brief reports on the status of a fight or ball game are news and hence are public property.

In any event the running account of a sports program is registerable under the Copyright Code.

### 31c. LECTURES, SERMONS AND ADDRESSES PREPARED FOR ORAL DELIVERY.

This classification includes unpublished monologues, lectures, sermons, addresses, speeches, debates and interviews prepared for oral delivery.<sup>1</sup>

Certain kinds of radio and television scripts are within this category. Thus the script of a lecture, sermon, address, interview or debate which is orally delivered via a television station is registerable under this classification.<sup>2</sup> If a kinescope recording is made of the subjects included in this classification, it is believed that it could be registered as a motion picture other than a photoplay.<sup>3</sup> If this category is reproduced for sale as a published work, it must be classified as a book with the appropriate copyright notice.<sup>4</sup>

The advantage of registering a work under this classification is that it secures to the copyright proprietor the exclusive right of public delivery for profit. The 1952 Amendment to the Copyright Code now recognizes performing and recording rights for this category of works.<sup>5</sup>

### 31d. DRAMATIC OR DRAMATICO-MUSICAL COMPOSITIONS.

Section 202.5 of the Rules and Regulations of the Copyright Office classifies as dramatic or dramatico-musical compositions "works dramatic in character such as plays, dramatic scripts designed for radio or television broadcasts, pantomimes, ballets, musical comedies and operas."<sup>1</sup>

that its pictures were news indicates that at least one court may have accepted the view that a running account of an event is not news even though the result may be."<sup>1</sup>

<sup>11</sup> *Op. cit.*, *supra*, note 7.

<sup>1</sup> Regulations of the Copyright Office, 37 FR:

"§ 202.4 *Lectures or similar productions prepared for oral delivery (Class C)*. This class includes unpublished works such as lectures, sermons, addresses, monologs, recording scripts, and

scripts for television and radio programs. When these works are published, registration should be made in Class A."

<sup>2</sup> *Ibid.*

<sup>3</sup> 61 STAT 652, 17 USCA § 5(m) (Supp 1951).

<sup>4</sup> *Kreymborg v. Durante*, 21 USPQ 557 (1934), 22 USPQ 248 (1934), discussed in detail in § 31d.

<sup>5</sup> See §§ 121 and 122.

<sup>1</sup> Regulations of the Copyright Office, 37 FR:

§ 202.5 "*Dramatic and dramatico-*

A dramatico-musical composition as the title implies is a combination of music and drama. This category would include oratorios and a song in a motion picture or stage play which involves dramatic action i.e., is woven into the plot.<sup>2</sup>

The definition of a dramatic composition is more difficult. The test employed by the courts is whether the work tells a story.<sup>3</sup> Thus dialogue is not necessary for "action can tell a story, display all the most vivid relations between men, and depict every kind of human emotion without the aid of a word. . . . It would be impossible to deny the title of drama to pantomime as played by masters of the art."<sup>4</sup>

The earlier decisions excluded from copyright protection dances and presumably choreographic works and ballets. This was on the theory that the subject matter "was solely the devising of a series of graceful movements, combined with an attractive arrangement of drapery, lights, and shadows, telling no story, portraying no character and depicting no emotion. The merely mechanical movement by which effects are produced on the stage are not subjects of copyright where they convey no ideas whose arrangement makes up a dramatic composition."<sup>5</sup> But the modern development of choreographic works, ballets and pantomimes, which are dramatic in nature because they tell a story, has prompted the Copyright Office to register these works in the dramatic or dra-

*musical compositions (Class D)*. This class includes works dramatic in character such as plays, dramatic scripts designed for radio or television broadcast, pantomimes, ballets, musical comedies and operas.<sup>7</sup>

<sup>2</sup> April Productions, Inc. v. Strand Enterprises, Inc. *et al.* (DC NY 1948), 79 FSupp 515; "Dramatico-musical-compositions differ from dramatic compositions in that, besides a plot, characters and acting, there is present musical and/or vocal accompaniment. Operas, operettas and musical comedies are the most usual form of dramatico-musical compositions." See also *Witmark v. Pastime Amusement Co.*, 298 Fed 470 (DC SCar 1924); *Green v. Luby*, 177 Fed 287 (CC NY 1909); *Daly v. Palmer*, 6 FCas 1113 (DC NY 1868).

<sup>3</sup> *Fuller v. Bemis*, 50 Fed 926 (CC NY 1892); *O'Neill v. General Film Co.*, 171 AppDiv 854, 157 NYSupp

1028 (1916); *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938).

<sup>4</sup> *Kalem Co. v. Harper Brothers*, 222 US 55, 32 Sct 20, 56 LEd 92 (1911). Cf. *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 92 FSupp 537, 541 (DC NY 1950): "It was held in *Kalem Co. v. Harper Bros.*, 222 US 55, 32 Sct 20, 56 LEd 92, AnnCas 1913A, 1285, that moving picture rights are a form of dramatization. . . . There may be several dramatizations of the same story, each capable of being copyrighted. *Harper & Bros. v. Kalem Co.*, 2 Cir, 169 F 61"; *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F2d 49 (2d Cir 1936), cert. denied, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936).

<sup>5</sup> *Fuller v. Bemis*, 50 Fed 928 (SD NY 1892). See also, *Martinetti v. Maguire*, 16 FCas 162 (CC Cal 1867); *Barnes v. Miner*, 122 Fed 480, 490 (DC NY 1903).

matico-musical category.<sup>6</sup> In this connection the various rights secured by the so-called French doctrine of *représentation*,—which means to perform, act, impersonate, and characterize and is broader than the corresponding English word—is not copyrightable.<sup>7</sup> Thus the gestures and motions of actors,<sup>8</sup> the method of performing a dance,<sup>9</sup> scenery or stage properties<sup>10</sup> and other mechanical devices<sup>11</sup> used in production are not protected by copyright.

The modern trend of decision has extended copyright protection to vaudeville sketches as a dramatico-musical composition; <sup>12</sup> monologues by comedians are classified as lectures or addresses for oral delivery.<sup>13</sup>

Radio and television scripts which tell a story should be classified under this category. This classification confers an exclusive right in the copyright owner; he may exclude anyone from performing his dramatico-musical or dramatic composition, and conversely he may license others to perform the work.<sup>14</sup> A television film may also be classified in this category.<sup>15</sup>

<sup>6</sup> *Op. cit.*, *supra*, note 1.

<sup>7</sup> *Supreme Records, Inc. v. Decca Records, Inc.*, 90 FSupp 904 (DC Cal 1950).

<sup>8</sup> *Harold Lloyd Corp. v. Witwer*, 65 F2d 1, 22 (9th Cir 1933), cert. dismissed, 292 US 658, 54 Sct 94, 78 LEd 1507 (1933); *Sheldon v. Metro-Goldwyn-Mayer Corp.*, 7 FSupp 837 (DC NY 1934); *Chappell & Co. v. Fields*, 210 Fed 864 (2d Cir 1914); *Savage v. Hoffman*, 159 Fed 584 (DC NY 1908); *Bloom & Hamlin v. Nixon*, 125 Fed 977 (DC Pa 1903). But *cf.* *Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928), wherein the Supreme Court of California invoked the law of unfair competition and enjoined an imitator of the character made famous by Charlie Chaplin, viz.: "In this character (he wore) a kind of attire peculiar and individual to himself, consisting of a kind or type of mustache, old and threadbare hat, clothes and shoes, a decrepit derby, ill-fitting vest, tight-fitting coat and trousers and shoes much too large for him, and with this attire,

a flexible cane usually carried, swung and bent and he performs his part."

<sup>9</sup> *Fuller v. Bemis*, 50 Fed 928 (DC NY 1892). See cases cited in *op. cit.*, *supra*, note 8.

<sup>10</sup> *Schwarz v. Universal Pictures*, 85 FSupp 270 (DC Cal 1949); *Echevarria v. Warner Bros.*, 12 FSupp 633 (DC Cal 1935); *Seltzer v. Sunbrock*, 22 F Supp 621 (DC Cal 1938).

<sup>11</sup> Cases cited in *op. cit.*, *supra*, notes 8 and 10.

<sup>12</sup> *Shafter, Musical Copyright* (1939) 64. *Contra*, *Barnes v. Miner*, 122 Fed 480 (DC NY 1903).

<sup>13</sup> *Infra*, § 31c.

<sup>14</sup> See § 52.

<sup>15</sup> This is based on the fact that motion picture photoplays can be registered in this category. *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354 (9th Cir 1947); *Metro-Goldwyn-Mayer Distributing Corporation v. Bijou Theatre Co.*, 59 F2d 70 (1st Cir 1932); *Vitaphone Corporation v. Hutchinson*, 19 FSupp 359 (DC Mass 1937), remanded with instructions, 93 F2d 176 (1st Cir 1937).

The significance of registering a work as a dramatic composition is illustrated by *Kreymborg v. Durante*. This involved the recital over the radio of certain poems which had been published in a book of verse duly copyrighted as a published work. The poems were subsequently incorporated in a play which was itself published in book form and copyrighted. Plaintiff sued Jimmy Durante for infringement of his copyright, claiming that he had the sole right of public performance. The court held that the poems were not dramatic works; and that under the Copyright Act protection against public performance of copyrighted works is afforded only in cases of a dramatic or dramatico-musical work, musical composition, lecture, sermon, address or similar production.<sup>16</sup> Other copyrighted works e.g., the reading of a novel or newspaper may be recited in public without infringement.<sup>17</sup>

On reargument, plaintiff again urged that the poems were dramatic compositions. He also contended that the poems could be classed as "similar productions," and would therefore be in the category of lectures, sermons or addresses. The court disagreed with this contention stating that a lecture, sermon or address is intended primarily for oral delivery to an audience.<sup>18</sup> This decision has been overruled by the 1952 Amendment to the Copyright Code which now recognizes performing and recording rights in nondramatic literary works.<sup>19</sup>

### 31e. MUSICAL COMPOSITIONS.

The statute contains no definition of musical compositions. The latter has been described as a "rational collocation of

<sup>16</sup> *Kreymborg v. Durante*, 21 USPQ 557 (1934).

<sup>17</sup> See § 122.

<sup>18</sup> *Kreymborg v. Durante*, 22 USPQ 248 (1934). See *Michelson v. Shell Union Oil Co.*, 1 F2d 183 (1940), which was an action for infringing copyrighted advertisements via a radio performance. Defendant moved to strike all references to the alleged infringement by radio on the ground that the copyrighted literary work was not infringed by the mere reading of the work over the radio: The court denied

defendant's motion, stating that this issue was to be determined by a trial on the merits. The court intimated that property rights exist in a script used for radio broadcasts and that to grant the defendant's motion would mean that the latter would acquire property rights in a copyrighted literary work. *Cf.* also, *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941), cert. denied, 314 US 687, 62 S Ct 300, 86 LEd 550 (1942).

<sup>19</sup> *Passim*, §§ 121 and 122.

sounds apart from concepts, reduced to a tangible expression from which the collocation can be reproduced either with or without continuous human intervention.”<sup>1</sup>

This category includes all musical compositions (other than dramatico-musical compositions) with or without words, as well as new versions of musical compositions such as adaptations, arrangements and editings.<sup>2</sup> The lyrics to a song are regarded as incidental to the music and are protected under this classification by the copyright of the song.<sup>3</sup> A lyric may be protected independently from the song by registration under the “book” classification.<sup>4</sup> Musical selections and compilations published in book form are registrable in the music category.<sup>5</sup>

It should be pointed out that a musical composition involved in a dramatic work may be registered in classes (d) and (e). A song from a dramatico-musical work, when separately published, should be registered with the Copyright Office as a musical composition. But conversely “no American court has as yet regarded a song as a dramatic composition;” the Copyright Office classifies “ordinary” songs as musical compositions rather than dramatico-musical works.<sup>6</sup>

Perforated piano rolls,<sup>7</sup> phonograph records<sup>8</sup> and music

<sup>1</sup> White-Smith Music Publishing Co. v. Apollo Co., 209 US 1, 28 Sct 203, 52 LEd 367 (1908). Supreme Records, Inc. v. Decca Records, Inc., 90 FSupp 904, 913 (DC Cal 1950); “Musical creation consists in the grouping of notes, similarity of bars, harmony or melody.”

<sup>2</sup> Regulations of the Copyright Office, 37 FR:

§ 202.6 “*Musical compositions (Class E)*. This class includes all musical compositions (other than dramatico-musical compositions), with or without words, as well as new versions of musical compositions, such as adaptations, arrangements and editings, when such editing is the writing of an author.”

<sup>3</sup> Edward B. Marks Music Corp. v. Foulton, 171 F2d 905 (2d Cir 1949); Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947), cert. denied, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1948); Harper v. Donahue, 144 Fed 496 (CC Ill 1905); Ford v.

Blaney, 148 Fed 644 (CC NY 1906). But cf. Witmark v. Standard Music Co., 221 Fed 376 (3d Cir 1915). See Smith, Copyright in the Editing of Music (Mimeograph, Library of Congress 1947).

<sup>4</sup> Khan v. Leo Feist, Inc., 70 FSupp 450 (DC NY 1947), aff’d 165 F2d 188 (2d Cir 1947).

<sup>5</sup> Howell, The Copyright Law (1948) 19.

<sup>6</sup> Shafter, Musical Copyright (1939) 65.

<sup>7</sup> White-Smith Music Publishing Co. v. Apollo Co., 209 US 1, 28 Sct 203, 52 LEd 367 (1908).

<sup>8</sup> Jerome v. Twentieth Century-Fox Film Corporation, 167 FSupp 736 (DC NY 1946), aff’d 165 F2d 784 (2d Cir 1947); RCA Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940), cert. denied, 311 US 712, 61 Sct 393, 85 LEd 463 (1941).

track in a film<sup>9</sup> are not registrable as “musical compositions;” they are not copies of a musical composition but are parts of the mechanism necessary for their reproduction in sound.<sup>10</sup> It should be pointed out that the music track integrated into a film is protected if the television film is registered as a motion picture photoplay or a motion picture other than a photoplay.<sup>11</sup>

### 31f. MAPS.

This class includes “all published cartographic representations of area, such as terrestrial maps and atlases, marine charts, celestial maps and such three-dimensional works as globes and relief models.”<sup>1</sup>

The earlier decisions held that a map derived from other publications and incorporating a new feature, such as “quarter-section lines” was copyrightable.<sup>2</sup> Several of the more recent decisions suggest that the addition of county, township and municipal lines to a map does not “involve a modicum of creative work,”<sup>3</sup> hence the map would not be copyrightable.

Automobile road maps compiled from official maps and annual revisions of such road maps may be proper subjects of copyright.<sup>4</sup> Howell suggests that if the road maps contain a substantial amount of text, it would be preferable to classify the same under the “book” category.<sup>5</sup>

<sup>9</sup> MacCarteny, *Television as a Problem in Copyright Registration*, *Printer's Ink*, July 23, 1948: “It is also true that there is no recorded case to date where the court has held as the point at issue that a sound track by itself, constituted a copy, for the purposes of the Copyright Act, of the material recorded thereon.” But *cf.* *Jerome v. Twentieth Century-Fox Film Corporation*, 67 FSupp 736 (DC NY 1946), *aff'd* 165 F2d 784 (2d Cir 1947); *Foreign & Domestic Music Corp. v. Wyngate*, 66 FSupp 82 (DC NY 1946); *Famous Music Corp. v. Melz*, 28 FSupp 767 (DC La 1939).

<sup>10</sup> HR No. 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): “It is not the intention of the committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer

or copyright proprietor the control, in accordance with the provisions of the bill, of the manufacture and use of such devices.”

<sup>11</sup> *Op. cit.*, *supra*, note 9.

<sup>1</sup> 37 FR § 202.7.

<sup>2</sup> *Sauer v. Detroit Times*, 247 Fed 687 (DC Mich 1917); *Woodman v. Lydiard Peterson Co.*, 192 Fed 67, 69 (DC Minn 1912). *Cf.* *Taylor v. Gilman*, 24 Fed 632 (DC NY 1885); *Ehret v. Pierce*, 10 Fed 553 (DC NY 1880).

<sup>3</sup> *Amsterdam v. Triangle Publications, Inc.*, 189 F2d 104 (3d Cir 1951), and cases cited therein.

<sup>4</sup> *Crocker v. General Drafting Co.*, 50 FSupp 634 (DC NY 1943); *General Drafting Co. v. Andrews*, 37 F2d 54 (2d Cir 1930).

<sup>5</sup> Howell, *The Copyright Law* (1948) 19.

**31g. WORKS OF ART.**

Section 202.8 amplifies this term:

§ 202.8 “*Works of art (Class G)*—(a) *In general.* This class includes works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry, enamels, glassware, and tapestries, as well as all works belonging to the fine arts, such as paintings, drawings and sculpture. Works of art and models or designs for works of art are registered in Class G on Form G, except published three-dimensional works of art which require Form GG.

(b) *Published three-dimensional works of art.* All applications for copyright registration of published three-dimensional works of art shall be accompanied by as many photographs, in black and white or in color, as are necessary to identify the work. Each photograph shall not be larger than nine by twelve inches, but preferably shall be eight by ten inches, nor shall it present an image of the work smaller than four inches in its greatest dimension. The title of the work shall appear on each photograph. In addition to the photographs, application on Form GG, and the statutory registration fee, each applicant shall select and comply with one of the following options:

(1) *Option A.* Send two copies of the best edition of the work (or one copy, if by a foreign author and published in a foreign country). The Copyright Office will retain the copies for disposition in accordance with its usual practice.

(2) *Option B.* Send two copies of the best edition of the work (or one copy, if by a foreign author and published in a foreign country) and in addition mark the package with the special label supplied by the Copyright Office or by the use of other appropriate means indicating that Option B has been chosen. The Copyright Office will promptly return the copies to the copyright claimant or to his agent, at an address within the United States at his expense.

(3) *Option C.* Send no copies of the work. If Option C is selected the Copyright Office will issue its certificate, bearing a notation that photographs were accepted in place of copies, but expresses no opinion as to the need for, or possible effect

of delay in, making deposit of copies prior to suit for infringement of copyright.”<sup>1</sup>

The problem confronting the courts in determining whether an item is a work of art is illustrated by the recent case of *Stein v. Expert Lamp Co.*<sup>2</sup> Plaintiff claimed that the defendant infringed his models of sculptured statuettes which had been registered with the Copyright Office as a work of art. The statuettes were in the form of lamp bases having threaded mounting stubs to receive lamp sockets. The court held that although the lamps were artistically made and ornamental, they were primarily articles of manufacture intended for utilitarian use. “We have examined and considered all the cases cited but are not persuaded that a design of an electric lamp may be protected as a monopoly by means of a copyright registration, registered without an examination as to originality, novelty or inventiveness.”<sup>3</sup> The court then suggested that the lamps could be registered as a design patent with the Patent Office. The design patent statute furnishes adequate protection to the plaintiff since it was intended to promote the decorative arts and to stimulate the exercise of inventive faculty by improving the appearance of articles of manufacture.<sup>4</sup>

The following works of art are copyrightable:

1) the fine arts which are intended for ornamental purposes, such as paintings in oil on canvas, mosaics, carving and

<sup>1</sup> 37 FR § 202.8.

<sup>2</sup> 188 F2d 611 (7th Cir 1951). This case is discussed in Kegan and Kipnis, *Protecting Commercial Applications of Art* (1951), 2 Decalogue Journal 5.

<sup>3</sup> *Stein v. Expert Lamp Co.*, 188 F2d 611 (7th Cir 1951).

<sup>4</sup> Act of May 9, 1902, 32 STAT 193, 35 USCA § 73: “Any person who has invented any new, original and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved

to have been abandoned, may, upon payment of the fees required by law and other due proceedings had, the same as in cases of inventions or discoveries covered by section forty-eight hundred and eighty-six, obtain a patent therefor.” See *General Time Instruments Corp. v. United States Time Corp.*, 165 F2d 853 (2d Cir 1948): “A design patent must be the product of invention if it is to be valid . . . the test is whether the design involved ‘a step beyond the prior art requiring what is termed inventive genius’.” See also: *Circle S Products Co. v. Powell Products, Inc.*, 174 F2d 562 (7th Cir 1949); *Man-Sew Pinking Attachment Corp. v. Chandler Mach. Co.*, 33 FSupp 950 (DC Mass 1940); *McQuillen v. A. R. Hyde & Sons Co.*, 35 FSupp 870 (DC Mass 1940).

statuary in stone or metal and not generally susceptible of commercial reproduction;<sup>5</sup>

2) minor objects of arts intended for ornamental display and reproduced in quantities for sale from the original. This bric-a-brac includes such items as vases, plaques, etchings, etc;<sup>6</sup>

3) objects which although they serve a utilitarian purpose, are primarily ornamental, viz., stained glass windows and tapestry.<sup>7</sup>

Although Howell states that "objects primarily designed for a useful purpose, but made ornamental to please the eye and gratify the taste, such as ornamental clocks, curtains, rugs, gas fixtures, household furniture, etc., commonly called applied art"<sup>8</sup> are registrable, it is believed that in view of *Stein v. Expert Lamp Co.*,<sup>9</sup> such works should seek the protection of the design patent law. The philosophic basis of this decision is grounded in public policy. Courts are reluctant to recognize monopolies in things which people use,—such as hammers, mechanical supports, lamps, etc. In this connection the courts have held that the drawing of a dress is copyrightable as a work of art.<sup>10</sup> However, the dress patterns or designs for dresses cannot be classified as works of art; they are registrable under the design patent statute, which as we have discussed elsewhere furnishes inadequate protection.<sup>11</sup> Although a "kewpie" doll has been registered as a work of art,<sup>12</sup> for the most part, dolls,<sup>13</sup> toys<sup>14</sup> and games<sup>15</sup> are not protected by copyright.

<sup>5</sup> E.g., *Contemporary Arts v. F. W. Woolworth Co.*, 93 FSupp 739 (DC Mass 1950) aff'd, 193 F2d 162 (1st Cir. 1951) (statuette of cocker spaniel); *Jones Bros. Co. v. Underkoffler*, 16 F Supp 729 (DC Pa 1936) (design for memorial). See Howell, *The Copyright Law* (1948) 20.

<sup>6</sup> Cf. *Home Art, Inc. v. Glensder Textile Corp.*, 81 FSupp 551 (DC NY 1948). See cases cited in note 5, *supra*.

<sup>7</sup> Howell, *The Copyright Law* (1948) 20.

<sup>8</sup> *Ibid.*

<sup>9</sup> 188 F2d 611 (7th Cir 1951).

<sup>10</sup> *Adelman v. Sonners & Gordon*, 21 USPQ 219 (DC NY 1934).

<sup>11</sup> *Passim*, §§ 115 and 217.

<sup>12</sup> *Wilson v. Haber Bros., Inc.*, 275 Fed 345, 346 (2d Cir 1921). Cf. *Kallus v. Bimbleck Toy Mfg. Co.*, 229 AppDiv 313, 241 NYSupp 105 (1930).

<sup>13</sup> *Horsmon and Aetna Doll v. Kaufman*, 285 Fed 372, 373 (2d Cir 1922). Howell, *The Copyright Law* (1948) 48.

<sup>14</sup> *Seip v. Commonwealth Plastics*, 85 FSupp 741 (DC Mass 1949).

<sup>15</sup> *Chamberlin v. Uris Sales Corp.*, 150 F2d 512 (2d Cir 1945); *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938); *Downes v. Culbertson*, 153 Misc 14, 275 NYSupp 233 (1934); *Whist Club v. Foster*, 42 F2d 782 (DC NY 1930).

**31h. REPRODUCTIONS OF WORKS OF ART.**

“This class includes published reproductions of existing works of art in the same or a different medium, such as a lithograph, photoengraving, etching or drawing of a painting, sculpture or other work of art.”<sup>1</sup> Thus the reproduction of an oil painting is independently copyrightable;<sup>2</sup> so are mezzotint engravings of paintings.<sup>3</sup>

**31i. DRAWINGS OR PLASTIC WORKS OF A SCIENTIFIC OR TECHNICAL CHARACTER.**

This class includes architectural and engineering plans and designs, anatomical drawings, relief maps, stock-market charts etc.<sup>1</sup> In *Korzybski v. Underwood* and *Underwood*,<sup>2</sup> plaintiff had obtained a patent for an anthropometer illustrating thought processes; he also secured a copyright of the model or relief diagram by registering the same as a drawing or plastic work of a scientific or technical character. The court intimated that a work may be patentable as well as copyrightable. However, since the plaintiff had filed the textual matter and diagrams with the Patent Office, this constituted a “publication which entitled anyone to copy the drawings.” In addition, “everything disclosed in the patent became part of the public domain, except the monopoly of the patentee to make, use, and vend the device for a limited time.”<sup>3</sup>

Although a work is susceptible of patent and copyright protection, if patent protection is secured, it is believed that the work cannot be copyrighted because copyright cannot “subsist in the original text of any work which is in the public domain.”<sup>4</sup> This is because the public has the right to the

<sup>1</sup> 37 FR 202.9. See *Brobrecker v. Denebeim et al.*, 28 FSupp 383 (DC Mo 1939).

<sup>2</sup> *Home Art v. Glensder Textile Corp.*, 81 FSupp 551 (DC NY 1948); *Leigh v. Gerber*, 86 FSupp 320 (DC NY 1949).

<sup>3</sup> *Alfred Bell & Co. v. Catalda Fine Arts Co.*, 74 FSupp 973 (DC NY 1947). See also *Allegrini v. De Angelis*, 59 FSupp 248 (DC Pa 1944), *aff'd* 149 F2d 815 (3d Cir 1945).

<sup>4</sup> Regulations of the Copyright Office, 37 FR:

§ 202.10 “*Drawings or plastic works of a scientific or technical character (Class I)*. This class includes diagrams or models illustrating scientific or technical works, or formulating scientific or technical information in linear or plastic form, such as an architect’s or an engineer’s plan or design, a mechanical drawing, or an anatomical model.”

<sup>2</sup> 36 F2d 727 (2d Cir 1929).

<sup>3</sup> *Ibid.*

<sup>4</sup> 17 USCA § 8.

information disclosed in the patent and the right to use and copy the text and diagrams.<sup>5</sup>

### 31j. PHOTOGRAPHS.

Prior to the Act of 1865<sup>1</sup> it was held that a photograph was not a "print cut or engraving" within the meaning of the statute then in force, and hence was not a proper subject of copyright.<sup>2</sup> The early cases held that photographs were manual or mechanical reproductions of a person or object, which did not reflect originality or intellectual effort.<sup>3</sup> Although photographs were not copyrightable, photographic reproductions of prints and engravings were considered "copies," and hence sufficient to support an action for infringement.<sup>4</sup>

In 1865 Congress extended copyright protection to negatives and photographs by expressly including them among the articles for which copyright was provided.<sup>5</sup>

In the *Sarony* case, it was held that a photograph reflecting the original intellectual conception of its author was a "writing" within the constitutional sense.<sup>6</sup> This decision intimated that some photographs might not be protected, but "on . . . [this] question as thus stated we decide nothing."<sup>7</sup> However the recent cases hold that any photograph is copyrightable since it reflects the reaction of the photographer to such items as light, shade, position, grouping of persons and objects, etc.<sup>8</sup>

<sup>5</sup> *Korzybyski v. Underwood*, 36 F2d 727 (2d Cir 1929). But there is no copyright on articles for practical use in connection with a machine. *Brown Instrument Co. v. Warner*, 161 F2d 910 (AppDC 1947); *Taylor Instrument Co. v. Fawley-Brost Co.*, 139 F2d 98 (7th Cir 1943), cert. denied, 321 US 785, 64 Sct 782, 88 LEd 1076 (1944); *Stein v. Expert Lamp Co.*, 188 F2d 611 (7th Cir 1951).

<sup>1</sup> See § 22: "Copyright Legislation in the United States."

<sup>2</sup> *Altman v. New Haven Union*, 254 Fed 113, 117 (DC Conn 1918); *Wood v. Abbott*, 30 FCas 424, 425 (DC NY 1866).

<sup>3</sup> *Wood v. Abbott*, 30 FCas 424, 425 (DC NY 1866).

<sup>4</sup> *Rossiter v. Hall*, 20 FCas 1253, 1254 (CC NY 1866).

<sup>5</sup> Act of March 3, 1865, 13 STAT 540.

<sup>6</sup> *Burrow-Giles Lithographic Co. v. Sarony*, 111 US 53, 4 Sct 279, 28 LEd 349 (1884).

<sup>7</sup> *Ibid.*

<sup>8</sup> *Cory v. Physical Culture Hotel*, 14 FSupp 977 (DC NY 1936), aff'd 88 F2d 411 (2d Cir 1937); *Pagano v. Bessler*, 234 Fed 963 (DC NY 1916); *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921); *American Mutoscope Co. v. Edison*, 137 Fed 262 (CC NJ 1905); *Bolles v. Outing Co.*, 77 Fed 966 (2d Cir 1897).

The Copyright Office has implemented § 5(j) of the Copyright Code by § 202.11:

§ 202.11 "*Photographs (Class J)*. This class includes photographic prints and filmstrips, slide films and individual slides. Photoengravings and other photomechanical reproductions of photographs are registered in Class K on Form K."<sup>9</sup>

### 31k. PRINTS, PICTORIAL ILLUSTRATIONS AND COMMERCIAL PRINTS AND LABELS.

This class of copyrightable subject matter was first limited to "historical or other prints."<sup>1</sup> Subsequent legislation designated it as "prints, cuts and engravings."<sup>2</sup> The Copyright Act of 1909 employed the nomenclature of "prints and pictorial illustrations."<sup>3</sup> The Act of July 31, 1939 transferred the registration of commercial prints and labels from the Patent Office to the Copyright Office<sup>4</sup> and this clause was amended to read "prints and pictorial illustrations including prints or labels used for articles of merchandise."<sup>5</sup>

A pictorial illustration may represent visible actual persons or things.<sup>6</sup> The copyright proprietor cannot monopolize the right to picture these persons or things, since "others are free to copy the original. They are not free to copy the copy."<sup>7</sup> A pictorial illustration also comprehends fanciful creations such as an illustrative fashion catalogue,<sup>8</sup> lithographs portraying vegetable products,<sup>9</sup> illustrated brass goods catalogue,<sup>10</sup> illustrations of designs for monuments,<sup>11</sup> white pictures of statuary,<sup>12</sup> a chromo, "designed as a symbolic glorification of lager-beer drinking."<sup>13</sup> Photo-engravings are

<sup>9</sup> 37 FR § 202.11.

<sup>1</sup> Act of April 29, 1802, 2 STAT 171.

<sup>2</sup> Act of February 3, 1831, 4 STAT 436.

<sup>3</sup> Act of March 4, 1909, 35 STAT 1076.

<sup>4</sup> 53 STAT 1142.

<sup>5</sup> Act of July 30, 1947, 61 STAT 652, 17 USCA § 5(k).

<sup>6</sup> *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215, 218 (DC Pa 1911).

<sup>7</sup> *Bleistein v. Donaldson Lithographic Co.*, 188 US 239, 249, 23 SCT 298, 47 LEd 460 (1903).

<sup>8</sup> *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (DC Pa 1911).

<sup>9</sup> *Stecher Lithograph Co. v. Dunston Lithograph Co.*, 233 Fed 601 (DC NY 1916).

<sup>10</sup> *White Mfg. Co. v. Shapiro*, 227 Fed 957 (DC NY 1915).

<sup>11</sup> *Grace v. Newman*, LR 19 Eq 623 (1875).

<sup>12</sup> *Da Prato Statuary Co. v. Guiliani Statuary Co.*, 189 Fed 90 (CC Minn 1911).

<sup>13</sup> *Yuengling v. Schile*, 12 Fed 97 (DC NY 1882). See also *Hoague-*

classified in this category rather than under photographs.<sup>14</sup>

The subject matter of this classification, as illustrated above, indicates that it is used extensively to copyright pictorial advertisements.<sup>15</sup>

A print has reference to "decorative features of a distinctive character, such as the border of a bond or diploma. Both types (prints and pictorial illustrations) are united in the official form of application. Such works are usually produced by lithographic or similar process from drawings or sketches which serve no further purpose than as a basis for reproduction. When they reproduce an existing work of art, the registration should preferably be made in Class (h)."<sup>16</sup>

As stated above, the registration of commercial prints and labels was transferred from the Patent Office to the Copyright Office by amendatory legislation approved July 31, 1939 and effective July 1, 1940.<sup>17</sup>

Prior to this legislation the Commissioner of Patents supervised and controlled the registration of prints and labels as copyrights under the Act of June 18, 1874.<sup>18</sup> When the Copyright Act of 1909 was passed, section 63 of that statute provided that "all laws or parts of law in conflict with the provisions of that law are hereby repealed."<sup>19</sup> The Com-

Sprague Corp. v. Meyer Co., Inc., 31 F.2d 583 (DC NY 1929) (label for shoe box); Malsed v. Marshall Field Co., 96 F.Supp 372 (DC Wash 1951) (label for box of candy).

<sup>14</sup> 37 FR 202.11.

<sup>15</sup> 37 FR:

§ 202.12 "*Prints, pictorial illustrations and commercial prints or labels (Class K)*. This class includes prints or pictorial illustrations, greeting cards, picture postcards and similar prints, produced by means of lithography, photoengraving or other methods of reproduction. These works are registered on Form K. A print or label, not a trade-mark, published in connection with the sale or advertisement of an article or articles of merchandise is also registered in this class on Form KK."

<sup>16</sup> Howell, *The Copyright Law* (1948) 22.

<sup>17</sup> *Op. cit.*, *supra*, note 4.

<sup>18</sup> Act of June 18, 1874, 18 STAT 78: "That in the construction of this

Act the words 'engraving, cut, and print' shall be applied only to pictorial illustrations or works connected with the fine arts, and no prints or labels designed to be used for any other articles of manufacture shall be entered under the copyright law, but may be registered in the Patent Office. And the Commissioner of Patents is hereby charged with the supervision and control of the entry or registry of such prints or labels, in conformity with the regulations provided by law as to copyright of prints, except that there shall be paid for recording the title of any print or label, not a trade-mark, six dollars, which shall cover the expense of furnishing a copy of the record, under the seal of the Commissioner of Patents, to the party entering the same."

<sup>19</sup> 35 STAT 1087. This section was replaced by the Act of June 18, 1874 (*supra*, note 18), and was subsequently replaced by the Act of July 31, 1939, *op. cit.*, *supra*, note 4.

missioner of Patents was of the opinion that this repealed the 1874 Act. However the Attorney General to whom this question was submitted, ruled that the Acts were not in conflict and that the Patent Office was still required to register all such prints and labels.<sup>20</sup>

At first the Patent Office refused to register prints and labels attached to goods if the latter carried a trade-mark. This practice was subsequently changed and trade-mark registration was no bar to copyright protection under the 1874 legislation, provided the print or label bore some evidence of originality and artistic merit.<sup>21</sup>

Commercial prints and labels were and are used extensively for advertising purposes. The Patent Office "laid special stress upon the requirement that the print or label must describe on its face the particular article or type of material for which it was used. This was based upon an interpretation of the words 'designed to be used for articles of manufacture' to the effect that this clause did not refer to the state of mind or intention of the applicant but to the evidence afforded by the contents of the print or label itself; otherwise, so it was claimed, 'the distinction attempted to be drawn by Congress between the two classes of products (i.e. those registrable in the Copyright Office and those registrable in the Patent Office would be practically nullified.'"<sup>22</sup>

The Patent Office distinguished between prints and labels. The former was defined as an "artistic and intellectual production designed to be used for an article of manufacture and in some fashion pertaining thereto, but not borne by it; such for instance as an advertisement thereof."<sup>23</sup> Thus a print was not required to be attached to an article of manufacture.

Howell reports that "with respect to prints, however, no reported case is found, either in or outside the Patent Office, to the effect that an advertisement consisting solely of words could be registered as a "print" under section 3. On the contrary, an examination of the specimen books of the Patent Office shows that registration in that category was confined

<sup>20</sup> 28 Op Atty Gen 116 (1904); Hoague-Sprague Corp. v. Meyer Co., Inc., 31 F2d 583, 585 (DC NY 1929); Fargo Mercantile v. Brechet, 295 Fed 823, 827 (8th Cir 1924).

<sup>21</sup> Howell, The Copyright Law (1948) 26.

<sup>22</sup> *Ibid.*, 27

<sup>23</sup> Amdur, Copyright Law and Practice (1936) 175.

to such advertisements as contained pictorial or artistic decorative matter as well as text.”<sup>24</sup>

A label on the other hand was likewise defined as an artistic and intellectual production; however, it had to be attached, viz., “impressed or stamped directly upon the article of manufacture or upon a slip of paper or other material to be attached in any manner to manufactured articles or to boxes, and packages containing them, to indicate the article of manufacture.”<sup>25</sup>

The distinction between a trade mark and a label warrants explanation. A trade-mark is defined as “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”<sup>26</sup> It is a notation or fanciful name affixed to goods.<sup>27</sup> The Lanham Trade-Mark Act has extended trade-mark protection to the sale or advertising of services and to marks of collective groups or organizations.<sup>28</sup> Originality is not a prerequisite to trade-mark registration.<sup>29</sup> A label on the other hand is descriptive of the article to which it is affixed and it must bear some evidence of originality and intellectual effort.<sup>30</sup> A trade mark which is part of the broader law of unfair competition must be used in trade or commerce before it can be registered.<sup>31</sup> A label which is copyrightable need not be used in trade or business before it is registerable; it is a right in gross which comes into existence the instant it is created or registered.<sup>32</sup>

The differences between prints and labels and design patents<sup>33</sup> are more troublesome. Both of them protect

<sup>24</sup> Howell, *supra*, note 21 at 27.

<sup>25</sup> *Op. cit.*, *supra*, note 23.

<sup>26</sup> Act of July 5, 1946, 60 STAT 443, 15 USCA § 1127.

<sup>27</sup> *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 119 F2d 316 (6th Cir 1941), reversed on other grounds, 316 US 203, 62 Sct 1022, 86 LEd 1381 (1942); *Brooks Brothers v. Brooks Clothing of California*, 60 F Supp 442 (DC Cal 1945), aff'd 158 F2d 798, cert. denied, 331 US 824, 67 Sct 315, 91 LEd 1840 (1946).

<sup>28</sup> *Op. cit.*, *supra*, note 26. For a discussion of the Lanham Act, see § 242.

<sup>29</sup> See cases cited in *op. cit.*, *supra*, note 27 and § 210a *passim*.

<sup>30</sup> *Ex Parte Irish*, 27 USPQ 312 (1935); see *Hoague-Sprague Corporation v. Meyer Co.*, 31 F2d 583 (DC NY 1929); *Griesedieck Western Brewery Co. v. People's Brewing Co.*, 56 FSupp 600 (DC Minn 1944), aff'd 149 F2d 1019 (8th Cir 1945).

<sup>31</sup> *United States Drug Co. v. Rectanus Co.*, 248 US 90, 39 Sct 48, 63 LEd 141 (1918).

<sup>32</sup> *Op. cit.*, *supra*, note 27.

<sup>33</sup> Act of May 9, 1902, 32 STAT 193, 35 USCA § 73. This statute is quoted in its entirety in § 31g, n. 4.

artistic or ornamental forms used for industrial and commercial purposes. A design patent is a product of invention, "requiring what is termed inventive genius."<sup>34</sup> It vests an exclusive right in the patent holder to "make, use and vend"<sup>35</sup> the article. Prints and labels on the other hand identify or describe articles of merchandise; they vest in the copyright proprietor the negative right of preventing others from reproducing the print or label.<sup>36</sup>

The amendatory legislation of 1939 which transferred the registration of commercial prints and labels from the Patent Office to the Copyright Office has resulted in no substantial changes in the law.<sup>37</sup> In 1941 the Copyright Office defined prints and labels:

"The term 'print' as used in the said Act may be defined as an artistic work with or without accompanying text matter, published in a periodical or separately, used in connection with the sale or advertisement of an article or articles of merchandise. A single sheet containing pictures of various articles of merchandise would be registrable as a print, even though folded one or more times.

The term 'label' may be defined as an artistic and/or literary work, impressed or stamped directly upon the article of merchandise or upon a piece of paper or other material to be attached in any manner to articles of merchandise or to bottles, boxes or other containers thereof, to indicate the nature of the goods."<sup>38</sup>

<sup>34</sup> *General Time Instruments Corp. v. United States Time Corp.*, 165 F2d 853 (2d Cir 1948); *Circle S. Products Co. v. Powell Products, Inc.*, 174 F2d 562 (7th Cir 1949).

<sup>35</sup> *Op. cit.*, *supra*, note 33; *Taylor Instrument Companies v. Fawley Brost Co.*, 139 F2d 98 (7th Cir 1943), cert. denied, 321 US 785, 64 S Ct 782, 88 LEd 1076 (1944); and see Callmann, *Unfair Competition and Trade-Marks* (1950) 277.

<sup>36</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86, 88 (2d Cir 1940), cert. denied, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940): "Copyright in any form, whether statutory or at common law, is a monopoly; it consists only in the power to prevent others from reproducing the copyrighted work."

<sup>37</sup> 61 STAT 652 (1947), 17 USCA:

§ 6. "REGISTRATION OF PRINTS AND

LABELS.—Commencing July 1, 1940, the Register of Copyrights is charged with the registration of claims to copyright properly presented, in all prints and labels published in connection with the sale or advertisement of articles of merchandise, including all claims to copyright in prints and labels pending in the Patent Office and uncleared at the close of business June 30, 1940. There shall be paid for registering a claim of copyright in any such print or label not a trade-mark \$6, which sum shall cover the expense of furnishing a certificate of such registration, under the seal of the Copyright Office, to the claimant of copyright."

<sup>38</sup> Circular No. 46 of the Copyright Office, dated March 18, 1941, reproduced in Howell, *The Copyright Law* (1948) 31.

A label may now be registered “even though the artistic features may be negligible, provided that the literary content is such as would bring it within the ‘book’ category, were it not used on a label. Again, the clause ‘to indicate the nature of the goods’ in definition 2, is designed to permit registration on one application and fee of a plurality of labels identical in all respects except as to the names of the products for which they are used. The old ‘rule of description’ is modified to this extent.”<sup>39</sup>

As we shall discuss elsewhere,<sup>40</sup> prints and labels must be published with notice of copyright claim prior to filing the application for registration.<sup>41</sup> The form of notice must comply with the statute, viz., either the word “Copyright” or the abbreviation “Copr.” or the symbol ©.<sup>42</sup> “Two complete copies of the best edition thereof then published” must be deposited with the Copyright Office.<sup>43</sup> “If such copies are bulky or metallic, an additional copy in the form of a photographic reproduction is required for insertion in the specimen books which the Office continues to maintain for convenient inspection on the part of the public.”<sup>44</sup> The statutory fee “for registering a claim of copyright in any such print or label not a trade-mark” is \$6.00.<sup>45</sup>

### 311. MOTION PICTURE PHOTOPLAYS AND MOTION PICTURES OTHER THAN PHOTOPLAYS.

Although the motion picture machine was invented by Edison in 1889, the Copyright Act of 1909 did not specifically include these categories within its subject matter. However, prior to 1909, the federal courts on several occasions passed upon the copyrightability of motion pictures. The first of these cases involved an early form of newsreel depicting a single event taken from one vantage point. It was held that such a motion picture could be copyrighted as a photograph under the Copyright Act of 1865. To quote from the court’s opinion:

“ \* \* \* The instantaneous and continuous operation of the camera is such that the difference between succes-

<sup>39</sup> Howell, *supra*, note 38, at 31-2.

<sup>40</sup> *Passim*, §§ 115 and 217.

<sup>41</sup> 17 USCA § 10.

<sup>42</sup> *Ibid.*, § 19.

<sup>43</sup> *Ibid.*, § 13.

<sup>44</sup> Howell, *supra*, note 38 at 33.

<sup>45</sup> 17 USCA § 215. See 39 Op Atty Gen 459 (1940).

sive pictures is not distinguishable by the eye, and is so slight that the casual observer will take a very considerable number of successive pictures of the series, and say they are identical. It is only when pictures far removed from each other in the series are compared that differences are seen, but in every one the platform from which the christening took place, and on which prominent persons attending the launch stood, is depicted. To require each of numerous undistinguishable pictures to be individually copyrighted, as suggested by the court, would, in effect, be to require copyright of many pictures to protect a single one. \* \* \*

“And that it is, in substance, a single photograph, is shown by the fact that its value consists in its protection as a whole or unit, and the injury to copyright protection consists not in pirating one picture, but in appropriating it in its entirety.

“We are further of opinion that photograph in question met the statutory requirement of being intended to be perfected and completed as a work of the fine art. It embodies artistic conception and expression. To obtain it requires a study of lights, shadows, general surroundings, and a vantage point adapted to securing the entire effect.”<sup>1</sup>

Two years later, in a case involving a motion picture telling a connected story by means of “shots” taken from a number of different points, the court held that such a picture could be copyrighted in the same manner as photographs.<sup>2</sup> This line of reasoning was continued in 1909, when another series of photographs of a dramatic presentation which were to be projected in a motion picture machine were considered a single picture or photograph capable of being copyrighted.<sup>3</sup>

In decisions handed down both prior and subsequent to the amendatory legislation of 1912, the courts held that a film was a “writing” under section 4 of the Copyright Act of 1909. The word “writings” included motion pictures since the latter tended to reproduce an artist’s visual conception of an author’s ideas as described in words.<sup>4</sup>

In *Kalem Co. v. Harper Bros.*, the converse issue was tendered the Supreme Court. In that case it was claimed that a

<sup>1</sup> *Edison v. Lubin*, 122 Fed 240, 241 (3d Cir 1903).

<sup>2</sup> *American Mutoscope & Biograph Co. v. Edison Mfg. Co.*, 137 Fed 262, 266 (DC NJ 1905).

<sup>3</sup> *Harper & Bros. v. Kalem Co.*, 169 Fed 61 (2d Cir 1909).

<sup>4</sup> *Ibid.*; *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre*, 3 F Supp 66, 72 (DC Mass 1933).

motion picture infringed the copyrighted novel, "Ben Hur." Mr. Justice Holmes concluded that the unauthorized exhibition of the motion picture infringed the author's exclusive right to dramatize his novel.<sup>5</sup> The teachings of the *Kalem* case have been amplified by the following holdings of the courts:

1. The unauthorized exhibition of a motion picture may infringe the author's exclusive right to dramatize his novel.<sup>6</sup>

2. The unauthorized exhibition of a motion picture may infringe the author's exclusive performing rights.<sup>7</sup>

3. The unauthorized exhibition of a film may infringe the author's exclusive right to dramatize a non-dramatic work.<sup>8</sup>

4. The unauthorized exhibition of a motion picture may infringe an author's exclusive right "to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner, or by any method be exhibited, performed, represented, produced, or reproduced; . . ." <sup>9</sup>

5. A motion picture may infringe another copyrighted motion picture.<sup>10</sup>

6. A motion picture which incorporates from one thousand to fifteen hundred feet of an unpublished copyrighted motion picture may infringe the printing and publishing rights of an author.<sup>11</sup>

7. A motion picture may likewise infringe a copyrighted motion picture scenario,<sup>12</sup> a copyrighted play,<sup>13</sup> a copyrighted

<sup>5</sup> *Kalem Co. v. Harper Bros.*, 220 US 55, 32 S Ct 51, 56 L Ed 92 (1911).

<sup>6</sup> *Ibid.*; *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre*, 59 F2d 70 (1st Cir 1932), setting aside 50 F2d 908 (DC Mass 1931); *Photo-Drama Motion Picture Co., Inc. v. Social Uplift Film Corp.*, 220 Fed 448 (2d Cir 1915); *O'Neill v. General Film Co.*, 171 App Div 854, 157 NYSupp 1028 (1916).

<sup>7</sup> *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 Fed 354 (9th Cir 1947); *Tiffany Productions v. Dewing*, 50 F2d 911 (DC Md 1931); *Metro-Goldwyn-Mayer Corp. v. Bijou Theatre*, 3 FSupp 66, 73 (DC Mass 1933).

<sup>8</sup> *Cf. MacDonald v. Du Maurier*, 75 FSupp 655 (DC NY 1948); *Fitch v. Young*, 230 Fed 743 (DC NY 1911).

<sup>9</sup> *Metro-Goldwyn-Mayer Corp. v. Bijou*

*Theatre*, 59 F2d 70 (1st Cir 1932), reversing 50 F2d 908 (DC Mass 1931).

<sup>10</sup> *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 Fed 354 (9th Cir 1947). *Cf. Pathé Exchange, Inc. v. International Alliance of Theatrical Stage Employees*, 3 FSupp 63 (DC NY 1932).

<sup>11</sup> *Patterson v. Century Productions*, 19 FSupp 30 (DC NY 1937), aff'd 93 F2d 489 (2d Cir 1938), cert. denied, 303 US 655, 58 S Ct 759, 82 L Ed 1114 (1938).

<sup>12</sup> *Rosen v. Loew's, Inc.*, 162 F2d 785 (2d Cir 1947).

<sup>13</sup> *Dellar v. Samuel Goldwyn, Inc.*, 40 FSupp 534 (DC NY 1941), aff'd 150 F2d 612 (2d Cir 1942), cert. denied, 327 US 790, 66 S Ct 802, 90 L Ed 1016 (1942); *Shipman v. RKO Radio Pictures, Inc.*, 20 FSupp 249 (DC NY

magazine story,<sup>14</sup> a copyrighted synopsis of a play<sup>15</sup> and a play protected by common law copyright.<sup>16</sup>

With the development of sound pictures in the late 1920's, the music, dialogue and other auditory expressions recorded on the film are protected by the copyright secured on the film.<sup>17</sup>

On August 24, 1912 Congress enacted the so-called "Townsend Bill"<sup>18</sup> as an amendment to the 1909 legislation. The Townsend Bill added two new categories to the subject matter of copyright:

"(1) Motion picture photoplays

"(m) Motion pictures other than photoplays."<sup>19</sup>

Section 11 was also amended by requiring the copyright proprietor to deposit the title and description, with one print taken from each scene or act, if the work be a motion-picture photoplay; if the work is a motion picture other than a photoplay, the deposit consists of the title and description, plus two prints from different sections of the work.<sup>20</sup>

Since the holding in the *Kalem* case<sup>21</sup> would impose liability not only on the copyright proprietor, but on the innocent exhibitors of an infringing film, section 25 (now § 101 of the Copyright Code) was likewise amended. In the case of an innocent infringement of an undramatized or nondramatic work, the maximum damages which could be assessed are \$100; if a dramatic or dramatico-musical work is innocently infringed by the maker of motion pictures and his agencies for distribution, the maximum damages are \$5000.<sup>22</sup>

Motion picture photoplays may be registered either as published or as unpublished works.<sup>23</sup> The Copyright Office includes within this class, "motion pictures dramatic in char-

-1937)- aff'd 100 F2d 533 (2d Cir 1938).

<sup>14</sup> MacDonal v. Du Maurier, 75 F Supp 655 (DC NY 1948).

<sup>15</sup> Echevarria v. Warner Bros. Pictures, Inc., 12 FSupp 632 (DC Cal 1935).

<sup>16</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Solomon v. RKO Pictures, Inc.*, 44 FSupp 780 (DC NY 1942); *De Montijo v. 20th Century-Fox Film Corp.*, 40 FSupp 133 (DC Cal 1941).

<sup>17</sup> *Jerome v. Twentieth Century-Fox Film Corp.*, 67 FSupp 736 (DC NY 1946), aff'd 165 F2d 784 (2d Cir

1947). Cf. *Alden-Rochelle, Inc. v. ASCAP*, 80 FSupp 888 (DC-NY 1948) (opinion subsequently withdrawn); *L. C. Page & Co. v. Twentieth Century-Fox Corp.*, 83 F2d 196 (2d Cir 1936).

<sup>18</sup> Act of August 24, 1912, 37 STAT 488.

<sup>19</sup> 17 USCA § 5(l) and (m) (Supp 1951).

<sup>20</sup> Now § 12 of the Copyright Code, 17 USCA § 12 (Supp 1951).

<sup>21</sup> *Kalem Co. v. Harper Bros.*, 220 US 55, 32 Sct 51, 56 LEd 92 (1911).

<sup>22</sup> 17 USCA § 101 (Supp 1951).

<sup>23</sup> *Op. cit.*, supra, note 20.

acter such as features, serials, animated cartoons, musical plays and similar productions intended for projection on a screen, or for transmission by television or other means.”<sup>24</sup> The motion picture and presumably the television film industries in drawing up film contracts employ the term “photoplay” to include all kinds of film from “shorts” to feature films.<sup>25</sup>

The Copyright Office considers motion pictures other than photoplays as “non-dramatic motion pictures, such as newsreels, musical shorts, travelogues, educational and vocational guidance films, and similar productions intended for projection on a screen, or for transmission by television or other means.”<sup>26</sup> No court as yet has had occasion to construe this clause. In *Vitaphone Corporation v. Hutchinson Amusement Co.*,<sup>27</sup> it was held that a “slap-stick” comedy short of from ten to twenty minutes in length was properly registrable as a motion picture photoplay because it was dramatic, viz., it told a story. It is believed that the distinction between motion picture photoplays and motion pictures other than photoplays lies in the fact that the former may require greater intellectual effort combined with technical skill to produce, than the latter. In other words the art of story-telling would distinguish these two categories. However, musical shorts, newsreels, travelogues and the like may also be woven into a plot. The line of demarcation between dramatic and non-dramatic film is not easy to draw.

The logical consequence of this distinction between dramatic and non-dramatic film suggests that a copyright proprietor cannot assert exclusive performing rights in a motion picture other than a photoplay. However, it is believed that the courts would broadly construe the statute and predicate infringement on section 1(d) of the Copyright Code.<sup>28</sup> This clause vests in the copyright proprietor the exclusive right to “make or to procure the making of any transcription or record thereof” and to exhibit, perform, represent, produce or reproduce the work. Although section 1(d) refers to a drama

<sup>24</sup> 37 FR § 202.13.

<sup>25</sup> See Lindley, Motion Picture Agreements (1947) 4, 12.

<sup>26</sup> 37 FR § 202.14.

<sup>27</sup> 19 FSupp 359 (DC Mass 1937),

reversed, 93 F2d 176 (1st Cir 1937),  
mandate conformed, 28 FSupp. 526  
(DC Mass 1939).

<sup>28</sup> 17 USCA § 1(d) (Supp 1951).

or a dramatic work, a court can make a persuasive argument that this clause precludes the exhibition of non-dramatic works such as a motion picture other than a photoplay.<sup>29</sup>

These categories have and will play an extremely important role in protecting the content of all television programs preserved on film. It is believed that any kinescope recording may be registered either as a motion-picture photoplay or as a motion picture other than a photoplay, hence a copyright proprietor can prevent the unauthorized exhibition of television film programs.

### 32. COMPONENT PARTS OF COPYRIGHTED WORKS.

Section 3 spells out the scope and extent of copyright protection:

§ 3: "*Protection of Component Parts of Work Copyrighted; Composite Works or Periodicals.*—The copyright provided by this title shall protect all the copyrightable component parts of the work copyrighted, and all matter therein in which copyright is already subsisting, but without extending the duration or scope of such copyright. The copyright upon composite works or periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title."<sup>1</sup>

Prior to the enactment of this section, the copyright in a work furnished protection to all the copyrightable and component parts thereof.<sup>2</sup> Thus the protection "afforded by virtue of a copyrighted book" extended "to all the matter which the book contained."<sup>3</sup>

Section 3 is thus declaratory of existing law; it "does away with the necessity of taking a copyright on the contributions of different persons included in a single publication, but in express terms we provide that it shall not extend the duration or scope of any copyright nor do we intend to make copyrightable anything which has fallen in the public domain."<sup>4</sup>

<sup>29</sup> *Op. cit.*, *supra*, note 9.

<sup>1</sup> 17 USCA § 3 (Supp 1951).

<sup>2</sup> *Black v. Allen*, 42 Fed 618, 625 (DC NY 1890); *Lawrence v. Dana*, 15 FCas 26, 27 (DC Mass 1869). *Cf.* *Bennett v. Boston Traveler Co.*, 101 Fed 445 (1st Cir 1900).

<sup>3</sup> *Lawrence v. Dana*, 15 FCas 26, 27 (DC Mass 1869).

<sup>4</sup> HRep't No. 2222, 60th Cong 2d Sess (1909), which accompanied HR 28192.

The component parts of a copyrighted work do not measure or define the various rights, licenses or privileges secured a copyright proprietor by the statute; they refer to separate chapters, subdivisions, articles, scenes and the like.<sup>5</sup> For example, pictures,<sup>6</sup> illustrations or cuts<sup>7</sup> in a copyrighted book or catalogue, are component parts thereof and would be protected by the copyright.<sup>8</sup> A contribution to a periodical would likewise be a component part.<sup>9</sup> Parts of a work physically separable, such as a map in a pocket is a component part.<sup>10</sup> Similarly, the words and music of a copyrighted musical composition are copyrightable component parts.<sup>11</sup>

An author in compiling a directory, catalogue or the like frequently includes in his work copyrightable as well as non-copyrightable matter. The non-copyrightable matter may consist of information contained in governmental publications or matters in the public domain.<sup>12</sup> The copyright secured on such a work does not protect the non-copyrightable matter; however, the copyrighted matter is considered a copyrightable

<sup>5</sup> *New Fiction Pub. Co. v. Star Co.*, 220 Fed 994 (DC NY 1915).

<sup>6</sup> *Mail and Express Co. v. Life Pub. Co.*, 192 Fed. 899 (2d Cir 1912). *Cf.* *Kaplan v. Fox Film Corp.*, 19 FSupp 780 (DC NY 1937).

<sup>7</sup> *Basevi v. Edward O'Toole Co.*, 26 FSupp 39 (DC NY 1937); *Jewelers' Circular Pub. Co. v. Keystone Pub. Co.*, 274 Fed 932 (DC NY 1921) *aff'd* 281 Fed 83 (2d Cir 1922) cert. denied 259 US 581, 42 Sct 464, 66 LEd 1074 (1922); *Da Prato Statuary Co. v. Giuliani Statuary Co.*, 189 Fed 90 (CC Minn 1911). In *Crocker v. General Drafting Co.*, 50 FSupp 634 (DC NY 1943) the design and setting of a road map displayed on a resort folder were considered component parts and hence were protected by the copyright.

<sup>8</sup> *Cf.* *Jackson v. Quicksip Co.*, 110 F2d 731 (2d Cir 1940) wherein a doll's rubber pants pasted on the inside of a copyrighted folded greeting card "were not within the copyright, either of themselves or as a component part of the card. . . . But the degree of protection afforded by the copyright is determined by what is actually copyrightable in the card and

not by its entire contents. . . . While the idea of fastening such an article to a greeting card may have been original with Jackson, there was nothing of literary or artistic production in the pants, any more than a safety pin attached to a card. There is no copyright for toys, badges, or similar apparatus, alone or fastened to a book."

<sup>9</sup> *Dam v. Kirk La Shelle Co.*, 166 Fed 589 (CC NY 1908) *aff'd*, 175 Fed 902 (2d Cir 1910), *Ford v. Blaney Amusement Co.*, 148 Fed 642 (CC NY 1906); *Harper & Bros. v. Donohue & Co.*, 144 Fed 491 (CC Ill 1905) *aff'd*, 146 Fed 1023 (7th Cir 1906).

<sup>10</sup> *Lydiard-Peterson Co. v. Woodman*, 204 Fed 921 (8th Cir 1913) rehearing denied, 205 Fed 900 (8th Cir 1914).

<sup>11</sup> *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (DC NY 1942); *Norden v. Oliver Ditson Co.*, 13 FSupp 415 (DC Mass 1936); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927); *Witmark & Sons v. Standard Music Roll Co.*, 213 Fed 532 (DC NJ 1914) *aff'd*, 221 Fed 376 (3d Cir 1915).

<sup>12</sup> 17 USCA § 8 (Supp 1951). This is discussed in § 33, *passim*.

component part, and hence is protected by § 3 of the Copyright Code.<sup>13</sup>

Since the non-copyrightable parts of a work are afforded no protection, a distinction must be made between copyrightability and the effect and extent of the copyright when obtained:

“If one takes matter which lies in the public domain, or which has been dedicated to the public by publication without securing copyright under the acts of Congress, and, adding thereto materials which are the result of his own efforts, publishes the whole and takes out a copyright of the book, the copyright is not void because of the inclusion therein of the uncopyrightable matter, but is valid as to the new and original matter which has been incorporated therein. It is necessary, however, to keep in mind the distinction between copyrightability and the effect and extent of the copyright when obtained. The degree of protection afforded by the copyright is measured by what is actually copyrightable in it; that is, by the degree and nature of the original work. See *Dick's v. Brooks*, LR 15, Ch Div 22.”<sup>14</sup>

The copyright secured on a televised film program protects “all the copyrightable component parts thereof.” Thus if the program is registered as a motion-picture photoplay or motion picture other than a photoplay, the entire contents of the program are protected. The copyright would protect original songs, background music, script and dialogue. If the program includes a series of correlated sequentially arranged still drawings, photographs, animated cartoons, print or pictorial illustrations, they would be protected since they are copyrightable component parts.

### 33. NEW VERSIONS OF WORKS IN THE PUBLIC DOMAIN.

Section 7 of the Copyright Code provides for a further kind of copyrightable works:

§ 7: “*Copyright on Compilations of Work in Public Domain or of Copyrighted Works; Subsisting Copyrights Not*

<sup>13</sup> *Dymow v. Bolton*, 11 F2d 690, 691 (2d Cir 1926); *Ricordi v. Columbia Gramophone Co.*, 270 Fed 882 (DC NY 1920); *Kipling v. Putnam's Sons*, 120 Fed 631 (2d Cir 1903).

<sup>14</sup> *American Code Co. Inc. v. Ben-singer*, 282 Fed 829, 834 (2d Cir 1922).

*Affected.*—Compilations or abridgments, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this title; but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.”<sup>1</sup>

This section “reenacts existing law and permits the copy-righting of abridgements and new versions of works, or works republished with new matter.”<sup>2</sup>

This section deals with three kinds of works:

- a) compilations, abridgements, adaptations, arrangements, dramatizations, translations or other versions of works in the public domain;
- b) the same of copyrighted works produced with the consent of the copyright proprietor;
- c) copyrighted works republished with new matter.

The first category requires little comment. It is illustrated by compilations of city directories,<sup>3</sup> catalogues,<sup>4</sup> the rearrangement and reclassification of legal syllabi,<sup>5</sup> an original compilation of statutes,<sup>6</sup> etc. As we have discussed elsewhere, an author must exercise some creative ability, skill and discretion in effectuating a compilation or abridgement.<sup>7</sup>

<sup>1</sup> 17 USCA § 7 (Supp 1951).

<sup>2</sup> HRep't No. 2222, 60th Cong 2d Sess (1909) which accompanied HR 28192.

<sup>3</sup> Chain Store Business Guide Inc. v. Wexler, 79 FSupp 726 (DC NY 1948); Dun v. Lumberman's Credit Ass'n, 209 US 20, 28 Sct 335, 52 LEd 663 (1906).

<sup>4</sup> Cf. Anschl v. Puritan Pharmaceutical Co., 61 F2d 131 (8th Cir 1932) cert. denied 287 US 666, 53 Sct 224, 77 LEd 574 (1932). See Jackson, *Compilations as Subjects for Copyright* (1943), 31 KyLJ 231.

<sup>5</sup> West Publishing Co. v. Edward Thompson Co., 176 Fed 833 (2d Cir

1910) *modifying* 169 Fed 833 (CC NY 1909).

<sup>6</sup> *Davidson v. Wheelock*, 27 Fed 61 (CC Minn 1866). See Jackson, *op. cit. supra*, note 4.

<sup>7</sup> *Infra* § 30. See Judge Wyzanski's opinion in *Triangle Publications v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942): “To constitute a copyrightable compilation, a compendium must ordinarily result from the labor of assembling, connecting and categorizing disparate facts which in nature occurred in isolation. A compilation, in short, is a synthesis. It is rare indeed that an analysis of any one actual occurrence could be re-

This category permits a writer to use material in the public domain and convert for example, a novel into a motion picture scenario or motion picture photoplay.<sup>8</sup> The latter is copyrightable provided it reflect originality and creative ability.<sup>9</sup>

This section has been employed by ASCAP and other performing right societies to maintain their repertoires. Thus, although a song may be in the public domain, a publishing house will have a new arrangement made of the song and make this copyrighted arrangement available to radio and television stations.<sup>10</sup> Since the average station does not maintain detailed records as to what songs are in the public domain, it must of necessity use the copyrighted version of the ASCAP publishing house. This has enabled ASCAP and the other performing right societies to continue their licenser-licensee status with the radio and television industry.<sup>11</sup>

The public policy in protecting derivative works is obvious. As we have discussed elsewhere, there are few works which are wholly original in the sense that they spring in their entirety from an author's mind.<sup>12</sup> The promotion of progress, science and the useful arts are advanced if an author may take such existing material and add new values to the same. Others may of course use such materials in the public domain. The copyright secured on such derivative works is obviously limited since the utilization of material in the public domain by more than one author may result in the creation of nearly identical new works.

A question of fact is tended the trier of facts as to whether sufficient changes have been made in the old matter to constitute a new copyrightable work.<sup>13</sup> Colorable changes in repro-

garded as a compilation. For an account of a single event to be subject to copyright, it must have individuality of expression or must reflect peculiar skill and judgment."

<sup>8</sup> *McCaleb v. Fox Film Corp.*, 299 Fed 48 (5th Cir 1924); *O'Neill v. General Film Co.*, 171 AppDiv 854, 157 NYSupp 1028 (1916).

<sup>9</sup> *Op. cit. supra*, note 7.

<sup>10</sup> A new adaptation or arrangement of a song is copyrightable under § 7 of the Copyright Code. E.g., *Baron v. Leo Feist Inc.*, 173 F2d 288, (2d Cir 1949); *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir

1947) cert. denied, 331 US 820, 67 S Ct 1310, 91 LEd 1837 (1948); *Norden v. Oliver Ditson Co.*, 13 FSupp 415 (DC Mass 1936); *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924).

<sup>11</sup> ASCAP and the other performing right societies are discussed in detail in § 130 *ff.*

<sup>12</sup> *Passim*, § 150.

<sup>13</sup> *Edmonds v. Stern*, 248 Fed 897, 898 (2d Cir 1918): "The propriety of separate and independent copyright always depends upon the presence or absence of original work." . . . ; *West Publishing Co. v. Thompson Publishing Co.*, 176 Fed 833 (2d Cir 1910).

ducing common materials viz., adding an alto part to a hymn in the public domain,<sup>14</sup> occasional changes in the length of certain notes resulting in slight rhythmical changes in the music,<sup>15</sup> retouching a photograph<sup>16</sup> are not sufficient to render the derivative work copyrightable.

The second category of works protected by § 7 are new versions of works in which copyright already exists. These are copyrightable only when produced with the consent of the copyright proprietor.<sup>17</sup> Thus abridgements, translations, adaptations, etc. of copyrighted works are new versions which may be copyrighted under § 7. As in the first category, colorable changes are insufficient to render the new version copyrightable. Substantial changes in the original work reflecting creative ability, skill and discretion are required before an author may secure a copyright in the new version.<sup>18</sup>

The third category of works protected by § 7 are copyrighted works republished with new matter. This refers primarily to new editions<sup>19</sup> of works previously copyrighted. Here again the copyrightability of a new edition calls for new and original matter.<sup>20</sup> The amount and extent of such new matter tenders a question of fact for the trier of facts. Mere colorable changes or additions to an earlier work are insufficient.<sup>21</sup> In this connection it should be pointed out that there cannot be two successive copyrights in the same work, so long as one is not a renewal of the other. This rule is illustrated by *Caliga v. Inter-Ocean Newspaper Co.*,<sup>22</sup> wherein it was held that copyright could not subsist in both a painting and in a photograph

<sup>14</sup> *Cooper v. James*, 213 Fed 871 (DC Ga 1914).

<sup>15</sup> *Norden v. Oliver Ditson Co.*, 13 FSupp 415 (DC Mass 1936). In *Shapiro Bernstein & Co. v. Vogel Music Co.*, 73 FSupp 165 (DC NY 1947), a new version of the copyrighted song "Melancholy" under the title "My Melancholy Baby", using the same lyrics but with an added chorus in march time and a slight variation in the bass of the accompaniment, was not a new work under § 7 of the Copyright Code.

<sup>16</sup> *Snow v. Laird*, 98 Fed 813, 816 (7th Cir 1900).

<sup>17</sup> *National Geographic Soc. v. Classified Geographic*, 27 FSupp 655 (DC Mass 1939).

<sup>18</sup> E.g. *Sieff v. Continental Auto Supply*, 39 FSupp 683 (DC Minn 1938); *General Drafting Co., Inc. v. Andrews*, 37 F2d 54 (2d Cir 1930).

<sup>19</sup> *Edmonds v. Stern*, 248 Fed 897 (2d Cir 1918); *West Publishing Co. v. Thompson Publishing Co.*, 176 Fed 833 (2d Cir 1910).

<sup>20</sup> *Caliga v. Inter-Ocean Newspaper Co.*, 157 Fed 186 (7th Cir 1907) *aff'd*, 215 US 182, 30 S Ct 38, 54 L Ed 150 (1909).

<sup>21</sup> *Snow v. Laird*, 98 Fed 813, 816 (7th Cir 1900). Cf. *Sauer v. Detroit Times*, 247 Fed 687 (DC Mich 1917).

<sup>22</sup> *Op. cit. supra*, note 20.

of such painting. If however, the photograph is an original work and not a mere mechanical copy of the painting, the former would be copyrightable.<sup>23</sup>

The final clause of § 7 provides:

“but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.”

The purpose of this clause is to preclude the copyright in the new version or edition from extending the copyright in the original work.<sup>24</sup> Were it otherwise, perpetual copyright would be created through the addition of new matter to old works.

The copyrights in the new version or edition and the original work are independent of each other.<sup>25</sup> When the copyright term of the original work expires, others are free to make new versions of the work since the latter is in the public domain.

#### 34. NON-COPYRIGHTABLE MATERIAL.

The right secured by copyright is not the right to use certain words nor the right to employ ideas expressed thereby; rather it is the right to that arrangement or order of words which the author has selected to express his ideas.<sup>1</sup> Thus the

<sup>23</sup> See *Cory v. Physical Culture Hotel*, 14 FSupp 977 (DC NY 1936) *aff'd*, 88 F2d 811 (2d Cir 1937); *Pagano v. Bessler*, 234 Fed 963 (DC NY 1916); *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921), *aff'd*, 281 Fed 83 (2d Cir 1922) cert. denied, 259 US 581, 42 Sct 464, 66 LEd 1074 (1922).

<sup>24</sup> *Freedman v. Milnag Leasing Corp.*, 20 FSupp 802 (DC NY 1937); *Kipling v. Putnam's Sons*, 120 Fed 631, 634 (2d Cir 1903).

<sup>25</sup> *Glaser v. St. Elmo Co.*, 175 Fed 276 (DC NY 1909).

<sup>1</sup> *Dorsey v. Old Surety Life Insurance Co.*, 98 F2d 872, 119 ALR 1250 (10th Cir 1938) citing *Kaesser & Blair, Inc. v. Merchant's Ass'n Inc.*, 64 F2d 575, 577 (6th Cir 1936): “It has been

frequently held that the copyright law does not afford protection against the use of an idea, but only as to the means by which the idea is expressed”; *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945), cert. denied, 327 US 790, 66 Sct 802, 90 LEd 1016 (1946); *Becker v. Loew's Inc.*, 133 F2d 889 (7th Cir 1943), cert. denied, 319 US 772, 63 Sct 1438, 87 LEd 1720 (1944); *Gropper v. Warner Bros. Pictures*, 38 FSupp 329 (DC NY 1941); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944); *Taylor v. Com'r of Internal Revenue*, 51 F2d 915 (3d Cir 1931), 284 US 689, 52 Sct 265, 76 LEd 581 (1932); *Lewy's v. O'Neill*, 49 F2d 603, 607 (DC NY 1931); *Nichols v. Universal Pictures Corp.*, 34 F2d 145, 147 (DC NY 1929),

theme<sup>2</sup> or plot<sup>3</sup> of a novel or play, or an historical incident<sup>4</sup> cannot be protected apart from its form or expression.<sup>5</sup> Similarly ideas or opinions cannot be the subject of copyright but only the form in which they are expressed.<sup>6</sup>

The refusal of the courts to protect ideas is premised on two grounds:

Courts are reluctant to protect via statutory copyright ideas which have not been reduced to a concrete form. An idea is too nebulous to protect. Thus a plaintiff who conceived the idea of synchronizing symphonic music of classical renown with animated motion picture cartoons and mailed to the defendant a letter setting out his plan to which were attached the "scenarios" for two musical compositions, did not have a "property (interest) in any legal sense, entitled to protection in a court of law." Plaintiff's cause of action was dismissed despite the defendant's use of plaintiff's plan because the court could not protect anything so unsubstantial and incorporeal as an idea.<sup>7</sup>

The second ground for denying protection of the Copyright Code to ideas is premised on grounds of public policy. The grant of a monopoly in ideas would discourage authors and inventors from exploiting their ideas for the common good and thus restrict the opportunity for progress.<sup>8</sup>

cert. denied 282 US 902, 51 Sct 216, 75 LEd 795 (1930); *Holmes v. Hurst*, 174 US 82, 19 Sct 606, 43 LEd 904 (1899). See also, *Yankwich, Originality in the Law of Intellectual Property* (1951), 11 FRD 457.

<sup>2</sup> *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945), cert. denied 327 US 790, 66 Sct 802, 90 LEd 1016 (1946): "... it is that only in the expression of a copyrighted work does any monopoly inhere; the 'theme', the 'plot', the 'ideas' may always be freely borrowed"; *Gropper v. Warner Bros. Pictures*, 38 FSupp 329 (DC NY 1941); *Rush v. Oursler*, 39 F2d 468 (DC NY 1930). Cf. *Simonton v. Gordon*, 297 Fed 625 (DC NY 1924).

<sup>3</sup> *Ibid.* *Dymow v. Bolton*, 11 F2d 690, 691 (2d Cir 1926): "A plot, the mere concept of a situation around which to build and develop literary adornment is not copyrightable." But cf. *Golding v. RKO Pictures Inc.*, 35

Cal2d 690, 221 P2d 95 (1950); *Nichols v. Universal Pictures Corp.*, 34 F2d 145, 147 (DC NY 1929), cert. denied, 282 US 902, 51 Sct 216, 75 LEd 795 (1930); *Dam v. Kirk La Shelle Co.*, 166 Fed 589 (DC NY 1908), *aff'd*, 175 Fed 902 (2d Cir 1910).

<sup>4</sup> *Echevarria v. Warner Bros. Pictures*, 12 FSupp 632 (DC Calif 1935); *Caruthers v. RKO Pictures Inc.*, 20 FSupp 906 (DC NY 1937).

<sup>5</sup> *Op. cit. supra*, note 1.

<sup>6</sup> *Ibid.*

<sup>7</sup> *Tutelman v. Stokowski*, 44 USPQ 47 (CP Pa 1939); *Futter v. Paramount Pictures Inc.*, 69 NYS2d 438 (Sct 1947); *Christianson v. West Pub. Co.*, 149 F2d 202 (9th Cir 1945); *Kanover v. Marks*, 91 USPQ 370 (DC NY 1951).

<sup>8</sup> *Eichel v. Marcin*, 241 Fed 404, 408 (DC NY 1913); *Baker v. Selden*, 101 US 99, 26 LEd 841 (1879); *De Montijo v. Twentieth Century-Fox Film*

The Copyright Code, as stated above does not purport to give a monopoly in ideas; it does protect the order or combination of ideas and the form or media for reproducing or communicating such ideas. Thus in the case of a literary work, the statute protects the expression of thought in print or writing.<sup>9</sup>

But not all works which have been reduced to writing are copyrightable. Thus a system of bookkeeping,<sup>10</sup> blank forms,<sup>11</sup> checks,<sup>12</sup> vouchers,<sup>13</sup> standardized forms of insurance policies<sup>14</sup> and standardized clauses in contracts,<sup>15</sup> deeds, notes, mortgages, etc., are non-copyrightable.<sup>16</sup> They lack originality. Thus standard provisions in insurance policies, some of which are required by statute, reflect the result of long study and experience; but they are lacking in originality; they are in the public domain.<sup>17a</sup> Of course the Copyright Code protects the particular provisions and the particular means employed to express the contractual terms of the insurance policies; but the copyright does not restrict the right of others to use the plans or ideas of insurance embraced in the policies.<sup>17b</sup>

Systems of bookkeeping,<sup>18</sup> or piano-teaching<sup>19</sup> and the various forms used in connection with such systems are non-copyrightable since they would hamper the business world in

Corp., 40 FSupp 133 (DC Cal 1941); Seltzer v. Sunbrock, 22 FSupp 621 (DC Cal 1938); Carter v. Bailey, 64 Me (4 Smith) 458 (1876).

<sup>9</sup> Dellar v. Samuel Goldwyn Inc., 150 F2d 612 (2d Cir 1945), cert. denied, 327 US 790, 66 Sct 802, 90 LEd 1016 (1945); Christianson v. West Pub. Co., 149 F2d 202 (9th Cir 1945); Crume v. Pacific Mutual Life Ins. Co., 140 F2d 182, (7th Cir 1944) cert. denied, 322 US 755, 64 Sct 1265, 88 LEd 1584 (1945).

<sup>10</sup> Baker v. Selden, 101 US 99, 26 LEd 841 (1879); Aldrich v. Remington Rand, Inc., 52 FSupp 732 (DC Tex 1942). In Kanover v. Marks, 91 USPQ 370 (DC NY 1951) a system of cards or reports specially adapted for use in servicing, inspection and repair of radio and television sets was not copyrightable.

<sup>11</sup> *Ibid.*

<sup>12</sup> Everson v. Young, 26 WashLLRep 546.

<sup>13</sup> *Ibid.*

<sup>14</sup> Dorsey v. Old Surety Life Ins. Co., 98 F2d 872, 119 ALR 1250 (10th Cir 1938).

<sup>15</sup> American Institute of Architects v. Fenichel, 41 FSupp 146 (DC NY 1941).

- <sup>16</sup> *Op. cit. supra*, note 12.

<sup>17a</sup> Dorsey v. Old Surety Life Ins. Co., 98 F2d 872, 119 ALR 1250 (10th Cir 1938).

<sup>17b</sup> *Id.*

<sup>18</sup> *Op. cit. supra*, note 10.

<sup>19</sup> Stone & McCarrick v. Dugan Piano Co., 210 Fed 399 (DC La 1914). There can be no copyright in a system of shorthand. Brief English Systems Inc. v. Owens, 48 F2d 555 (2d Cir 1931) cert. denied, 283 US 858, 51 Sct 650, 75 LEd 1464 (1932), insurance plan, Crume v. Pacific Mutual Life

the free use of such material. As was stated in *Baker v. Selden*:

“The copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them, so as to prevent an engineer from using them whenever occasion requires. The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book. And where the art it teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and given therewith to the public; not given for the purpose of publication in other words explanatory of the art, but for the purpose of practical application.”<sup>20</sup>

Neither can the Copyright Code be employed as a substitute for patent protection. Thus a chart employed to record temperatures is not copyrightable since it was a mechanical element of an instrument and was indispensable to its operation; it neither taught nor explained the use of the art but was the art itself.<sup>21</sup> To permit copyright protection upon a mechanical device, which belongs in the patent field could extend the patent protection which is restricted to seventeen years<sup>22</sup> to an additional thirty-nine years.<sup>23</sup>

*Ins. Co.*, 140 F2d 182, (7th Cir 1944), cert. denied, 322 US 755, 64 Sct 1265, 88 LEd 1584 (1945), *old age pensions*, *Long v. Jordan*, 29 FSupp 287 (DC Cal 1939), *bank night*, *Affiliated Enterprises v. Gruber*, 86 F2d 958 (1st Cir 1936), system for conducting races on roller skates, *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938).

<sup>20</sup> *Baker v. Selden*, 101 US 99, 26 LEd 841 (1879); *Kanover v. Marks*, 91 USPQ 370 (DC NY 1951).

<sup>21</sup> *Taylor Instrument Co. v. Fawley-Brost Co.*, 139 F2d 98, (7th Cir 1943) cert. denied, 321 US 785, 64 Sct 782, 88 LEd 1076 (1944); *Brown Instrument Co. v. Warner*, Register of Copyrights, 161 F2d 910 (USApp DC 1947), cert. denied, 332 US 801, 68 Sct 101, 92 LEd 380 (1947): “Articles intended for practical use in cooperation

with a machine are not copyrightable. *White-Smith Music Pub. Co. v. Apollo Co.*, 209 US 1, 28 Sct 319, 52 LEd 655, 14 AnnCas 628. Both law and policy forbid monopolizing a machine except within the comparatively narrow limits of the patent system. In several patents on recording machines, the necessary printed chart is rightly claimed as one of the operative elements. Since the machines which cooperate with the charts in suit are useless without them, to copyright the charts would in effect continue appellant’s monopoly of its machines beyond the time authorized by the patent law.”

<sup>22</sup> Act of May 23, 1930, 46 STAT 376, 35 USCA § 40.

<sup>23</sup> The original term of a copyright is 28 years; it may be renewed for a second 28 year term. 17 USCA § 24.

In this connection the similarities between patents and copyrights warrant discussion. Both are intended "to promote the Progress of Science and useful Arts by securing for Limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>24</sup> Both are limited monopolies. But the monopoly granted by the patent law calls for inventive genius<sup>25</sup> and precludes others from making, using and vending the work.<sup>26</sup> The Copyright Code on the other hand requires that the "writing" be original.<sup>27</sup> But originality as we have discussed elsewhere does not require that the work be derived in its entirety from an author's mind.<sup>28</sup> Whereas a patent is a link in technical progress, the copyright secured by an author is not a link in the development of art and literature; at most it is an expression of such development.<sup>29</sup> "Copyright" to quote Judge Learned Hand "in any form, whether statutory or at common-law is a monopoly; it consists only in the power to prevent others from reproducing the copyrighted work."<sup>30</sup> But this negative right does not bar other authors from using the information contained in a copyrighted work and adding to the store

<sup>24</sup> U. S. Constitution, Art. I, § 8, c. 8. See Fenning, *The Origin of the Patent and Copyright Clause of the Constitution* (1929), 17 *GeoLJ* 109.

<sup>25</sup> Act of July 8, 1870, 16 STAT. 201, 35 USCA § 31: "Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than one year prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor." A patent calls for the "flash of creative genius" *Myers & Bro. v. Gould Pump*, 91 FSupp 475 (DC NY 1950); *Borders v. Ray*, 44 FSupp 478 (DC Mass 1942); *Winsted Hardware*

*Mfg. Co. v. Samson-United Corp.*, 37 FSupp 1002 (DC NY 1941) *aff'd*, 141 F2d 502 (2d Cir 1942).

<sup>26</sup> *United States v. United Shoe Machinery Co.*, 247 US 32, 38 Sct 473, 62 LEd 968 (1918), *affirming* 222 Fed 349 (1915); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 US 502, 37 Sct 416, 61 LEd 871 (1916); *Standard Sanitary Mfg. Co. v. United States*, 226 US 20, 33 Sct 9, 57 LEd 107 (1912); *Continental Paper Co. v. Eastern Paper Bag Co.*, 210 US 405, 28 Sct 748, 52 LEd 1122 (1908).

<sup>27</sup> *Infra*, § 30.

<sup>28</sup> *Ibid.* See also *Alfred Bell & Co. v. Catalda Fine Arts Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>29</sup> *Cf.* Powell, *The Nature of a Patent Right* (1917) 17 *CalLRev* 663, 665; Leesman, *The Protection Which the Copyright Law Affords* (1942) 36 *IllLRev* 453; Wolff, *Copyright Law and Patent Law: A Comparison* (1942) 27 *IaLRev* 250.

<sup>30</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert. denied, 311 US 712, 61 Sct 393, 394, 85 LEd 463 (1940).

of knowledge, science and the useful arts. "The public is not free to use the invention described in a patent, but it is privileged to use whatever information is imparted in a copyrighted book about any system, art or manufacture described in it."<sup>31</sup>

As we have discussed elsewhere, utilitarian articles which are incidentally ornamental are not copyrightable;<sup>32</sup> neither are articles intended for practical use in cooperation with a machine.<sup>33</sup> Similarly mechanical instruments such as phonograph records, rolls, tapes, discs, etc. cannot be copyrighted.<sup>34</sup> Also excluded from copyright protection are the mechanical devices used in the production of a play or motion picture,<sup>35</sup> the gestures or motions of actors,<sup>36</sup> the movement of a dance or spectacle,<sup>37</sup> scenery,<sup>38</sup> toys,<sup>39</sup> dolls<sup>40</sup> and games.<sup>41</sup> In *Chamberlin v. Uris Sales Corporation*, plaintiff brought an action to restrain an alleged infringement of the copyright of the "Acy-Ducy Game and Rules." The court dismissed the

<sup>31</sup> *Aldrich v. Remington Rand, Inc.*, 52 FSupp 732 (DC Tex 1942); *Taylor Instrument Companies v. Fawley Brost Co.*, 139 F2d 98, 99 (7th Cir 1943), cert. denied, 321 US 785, 64 Sct 782, 88 LEd 1076 (1943): "The object of (copyright) is explanation, the object of (patent) is use."

<sup>32</sup> *Infra*, § 31g.

<sup>33</sup> *Brown Instrument Co. v. Warner, Register of Copyrights*, 161 F2d 910 (USApp DC 1947), cert. denied, 332 US 801, 68 Sct 101, 92 LEd 380 (1947); *Amberg File & Index Co. v. Shea Smith & Co.*, 82 Fed 314 (7th Cir 1897); *Taylor Instrument Co. v. Fawley-Brost Co.*, 139 F2d 98 (7th Cir 1943), cert. denied, 321 US 785, 64 Sct 782, 88 LEd 1076 (1944).

<sup>34</sup> *Jerome v. Twentieth Century Fox Film Corp.*, 67 FSupp 736 (DC NY 1946) *aff'd*, 165 F2d 784 (2d Cir 1947); *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937); *White Smith Music Pub. Co. v. Apollo Co.*, 209 US 1, 28 Sct 319, 52 LEd 655 (1908).

<sup>35</sup> *Supreme Records v. Decca Records*, 90 FSupp 904 (DC Cal 1950); *Barnes v. Miner*, 122 Fed 480 (DC NY 1903); *Serana v. Jefferson*, 33 Fed 347 (DC NY 1888).

<sup>36</sup> *Harold Lloyd Corp. v. Witwer*, 65 F2d 1, 22, (9th Cir 1933), cert.

dismissed, 292 US 658, 54 Sct 94, 78 LEd 1507 (1933); *Sheldon v. Metro-Goldwyn-Mayer Corp.*, 7 FSupp 837 (DC NY 1934); *Chappell & Co. v. Fields*, 210 Fed 864 (2d Cir 1914); *Savage v. Hoffman*, 159 Fed 584 (DC NY 1908); *Bloom & Hamlin Inc. v. Nixon*, 125 Fed 977 (DC Pa 1903).

<sup>37</sup> *Fuller & Bemis*, 50 Fed 928 (DC NY 1892).

<sup>38</sup> *Schwarz v. Universal Pictures*, 85 FSupp 270 (DC Cal 1949); *Echevarria v. Warner Bros.*, 12 FSupp 633 (DC Cal 1935); *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938).

<sup>39</sup> *Jackson v. Quickslip Co.*, 110 F2d 731 (2d Cir 1940).

<sup>40</sup> *Cf. Horsman & Aetna Doll Co. v. Kaufman*, 285 Fed 373 (2d Cir 1922) with *King Feature Syndicate v. Fleischer*, 299 Fed 533 (2d Cir 1924); *Kallus v. Bimblek Toy Mfg. Co.*, 229 AppDiv 313, 241 NYSupp 105 (1930). See *Gruelle v. Molly D'-Es Doll Out-fitters*, 94 F2d 172 (3d Cir 1937).

<sup>41</sup> *Chamberlin v. Uris Sales Corp.*, 150 F2d 512 (2d Cir 1945); *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938); *Downes v. Culbertson*, 153 Misc 14, 275 NYSupp 233 (1934); *Russel v. Northeastern Pub. Co.*, 7 FSupp 571 (DC Mass 1934); *Whist Club v. Foster*, 42 F2d 782 (DC NY 1930).

complaint because the product lacked "all creative originality." The evidence disclosed that the game had originated in India and that plaintiff's copyright could not prevent others from using the basic principles of the game. A subsidiary question tendered was whether the rules of the game drafted by the plaintiff were copyrightable. The lower court doubted whether they were copyrightable. The appellate court held that the "originality" required for copyrightability referred to the form of expression and not to the novelty in the subject matter.<sup>42</sup>

Section 8 spells out an additional category of works which are non-copyrightable:

§ 8: "*Copyright Not To Subsist in Works in Public Domain, or Published Prior to July 1, 1909, and not Already Copyrighted, or Government Publications; Publication by Government of Copyrighted Material.*—No copyright shall subsist in the original text of any work which is in the public domain, or in any work which was published in this country or any foreign country prior to July 1, 1909, and has not been already copyrighted in the United States, or in any publication of the United States Government, or any reprint, in whole or in part, thereof: *Provided*, That copyright may be secured by the Postmaster General on behalf of the United States in the whole or any part of the publications authorized by section 1 of the Act of June 27, 1938 (39 U.S.C. 371).

The publication or republication by the Government, either separately or in a public document, of any material in which copyright is subsisting shall not be taken to cause any abridgment or annulment of the copyright or to authorize any use or appropriation of such copyright material without the consent of the copyright proprietor."<sup>43</sup>

This section provides for three sub-categories of works which are non-copyrightable:

1. the original text of a work which is in the public domain.<sup>44</sup> As discussed elsewhere § 7 of the Copyright Code permits

<sup>42</sup> *Ibid.* and see particularly *Whist Club v. Foster*, 42 F2d 782 (DC NY 1930).

<sup>43</sup> 17 USCA, § 8.

<sup>44</sup> *Sawyer v. Crowell Pub. Co.*, 46 FSupp 471 (DC NY 1942), *aff'd*, 142

F2d 497 (2d Cir 1943) cert. denied, 323 US 735, 65 Sct 74, 89 LEd 589 (1943); *O'Neill v. General Film Co.*, 152 NYSupp 599 (1915), *aff'd*, 171 AppDiv 854, 157 NYSupp 1028 (1916).

abridgements, adaptations, arrangements, dramatizations or other versions of works in the public domain provided that the author thereof exercises creative ability, skill and discretion in his compilation.<sup>45</sup>

2. any work published in this country prior to July 1, 1909 and which had not already been copyrighted under prior legislation. The purpose of this provision was to prevent anything that had become part of the public domain from being copyrighted.<sup>46</sup>

3. works published in any foreign country before the effective date of the Copyright Act of 1909 and not copyrighted in the United States.

Section 8 specifically provides that governmental publications are in the public domain. Illustrative of this category are court opinions,<sup>47</sup> government maps,<sup>48</sup> patent specifications,<sup>49</sup> etc.

The last clause of § 8 provides that the use by the government of copyrighted matter does not affect the rights of the copyright owner in his work. This clause was inserted "for the reason that the Government often desires to make use in its publications of copyrighted material, with the consent of the owner of the copyright, and it has been regarded heretofore as necessary to pass a special act every time this was done, providing that such use by the Government should not be taken to give to anyone the right to use the copyrighted material found in the Government publication. It was thought best, instead of being obliged to resort every little while to a special act, to have some general legislation on the subject."<sup>50</sup>

This proviso clause requires the Government to obtain the

<sup>45</sup> *Infra*, § 33.

<sup>46</sup> *Encyclopedia Britannica Co. v. Werner*, 135 Fed 841 (CC NJ 1905), *aff'd*, 142 Fed 966 (3d Cir 1906).

<sup>47</sup> *Wheaton v. Peters*, 8 Pet 591, 8 LE<sup>d</sup> 1055 (1834), *Howell v. Miller*, 91 Fed 129 (5th Cir 1898). But *cf.* *Anderson Co. v. Baldwin Law Pub. Co.*, 27 F2d 82, (6th Cir 1928).

<sup>48</sup> *Sawyer v. Crowell Pub. Co.*, 46 FS<sup>upp</sup> 471 (DC NY 1942), *aff'd*, 142 F2d 497 (2d Cir 1943), cert. denied, 323 US 735, 65 S<sup>ct</sup> 74, 89 LE<sup>d</sup> 589 (1943); *Christianson v. West Pub. Co.*, 149 F2d 202 (9th Cir 1945); *Woodman*

*v. Lydiard Peterson Co.*, 192 Fed 67 (CC Minn 1912); *Amsterdam v. Triangle Publications*, 189 F2d 104 (3d Cir 1951).

<sup>49</sup> *Korzybyski v. Underwood*, 36 F2d 727 (2d Cir 1929). See also *Du Puy v. Post Telegram Co.*, 210 Fed 883 (DC NJ 1914); *Aviation Guide Co. v. American Aviation Associates*, 150 F2d 173 (7th Cir 1945), cert. denied, 326 US 776, 66 S<sup>ct</sup> 267, 90 LE<sup>d</sup> 469 (1946).

<sup>50</sup> H<sup>Rep</sup>'t No. 2222, 60th Cong 2d Sess (1909) which accompanied H<sup>R</sup> 28192.

consent of the copyright proprietor before using the latter's work or a part thereof in a governmental publication.

May the Government be sued if it uses copyrighted material without the author's permission? Prior to the Federal Tort Claims Act, a copyright proprietor had no recourse against the Government.<sup>51</sup> It is believed that under this Act, a copyright proprietor may sue the United States in the appropriate federal court for copyright infringement. Such a suit would be for "money damages . . . . for injury or loss of property."<sup>52</sup> In this connection, the head of each federal agency is authorized to adjust, determine and settle any claims for money damages of \$1000 or less accruing on and after January 1, 1945.<sup>53</sup>

We have discussed elsewhere<sup>54</sup> that news as such cannot be copyrighted, however, if an article reflects originality and literary merit apart from the bare recital of facts and statements it is protected by the Copyright Code.<sup>55</sup>

We shall discuss elsewhere the inapplicability of the Copyright Code to titles,<sup>56</sup> character names<sup>57</sup> and the renditions or performances by interpretive artists.<sup>58</sup>

<sup>51</sup> Howell, *The Copyright Law* (1948) 41.

<sup>52</sup> Act of June 25, 1948, 62 STAT 933 as amended by Act of April 25, 1949, 63 STAT 62, as amended by Act of May 24, 1949, 63 STAT 101, 28 USCA § 1346(b). *Cf.* *Towle v. Ross*, 32 FSupp 125 (DC Ore 1940).

<sup>53</sup> Act of June 25, 1948, 62 STAT 983, as amended by Act of April 25,

1949, 63 STAT 62, as amended by Act of May 24, 1949, 63 STAT 106, 28 USCA, § 2672.

<sup>54</sup> *Infra*, § 31b.

<sup>55</sup> *Chicago Record-Herald v. Tribune Co.*, 279 Fed 797, 798 (7th Cir 1921).

<sup>56</sup> *Passim*, § 231a.

<sup>57</sup> *Passim*, § 231b.

<sup>58</sup> *Passim*, §§ 215 and 216.

## Chapter IV

### PERSONS WHO MAY SECURE STATUTORY COPYRIGHT

#### § 40. Proprietorship.

41. Proprietor-Employer-Employee Relationship.
42. Equitable Ownership of Copyright.
43. Joint Owners.
44. Aliens and Citizens of a Foreign State or Nation.

#### 40. PROPRIETORSHIP.

Section 9 of the Copyright Code extends the copyright privilege to the "authors and proprietors of any work."<sup>1</sup> Section 10 provides that copyright may be secured by "any person entitled thereto by this title."<sup>2</sup> Both sections when read together confer the copyright privilege not only to an individual,<sup>3</sup> but to a partnership,<sup>4</sup> corporation,<sup>5</sup> joint adventurers<sup>6</sup> and trustee.<sup>7</sup>

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 9 (Supp 1951): § 9: "Authors or Proprietors, Entitled; Aliens.—The author or proprietor of any work made the subject by this title, or his executors, administrators, or assigns, shall have copyright for such work under the conditions and for the terms specified in this title: Provided, however, That the copyright secured by this title shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation only: . . . ."

<sup>2</sup> *Ibid*, § 10.

<sup>3</sup> E.g., *McClintic v. Sheldon*, 182 Misc 32, 43 NYS2d 695 (1943) *reversed on other grounds*, 269 AppDiv 356, 55 NYS2d 879 (1944), *aff'd*, 295 NY 682, 65 NE2d 328 (1945); *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937).

<sup>4</sup> *Foreign & Domestic Music Corp. v. Twentieth Century-Fox Film Corp.*, 19 FSupp 769 (DC NY 1937); *Scribner v. Allen Co.*, 49 Fed 854 (CC NY 1892); *Campbell v. Wireback*, 269 Fed 372 (3d Cir 1920).

<sup>5</sup> *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (DC NY 1942); *Quinn-Brown Publishing Co. v. Chilton Co.*, 15 FSupp 213 (DC NY 1936); *Mutual Advertising Co. v. Refo*, 76 Fed 961 (CC SC 1896). *Cf.* *Edward Thompson Co. v. American Law Book Co.*, 119 Fed 217 (CC NY 1902); *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (DC Pa 1911).

<sup>6</sup> *Cf.* *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (DC NY 1942), *aff'd* 140 F2d 266 (2d Cir 1944); *National Comics Publications v. Fawcett Publications*, 93 FSupp 349 (DC NY 1950) *reversed on other grounds*, 191 F2d 594 (2d Cir 1951).

<sup>7</sup> *Yardley v. Houghton Mifflin Co.*, 25 FSupp 361 (DC NY 1938), *aff'd*, 108 F2d 28 (2d Cir 1939) *cert. denied*, 309 US 686, 60 S Ct 891, 84 LEd 1029 (1940); *Marks Music Corp. v. Vogel Music Co.* (DC NY 1942); *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937); *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 383 (DC Ohio 1932); *Hanson v. Jaccard Jewelry Co.*, 32 Fed 202 (CC Mo 1887).

## 41. PROPRIETOR-EMPLOYER-EMPLOYEE RELATIONSHIP.

Under common-law copyright and in the absence of a special agreement between the parties, the law presumes in an employer-employee relationship, the employer as the sole proprietor of the common law rights.<sup>1</sup> Thus if an author is employed by a program producer, there is a presumption that all creative work done by the author within the scope of his employment belongs to his employer.<sup>2</sup> This presumption has been applied where the author is compensated upon a profit-sharing arrangement<sup>3</sup> or is paid upon a quantity basis i.e., so much per page.<sup>4</sup> The right of ownership inures in the employer because of the servant-master relationship; and no formal assignment of rights by an employee-author is necessary.<sup>5</sup>

The common law rule has been incorporated into the statute. Section 26 of the Copyright Code provides in part that "the word 'author' shall include an employer in the case of works made for hire."<sup>6</sup> Under this provision a television producer who employs a script writer, derives and receives full rights of ownership; this includes the right to obtain copyright in his own name of all works created by the script writer within the scope of his employment, unless there is an express reservation to the contrary.<sup>7</sup> The word "author" would include

<sup>1</sup> *Yardley v. Houghton Mifflin Co.*, 25 FSupp 361 (DC NY 1938), *aff'd*, 108 F2d 28 (2d Cir 1939), cert. denied, 309 US 686, 60 Sct 891, 84 LEd 1029 (1940); *Brown v. Mollé Co.*, 20 FSupp 135 (DC NY 1937); *Werckmeister v. Springer Lithographing Co.*, 63 Fed 808 (DC NY 1894).

<sup>2</sup> *Brown v. Mollé Co.*, 20 FSupp 135 (DC NY 1937). See also *Sawyer v. Crowell Publishing Co.*, 46 FSupp 471 (DC NY 1942), *affirmed* 142 F2d 497 (2d Cir 1943), cert. denied, 323 US 735, 65 Sct 74, 89 LEd 589 (1944); *Tobani v. Carl Fischer, Inc.*, 2d Cir 1938, 98 F2d 57, cert. denied, 305 US 650, 59 Sct 243, 83 LEd 420 (1939).

<sup>3</sup> *Mallory v. Mackaye* (CC NY 1898) 86 Fed 122.

<sup>4</sup> *Cox v. Cox*, 1 EqRep 94, 68 EngRep (Ch 1853); *Lawrence v. Aflaflo* [1902] 1 Ch 264; see *London University Press v. University Tutorial Service* [1916] 2 Ch 601; *Mallory v. Mackaye*, 86 Fed 122 (CC NY 1898).

<sup>5</sup> *Philips v. WGN, Inc.*, 307 Ill App 1, 29 NE2d 840 (1940); *Brown v. Mollé Co.*, 20 FSupp 135 (DC NY 1937).

<sup>6</sup> 61 STAT 652, 17 USCA, § 26 (Supp 1951).

<sup>7</sup> *Tobani v. Carl Fischer Inc.*, 98 F2d 57 (2d Cir 1938), cert. denied, 305 US 650, 59 Sct 243, 83 LEd 420 (1939) and cases cited therein; *Harris v. Twentieth Century-Fox Film Corp.*, 35 FSupp 153, (DC NY 1940).

not only an individual,<sup>8</sup> partnership<sup>9</sup> or corporation<sup>10</sup> acting as an employer, but also the Government.<sup>11</sup>

In *Philips v. WGN Inc.*,<sup>12</sup> plaintiff was employed to prepare scripts for broadcasting and was paid \$25 per week. Plaintiff without defendants' knowledge secured copyright registration for the first ten scripts. Plaintiff was subsequently discharged; defendants continued the production of the serial from scripts prepared by another employee. Plaintiff instituted suit to restrain defendants from broadcasting the program; she invoked the copyright act and also sought damages via an unfair competition count. The basic issue before the courts was the ownership of the scripts. The court found for the defendants:

“Property rights in literary and other property, the product of the brain as between employer and employee, are determined by what was contemplated by the contract of employment.”

The evidence supported the finding that plaintiff was employed to perform particular services, that she did the work and was paid for it, “and in such a situation under the law

<sup>8</sup> *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937); *Keene v. Wheatley* FCas No 7,644 (CC Pa, 1861).

<sup>9</sup> *Cf. Campbell v. Wireback*, 261 Fed 391 (DC Md 1919) *aff'd*, 269 Fed 372 (3d Cir 1920); *Scribner v. Allen Co.*, 49 Fed 854 (CC NY 1892).

<sup>10</sup> *Vitaphone Corp. v. Hutchinson Amusement Co.*, 28 FSupp 526 (DC Mass 1939), *conformed to mandate*, 93 F2d 176 (1st Cir 1939); *Gaumont v. Hatch*, 208 Fed 378 (DC Pa 1913); *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (DC Pa 1911); *Colliery Engineering Co. v. United Correspondence Schools*, 94 Fed 152 (CC NY 1899).

<sup>11</sup> *Sawyer v. Crowell Publishing Co.*, 46 FSupp 471 (DC NY 1942), *aff'd*, 142 F2d 497 (2d Cir 1943), cert. denied, 323 US 735, 65 Sct 74, 89 LEd 589 (1944); *Howell The Copyright Law* (1948) 52: “Sometimes it happens that a celebrity lends his name to a series of articles, not by himself, but by a so-called ‘ghost-writer.’ In

a recent British decision it was held that if the actual form of expression was the ‘ghost’s’ he, and not the celebrity is the sole author and entitled to the copyright. *Donoghue v. Allied Newspapers, Ltd.*, LR 1938, 1 Ch 106. No case on this point has arisen in our courts, as far as is known, but under section 62[26], if the ‘ghost’ was employed by the celebrity to write the articles ‘for hire,’ the latter would presumably be entitled to the copyright privilege in the absence of agreement to the contrary. And see *Oliver v. St. Germain*, 51 USPQ 20, 41 FSupp 296 (1941) (‘spiritual’ author).”

See also *White v. Kimmel*, 94 FSupp 502. (DC Cal 1950) *reversed on other grounds*, 193 F2d 744 (9th Cir. 1952) wherein a book which “embodied some communications from the spirit world” was protected by common law copyright.

<sup>12</sup> 307 IllApp 1, 29 NE2d 849 (1940); Note, 12 AirLRev 87 (1941).

the ownership in the result of what was done belonged to the defendants.’<sup>13</sup>

An employment agreement or a contract for hire does not necessarily preclude the employee or writer from securing a valid copyright. The intent of the parties is decisive on this issue.<sup>14</sup> If the contract is silent on this issue, the law presumes that the copyright vests in the employer.<sup>15</sup> Thus if an artist accepts a commission to paint a picture, the presumption is that the patron acquires the copyright unless by the terms of the contract, express or implied, the artist reserved the copyright in himself.<sup>16</sup> Similarly, in a photograph for hire, the copyright vests in the employer-sitter;<sup>17</sup> but if the photograph is taken at the solicitation and expense of the photographer, the latter acquires the copyright.<sup>18</sup> As a general rule, where there is no contract or reservation of rights between the parties, the submission of a work for publication imports the presumption that the copyright is to be owned by the publisher.<sup>19</sup> The accepted practice in the publishing, music, motion picture, radio and television industries is for the contract to specifically spell out who shall acquire the copyright.<sup>20</sup>

<sup>13</sup> *Ibid.* at 10; *Up roar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934) *modified*, 81 F2d 373 (1st Cir 1936), cert. denied 298 US 670, 56 SCT 835, 80 LEd 1393 (1936).

<sup>14</sup> *Anderson Co. v. Baldwin Law Publishing Co.*, 27 F2d 82 (6th Cir 1928); Weil, *Copyright Law* (1917) 574.

<sup>15</sup> Weil, 574: “*Prima facie*, where employment and payment for work are shown, the inference is that it is to belong to the employer”; *Otten v. Curtis Publishing Co.*, 91 USPQ 222 (NYSupCt 1951).

<sup>16</sup> *Yardley v. Houghton Mifflin Co.*, 25 FSupp 361, (DC NY 1938), *aff'd*, 108 F2d 28 (2d Cir 1939), cert. denied, 309 US 686, 60 SCT 801, 84 LEd 1029 (1940); *Dielman v. White*, 102 Fed 892 (DC Mass 1900); *Otten v. Curtis Publishing Co.*, 91 USPQ 222 (NYSupCt 1951).

<sup>17</sup> *Moore v. Rugg*, 44 Minn 28, 46 NW 141 (1890).

<sup>18</sup> *Lumiere v. Robertson Cole Distributing Corp.*, 280 Fed 550 (2d Cir

1922); *Altman v. New Haven Union Co.*, 254 Fed 113 (DC Conn 1918).

<sup>19</sup> *Mifflin v. White Co.*, 112 Fed 1004 (1st Cir. 1902) *aff'd*, 190 US 260, 263, 23 SCT 769, 47 LEd 1040 (1903): “. . . without further explanation, it might, perhaps, be inferred that the author of a book who places it in the hands of publishers for publication, might be presumed to intend to authorize them to obtain a copyright in their own names”; *Simonton v. Gordon*, 12 F2d 116 (DC NY 1925); *Dam v. Kirk La Shelle Co.*, 175 Fed 902 (2d Cir 1910); *White-Smith Music Co. v. Apollo*, 139 Fed 427 (DC NY 1905), *aff'd*, 147 Fed 226 (2d Cir 1907) *aff'd* 209 US 1, 28 SCT 319, 52 LEd 655 (1908); *Otten v. Curtis Publishing Co.*, 91 USPQ 222 (NYSupCt 1951).

<sup>20</sup> *Boucicault v. Fox*, FCas No 1691 (NY 1862): “Publishers, when they employ authors in particular literary enterprises, of course settle, in the terms of their contracts, the rights of each party and the ownership of the copyright.”

An independent contractor retains ownership and hence copyright of his works. An author is an independent contractor when he retains control of the method and detail of the work performed, is usually compensated in a lump sum for his intellectual efforts, and cannot be discharged because he performs his services one way rather than another.<sup>21</sup> On the other hand one is an employee where there is supervision, control and direction of the details and methods of doing the work.<sup>22</sup>

A script writer is an independent contractor if he reserves all rights not specifically granted the station owner or network.<sup>23</sup> Thus in *Bixby v. Dawson*,<sup>24</sup> plaintiff had developed and written the initial episodes of a radio serial; he sought to restrain defendant from continuing on the air the subsequent episodes which had been written by another author. The court held that although plaintiff was an independent contractor, he had sold all of his rights to the defendant.

“Bixby was an independent contractor selling his wares but made no reservations of any kind and received for them everything for which he had bargained.”<sup>25</sup>

An employer for hire secures not only the copyright but all of the rights secured by the Copyright Code. Thus if a script is prepared by an employee for a station or network, the latter may not only use the script in a radio broadcast, but may publish the same in pamphlet form, convert it into a novel, television or motion picture film, etc.<sup>26</sup> Similarly additions and improvements made to a literary, dramatic or other work by an employee vest in the copyright proprietor.<sup>27</sup>

<sup>21</sup> *Dutcher v. Victoria Paper Mills*, 219 AppDiv 541, 220 NYSupp 625 (1927); *Beach v. Velzey*, 238 NY 100, 143 NE 805 (1924); *Hexamer v. Webb*, 101 NY 377, 4 NE 755 (1886).

<sup>22</sup> *Beach v. Velzey*, 238 NY 100, 143 NE 805 (1924). *Cf.* *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 Sct 298, 47 LEd 460 (1903).

<sup>23</sup> *Cf.* *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929); *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924).

<sup>24</sup> 96 NYLJ 7 (July 1, 1936) *aff'd without opinion*, 277 NY 718, 14 NE2d 819 (1938).

<sup>25</sup> *Ibid.*, and discussed in Note, 12 AirLRev 87 (1941).

<sup>26</sup> *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), *modified* 81 F2d 373 (1st Cir 1936), *cert. denied*, 298 US 670, 56 Sct 835, 80 LEd 1393 (1936). Noted in 19 MinnLRev 477 (1935); 33 MichLRev 822 (1935); 83 UofPaLRev 385 (1935); 9 SoCalLRev 57 (1935); 44 YaleLJ 673 (1935); 36 ColLRev 1011 (1936); 30 ILLRev 1076 (1936).

<sup>27</sup> *Keene v. Wheatley*, 14 FCas 161 (CC Pa 1861).

## 42. EQUITABLE OWNERSHIP OF COPYRIGHT.

Section 9 extends the power to obtain copyright not only to "the author or proprietor," but also to "his executors, administrators, or assigns,"<sup>1</sup> The term *assign* is equivalent to the phrase *proprietor*.<sup>2</sup>

The foregoing statutory provision suggests that statutory copyright is a divisible legal concept i.e., that the legal title may be separate and apart from the beneficial interest.<sup>3</sup> Thus where a publisher agrees to copyright for the benefit of a writer and obtains the copyright in his own name, the author is the equitable owner and the publisher is a mere trustee.<sup>4</sup> If the publisher becomes both the legal and equitable owner of a copyright, he may sue and enjoin the author for infringement thereof.<sup>5</sup> If a publisher agrees to take out a copyright for a composer's benefit and pay royalties thereon, the publisher or his assignee is a trustee accountable to the composer for royalties because of the latter's equitable title.<sup>6</sup> A general manager of a corporation may take out a copyright as trustee for a corporation which has become the proprietor because of the employer-employee relationship.<sup>7</sup> But conversely an agent for a copyright proprietor cannot obtain registration in his own name as agent, since the statute makes no provision for such registration.<sup>8</sup>

Equitable ownership of copyright likewise occurs when there is a wrongful copyright; the wrongdoer by operation of

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 9 (Supp 1951).

<sup>2</sup> *Egner v. Schirmer Music Co.* 139 F2d 389 (1st Cir 1943) cert. denied, 322 US 730, 64 S Ct 947, 88 LEd 1565 (1944); *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937); *Quinn-Brown Publishing Corp. v. Chilton Co.*, 15 FSupp 213 (DC NY 1936); *Public Ledger v. New York Times*, 275 Fed 562 (DC NY 1921) *aff'd*, 279 Fed 747 (2d Cir 1922) cert. denied, 258 US 627, 42 S Ct 383, 66 LEd 798 (1922); *National Comics Publications v. Fawcett Publications*, 93 FSupp 349 (DC NY 1950) *reversed on other grounds*, 191 F2d 594 (2d Cir 1951).

<sup>3</sup> *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (DC NY 1942); *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924); *Harms & Francis v. Stern*,

229 Fed 42 (2d Cir 1916); *Press Pub. Co. v. Falk*, 59 Fed 324 (CC NY 1894). *Cf.* *Paige v. Banks*, 13 Wall 608, 20 LEd 709 (1871).

<sup>4</sup> *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924); *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937).

<sup>5</sup> *Wooster v. Crane & Co.*, 147 Fed 515 (8th Cir 1906); see also *No-Leak-O Piston Ring Co. v. Norris*, 277 Fed 951 (4th Cir 1921).

<sup>6</sup> *Cohan v. Richmond*, 19 FSupp 771 (DC NY 1937); *Cf.* *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 383 (DC Ohio 1932).

<sup>7</sup> *Hanson v. Jaccard Jewelry Co.*, 32 Fed 202 (CC Mo 1887).

<sup>8</sup> *Societe des Films Menchen v. Vitagraph Co.*, 251 Fed 258 (2d Cir 1918); *cf.* *Black v. Allen Co.*, 56 Fed 764 (CC NY 764).

law becomes the trustee for the author or proprietor.<sup>9</sup> Thus an employee who wrongfully obtains the copyright<sup>10</sup> or an author who assigns all his rights to a publisher<sup>11</sup> is trustee of the copyright for the proprietor. In another case it was held that where one of several co-authors obtains a copyright in a joint work in his individual name, the legal title vested in him is held in trust for his co-authors and the latter may compel an accounting.<sup>12</sup>

The legal consequences of equitable ownership are important. The equitable owner can maintain a suit for infringement,<sup>13</sup> sue the trustee for an accounting<sup>14</sup> or for infringement if the latter has no right to use the copyrighted work.<sup>15</sup> It has been held that the holder of legal title to a copyright may sue for infringement without joining the equitable owners thereof.<sup>16</sup> The question is tendered whether an infringer would be subjected to a second suit by the equitable owner of the copyright. In this connection rule 17a of the Federal Rules of Civil Procedure requires all actions to be brought in the name of the real party in interest.<sup>17</sup> An infringer

<sup>9</sup> Atwill v. Ferrett, 2 Blatch 39 (CC NY 1846); cf. Maurel v. Smith, 220 Fed 195 (DC NY 1915), *aff'd*, 271 Fed 211 (2d Cir 1921); Machaty v. Astra Pictures Inc., 89 USPQ 539 (DC NY 1951).

<sup>10</sup> Philips v. WGN Inc., 307 IllApp 1, 29 NE2d 849 (1940); Brown v. Mollé Co., 20 FSupp 135 (DC NY 1937).

<sup>11</sup> Browne Music Co. v. Fowler, 290 Fed 751 (2d Cir 1923).

<sup>12</sup> Marks Music Corporation v. Vogel Music Co., 42 FSupp 859 (DC NY 1942). See also Marks Music Corp. v. Wonnell, 61 FSupp 722 (DC NY 1945); Vogel Music Co. v. Miller Music Inc., 272 AppDiv 571, 74 NYS2d 425 (1947).

<sup>13</sup> Schellberg v. Empringham, 36 F2d 991 (DC NY 991); Bisel v. Ladner, 1 F2d 436 (3d Cir 1924); Wooster v. Crane, 147 Fed 515 (8th Cir 1906). Cf. Witwer v. Harold Lloyd Corp., 46 F2d 792 (DC Cal 1930); Ted Browne Music Co. v. Fowler, 290 Fed 751 (2d Cir 1923). In Historical Pub. Co. v. Jones, 231 Fed 638 (3d Cir 1916), one who contracted to purchase a copyright at a definite time *in futuro*, acquired an

equitable title sufficient to maintain an infringement action.

<sup>14</sup> Vogel Music Co. v. Miller Music, Inc., 272 AppDiv 571, 74 NYS2d 425 (1947); Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1946) cert. denied, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947), *aff'd* on remand, 73 FSupp 165 (DC NY 1947); Marks Music Corp. v. Vogel Music Co., 47 FSupp 490 (DC NY 1943); Maurel v. Smith, 220 Fed 195 (DC NY 1915) *aff'd*, 271 Fed 211 (2d Cir 1921); Klein v. Beach, 232 Fed 240 (DC NY 1915) *aff'd*, 239 Fed 108 (2d Cir 1916).

<sup>15</sup> Browne Music Co. v. Fowler, 290 Fed 751 (2d Cir 1923). See Amdur, Copyright Law & Practice (1936) § 935 *ff*.

<sup>16</sup> Marks Music Corporation v. Vogel Music Co., 140 F2d 268 (2d Cir 1944); Cf. Hanson v. Jaccard Jewelry Co., 32 Fed 202 (CC Mo 1887); Brady v. Reliance Motion Picture Corporation, 229 Fed 137 (2d Cir 1916).

<sup>17</sup> Federal Rules of Civil Procedure, § 17(a): "Real Party in Interest. Every action shall be prosecuted in the name of the real party in interest;

may avoid successive suits by joining the holder of legal title as a party plaintiff. If the copyright proprietor refuses to join, he may be made an involuntary plaintiff.<sup>18</sup>

### 43. JOINT OWNERS.

Joint ownership has been defined as a "joint laboring in furtherance of a common design"<sup>1</sup> or "an agreement to write a piece, there being an original joint design."<sup>2</sup> Joint ownership does not require that the execution of the work be equally divided; as long as the general design and structure is agreed upon, the parties may divide their parts and work separately.<sup>3</sup> Neither does joint ownership require the authors work in concert or that they even know each other; it is enough that they mean their contributions to be complementary in the sense that they are to be embodied in a single work to be performed as such. Thus a joint work exists where the lyrics and music of a song were written and composed separately, and the lyricist and composer were unknown to each other. "It is true that each knew his part could be used separately; the words as a 'lyric'; the melody as music. But that was not their purpose; the words and music were to be enjoyed and performed together; unlike the parts of a 'composite work' each of which is intended to be used separately, and whose only unity is that they are bound together."<sup>4</sup>

but an executor, administrator, guardian, trustee of an express trust, a party with whom or in whose name a contract has been made for the benefit of another, or a party authorized by statute may sue in his own name without joining with him the party for whose benefit the action is brought; and when a statute of the United States so provides, an action for the use or benefit of another shall be brought in the name of the United States."<sup>3</sup> Moore's Federal Practice (1948) § 17.11 [2] at p. 1363: "Persons having an equitable interest in a copyright may be real parties in interest, unless their interest is represented by the trustee of an express trust." See Marks Music Corp. v. Vogel Music Co., 140 F2d 268 (2d Cir 1944); Hoffman v. Santly-Joy Inc., 51 FSupp 778 (DC NY 1943).

<sup>18</sup> *Ibid.* § 19(a): "Necessary Join-

der. Subject to the provisions of Rule 23 and of subdivision (b) of this rule, persons having a joint interest shall be made parties and be joined on the same side as plaintiffs or defendants. When a person who should join as a plaintiff refuses to do so, he may be made a defendant, or, in proper cases, and involuntary plaintiff."

<sup>1</sup> *Levy v. Rutley*, Lk & CP 523; 40 LJCP 244 (1871) per J. Keating.

<sup>2</sup> *Ibid.*, per J. Montague Smith. See also: *Maurel v. Smith*, 220 Fed 195 (DC NY 1915), *aff'd*, 271 Fed 211 (2d Cir 1921).

<sup>3</sup> *Maurel v. Smith*, 220 Fed 195 (DC NY 1915), *aff'd*, 271 Fed 211 (2d Cir 1921).

<sup>4</sup> *Marks Music Corp. v. Vogel Music Co. Inc.*, 140 F2d 266 (2d Cir 1944). *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1946) cert den 331 US 820, 67 Sct 1310, 91 LEd

The early cases dealing with joint ownership of copyright, regarded the joint owners as tenants in common; each owned an undivided interest in the copyright which inured to the estate of the deceased co-author.<sup>5</sup>

One of the consequences of labeling joint owners as tenants in common was that neither was accountable to the other for his use or licensing of the copyrighted work.<sup>6</sup> The courts in following the rules enunciated in the patent cases<sup>7</sup> held that a joint owner had the absolute right to make whatever use of the copyright and that he need not account for the profits to his co-owner unless there was a written agreement requiring an accounting.<sup>8</sup> The broad right conferred upon a co-owner to make whatever use he desired of the copyright was premised on the philosophy that if none was allowed to enjoy his legal interest without the consent of all, then one by withholding his consent, might practically destroy the value of the whole use, and a use only upon condition of accounting for profits would compel a disuse, or risk of skill, capital and time with no right to call for a sharing of possible losses.<sup>9</sup>

Several recent decisions have reexamined the legal relationships and consequences flowing from tenancy in common as applied to copyright and have suggested that a new conception of the rights of joint owners of copyright is warranted.<sup>10</sup>

At the outset the rights of the parties should not be determined by the name-tag given to their relationship. There is

1837 (1947): "The appellee takes the position that Burnett and Norton were neither co-authors nor collaborators. We think they were. The words and music of a song constitute a 'musical composition' in which the two contributions merge into a single work to be performed as a unit for the pleasure of the hearers; they are not a 'composite' work, like the articles in an encyclopedia, but are as little separable for purposes of the copyright as are the individual musical notes which constitute the melody." See also *Marks Music Corporation v. Vogel Music Co.*, 49 FSupp 135 (DC NY 1943) *aff'd*, 140 F2d 270 (2d Cir 1944); *Marks Music Co. v. Vogel Music Co.*, 47 FSupp 490 (DC NY 1942) *aff'd*, 140 F2d 266 (2d Cir 1943), *mod'f'd on other grounds*, 140 F2d 268.

<sup>5</sup> *Carter v. Bailey*, 64 Me 458, 18 AmRep 273 (1874).

<sup>6</sup> *Ibid.*; See *Vogel Music Co. v. Miller Music, Inc.*, 274 AppDiv 571, 74 NYS2d 425 (1947).

<sup>7</sup> *Talbot v. Quaker-State Oil Co.*, 104 F2d 967 (3d Cir 1939); *Drake v. Hall*, 220 Fed 905 (7th Cir 1914); *Blackledge v. Weir & Craig Mfg. Co.*, 108 Fed 71 (7th Cir 1911); *McDuffee v. Hestonville Ry. Co.*, 162 Fed 36 (3d Cir 1908).

<sup>8</sup> *Vogel Music Inc. v. Miller Music Inc.*, 272 AppDiv 571, 74 NYS2d 425 (1947); *Shapiro Bernstein & Co. v. Vogel Music Co.*, 73 FSupp 165 (DC NY 1947).

<sup>9</sup> *Carter v. Bailey*, 64 Me 458, 18 AmRep 273 (1874).

<sup>10</sup> *Op. cit. supra*, note 8; *Marks Music Corp. v. Vogel Music Inc.*, 140 F2d 266 (2d Cir 1944).

nothing magical in the nomenclature of tenants in common and the incidents of their relationship do not necessarily follow from that description. Joint authors are equal owners of a copyrighted work, and in the absence of agreement between them governing their rights in the exploitation of the work, they should be held to a standard of dealing befitting their mutual interest in the work.<sup>11</sup>

This new conception of the rights of joint owners is premised on the development of radio and television broadcasting, motion pictures, name bands and other forms of entertainment. Today, there is a tremendous demand for plays, motion pictures, ballads, and the classics by the entertainment industries. The potentialities of radio, television, motion pictures, the "plugging" by torch singers, crooners, popular orchestras and bands suggest that the rule which permits a co-owner to make whatever use he desires of a copyrighted work without regard to the rights of his co-owner be modified. The use of one owner by license or personally, in radio and television broadcasting, in motion pictures, on the stage, in advertising, in bands or orchestras, etc., can destroy, for all practical purposes, the copyright so far as the other owner is concerned. The argument that copyright being an incorporeal right cannot be destroyed, ignores the current practices of the entertainment industries. The broad use of a play, motion picture or song by an active producer or publisher can so far exhaust the popularity of a copyrighted work as to destroy its value after the use has ended. The destruction of the value of a copyright is in effect a destruction of the copyright.<sup>12</sup>

The rule of law derived from tenancy in common which permitted a co-owner unrestricted use of the copyright without regard to the rights of the other owner warrants modification. Several of the more recent decisions have suggested via dicta that a co-owner would be accountable to others for his own use of a copyrighted work.<sup>13</sup> As Judge Bright has pointed out, "I cannot believe that Congress had some similar idea when it gave authors, or their lineal descendants, the right to renew, notwithstanding whatever they had signed or done

<sup>11</sup> *Vogel Music Inc. v. Miller Music Inc.*, 272 AppDiv 571, 74 NYS2d 425 (1947).

<sup>12</sup> *Op. cit. supra*, note 8.  
<sup>13</sup> *Ibid.*

during the original life of the copyright. It could not have intended to give to such descendants rights to renew an empty shell, the kernel of which was claimed and pre-empted by the proprietor of another part."<sup>14</sup>

The rule of law which permitted a joint owner to license a copyrighted work to a third party without accounting to the other owners has been repudiated.<sup>15</sup> The recent decisions hold that a co-owner is accountable to the other owner for profits derived from the exploitation of the work by a third party. "It does not seem right that such extended use through strangers may be made of the copyright at a profit solely to the owner conveying the license, to the exclusion of an equal owner. Such a rule, if adopted, would also lead to the unseemly result, evidenced in this case, of co-owners competing with each other and finessing against each other in licensing the work. Such a rule would encourage the very waste of a work which is claimed to have taken place here by licensing the song for motion picture use for \$200."<sup>16</sup>

The relationships of trust and accountability between co-owners mean that a joint author who takes out a copyright in his own name, becomes a constructive trustee for the other co-author or his successors in title.<sup>17</sup>

#### 44. ALIENS AND CITIZENS OF A FOREIGN STATE OR NATION.

Copyright protection is available not only to citizens of the United States, but extends to those aliens who are domiciled in the United States at the time of the first publication of their works.<sup>1</sup> This clause is intended "to give to a foreign author

<sup>14</sup> Shapiro Bernstein & Co. v. Vogel Music Co., 73 FSupp 165 (DC NY 1947).

<sup>15</sup> Cf. Carter v. Bailey, 64 Me 458, 18 AMRep 273 (1874) with Maurel v. Smith, 220 Fed 195 (DC NY 1915) *aff'd*, 271 Fed 211 (2d Cir 1921); Klein v. Beach, 232 Fed 240, 247 (DC NY 1916), *aff'd*, 239 Fed 108 (2d Cir 1917); Crasney v. Edward Small Productions, 52 FSupp 559 (DC NY 1944); cases cited *op. cit. supra* note 8.

<sup>16</sup> Vogel Music Co. v. Miller Music Inc., 272 AppDiv 571, 74 NYS2d 425 (1947).

<sup>17</sup> Cases cited in *op. cit. supra*, notes 4 and 8.

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 9 (Supp 1951):

§ 9: "Authors or Proprietors, *Entitled; Aliens.*—The author or proprietor of any work made the subject of copyright by this title, or his executors, administrators, or assigns, shall have copyright for such work under the conditions and for the terms specified in this title: *Provided, however,* That the copyright secured by this title shall extend to the work of an author

actually domiciled in the United States at the time of first publication of his work all the rights we give to our own citizens, even though he be a citizen of a foreign state which does not give to citizens of the United States the benefit of their copyright laws.”<sup>2</sup>

Domicile is a compound of fact and law.<sup>3</sup> An alien is presumed to be domiciled in this country, if he lives or resides here and intends to remain here.<sup>4</sup> “Among the circumstances usually relied upon to establish residence is the intent of the person which may be obtained from his declarations, pay-

or proprietor who is a citizen or subject of a foreign state or nation only:

(a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or

(b) When the foreign state or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection, substantially equal to the protection secured to such foreign author under this title or by treaty; or when such foreign state or nation is a party to an international agreement which provide for reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto.

The existence of the reciprocal conditions aforesaid shall be determined by the President of the United States, by proclamation made from time to time, as the purposes of this title may require: *Provided*, That whenever the President shall find that the authors, copyright owners, or proprietors of works first produced or published abroad and subject to copyright or to renewal of copyright under the laws of the United States, including works subject to ad interim copyright, are or may have been temporarily unable to comply with the conditions and formalities prescribed with respect to such works by the copyright laws of the United States, because of the disruption or suspension of facilities essential for such compliance, he may by

proclamation grant such extension of time as he may deem appropriate for the fulfillment of such conditions or formalities by authors, copyright owners, or proprietors who are citizens of the United States or who are nationals of countries which accord substantially equal treatment in this respect to authors, copyright owners, or proprietors who are citizens of the United States: *Provided further*, That no liability shall attach under this title for lawful uses made or acts done prior to the effective date of such proclamation in connection with such works, or in respect to the continuance of one year subsequent to such date of any business undertaking or enterprise lawfully undertaken prior to such date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction, circulation, or performance of any such work.

The President may at any time terminate any proclamation authorized herein or any part thereof or suspend or extend its operation for such period or periods of time as in his judgment the interests of the United States may require.”

<sup>2</sup> HRep’t No. 2222, 60th Cong 2d Sess (1909) which accompanied HR 28192.

<sup>3</sup> Sweeney v. District of Columbia, 72 AppDC 30, 113 F2d 25, 129 ALR 1370 (1940), cert den, 310 US 631, 60 Sct 1082, 84 LEd 1402 (1940).

<sup>4</sup> District of Columbia v. Murphy, 314 US 441, 62 Sct 303, 86 LEd 329 (1941): “The place where a man lives is properly taken to be his domicile until facts adduced establish the contrary.”

ment of taxes, and his course of conduct, both socially and in business, while in the new domicile.”<sup>5</sup> Thus in the *Ricordi* case, the issue before the courts was whether an alien was domiciled in this country and hence could maintain an action for infringement of his mechanical reproduction rights. The alien who was a Canadian by birth, had served in the First Canadian contingent of the British Army in World War I. He was wounded and discharged from military service. He arrived in New York City in 1917 where he took up his residence. In response to an invitation given by the British Recruiting Mission, he, without pay, made speeches while clad in the uniform of the Canadian Army, in various parts of New York City, aiding or attempting to aid enlistments. While doing this however, he declared he followed his newly chosen profession as a composer of music. He opened his bank account in New York, joined New York clubs and became engaged to marry a resident of New York. When he came to the United States, he brought with him all of his personal belongings and effects. The court concluded as a matter of law and fact that the alien had indicated a clear intention to make New York City his domicile.<sup>6</sup>

The benefits of the Copyright Code are likewise available to non-resident aliens who are citizens of “proclaimed” countries with which the United States has already established reciprocal copyright relations as evidenced by Presidential Proclamations.<sup>7</sup>

From 1790, when Congress enacted the first Copyright Act to 1891, copyright was restricted to such authors as were citizens of the United States or residents therein. This precluded non-resident aliens from securing copyright in this country.<sup>8</sup>

<sup>5</sup> *Ricordi & Co. v. Columbia Graphophone Co.*, 258 Fed 72 (DC NY 1919); *Boucicault v. Wood*, FCas No. 1693 (CC Ill 1867); *Carey v. Collier*, FCas No. 2400 (CC NY 1831).

<sup>6</sup> *Ricordi & Co. v. Columbia Graphophone Co.*, 256 Fed 699 (DC NY 1919), *reversed*, 258 Fed 72 (DC NY 1919), *appeal dismissed*, 263 Fed 354 (2d Cir 1920).

<sup>7</sup> *Todamerica Musica, Ltd. v. Radio Corporation of America*, 171 F2d 369 (2d Cir 1949); *Portuondo v. Columbia*

*Phonograph Co.*, 81 FSupp 355 (DC NY 1937).

<sup>8</sup> *Houghton Mifflin Co. v. Stackpole Sons, Inc.*, 104 F2d 306 (2d Cir 1939) cert den 308 US 597, 60 S Ct 131, 84 L Ed 499 (1939): “Prior to 1891, copyright privileges in the United States were limited to an author who was a ‘citizen of the United States or resident therein.’ From the time when in 1837 Henry Clay made his report to the United States Senate (reprinted in G. H. Putnam ‘The Ques-

By the so-called Chace International Copyright Act of 1891,<sup>9</sup> the provisions of the copyright laws of the United States were extended to citizens and subjects of a foreign state or nation which satisfied either of two conditions:

- 1) granted to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens;
- 2) or was party to an international agreement providing reciprocity, by the terms of which the United States might become a party.<sup>10</sup>

The Copyright Act of 1909<sup>11</sup> added a third alternative condition:

- 3) copyright was extended to citizens or subjects of foreign countries which grant to citizens of this country copyright protection substantially equal to the protection accorded subjects of such foreign countries in the United States.<sup>12</sup>

The existence of one of the above three conditions which would enable nationals of a country to copyright their works

tion of Copyright' 2d Ed 32-39) urging copyright protection to citizens of Great Britain and France, there had been continuous and determined pressure, under the leadership of some of the greatest names in American literature, to secure protection of foreign writings in this country. This was put not merely on grounds of ethics and morality—as in the Rev. Henry Van Dyke's address on 'The National Sin of Piracy'—but on grounds of protection of American authors from the underselling of foreign books. Thus in 1886, a memorial to Congress was presented by 144 American authors in the following terms: 'The undersigned American citizens, who earn their living in whole or in part by their pen, and who are put at disadvantage in their own country by the publication of foreign books without payment to the author, so that American books are undersold in the American market, to the detriment of American literature, urge the passage by Congress of an International Copyright Law, which will protect the rights of authors, and will enable American writers to ask from foreign countries the justice we shall then no longer deny on our own part.' Putnam, *op. cit.* p. 107; Bowker, 'Copyright: Its History and Its Law'

(1912), p. 359''; Bentley v. Tibbals, 223 Fed 247 (2d Cir 1915); Harper & Bros. v. Donohue, 144 Fed 491 (DC Ill 1905); Yuengling v. Schile, 12 Fed 97 (CC NY 1882).

<sup>9</sup> Act of March 3, 1891, 26 STAT 1106.

<sup>10</sup> See HRep't 65, which accompanied HR 6941, 50th Cong 1st Sess (1890); HRep't No. 1875 which accompanied HR 8715, 50th Cong 1st Sess (1888). See Houghton Mifflin Co. v. Stackpole Sons, 113 F2d 627 (2d Cir 1939), cert den, 308 US 597, 60 Sct 131, 84 LEd 499 (1939); Merriam v. United Dictionary Co., 146 Fed 354 (7th Cir 1906) *aff'd*, 208 US 260, 28 Sct 290, 52 LEd 478 (1908): "Congress did not assume to give to citizens of this country the right to a foreign copyright, but doubtless did all that they could do, to encourage foreign nations, who alone could grant the benefits, to do so, and in legal effect authorized citizens of this country to seek copyright benefits in foreign countries upon the conditions provided for them."

<sup>11</sup> Act of March 4, 1909, 35 STAT 1077.

<sup>12</sup> See Bentley v. Tibbals, 223 Fed 247 (2d Cir 1915); 28 Op Atty Gen 22 (1910).

in the United States, must by the provisions of the Code be determined by the President by proclamation from time to time.<sup>13</sup> Listed in the margin are the various proclamations issued by the Presidents from 1891 to date; they extend the copyright privilege to the citizens and subjects of the countries named below.<sup>14</sup>

<sup>13</sup> *Todamerica Musica Ltd. v. Radio Corp. of America*, 171 F2d 369 (2d Cir 1949); *Bong v. Campbell Art Co.*, 214 US 236, 29 Sct 628, 53 LEd 979 (1909).

<sup>14</sup> 37 FRc II, Part 202, § 202.1—"Copyright Protection to works of foreign citizens. The following proclamations extend copyright protection to works of authors who are citizens or subjects of the countries named:

<i>Country</i>	<i>Date</i>	<i>Statute</i>
Argentina	August 23, 1934	49 STAT 3413
Australia	April 3, 1918	40 STAT 1764
Australia	Dec. 29, 1949	14 FR 7823
		64 STAT
Austria	Sept. 20, 1907	35 STAT 2155
Austria	April 9, 1910	36 STAT 2685
Belgium	July 1, 1891	27 STAT 981
Belgium	April 9, 1910	36 STAT 2685
Canada	Dec. 27, 1923	43 STAT 1932
Chile	May 25, 1896	29 STAT 880
Chile	April 9, 1910	36 STAT 2685
Costa Rica	Oct. 19, 1899	31 STAT 1955
Costa Rica	April 9, 1910	36 STAT 2685
Cuba	Nov. 17, 1903	33 STAT 2324
Cuba	April 9, 1910	36 STAT 2685
Czechoslovakia	April 27, 1927	45 STAT 2906
Danzig (Free City of)	April 7, 1934	48 STAT 1737
Denmark	May 8, 1893	28 STAT 1219
Denmark	April 9, 1910	36 STAT 2685
Denmark	Feb. 5, 1952	
Finland	Dec. 15, 1928	45 STAT 2980
Finland	Nov. 16, 1951	64 STAT —
France	July 1, 1891	27 STAT 981
France	April 9, 1910	36 STAT 2685
Germany	April 15, 1892	27 STAT 1021
Germany	April 9, 1910	36 STAT 2685
Great Britain and British Possessions	July 1, 1891	27 STAT 981
Great Britain and British Possessions	April 9, 1910	36 STAT 2685
Greece	Feb 23, 1932	47 STAT 2502
Irish Free State	Sept. 28, 1929	46 STAT 3005
		15 FR 2617,
Israel	May 4, 1950	64 STAT —
Italy	Oct. 31, 1892	27 STAT 1043
Italy	April 9, 1910	36 STAT 2685
Italy	Dec. 12, 1951	64 STAT —
Luxemburg	June 29, 1910	36 STAT 2716
Mexico	Feb. 27, 1896	29 STAT 877

At the outset it would appear that in order for a non-resident alien to invoke the benefits of the Copyright Code, he must be a citizen of a country in respect to which the President has

<i>Country</i>	<i>Date</i>	<i>Statute</i>
Mexico	April 9, 1910	36 STAT 2685
Netherlands and Possessions	Nov. 20, 1899	31 STAT 1961
Netherlands and Possessions	April 9, 1910	36 STAT 2685
New Zealand	Feb. 9, 1917	39 STAT 1815
Norway	July 1, 1905	34 STAT 3111
Norway	April 9, 1910	36 STAT 2685
Palestine (excluding Trans-Jordan)	Sept. 29, 1933	48 STAT 1713
Philippines	Oct. 21, 1948	13 FR 6193, 62 STAT —
Poland	Feb. 14, 1927	44 STAT 2634
Portugal	July 20, 1893	28 STAT 1222
Portugal	April 9, 1910	36 STAT 2685
Rumania	May 14, 1928	45 STAT 2949
Spain	July 10, 1895	29 STAT 871
Spain	April 9, 1910	36 STAT 2685
Sweden	May 26, 1911	37 STAT 1682
Switzerland	July 1, 1891	27 STAT 981
Switzerland	April 9, 1910	36 STAT 2685
Tunis	Oct. 4, 1912	37 STAT 1765''

§ 202.3—"Protection to foreign citizens under convention. Under the conventions proclaimed as follows protection may be claimed by citizens of the countries named:

<i>Country</i>	<i>Date Effective</i>	<i>Statute</i>
Argentina	August 23, 1934	38 STAT 1785
Brazil	August 31, 1915	38 STAT 1785
Colombia	Dec. 23, 1936	38 STAT 1785
Costa Rica	June 30, 1908	35 STAT 1934
Costa Rica	Nov. 30, 1916	38 STAT 1785
Dominican Republic	June 30, 1908	35 STAT 1934
Dominican Republic	Oct. 31, 1912	38 STAT 1785
Ecuador	August 31, 1914	38 STAT 1785
Guatemala	June 30, 1908	35 STAT 1934
Guatemala	March 28, 1913	38 STAT 1785
Haiti	Nov. 27, 1919	38 STAT 1785
Honduras	June 30, 1908	35 STAT 1934
Honduras	April 27, 1914	38 STAT 1785
Nicaragua	June 30, 1908	35 STAT 1934
Nicaragua	Dec. 15, 1913	38 STAT 1785
Panama	Nov. 25, 1913	38 STAT 1785
Paraguay	Sept. 20, 1917	38 STAT 1785
Peru	April 30, 1920	38 STAT 1785
Salvador	June 30, 1908	35 STAT 1934
Uruguay	Dec. 17, 1919	38 STAT 1785''

§ 202.4—"Protection to foreign citizens under treaty proclamation. The fol-

issued a proclamation. But in *Houghton Mifflin Co. v. Stackpole Sons, Inc.*,<sup>15</sup> the question tendered the courts was whether a "stateless author" was entitled to copyright protection. Plaintiff had published under claim of copyright assignment from German publishers an English translation of Hitler's "Mein Kampf." The first volume of the original edition had been registered for copyright in 1925 in the name of the German publisher, Franz Eher Nachfolger of Munich, Germany. The application for the copyright stated that the author, Hitler was a "staatenloser Deutscher." The application for the second volume, which was registered in 1927, described Hitler as a resident of Austria.

The rival American edition of "Mein Kampf" published by the defendants, appeared without claim of copyright on the theory that the work was in the public domain and not protected by copyright.

On motion for a preliminary injunction, the defendant claimed that the copyright was invalid because of the conflicting statements of Hitler's citizenship in the two applications for registration. In 1927 Hitler had given up his Austrian citizenship, according to the laws of Austria; he did not become a German citizen until 1931. In 1925 he was not a German citizen according to his own claim, and hence could not come under the reciprocal copyright relations between the United States and Germany. In 1927 he was not an Austrian and hence could not come under the copyright relations between Austria and the United States. The district

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lowing treaty proclamations extend copyright protection to citizens of the countries named":

<i>Country</i>	<i>Date Effective</i>	<i>Statute</i>
China	Jan. 13, 1903	33 STAT 2208
China	Nov. 30, 1948	63 STAT —
Hungary	Sept. 15, 1947	61 STAT 2065
Italy	Sept. 15, 1947	61 STAT 1245
Japan	May 10, 1906	34 STAT 2890
Japan	August 16, 1908	35 STAT 2044
Rumania	Sept. 15, 1947	61 STAT 1757
Siam	Sept. 1, 1921	42 STAT 1928
Siam	Oct. 1, 1938	53 STAT 1731

See also International Copyright Relations of the United States, August 1, 1951. Treaty Affairs, Office of Legal Adviser, Department of State.

<sup>15</sup> 104 F2d 306 (2d Cir 1939), cert den, 308 US 597, 60 S Ct 131, 84 LEd 499 (1939).

court refused to grant the preliminary injunction because the “defendants have raised questions of title and validity [of the copyright] which are not free from doubt; the facts are in dispute; and the issues cannot be properly determined on affidavits.”<sup>16</sup>

The appellate court reversed the order of the lower court. It held that § 9 offers protection to the literary property of a stateless person. The first sentence of § 9 furnishes a general grant of protection to all authors, with the second sentence excepting a particular class for special treatment. “And the history of the legislation tends to confirm this view.”

“Any other result than this would be unfortunate, for it would mean that stateless aliens cannot be secure in even their literary property. True, the problem of statelessness has only become acute of late years, but it promises to become increasingly more difficult as time goes on. The rule contended for by the defendants would mean that the United States, contrary to its general policy and tradition, is putting another obstacle in the way of survival of homeless refugees, of whom many have been students, scholars and writers.”<sup>17</sup>

Non-resident alien authors are not protected by our Copyright Code until the President has issued a proclamation to that effect. Presidential proclamations are only issued on the basis of reciprocity viz., that the law of a foreign country grants protection to citizens of the United States to the same extent as its own nationals; that there is a treaty, convention or agreement between the United States and such foreign country whereby the latter affords such protection; or that there may be a multilateral agreement to which such foreign country and the United States are or may become parties.<sup>18</sup>

The existence of reciprocity is not a judicial matter; it is a political decision which can only be effectuated by a proclamation of the President.<sup>19</sup> Even if a foreign country has complied with our laws and offers reciprocity, the national

<sup>16</sup> Houghton Mifflin Co. v. Stackpole Sons, Inc., 41 USPQ 404 (DC NY 1939).

<sup>17</sup> *Op. cit. supra*, note 15.

<sup>18</sup> *Todamerica Musica Ltd. v. Radio Corporation of America*, 171 F2d 369 (2d Cir 1949); *Portuondo v. Columbia Phonograph Co.*, 81 FSupp 355 (DC NY 1937); *Bong v. Campbell Art Co.*,

155 Fed 116 (2d Cir 1907) *aff'd* 214 US 236, 29 SCT 628, 53 LEd 979 (1909); 29 Op Atty Gen 209 (1911); 28 Op Atty Gen 222 (1910).

<sup>19</sup> *Bong v. Campbell Art Co.*, 155 Fed 116 (2d Cir 1907), *aff'd*, 214 US 236, 29 SCT 628, 53 LEd 979 (1909).

of such foreign state or country is denied copyright protection, absent a Presidential proclamation. The proclamation does not create the right; it is merely evidence of the existence of reciprocity and is conclusive upon the courts until revoked by the President.<sup>20</sup> A proclamation may, moreover, be retroactive; it may proclaim the existence of reciprocity on a date earlier than that of the proclamation.<sup>21</sup> Although an action for infringement cannot be maintained prior to the issuance of the proclamation, a national of a foreign country can invoke the jurisdiction of the federal courts from the date mentioned in the proclamation. This date prescribes the time when such foreign country met the requirements of the statute, and may antedate the issuance of the proclamation.<sup>22</sup>

Section 9 deals with three classes of persons who may become "the author or proprietor of any work": citizens of the United States; domiciled aliens; and non-resident aliens. Copyright protection is extended to "the author or proprietor of any work." Since this phrase must be read in conjunction with the remainder of the section, it would appear that a non-resident author or non-resident proprietor who complies with the reciprocal requirements of the statute is entitled to statutory copyright. But the statute has not been construed that broadly. The status of the author, and not that of the proprietor is the determinative factor.<sup>23</sup> If the author cannot secure copyright protection, he cannot assign any rights to a proprietor, although the latter may be a citizen of this country.<sup>24</sup> On the other hand an author who meets the requirements of the statute, may assign his copyright to a proprietor who could not secure copyright in his own right.<sup>25</sup> A domiciled alien whose country has not entered into reciprocal relations with the United States could rely on common law copyright (assuming that his work was not published) to protect his literary property.<sup>26</sup> But a domiciled alien of an "unproclaimed" country cannot secure copyright protection

<sup>20</sup> Chappell & Co. v. Fields, 210 Fed 864 (2d Cir 1914).

<sup>21</sup> 28 Op Atty Gen 222 (1910).

<sup>22</sup> *Op. cit. supra*, note 20.

<sup>23</sup> *Op. cit. supra*, note 19; Keene v. Wheatley, FCas No. 7,644 (CC Pa 1861).

<sup>24</sup> *Ibid.* See Lederer v. Saake, 166

Fed 810 (CC Pa 1909) *reversed*, 174 Fed 135 (3d Cir 1909).

<sup>25</sup> Black v. Allen Co., 42 Fed 618 (DC NY 1890).

<sup>26</sup> Leibowitz v. Columbia Graphophone Co., 298 Fed 342 (DC NY 1923); Palmer v. De Witt, 47 NY 532 (1872).

for an unpublished work, since "the benefits of the statute were extended to domiciled aliens only on condition of their reproducing copies for sale."<sup>27</sup> It is believed that this is too narrow a reading of the statute; a domiciled alien is a resident of the United States and hence entitled to all the rights conferred by the Copyright Code, including the right to copyright published as well as unpublished works.

Section 9 furnishes nationals of a "proclaimed" country the benefits of the Copyright Code generally. But a special proclamation is necessary to entitle such aliens to the mechanical reproduction rights in musical compositions under § 1(e) of the Copyright Code.<sup>28</sup> The countries covered by Presidential proclamations for mechanical reproducing rights are listed in the margin.<sup>29</sup>

<sup>27</sup> *Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923). <sup>28</sup> 61 STAT 652, 17 USCA § 1(e) (Supp 1951).

<sup>29</sup> 37 FR § 202.2.—Protection to parts of musical instruments. The following proclamations include 'copyrights controlling the parts of instruments serving to reproduce mechanically the musical work' as provided in section 1(e) of the Act of July 30, 1947 (61 STAT 652; 17 USCA § 1(e)) in addition to the general copyright benefits extended to the countries listed above:

<i>Country</i>	<i>Date Effective</i>	<i>Statute</i>
Argentina	August 23, 1934	49 STAT 3413
Australia and the territories of Papua and Norfolk Island	March 15, 1918	40 STAT 1764
Austria	August 1, 1920	44 STAT 2571
Belgium	July 1, 1909	37 STAT 1688
Canada	Jan. 1, 1924	43 STAT 1932
Chile	July 1, 1925	44 STAT 2590
Cuba	May 29, 1911	37 STAT 1721
Czechoslovakia	March 1, 1927	45 STAT 2906
Danzig (Free City of)	April 7, 1934	48 STAT 1737
Denmark	Dec. 9, 1920	41 STAT 1810
Finland	Jan. 1, 1929	45 STAT 2980
France	May 24, 1918	40 STAT 1784
Germany	Dec. 8, 1910	36 STAT 2761
Great Britain	Jan. 1, 1915	38 STAT 2044
Great Britain	Feb. 2, 1920	41 STAT 1790
Greece	March 1, 1932	47 STAT 2502
Irish Free State	Oct. 1, 1929	46 STAT 3005 15 FR 2617,
Israel	May 15, 1950	64 STAT —
Italy	May 1, 1915	39 STAT 1725
Luxemburg	June 29, 1910	37 STAT 1689
Netherlands	Oct. 2, 1922	42 STAT 2297
New Zealand	Dec. 1, 1916	39 STAT 1815
Norway	Sept. 9, 1910	37 STAT 1687

Unlike § 9 which extends copyright protection to nationals of foreign country if such foreign country satisfies any one of the three conditions spelled out in § 9, mechanical reproduction rights are granted to subjects or citizens of foreign countries which grant similar rights to United States citizens.<sup>30</sup> Thus a Presidential proclamation issued under § 9 of the Code is insufficient to grant mechanical rights; the latter require a separate proclamation under § 1(e).<sup>31</sup> Although § 1(e) does not specifically provide for the issuance of Presidential proclamations, the administrative practice implemented by advisory opinions of the Attorney General and judicial decisions requires that a Presidential proclamation is necessary for the enforcement of mechanical reproduction rights by the owner of a foreign copyright who is not domiciled in this country.<sup>32</sup>

May a domiciled foreign composer whose country does not grant reciprocal rights to United States citizens, acquire mechanical reproduction rights under § 1(e)? Although the language in the cases in the Second Circuit are contradictory, it is believed that domiciled foreigners are entitled to the

Country	Date Effective	Statute
Palestine (excluding Trans-Jordan)	Oct. 1, 1933	48 STAT 1713 13 FR 6193
Philippines	Oct. 21, 1948	62 STAT 1568
Poland	Feb. 16, 1927	44 STAT 2634
Rumania	May 14, 1928	45 STAT 2949
Spain	Oct. 10, 1934	49 STAT 3420
Sweden	Feb. 1, 1920	41 STAT 1787
Switzerland	July 1, 1923	43 STAT 1976
Union of South Africa	July 1, 1924	43 STAT 1957

It should be pointed out that the general proclamation issued under § 9(b) of the Copyright Code may also include mechanical reproduction rights for music under § 1(e). See International Copyright Relations, *op. cit. supra*, note 14.

§ 202.5—"Protection to parts of musical instruments under treaty proclamation. In the case of the following treaty proclamation protection includes also 'copyright controlling the parts of instruments serving to reproduce mechanically the musical work' as provided in section 1(e) of the Act of July 30, 1947, (61 STAT 668, 17 USCA § 1(e)):

Hungary Oct. 16, 1912 37 STAT 1631''

<sup>30</sup> *Todamerica Musica Ltd. v. Radio Corp. of America*, 171 F2d 369 (2d Cir 1949); *Portuondo v. Columbia Phonograph Co.*, 81 FSupp 355 (DC NY 1937).

29. *Cf. Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923).

<sup>32</sup> *Todamerica Musica Ltd. v. Radio Corp. of America*, 171 F2d 369 (2d Cir 1949); 29 Op Atty Gen 64 (1911).

<sup>31</sup> *Op. cit. supra*, notes 6, 14 and

benefits of § 1(e) to the same extent as United States citizens.<sup>33</sup> This holding is premised on § 9(b) of the Copyright Code which extends all the benefits of the statute to alien authors domiciled in this country. But where a domiciled alien composer whose country did not grant reciprocal rights to United States citizens, registered his musical composition as an unpublished work, he acquired no mechanical reproduction rights.<sup>34</sup> As we have suggested previously, this is too literal a reading of the statute. If an alien composer is domiciled in this country, he should be accorded the full protection of the statute, including the mechanical reproduction rights.

<sup>33</sup> *Ricordi & Co. v. Columbia Graphophone Co.*, 258 Fed 72 (DC NY 1915): "I think it is clear that Congress intended that domiciled foreigners are entitled to the benefit of the provisions of subdivision (e) section 1, of the act, and that it intended to exclude subjects or citizens of countries denying similar protection to our citizens. In other words, it intended that domiciled foreigners should receive the same protection and have the same rights as American citizens." But *cf.* *Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923): "Judge Manton in *Ricordi v. Columbia Graphophone Co.* (DC 258 Fed 72), ruled that section 8a [now § 9a] applies to copyrights for

mechanical reproduction, notwithstanding the proviso of section 1(e). Judge Mayer on preliminary injunction in the same case (DC 256 Fed 699), ruled to the contrary, so that on authority the point is open. I do not think that it is necessary for me to express any opinion upon it in disposing of this case.

"Assuming that Judge Manton be right in regarding section 8(a) [now § 9a] as applying equally to copyrights for mechanical reproduction, still section 8(a) extends the right to such aliens only as are domiciled here when the work is first published."

<sup>34</sup> *Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923).

## Chapter V

### ASSIGNMENTS AND LICENSES

- § 50. Introduction.
- 51. Assignments.
- 52. Licenses.
- 53. Indivisibility of Copyright.
- 54. Differences between Assignments and Licenses.
- 55. Taxation of Copyright.

#### 50. INTRODUCTION.

The concept of indivisibility of copyright<sup>1</sup> derived from patent law,<sup>2</sup> and the distinctions between an assignment of a copyrighted work<sup>3</sup> and a license to use a copyrighted work<sup>4</sup> have important legal consequences not only under the federal copyright statute, but in the development of television<sup>5</sup> and in the field of taxation.<sup>6</sup>

#### 51. ASSIGNMENTS.

Section 27 of the Copyright Code reaffirms the common law rule that a copyright is an intangible or incorporeal right in the nature of a privilege or franchise which is distinct from the copyrighted work.<sup>1</sup>

<sup>1</sup> *Witmark & Sons v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924), *aff'd per curiam*, 2 F2d 1020 (4th Cir 1924); *Passim* § 53.

<sup>2</sup> *Gayler v. Wilder*, 10 How (US) 477, 13 LEd 504 (1850); *Waterman v. Mackenzie*, 138 US 252, 11 SCt 334, 34 LEd 923 (1891). Mr. Justice Frankfurter dissenting in *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 419, 69 SCt 1120, 93 LEd 1419 (1949).

<sup>3</sup> *Passim*, §§ 53 and 54.

<sup>4</sup> *Passim*, §§ 52 and 54.

<sup>5</sup> *Passim*, § 54.

<sup>6</sup> *Passim*, § 55.

<sup>1</sup> 61 STAT 652 (1947) 17 USCA §: § 27: "Copyright Distinct from Property in Object Copyrighted; Effect of Sale of Object, and of Assignment of Copyright.—The copyright is distinct from the property in

the material object copyrighted, and the sale or conveyance, by gifts or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object; but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained."

And see:

*Local Trademarks Inc. v. Price*, 170 F2d 715 (5th Cir 1948); *Remick Music Corporation v. Interstate Hotel Co.* 58 FSupp 523 (DC Neb 1944) *aff'd*, 157 F2d 744 (8th Cir 1945) cert den 329 US 809, 67 SCt 622, 91 LEd 691 (1946); *Security First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951).

The transfer of an unpublished work does not of itself result in the assignment of the rights secured by common law copyright.<sup>2</sup> These rights, e.g., the right to reproduce, vend or perform an unpublished work are the exclusive property of the artist or author until disposed of by them.<sup>3</sup> An absolute unqualified sale of an unpublished work results in the transfer of all rights protected by common law copyright.<sup>4</sup> On the other hand the transfer of an unpublished work may be conditioned for specified uses and purposes; under these circumstances the proprietor reserves his common law rights.<sup>5</sup> Finally, common law copyright or the inchoate right to secure statutory copyright may be transferred by parol.<sup>6</sup>

The assignment of statutory copyright, like its common law counterpart does not necessarily effect a transfer of the property.<sup>7</sup> Thus an artist may retain the original painting but assign the right to multiply copies of the same to a purchaser.<sup>8</sup> Conversely the sale of a copyrighted work does not necessarily effect an assignment of the copyright.<sup>9</sup> To use the above illustration, the sale of a painting does not necessarily result in

<sup>2</sup> Chamberlin v. Feldman, 300 NY 135, 89 NE2d 863 (1949); Stephens v. Cady 14 How (US) 528, 14 LEd 528 (1852); Stevens v. Gladding, 17 How (US) 447, 15 LEd 155 (1854); Cf. Otten v. Curtis Publishing Co., 91 USPQ 222 (NYSupCt 1951).

<sup>3</sup> O'Neill v. General Film Co., 171 AppDiv 854, 157 NYSup 1028 (1916); Werckmeister v. Pierce & Bushnell Mfg. Co., 63 Fed 445 (CC Mass 1894); Parton v. Prang, 18 FCas No. 10, 784 (CC Mass 1872); Crowe v. Aiken, 6 FCas 904 (DC Ill. 1870); Stevens v. Gladding, 17 How (US) 447, 15 LEd 155 (1854); Stephens v. Cady, 14 How (US) 528, 14 LEd 528 (1852).

<sup>4</sup> Werckmeister v. Pierce & Bushnell Mfg. Co., 63 Fed 445 (CC Mass 1894); Parton v. Prang, 18 FCas 1273 (CC Mass 1872); Otten v. Curtis Publishing Co., 91 USPQ 222 (NYSupCt 1951).

<sup>5</sup> Cf. Press Pub. Co. v. Monroe, 73 Fed 196 (2d Cir 1896) dismissed, 164 US 105, 17 Sct 40, 41 LEd 367 (1896); Atlantic Monthly Co. v. Post Pub. Co., 27 F2d 558 (DC Mass 1928); Ripley v. Findlay Galleries, 155 F2d 955 (7th Cir 1946), cert den, 329 US 775, 67 Sct 194, 91 LEd 666 (1947); Warner

Bros. Pictures v. CBS, 102 FSupp 141 (DC Cal. 1951).

<sup>6</sup> Parton v. Prang, 18 FCas 1273 (CC Mass 1872); Black v. Allen, 42 Fed 625 (DC NY 1890). The Copyright Act of 1831 (4 STAT 436) required the transfer of common law copyright to be in writing and signed in the presence of two witnesses.

<sup>7</sup> Remick Music Corp. v. Interstate Hotel, 58 FSupp 523 (DC Neb 1944), aff'd, 157 F2d 744 (8th Cir 1945) cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1946); McClintic v. Sheldon, 182 Misc 32, 43 NYS2d 695 (1943), reversed on other grounds, 269 AppDiv 356, 55 NYS2d 879 (1944); National Geographic Society v. Classified Geographic, 27 FSupp 655 (DC Mass 1939); Ripley v. Findlay Galleries, 155 F2d 955 (7th Cir 1946), cert den, 329 US 775, 67 Sct 194, 91 LEd 666 (1947).

<sup>8</sup> Werckmeister v. Springer Lithographing Co., 63 Fed 808 (CC NY 1894); Parton v. Prang, 18 FCas No. 10, 784 (CC Mass 1872).

<sup>9</sup> National Geographic Society v. Classified Geographic, 27 FSupp 655 (DC Mass 1939).

the transfer of the various rights secured by the Copyright Code. The copyright proprietor may still retain the right to reproduce and vend the copyrighted work. Thus the Code confirms the common law rule that the intangible incorporeal rights in the nature of a privilege or franchise are separate and distinct from the tangible work.<sup>10</sup>

Section 28 of the statute also provides that copyrights "may be assigned, granted, or mortgaged by an instrument in writing signed by the proprietor of the copyright, or may be bequeathed by will."<sup>11</sup> Every assignment of copyright must be recorded in the Copyright Office within three calendar months after its execution in the United States; if it is executed outside the limits of the United States, it must be recorded within six months.<sup>12</sup> The failure to record an assignment means that "it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice whose assignment has been duly recorded."<sup>13</sup>

Failure to record an assignment does not invalidate the transfer as between assignor and assignee,<sup>14</sup> nor as against anyone who is not a purchaser for value or mortgagor with notice of such unrecorded assignment.<sup>15</sup>

<sup>10</sup> *Local Trademarks Inc. v. Price*, 170 F2d 715 (5th Cir 1948): "The author of a painting, when it is finished, before publication, owns a material piece of personal property, consisting of the canvas and the paint upon it. He also owns an incorporeal right connected with it. These two kinds of property, although growing out of the same intellectual production, are in their nature essentially and inherently distinct." *Cf. McClintie v. Sheldon*, 182 Misc 32, 43 NYS2d 695 (1943); *Otten v. Curtis Publishing Co.*, 91 USPQ 222 (NYSupCt 1951); *Security First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951).

<sup>11</sup> 61 STAT 652 (1947), 17 USCA § 28 (Supp 1951).

<sup>12</sup> 61 STAT 652 (1947) 17 USCA §§ 29 and 30 (Supp 1951):

§ 29: "*Same; Executed in Foreign Country; Acknowledgment and Certificate.*—Every assignment of copyright executed in a foreign country shall be acknowledged by the assignor before a consular officer or secretary of

legation of the United States authorized by law to administer oaths or perform notarial acts. The certificate of such acknowledgment under the hand and official seal of such consular officer or secretary of legation shall be *prima facie* evidence of the execution of the instrument."

§ 30: "*Same; Record.*—Every assignment of copyright shall be recorded in the copyright office within three calendar months after its execution in the United States or within six calendar months after its execution without the limits of the United States, in default of which it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, whose assignment has been duly recorded."

<sup>13</sup> *Ibid.*

<sup>14</sup> *Webb v. Powers*, 2 Woodb. & M. 497, 29 FCas No. 17323 (CC Mass 1847).

<sup>15</sup> *Ibid.* *Cf. New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915); *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*,

Prior to *Group Publishers, Inc. v. Winchell*,<sup>16</sup> the cases and textwriters agreed that the failure to record an assignment was no defense to an infringer.<sup>17</sup> But in the *Winchell* case, Judge S. Kaufman repudiated this well-established rule without offering a satisfactory explanation for his decision.

The facts may be stated briefly. The assignor, Natamsa Publishing Company secured a copyright on an original book entitled "Romance of Money" on January 7, 1947. On September 11, 1947, Natamsa assigned the copyright of the book in writing to plaintiff via a bill of sale. This assignment was confirmed on May 18, 1948, and recorded in the Copyright Office on May 20, 1948. Winchell allegedly infringed portions of the copyrighted book in his column, on January 2, 1948, approximately four months before the recordation of the assignment.

The court's opinion is none too clear. It states that although the "bill of sale . . . in its description of the property to be conveyed, includes an 'assignment of copyright' to plaintiff, there is no claim that any such assignment was executed prior to the one of May 18, 1948, and until such an assignment was put in writing there was no valid assignment of the copyright to plaintiff." This quotation cannot be reconciled with the facts previously set forth: that the bill of sale, dated September 11, 1947 specifically effected an assignment in writing between Natamsa and plaintiff. The assignment dated May 18, 1948 may have been a more formal document than the bill of sale, but the Copyright Code does not prescribe a special form, nor are actual words of assignment necessary.<sup>18</sup>

It is submitted that as between Natamsa and plaintiff, the assignment was effectuated on September 11, 1947, and hence plaintiff was the proper party to bring the infringement action.

213 Fed 374 (DC NY 1914), aff'd, 220 Fed 448 (2d Cir 1915).

<sup>16</sup> 86 FSupp 573 (DC NY 1949).

<sup>17</sup> *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915); *Webb v. Powers*, 2 Woodb. & M. 497, 29 FCas 17323 (CC Mass 1847); *Amdur*, Copyright Law and Practice (1936) 799; *Ladas, II International Protection of Literary and Artistic Property* (1939) 801; *Ball, Law of*

*Copyright and Literary Property* (1944) 549; *Howell, The Copyright Law* (1948) 159; *Weil, Copyright Law* (1917) 563.

<sup>18</sup> *Ladas, op. cit. supra*, note 17 at 795. In *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927) a verbal assignment was held valid. *Cf. Public Ledger v. Post Printing Co.*, 294 Fed 430 (8th Cir 1923).

As long as "Romance of Money" bore the proper copyright notice, (which it did) defendant was put on notice that the book was not in the public domain and he was precluded from copying the same or any parts thereof. The purpose of recordation is for the protection of bona fide purchasers.<sup>19</sup> Congress did not intend that infringers should invoke § 30 of the Copyright Code, and thus escape liability because an assignment had not been recorded. Such a construction of § 30 completely thwarts the purposes and objectives of the Copyright Code.

Judge Kaufman found as a factual matter that the assignment and recordation were effectuated four months after the infringement took place. But this should not absolve an infringer from liability. Section 30 of the Copyright Code protects bona fide purchasers not tortfeasors. And if the court feared that defendant might be subjected to successive suits viz., by Natamsa as well as by plaintiff, the former could be joined as an involuntary plaintiff under the New Rules of Federal Procedure.<sup>20</sup> This may have prompted Judge Kaufman's statement:

"Further the assignment, as written and executed, does not purport to grant the assignee any right to sue for infringements antedating the assignment, and without such authorization in the assignment, no such right is conferred."

<sup>19</sup> *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943); *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374 (DC NY 1914), aff'd, 220 Fed 448 (2d Cir 1915); *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915).

<sup>20</sup> FRCP § 19a; *Hoffman v. Santly Joy, Inc.*, 51 FSupp 779 (DC NY 1943); *Field v. True Comics, Inc.*, 89 FSupp 611, 613 (DC NY 1950): "A person to whom has been transferred only a limited right is a mere licensee of the particular right, and as such, is not empowered to sue alone for violation of the copyright. *Waterman v. Mackenzie*, 138 US 252, 11 Sct 334, 34 LEd 923; *New Fiction Pub. Co. v. Star Co.*, DC SD NY 220 F 994; *Goldwin Pictures Corp. v. Howells Sales Co.*, 2 Cir, 282 Fed 9; *Widenski v.*

*Shapiro, Bernstein & Co.*, 1 Cir 147 F2d 909. But if he is an exclusive licensee, even though of a limited right only, he may sue for infringement by joining the owner as plaintiff. *Western Electric Co. v. Patent Reproducer Corp.*, 2 Cir, 42 F2d 116, certiorari denied, 282 US 873, 51 Sct 78, 75 LEd 771; *Buck v. Elm Lodge Inc.*, 2 Cir, 83 F2d 201; *Paul E. Hawkinson Co. v. Carnell*, 3 Cir, 112 F2d 396. And, if the owner refuses to join, after being requested so to do, and is without the jurisdiction, he may be joined as an involuntary party plaintiff, where that is necessary in order to protect the rights of the exclusive licensee. *Independent Wireless Telegraph Co. v. Radio Corp.*, 269 US 459, 46 Sct 166, 70 LEd 357."

The foregoing statement is correct.<sup>21</sup> But if there is any doubt as to whether the assignor or assignee has the right to sue for infringement, either may join the other as an involuntary plaintiff or defendant.<sup>22</sup>

There is another aspect of this opinion which warrants discussion. We shall discuss in a subsequent chapter the manner and form of copyright notice.<sup>23</sup> But in the *Winchell* case, the court held that "Romance of Money" was in the public domain because the copyright notice was defective. The substitution of the name of an assignee in a notice of copyright prior to the recordation of the assignment does not comply with the notice required by § 19 of the Copyright Code. Section 19 requires the name of the copyright proprietor to be published."<sup>24</sup> The Congressional policy reflected in the statute is that the notice of copyright shall contain, as proprietor, the name of the holder of record; for "indiscriminate substitution could result in considerable confusion and would not 'sufficiently, aid in tracing . . . title if need be.' "<sup>25</sup>

Judge Kaufman also relied on § 32 of the Code which provides: "When an assignment of the copyright in a specified book or other work has been recorded the assignee may substitute his name for that of the assignor in the statutory notice of copyright prescribed by this title."<sup>26</sup>

Judge Kaufman's construction of § 32 is probably correct but it has no bearing on the issues of this case. Plaintiff contended that § 32 was permissive or hortatory and did not prohibit an assignee, absent recordation from freely substituting his name in the notice of copyright for that of the assignor. "But to put this interpretation on the language of

<sup>21</sup> *Kruger v. MacFadden Publications, Inc.*, 43 FSupp 170 (DC NY 1941); *Cf. United States v. Loughrey*, 172 US 206, 19 S Ct 153, 43 LEd 420 (1898); *Moore v. Marsh*, 7 Wall 515, 74 US 515, 19 LEd 37 (1869).

<sup>22</sup> *Op. cit. supra*, note 20. See 3 *Moore's Federal Practice* (1948) 1354, 2144, 2147.

<sup>23</sup> *Passim*, Ch. VI, § 62a ff.

<sup>24</sup> 61 STAT 652 (1947), 17 USCA, § 19 (Supp 1951): "The notice of copyright required by section 10 of this title shall consist of the word 'Copyright' or the abbreviation 'Copr.',

accompanied by the name of the copyright proprietor. . . ."

<sup>25</sup> *Group Publishers Inc. v. Winchell*, 86 FSupp 573, 577 (DC NY 1949), citing *Fleischer Studios v. Freundlich, Inc.*, 73 F2d 276 (2d Cir 1935).

<sup>26</sup> 61 STAT 652 (1947) 17 USCA § 32 (Supp 1951) 37 FR § 201.22(c): "Substitution of Assignee's Name.— After the assignment has been duly recorded, the assignee may substitute his name for that of the assignor in the copyright notice on the work assigned."

that section completely emasculates the provision and renders its inclusion within the act meaningless; for the section would serve no purpose if the assignee could, with equal force, substitute his name for that of the assignor prior to recordation."<sup>27</sup>

Whether § 32 is permissive or mandatory is not the issue.<sup>28</sup> It must be read in conjunction with § 30 and other provisions of the act; it has four objectives:

- 1) by permitting an assignee to substitute his name for that of the assignor in the statutory notice of copyright, it authorizes the former to assert the exclusive right of ownership in the copyright;
- 2) when read in conjunction with § 30 and other provisions of the act, it protects bona fide purchasers;
- 3) it informs prospective users or licensees who is the true and correct proprietor of the copyright work;
- 4) substitution cannot be effectuated until an assignment is recorded.

But Judge Kaufman's construction of § 19 and more importantly § 32, is inapplicable to an infringer. The use of plaintiff's name in the copyright notice prior to the recordation of the assignment may be a technical violation of the statute. But a tortfeasor should not be permitted to invoke this technicality and thus escape liability. Whether the assignment was or was not of record should not affect the liability of the defendant. The failure to record an assignment may be of some concern to an infringer if he were subject to successive suits, but as we have suggested previously the New Federal Rules of Civil Procedure adequately protect an infringer from double liability by permitting him to join assignor-assignee as parties plaintiff or either, as an involuntary plaintiff or defendant.<sup>29</sup>

It is submitted that the holding and reasoning of *Group Publishers, Inc. v. Winchell* are wrong.

The assignment of a copyright comprehends the entire

<sup>27</sup> *Group Publishers Inc. v. Winchell*, 86 FSupp 573, 577 (DC NY 1949). See also *Wrench v. Universal Pictures Co.*, 104 FSupp 374 (DC NY 1952).

<sup>28</sup> *Cf. Ladas, op. cit. supra*, note 17 at p. 802.

<sup>29</sup> *Op. cit. supra* notes 20 and 22. See particularly *Field v. True Comics, Inc.*, 89 FSupp 611 (DC NY 1950).

monopoly conferred by the statute on the proprietor; and this statutory monopoly is transferred in its entirety to the assignee.<sup>30</sup> An assignee within the meaning of the statute is one who receives a transfer, not necessarily of the tangible work but of the various rights secured by the statute e.g., the right to multiply copies, vend, transform or perform the work. These rights do not depend alone upon the statute; they are derived from the assignor and secured by the statute. Thus the Copyright Code secures to the assignee of the original owner the right of exclusive ownership of the various rights secured by the statute; and these rights are independent and separate from ownership of the article itself.<sup>31</sup>

A grant of anything less than all of the exclusive rights secured by § 1 of the Copyright Code is a license.<sup>32</sup>

Although the statute requires that an assignment be in writing, an oral transfer of the lyrics and music of a song to one who subsequently secured the copyright in his own name was considered valid.<sup>33</sup> Obviously an unrecorded parole assignment is not a complete assignment since the assignor can destroy its validity by a subsequent transfer; but when a party contracts to assign his copyright, the implication arises that a written assignment is intended.<sup>34</sup>

Assignment of copyright can also be effectuated involuntarily or by operation of law. Since copyright is similar to any other personal property right, it can be mortgaged<sup>35</sup> or transferred to a trustee in bankruptcy.<sup>36</sup> A trustee in bankruptcy upon his appointment and qualification is vested by

<sup>30</sup> *Eliot v. Geare-Marston Inc.*, 30 FSupp 301 (DC Pa 1939); *In Re Lynch's Estate*, 151 Misc 549, 272 NYSupp 79 (1934). But *cf.* *Harper & Bros. v. Kalem Co.*, 222 US 55, 32 SCt 20, 56 LEd 92 (1911); *Keystone Type Foundry v. Fastpress*, 272 Fed 242 (2d Cir 1926).

<sup>31</sup> *American Tobacco Co. v. Werckmeister*, 207 US 284, 28 SCt 72, 52 LEd 208 (1907); *Bong v. Campbell Art Co.*, 214 US 236, 29 SCt 628, 53 LEd 979 (1809); *Security-First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951).

<sup>32</sup> *Cf.* *Davenport Quigley Expedition v. Century Productions*, 18 FSupp 974 (DC NY 1937).

<sup>33</sup> *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927).

<sup>34</sup> *Gould v. Banks*, 8 Wend (NY) 562 (1832).

<sup>35</sup> *Security-First-Nat. Bank of Los Angeles v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951); *In Re Leslie-Judge Co.*, 272 Fed 886 (2d Cir 1921).

<sup>36</sup> *In Re Waterson, Berlin & Snyder Co.*, 48 F2d 704 (2d Cir 1931); *Stephens v. Cady*, 55 How (US) 528, 14 LEd 528 (1852): "The copperplate engravings like any other tangible personal property is the subject of seizure and sale on execution, and the title passes to the purchaser, the same as if made at a private sale."

operation of law with the title of all copyrights owned by the bankrupt as of the date he was adjudged a bankrupt. The trustee subject to the approval of the court may sell the copyright to a purchaser.<sup>37</sup> The assignment of a copyright by operation of law should likewise be recorded in the Copyright Office.

Assignments of copyright are governed by the rules applicable to contracts in general. In the absence of reservations by the assignor, the sale of a story results in an assignment of the copyright.<sup>38</sup> Similarly, the use of the word "publish" comprehends all of the rights secured by § 1 and constitutes an assignment of a copyright.<sup>39</sup> The effect of such an assignment, as we have stated previously, is to divest the assignor of all control of the copyrighted work. This is true even though there is a breach of the contract regulating the relationship of the parties subsequent to the transfer of the copyright.<sup>40</sup>

## 52. LICENSES.

As indicated in the previous section, an assignment of a copyright comprehends the transfer of all of the exclusive rights conferred by section 1 of the Copyright Code.<sup>1</sup> The transfer of anything less is a license and would be governed by the terms of the licensing agreement.<sup>2</sup> A few illustrations are warranted.

The contract between ASCAP and its member composers and publishers is an out-and-out licensing agreement. The publisher or copyright owner transfers to the Society "the

<sup>37</sup> *Ibid.*

<sup>38</sup> *Dam v. Kirk La Shelle Co.*, 165 Fed 589 (DC NY 1908) *aff'd*, 175 Fed 902, 904, 905 (2d Cir 1910).

<sup>39</sup> *Fitch v. Young*, 230 Fed 743, 744 (DC NY 1916).

<sup>40</sup> *Thompson v. Hubbard*, 131 US 123, 9 SCT 710, 33 LEd 76 (1889).

<sup>1</sup> In *Re Lynch's Estate*, 151 Misc 549, 272 NYSupp 79 (1934); *Keystone Type Foundry v. Fastpress Co.* 272 Fed 242 (2d Cir 1926). For the various rights conferred by section 1 of the Copyright Code on the proprietor, see *passim*, § 90.

<sup>2</sup> *Eliot v. Geare-Marston Inc.*, 30 FSupp 301, 306 (DC Pa 1939): . . . .

copyright is an indivisible thing, and cannot be split up and partially assigned either as to time, place, or particular rights or privileges, less than the sum of all the rights comprehended in the copyright. Certainly the statute authorizing assignments of copyright contains no recognition of such partial assignments. Of course, such exclusive rights may be granted, limited as to time, place, or extent of privileges which the grantee may enjoy; but the better view is that such limited grants operate merely as licenses and not as technical assignments, although often spoken of as assignments."

exclusive right of public performance in every such musical work" for a 25 year term.<sup>3</sup> All other rights i.e., the printing and publishing rights, synchronizing, mechanical reproduction and "grand performing" rights are retained by the copyright owner.<sup>4</sup> The latter may license each of the foregoing rights to different parties.<sup>5</sup> Thus the printing and publishing right may be licensed to a music publisher; the synchronizing right licensed to a motion picture producer; the mechanical reproduction rights to a recording company, and the "grand performing" rights licensed for a stage or radio presentation.<sup>6</sup>

One further illustration of a licensing agreement is warranted. The Television Agreement between ASCAP and its members spells out the television rights in the public performance of musical compositions granted the Society.<sup>7</sup> Thus the copyright owner has licensed to ASCAP from October 1, 1948 to December 31, 1953 the following television rights among others:

"A. Use by a single instrumentalist or by a group of instrumentalists.

B. Use by a single vocalist or by a group of vocalists, not exceeding five.

B(1). Use by a group of vocalists exceeding five, such as a choral group or vocalists accompanied by a chorus, where such group is not in costume and such vocal rendition is not accompanied by either scenery, dialogue content or dancing routine.

C. Any combination of 'A' and 'B' or 'A' and 'B(1)'.

<sup>3</sup> The current contract between ASCAP and the copyright proprietor is from 1941 to 1965.

<sup>4</sup> For the various "rights" of a copyright proprietor, see *passim*, § 90; *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909, 910 (1st Cir 1945): ". . . since the plaintiff transferred to ASCAP only one of the nine rights it obtained as copyright proprietor under § 1 of the Copyright Act, 17 USCA § 1, ASCAP, under the rule of *Waterman v. Mackenzie*, 138 US 252, 255, 11 Sct 334, 34 LEd 823, was not an assignee but a licensee. . . ."

<sup>5</sup> *Remick Music Corporation v. Interstate Hotel Co.* (DC Neb 1944) 58 FSupp 523, aff'd, 157 F2d 744, cert

den 329 US 809, 67 Sct 622, 91 LEd 691 (1945).

<sup>6</sup> *Passim* section 90. And see, *Buck v. Swanson et al.*, (DC Neb 1939) 33 FSupp 377, 388: "The right of public performance in connection with the composition includes separate and distinct rights, among them being: (1) the right of publication; (2) the motion picture rights; (3) the stage rights; (4) the recording rights; and (5) the radio reproduction rights. The copyright owner might wish to grant one of these rights to one party and another right to another party. As the exclusive owner, he is entitled to that right."

<sup>7</sup> This is the so-called "side-letter" Television Agreement.

D. In the case of dramatico-musical numbers, the use of not more than two numbers from the same work in the same program (subject to the further limitations contained in Subdivision 'E'). By dramatico-musical numbers are meant numbers originally written for and used for the first time in dramatico-musical works including musical plays, operettas, revues and motion picture photoplays; but incidental or background music shall not be included in this definition.

E. In the case of dramatico-musical numbers, the use of not more than one number from the same work in the same program, where such performance is in costume and with scenery or with dialogue content or dancing routine.

The rights granted do not include the right to use or to license the use in television of any dramatico-musical number in the same way or in a way substantially similar to the way in which it was used in the play or other production of which it forms a part."<sup>8</sup>

The foregoing document is a license agreement since the copyright owner has retained the bulk of the rights conferred by the statute; those television rights which have been transferred to the Society are conditioned with limitations and restrictions.<sup>9</sup>

This licensing agreement is illustrative of some of the complexities attendant the licensing of television rights. Thus the television rights to a play, musical comedy, opera, song, etc., will be governed by a detailed licensing agreement from the copyright proprietor or his assignee.<sup>10</sup>

Although the Copyright Office will record licensing agreements, there is no statutory or mandatory requirement that they be recorded. Since the records at the Copyright Office

<sup>8</sup> This Television Agreement is discussed in greater detail *passim*, section 137. It is the basis of the ASCAP Television Contract.

<sup>9</sup> For example, the maximum number of vocalists is five, however there can be no accompanying dialogue, dancing routine (where the dancing dramatizes the title or lyric) or scenery beyond a back-drop or curtain. Additional examples of restrictions and conditions in the Television Agreement are the following: "If a number (1) is performed by costumed vocalists (not exceeding five) and such vocal rendition is accompanied by any built scene or set which spells out the idea of the

title or lyric of the song (or, in the case of a dramatico-musical number, the idea of the production of which the number forms a part), or (2) is performed by costumed vocalists (not exceeding five) and such vocal rendition is accompanied by dancing routine (where the dancing dramatizes the title or the lyric) or dialogue content, or (3) is performed by more than five vocalists, in costume, such performances shall be excluded from general license and shall be licensed by the Society separately under special licenses and at special rates."

<sup>10</sup> *Op. cit. supra*, note 6.

are incomplete and do not disclose the terms or conditions of the bulk of license agreements, the burdens imposed on a potential user of copyrighted television material are obvious. For example, the copyright proprietor of a novel may have licensed for a ten year term or sold the motion picture rights to a producer. Since the license agreement or contract is not on file, a potential purchaser of television film rights may be precluded from consummating a contract since the previous lease or sale of motion picture rights may include television film rights.

From a practical point of view, the great bulk of copyrighted material available and useful for television has been and will be governed by licensing agreements. This in turn is primarily dependent on the law of contracts.<sup>11</sup> One or two illustrations will suffice.

John Doe, an author, licenses the radio rights in a novel to a network for a ten year term.<sup>11a</sup> Doe now desires to license the television rights to another network. The question tendered is whether the license of the radio rights comprehends the television rights. Although the definition of "radio communications" in the Communications Act of 1934 comprehends television,<sup>12</sup> it is believed that television rights are separate and distinct from radio as well as motion picture rights. This is illustrated by the *Weiss*<sup>13</sup> & *Norman*<sup>14</sup> decisions. In the former case, the defendant was enjoined from selling, exploiting or distributing the television rights in a motion picture where the licensing agreement was silent on the disposition of such rights. In the *Norman* case, the question before the court was whether a lease of the "privilege of broadcasting the boxing bouts," executed in 1943, also included television rights. The court held that television rights were separate and distinct from radio (aural) rights and would be subject to negotiation between the lessor and lessee.<sup>15</sup>

<sup>11</sup> *E.g.* *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950, *modified*, 189 F2d 469 (2d Cir 1951); *Field v. True Comics Inc.*, 89 FSupp 611 (DC NY 1950). See also *Rogers v. Republic Productions* 104 FSupp 328 (DC Cal 1952).

<sup>11a</sup> This hypothetical illustration ignores the contract between the Dramatist Guild and the networks whereby writers have reserved television rights.

<sup>12</sup> *Warner, Radio and Television Law* § 72.

<sup>13</sup> *Weiss v. Hollywood Film Enterprises Inc.*, 18 USL Week 2044 (July 26, 1949) (CalSuperCt 1949).

<sup>14</sup> *Norman v. Century Athletic Club, Inc.*, 69 A2d 466 (Md 1950), 5 Radio Regulations 2057 (1950).

<sup>15</sup> *Ibid.* But *cf.* *Hollywood Plays v. Columbia Pictures Corp.*, 77 NYS2d 568 (1947) *reversed on other grounds*,

In this connection, licensing agreements are as a general rule construed in derogation of the rights of the grantee.<sup>16</sup> A license is limited strictly to its expressed purpose and will be presumed non-exclusive unless expressly made exclusive.<sup>17</sup> Thus the grant of mechanical reproduction rights "in any form whatsoever" does not include the separate printing of the lyrics of the song on the pianola rolls and their subsequent distribution.<sup>18</sup> Similarly the grant by contract, when motion pictures were a familiar mode of representation, of the "sole and exclusive license to produce, perform and represent" a copyrighted play, assigned only stage rights.<sup>19</sup> A license granting dramatic rights did not include "talking motion picture rights."<sup>20</sup> There are cases to the contrary. Thus the assignment of dramatic rights has been held to include motion picture rights although motion pictures were unknown at the time when the assignment was made.<sup>21</sup> In *L. C. Page & Co. v.*

299 NY 61, 85 NE2d 865 (1949) wherein it was held that "motion picture" rights by virtue of custom, also embraces television and radio rights. See also *Rogers v. Republic Productions* 104 FSupp 328 (DC Cal 1952).

<sup>16</sup> *Shafter, Musical Copyright* (1939) 143-144; Weil, *Copyright Law* (1917) 554. *Silverberg, Televising Old Films*, (1952), 38 Va. L Rev. 615, 620.

<sup>17</sup> *Warne v. Routledge LR* 18 Eq 497, 43 LJ Ch 604 (1874); *Mills v. Standard Music Roll Co.*, 223 Fed 849 (DC NJ 1915), aff'd, 241 Fed 360 (3d Cir 1917).

<sup>18</sup> *Mills v. Standard Music Roll Co.*, 223 Fed. 849 (DC NJ 1915), aff'd, 241 Fed 360 (3d Cir 1917).

<sup>19</sup> *Manners v. Moroseo*, 252 US 317, 40 SCT 335, 64 LEd 590 (1920); *Harper Bros. v. Klaw*, 232 Fed 609 (DC NY 1916); *Klein v. Beach*, 232 Fed 240 (DC NY 1916).

<sup>20</sup> *Kirke La Shelle Co. v. Armstrong*, 263 NY 79, 188 NE 163 (1933); cf. *L. C. Page v. Twentieth Century-Fox Film Corp.*, 83 F2d 196, 199 (2d Cir 1936). In *G. Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950) modified on other grounds, 189 F2d 469 (2d Cir 1951) plaintiff was assigned "the exclusive right for all countries of the world to make a libretto for an opera of his dramatic

version of *Madame Butterfly*, founded on the original theme written by John Luther Long." Defendant was granted the sole and exclusive right to use the novel for motion picture purposes. The question tendered was whether the assignment of motion picture rights to Paramount authorized it to make a film version of the opera. The court held that defendant was precluded from dramatizing or performing the opera via motion pictures, since the opera (which was copyrighted in 1904) was a new work. The grant [to plaintiff] was absolute, unconditional and without limitations (except for the use of the name of the author and the dramatist.) It gave to plaintiff in addition the exclusive dramatic rights to the new work."

<sup>21</sup> *Dam v. Kirk La Shelle Co.*, 175 Fed 902 (2d Cir 1910); *Photo Drama Motion Pictures Co. v. Social Uplift Film Co.*, 220 Fed 448 (2d Cir 1915); *Frohman v. Fitch*, 164 AppDiv 231, 149 NYSupp 633 (1914); *Falcon v. Famous Players Co., Ltd.*, 2 KB 474 (1926); *Serra v. Famous Players Film Co., Ltd.*, 127 LT (NS) 109 (1922); *Hollywood Plays v. Columbia Pictures Corp.*, 77 NYS2d 568 (1947), reversed on other grounds, 299 NY 61, 85 NE2d 865 (1949).

*Twentieth Century Fox-Film Corporation*,<sup>22</sup> the question tendered was whether the phrase "exclusive motion picture rights" used in a contract dated October 8, 1923 included "talking motion picture rights" although "talkies" were commercially unknown at that date. The court held that " 'talkies' are but a species of the genus motion pictures; they are employed by the same theaters, enjoyed by the same audiences, and nothing more than a forward step in the same art."<sup>23</sup>

All of the foregoing cases dealing with this subject can be reconciled and distinguished on a factual basis. However, it is believed that the courts must take cognizance of the business and commercial practices which have developed in the copyright field. The various rights secured by § 1 of the Copyright Code, e.g., the right to print, dramatize, record, and perform—"are inherently and essentially different. They are, in most cases, exercised or purchased by different persons"<sup>24</sup> and extend to such widely divergent industries as the book publishing trade, the newspaper or magazine publishing industry, the legitimate stage, and the motion, radio and television industries. Each of these rights has a distinct value which can be separately computed and the copyright owner may and does license such portion of the copyright as he desires. Furthermore many of the separate rights of the copyright proprietor may be used as a basis for securing new and separate copyrights.<sup>25</sup> For instance, the copyright proprietor of a novel has the right to dramatize it;<sup>26</sup> he may secure a copyright on the dramatic version and he may also write a motion picture scenario based on the novel and copyright that separately.<sup>27</sup> Thus it is clear that television rights

<sup>22</sup> 83 F2d 196, 199 (2d Cir 1936).

<sup>23</sup> *Ibid*; Ricordi & Co. v. Paramount Pictures, 92 FSupp 537 (DC NY 1950): "The term 'motion picture rights' I understand to mean the silent, sound, talking and all motion picture rights of every type and nature"; Murphy v. Warner Bros. Pictures, 112 F2d 746 (9th Cir 1940); Rosenberg & Lesser v. Wright (SupCtCal 1934) US Copyright Office, Bulletin No. 20, p. 599. See also Cinema Corp. of America v. De Mille, 267 NYSupp 327 (1933).

<sup>24</sup> Ford v. Blaney Amusement Co., 148 Fed 642, 645 (CC NY 1906).

<sup>25</sup> *E.g.* Ricordi Co. v. Paramount Pictures, 92 FSupp 537 (DC NY) wherein the novel "Madame Butterfly" was copyrighted as a composite work, since it was first published in a magazine; the opera "Madame Butterfly" was copyrighted; the motion picture produced by Paramount Pictures was likewise copyrighted.

<sup>26</sup> 61 STAT 652 (1947), 17 USCA § 1(b) (Supp 1951).

<sup>27</sup> *Op. cit. supra* note 25. Photo-Drama Motion Pictures Co. v. Social

have an economic value to the copyright proprietor; they are separate and distinct from the publishing, stage, radio and motion picture rights.<sup>28</sup>

The problem arises as in the *Norman*<sup>29</sup> case, where the license agreement transferring radio rights is silent as to the disposition of the television rights. In such a case television rights exist "but in nubibus, or (what is frequently the same thing) in contemplation of law only. As a matter of fact they are an accretion or unearned increment conferred of late years upon the copyright owners by the ingenuity of many inventors and mechanics."<sup>30</sup>

But a copyright proprietor who licenses radio or motion picture rights (and in the absence of a reservation to license television rights during the pendency of the foregoing licensing agreements) is not at liberty to assign television rights. The licensee of television rights under such circumstances would compete unfairly with licenses for radio and motion picture rights and diminish the value of their contracts. Hence a negative covenant is implied which precludes the copyright proprietor from so using the ungranted portion of the copyright to the detriment or destruction of the licensee's estate.<sup>31</sup>

*Uplift Film Corp.* 213 Fed 374 (DC NY 1914), aff'd, 220 Fed 448 (2d Cir 1915); *Carte v. Ford*, 15 Fed 439 (CC Md 1883). In *Kalem Co. v. Harper Bros.* 222 US 55, 32 Sct 20, 56 LEd 92 (1911) it was held that the right to dramatize included the right to make motion picture scenarios.

<sup>28</sup> *Buck v. Swanson*, 33 FSupp 377, 387 (DC Neb 1939): "The right of an author in his intellectual production is . . . assignable and it may be sold and transferred in its entirety, or a limited interest therein, less than the entire property, may be sold and assigned, and the various rights included in the entire ownership may be split up and assigned to different persons."

<sup>29</sup> *Norman v. Century Athletic Club, Inc.* 69 A2d 466 (Md 1950).

<sup>30</sup> *Harper Bros. v. Klaw*, 232 Fed 609, 613 (DC NY 1916); *Ricordi & Co. v. Paramount Pictures*, 92 FSupp 537 (DC NY 1950). Cf. *Hollywood Plays v. Columbia Pictures Corp.*, 77 NYS2d 568 (1947) wherein the de-

fendant offered to buy motion picture, television and radio rights for a specified sum. Plaintiff's agent accepted defendant's offer to purchase "world motion picture rights." The court held this was an acceptance of defendant's offer since "motion picture" rights by virtue of custom also embrace television and radio rights. Cf. *Rogers v. Republic Productions Inc.*, 104 FSupp 328 (DC Cal 1952) with *Autry v. Republic Productions Inc.*, decided May 13, 1952.

<sup>31</sup> *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), modified 81 F2d 373 (1st Cir 1936) cert den 298 US 670, 56 Sct 835, 80 LEd 1393 (1936); *Kirke La Shelle Co. v. Armstrong Co.*, 263 NY 79, 188 NE 163 (1933); *Underhill v. Schenck*, 238 NY 7, 143 NE 733 (1924); *Manners v. Morosco*, 252 US 317, 40 Sct 335, 64 LEd 590 (1920); *Harper Bros. v. Klaw*, 232 Fed 609 (DC NY 1916).

The foregoing is illustrated by an actual case which has occurred on more than one occasion. A copyright proprietor licenses the motion picture rights to a producer for a ten-year term; he likewise licenses the "live" television rights to a network. Since motion picture and television rights are separate and distinct, there is no conflict. But the network desires to make a kinescope recording for subsequent distribution via film. Does the kinescope recording infringe or unfairly compete with the grant of the motion picture rights? At the outset it should be pointed out that in the more recent contracts between motion picture studios and playwrights and authors, the former have reserved all distribution rights, including television. In the absence of a specific provision in the licensing agreements dealing with kinescope recordings, the studios contend that kinescope recordings infringe or unfairly compete with their motion picture rights. The networks claim that television is a medium whereby a picture is produced by electronic methods. A kinescope recording is merely a method employed to distribute film; it is used in lieu of the coaxial cable. This method of preserving a television image on film does not alter the basic electronic system of producing a television show.

This issue has never been resolved by the courts. The networks have been reluctant to litigate this question; and they have refused to make kinescope recordings of copyrighted works which are covered by licensing agreements for motion picture rights. It is believed that a "one-shot" kinescope recording, i.e., used in lieu of the coaxial cable, does not compete unfairly with the motion picture rights. Of course multiple successive performances of a kinescope recording would have a tendency to diminish the values of the motion picture right. In any event the issue of injury or unfair competition to the rights covered by a licensing agreement is one of fact for the trier of facts.

A word of caution is appropriate on the legal principles or rules governing licensing agreements. Generalizations on legal principles and rules will always yield to express reservation of rights. Furthermore variations in the facts may yield different results. The primary inquiry is and should be the terms and conditions of the licensing agreement.

## 53. INDIVISIBILITY OF COPYRIGHT.

The doctrine of indivisibility of copyright is the touchstone for the basic differences between assignments and licenses. This doctrine is procedural in origin and is derived from patent law.<sup>1</sup> Briefly stated, the theory of indivisibility of copyright precludes a licensee or transferee from instituting an action for infringement unless he has joined the copyright proprietor as a party to the suit.<sup>2</sup>

The clearest exposition of this doctrine may be found in *Witmark & Sons v. Pastime Amusement Co.*<sup>3</sup> Plaintiff, a music publisher had transferred to ASCAP for a specified term of years the small performing rights in a copyrighted musical composition entitled "Kiss Me Again." When the defendant played this song in its motion picture theatre without an ASCAP license, plaintiff sued for infringement. The court held that plaintiff, and not ASCAP was the proprietor of the copyright and, therefore, the proper party to assert the claim for infringement. In reaching this decision, it was pointed out that plaintiff did not by the assignment part with his entire interest in the copyright but that the copyright had been only partially assigned. The court then stated:

"In relation to the right to sue for an infringement, a copyright is an indivisible thing, and can not be split up and partially assigned either as to time, place, or particular rights or privileges, less than the sum of all the rights comprehended in the copyright. Certainly the statute authorizing assignments of copyright contains no recognition of such partial assignments. Of course, such exclusive rights may be granted, limited as to time, place, or extent of privileges which the grantee may enjoy, but the better view is that such limited grants operate merely as licenses and not as technical assignments, although often spoken of as assignments."<sup>4</sup>

<sup>1</sup> Mr. Justice Frankfurter dissenting in *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 419, 69 S Ct 1120, 93 L Ed 1419 (1949); *Goldwyn Pictures Co. v. Howell Sales Co.*, 282 Fed 9 (2d Cir 1922): . . . "the license under a copyright is analogous with that under a patent so far as affects the right to sue, and beginning with the much cited case of *Waterman v. Mackenzie*, 138 US 252 (1891), the

inability of a licensee to sue for an infringement is no longer an arguable question."

<sup>2</sup> *Field v. True Comics, Inc.*, 89 FSupp 611 (DC NY 1950).

<sup>3</sup> 298 Fed 470 (DC SC 1924) *affirmed per curiam*, 2 Fed 1020 (4th Cir 1924).

<sup>4</sup> *Ibid.* See also *Eliot v. Geare-Marston, Inc.*, 30 FSupp 301 (DC Pa 1939).

As stated previously, the theory of indivisibility of copyright which requires the copyright proprietor to be a necessary party to any suit for infringement followed a similar doctrine in the field of patent law. Like the copyright proprietor, the owner of a patent has “the exclusive right to make, use, and vend the invention or discovery.”<sup>5</sup> Chief Justice Taney said in *Gayler v. Wilder*,<sup>6</sup> “the monopoly granted to the patentee is for one entire thing; it is the exclusive right of making, using and vending.” In order for the assignee to sue, “the assignment must undoubtedly convey to him the entire and unqualified monopoly which the patentee held in the territory specified—excluding the patentee himself, as well as others. And any assignment short of this is a mere license. For it was obviously not the intention of the Legislature to permit several monopolies to be made out of one, and divided among different persons within the same limits. Such a division would inevitably lead to fraudulent impositions upon persons who desired to purchase the use of the improvement, and would subject a party who, under a mistake as to his rights, used the invention without authority, to be harassed by a multiplicity of suits instead of one, and to successive recoveries of damages by different persons holding different portions of the patented right in the same place. Unquestionably, a contract for the purchase of any portion of the patent right may be good as between the parties as a license, and enforced as such in the courts of justice. But the legal right in the monopoly remains in the patentee, and he alone can maintain an action against a third party who commits an infringement upon it.”<sup>7</sup>

Thus the fear of multiple infringement suits against an alleged infringer has prompted the courts in both patent and copyright infringement suits to require that the owner appear as plaintiff. “They [the remedies sought to be employed] were

<sup>5</sup> Act of May 23, 1930, 46 STAT 376, 35 USCA § 40.

<sup>6</sup> 10 How (US) 477, 494-495, 13 LEd 504 (1850).

<sup>7</sup> *Ibid.* *Waterman v. Mackenzie*, 138 US 252, 11 S Ct 334, 34 LEd 923 (1891); *United States v. General Electric Co.*, 272 US 476, 47 S Ct 192, 71

LED 362 (1926). See *Goldwyn Pictures Corp. v. Howell Sales Co.*, 282 Fed 9 (2d Cir 1922); *Fitch v. Young*, 230 Fed 743 (DC NY 1911, aff'd, 239 Fed 1021 (2d Cir 1921)); *Local Trademarks v. Powers*, 56 FSupp 751 (DC Pa 1944).

not intended to be cumulative so as to subject a defendant to more than one recovery for the redress of one wrong."<sup>8</sup>

The earliest expression of the doctrine of indivisibility of copyright was stated in *Jeffreys v. Boosey*, where Lord St. Leonards concluded that a partial assignment of copyright with territorial limitations was wholly invalid.<sup>9</sup> This ruling is no longer authoritative since the English Copyright Act permits copyright to be assigned "either generally or subject to territorial limitations."<sup>10</sup> In *Palmer v. De Witt*, decided eighteen years after *Jeffreys v. Boosey*, a New York court refused to follow the teachings of the latter case and permitted the licensee of a play protected by common law copyright to sue in his own name.<sup>11</sup>

Prior to the enactment of the Copyright Act of 1909, the decisions were not in accord. Thus in an early case, a licensee of the exclusive right of presenting a drama for one year throughout the United States, except in five specified cities, was permitted to maintain a suit in his own name.<sup>12</sup> However in later cases and in other jurisdictions, such right was refused to licensees; the courts relied on the analogous rule set forth in the patent decisions.<sup>13</sup>

Shortly after the enactment of the Copyright Act of 1909, the courts at first appeared to advocate divisibility. In *Photo-Drama Motion Picture Company, Inc. v. Social Uplift*

<sup>8</sup> *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994, 996 (DC NY 1915).

<sup>9</sup> *Jeffreys v. Boosey*, 4 HCL 815 (1854).

<sup>10</sup> Fox, *Canadian Law of Copyright* (1944) 286.

<sup>11</sup> *Palmer v. DeWitt*, 47 NY 532 (1872). See also: *Aronson v. Fleckenstein*, 28 Fed 74 (CC Ill 1886); *Tams v. Witmark*, 30 NY Misc 293 (1900), *aff'd*, 48 AppDiv 632 (1900); *Fleron v. Lackaye*, 14 NYSupp 292 (1891); *Aronson v. Baker*, 43 NJ Eq 365, 12 Atl 177 (1888).

<sup>12</sup> *Roberts v. Myers*, 20 FCas 898, 900 (CC Mass 1860): . . . " . . . it [The Act of June 30, 1834, 4 STAT 728 which provided for the recording of "all deeds or instruments in writing for the transfer or assignment of copyrights"] does not say what interest may be assigned. But there is no sufficient rea-

son for preventing the author from conveying a distinct portion of his right. Divisibility as well as assignability enhances the value of his property, for he may find a purchaser able and willing to pay for a part, but not for the whole of his copyright. The exclusive right of acting and representing is distinct from that of printing and publishing . . . and there is no good reason why it should not be assignable, and that too, for a limited time. The respondent is a mere wrongdoer who has invaded this copyright, and intends further to invade it within the time and territory which the author, for a valuable consideration, has transferred to the complainant."

<sup>13</sup> *Black v. Allen*, 42 Fed 618 (DC NY 1890); *Empire City Amusement Co. v. Wilton*, 134 Fed 132 (DC Mass 1903).

*Film Corporation*,<sup>14</sup> the Second Circuit Court of Appeals held that an assignment of motion picture rights was required to be recorded within three months and that the failure to do so made the transfer void as to a subsequent bona fide purchaser for value of the same rights, without actual notice.

But one month later the same court in *New Fiction Publishing Company v. Star Co.*<sup>15</sup> reached a contrary result. In that case, the author and copyright owner of a play assigned to the plaintiff the "serial rights," which included all rights to publish, except the right to publish the play as a book and the right of dramatic performance. Plaintiff printed the play in his magazine, but shortly before the issue containing the play was put in circulation, the defendant printed substantial portions of the play in his newspapers. In dismissing plaintiff's suit for infringement, the court observed that "less than an assignment of the entire copyright cannot carry the causes of action (if the right is invaded) which the act accords to the owner or assignee." The court reasoned that since the author had sold only a limited right to the plaintiff and another limited right to a theatrical manager, he obviously did not intend completely to divest himself of his copyright by assignment. Prior to the institution of suit, but subsequent to the infringement by the defendant, plaintiff had published and copyrighted the issue of its magazine containing the play. The court stated that this was of "no consequence and [added] nothing to plaintiff's case, in view of the previous copyright of Goodman [plaintiff's assignor]." <sup>16</sup>

The question was tendered again in *Goldwyn Motion Picture Corporation v. Howell Sales Company*<sup>17</sup> which held that a transferee of motion picture rights could not maintain a suit for infringement in its own name. The *Photo-Drama* case <sup>18</sup> was distinguished because in that case the plaintiff had taken out a separate copyright in its own name and hence was a copyright proprietor. The court did not mention that this

<sup>14</sup> 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915).

<sup>15</sup> 220 Fed 994 (DC NY 1915).

<sup>16</sup> *Ibid.* The court quoted from Bowker, Copyright, Its History and Its Law (1912) 49: "There can be no such thing as a copyright for a special purpose, or for a special locality, or

under other special conditions, for there can be only one copyright, and that a general copyright, in any one work."

<sup>17</sup> 232 Fed 9 (2d Cir 1922).

<sup>18</sup> *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915).

point was treated as inconsequential in the *New Fiction* case.<sup>19</sup>

The doctrine of indivisibility of copyright is an anachronism and outmoded fiction; it ignores the business and commercial practices in the copyright field; and there is no procedural justification for this doctrine.

We have discussed in the previous section that the various rights secured by § 1 of the Copyright Code, e.g., the right to print, publish, vend, transform, dramatize and perform are essentially different and have a distinct and separate economic worth to the book publishing trade, the legitimate stage, and the motion picture, radio and television industries.<sup>20</sup> These rights are sold separately and they are used as a basis for securing new and separate copyrights.<sup>21</sup> Thus the author of a novel may dramatize the same and secure a copyright for the dramatic version. The latter may be licensed to a motion picture studio which, if authorized by the copyright proprietor, may register the film as a motion picture photoplay.<sup>22</sup> The same author may license radio and television rights and separate copyrights may be obtained for the radio and television versions. If a copyright proprietor can do all of these things he should be able to "sell separately the right to dramatize and the right to make a moving picture play."<sup>23</sup>

Secondly, there is no procedural justification for the indivisibility doctrine. We have discussed elsewhere that under § 101 of the Copyright Code a licensee is precluded from suing for copyright infringement in his own name.<sup>24</sup> But although a licensee lacks legal title, he enjoys an equitable interest or title which should enable him to invoke the jurisdiction of the

<sup>19</sup> *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915).

<sup>20</sup> *Op. cit. supra* note 1. In *Interstate Hotel Corp. v. Remick Music Corp.*, 157 F2d 744 (8th Cir 1946), the court said that the right to publish and sell copies of a song (§ 1(a) of the Copyright Code) and the right to perform publicly for profit (§ 1(e)) are "separate and distinct rights separately granted by the Copyright Act" and that nothing in the Act . . . makes the exercise of one right dependent upon the abandonment of the other." See also *Murphy v. Warner Bros.*, 112 F2d 746, 748 (9th Cir 1940); *Buck v. Swanson*, 33 FSupp 377, 378 (DC Neb 1939).

<sup>21</sup> *E.g. Ricordi Co. v. Paramount Pictures*, 92 FSupp 537 (DC NY 1950) *modified* 189 F2d 469 (2d Cir 1951).

<sup>22</sup> *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374 (DC NY 1914) *aff'd* 220 Fed 448 (2d Cir 1951). See also *Warner Bros. Pictures v. CBS*, 102 FSupp 141 (DC Cal 1951).

<sup>23</sup> *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374, 377 (DC NY 1914). To the same effect: *Carte v. Ford*, 15 Fed 439 (CC Md 1883); *Ford v. Blaney Amusement Co.*, 148 Fed 642 (DC NY 1906).

<sup>24</sup> *Passim*, § 172d.

courts. It is clear that a licensee may sue the copyright proprietor if the latter violated the rights transferred to the former.<sup>25</sup> The relationship between the copyright proprietor and licensee is one of trust, and as was stated in a patent case, "a cestui que trust may make an unwilling trustee a defendant in a suit to protect the subject matter of the trust."

"... the implied obligation of the licensor to allow the use of his name [as coplaintiff] is indispensable to the enjoyment by the licensee of the monopoly which by personal contract the licensor has given.... If there is no other way of securing justice to the exclusive licensee, the latter may make the owner... a coplaintiff without his consent in the bill against the infringer."<sup>26</sup>

This rule has been applied in the copyright cases. In *Page & Co. v. Fox Film Corporation*,<sup>27</sup> the licensee of exclusive motion picture rights joined the copyright proprietor as a nominal party plaintiff "as was necessary and proper." The copyright proprietor did not appeal and she was severed from the suit. The licensee prosecuted the appeal in the appellate court. The court held that "it is immaterial whether the plaintiff's rights be considered to be merely contractual or to involve the grant of a proprietary interest in the copyright; in either case the defendants had full notice of them before they began to produce the moving picture, and the plaintiff as exclusive licensee for selling or leasing could compel the copyright proprietor, as a trustee, to sue for an infringement, even if no 'interest' was transferred to the plaintiff."<sup>28</sup>

<sup>25</sup> *Infra* § 52; *Wooster v. Crane Co.*, 147 Fed 515 (8th Cir 1906); *Black v. Allen*, 42 Fed 618 (DC NY 1890).

<sup>26</sup> *Independent Wireless Telegraph Co. v. Radio Corp. of America*, 269 US 459, 469, 48 Sct 106, 70 LEd 357 (1926); see also *Field v. True Comics Inc.*, 89 FSupp 611, 613 (DC NY 1950).

<sup>27</sup> 83 F2d 196, 198 (2d Cir 1936).

<sup>28</sup> *Ibid.* at 198. *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924): publisher was trustee of copyright for benefit of the author and the latter has "full equitable title" and may bring suit in his own name not only against an unfaithful trustee but also against third persons; *Browne Music Co. v. Fowler*, 290 Fed 751 (2d Cir 1923):

"The owner of the equitable title is not a mere licensee, and he may sue in equity, particularly where the owner of the legal title is an infringer or one of the infringers"; *Witwer v. Harold-Lloyd Corp.*, 46 F2d-702 (DC Calif 1930), *reversed on other grounds*, 65 F2d 1 (9th Cir 1933) cert dismissed 296 US 669, 54 Sct 94, 78 LEd 1507 (1933); *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938); *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929); *Cf. Scuthern Music Pub. Co. v. Walt Disney Productions*, 73 FSupp 580 (DC NY 1947); *Harms v. Stern*, 229 Fed 42 (DC NY 1915) *reversed* 231 Fed 645 (2d Cir 1916).

It is submitted that the equitable title of a licensee is a sufficient legal interest for the purposes of an infringement suit. But the procedural justification for joining the copyright proprietor as a party to the suit is the fear that the infringer may be sued twice for the same wrong.<sup>29</sup> This rule is premised on the supposition that if the licensee were to sue alone, the copyright proprietor could sue on the same cause of action. But this assumption overlooks the fact that the copyright proprietor would be precluded from asserting any such separate claim by reason of his contract with the licensee. The latter is the equitable owner of the claim who has had the same claim determined in the proceeding brought by him. Furthermore a defendant can avoid multiple infringement suits based on the same cause of action by joining the copyright proprietor as an involuntary plaintiff or defendant pursuant to Rule 19(a) of the Federal Rules of Civil Procedure.<sup>30</sup>

<sup>29</sup> *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915).

<sup>30</sup> In *Field v. True Comics Inc.*, 89 FSupp 611, 613 (DC NY 1950), plaintiff was the licensee only of the publishing rights in book form of "Lucky to be a Yankee" based on the life of Joe Di Maggio. Di Maggio retained all other rights of the copyright. Defendant published a book entitled "The Story of Joe Di Maggio—The Yankee Clipper," which plaintiff claimed infringed his book. Plaintiff joined Di Maggio as a party defendant. To quote from the court's opinion:

"A person to whom has been transferred only a limited right is a mere licensee of the particular right, and, as such, is not empowered to sue alone for violation of the copyright. *Waterman v. Mackenzie*, 138 US 252, 11 Sct 334, 34 LEd 923; *New Fiction Pub. Co. v. Star Co.*, DCSD NY, 220 F 994; *Goldwin Pictures Corp. v. Howells Sales Co.*, 2 Cir, 282 F 9; *Widenski v. Shapiro, Bernstein & Co.*, 1 Cir, 147 F2d 909. But, if he is an exclusive licensee, even though of a limited right only, he may sue for infringement of the copyright by joining the owner as a plaintiff. *Western Electric Co. v. Pacent Reproducer Corp.*, 2 Cir, 42 F2d 116,

cert den, 232 US 873, 51 Sct 78, 75 LEd 771; *Buck v. Elm Lodge, Inc.*, 2 Cir, 83 F2d 201; *Paul E. Hawkinson Co. v. Carnell*, 3 Cir, 112 F2d 396. And, if the owner refuses to join, after being requested so to do, and is without the jurisdiction, he may be joined as an involuntary party plaintiff, where that is necessary in order to protect the rights of exclusive licensee. *Independent Wireless Telegraph Co. v. Radio Corp.*, 269 US 459, 46 Sct 166, 70 LEd 357.

"Plaintiff here is clearly an exclusive licensee of certain limited rights under a copyright. But there is no allegation that plaintiff has requested DiMaggio to join as plaintiff and that he has refused, or that he is without the jurisdiction, nor is any reason alleged for making him a defendant. Plaintiff argues that this course of procedure falls squarely within the scope of Rule 19(a) of the Federal Rules of Civil Procedure, 28 USCA, for DiMaggio, by alleging in his answer that his rights in the copyright are superior to those of plaintiff, plainly demonstrates his hostility to plaintiff.

"Rule 19(a) provides: 'Persons having a joint interest shall be made parties and be joined *on the same side*

“This endless quibble about such labels as ‘legal title’ and ‘equitable title’ which runs through all of the copyright cases, appears to be somewhat frustrating. Those labels as Judge Clark recently observed, are only ‘group symbols, denoting a bundle of rights or other legal relations’ which are helpful in the solution of practical problems only ‘when we advance beyond these forms to the questions of degree, or of number and value of such rights.’<sup>31</sup> Measured by such a yardstick, each one of the many exclusive rights, which, together, make up the bundle of section one of the Copyright Act [Code] would seem to be ‘substantial enough to be regarded as some form of property interest’.”<sup>32</sup>

#### 54. DIFFERENCES BETWEEN ASSIGNMENTS AND LICENSES.

As indicated in the previous sections, an assignment of copyright must be in writing and should be recorded;<sup>1</sup> in addition an assignee is equivalent to an author or proprietor and inherits and obtains all of the rights secured by § 1 of the Copyright Code.<sup>2</sup>

A licensee on the other hand has no rights as against third-party infringers;<sup>3</sup> he has limited or defeasible rights which he can assert against the copyright proprietor if the latter abuses the relationship of trust inherent in the licensing agree-

as plaintiffs or defendants. When a person who should join as a plaintiff refuses to do so, he may be made a defendant or, in proper cases, an involuntary plaintiff.’ The term ‘joint interest’ must be construed to mean those who would be necessary or indispensable parties under the old practice. Moore’s Federal Practice, 2d Ed, Vol 3, p. 2144. Here, DiMaggio, although he alleges in his answer that he is a citizen of California, has been served with process and has answered, setting up as a cross-claim against True Comics essentially the same claim for infringement of the same copyright as that alleged by plaintiff, and alleging that his rights and claims against True Comics are superior to those of plaintiff. Therefore True Comics cannot be harmed, whether DiMaggio’s claim against it be asserted as a coplaintiff or as a defendant. Under these cir-

cumstances, I think that DiMaggio was properly made a defendant.”

<sup>31</sup> Standard Oil Co. v. Clark, 163 F2d 917, 930 (2d Cir 1947) cert den, 333 US 873, 68 Sct 902, 92 LEd 1149 (1948).

<sup>32</sup> Fulda, Copyright Assignments and the Capital Gains Tax (1948) 58 Yale LJ 245, 256.

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 30 (Supp 1951).

<sup>2</sup> Egner v. Schirmer Music Co., 139 F2d 398 (1st Cir 1943) cert den, 322 US 730, 64 Sct 947, 88 LEd 1565 (1944); Cohan v. Richmond, 19 FSupp 771 (DC NY 1937).

<sup>3</sup> But cf. Bisel v. Ladner, 1 F2d 436 (2d Cir 1924); Browne Music Co. v. Fowler, 290 Fed 751 (2d Cir 1923); Witwer v. Harold Lloyd Corp., 46 F2d 792 (DC Calif 1930) reversed on other grounds 65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 699, 54 Sct 94, 78 LEd 1507 (1933).

ment.<sup>4</sup> Thus the rights of a licensee are spelled out and governed by the terms of the licensing agreement.<sup>5</sup>

As stated in the previous section and elsewhere,<sup>6</sup> a licensee cannot sue in his own name for an infringement of the rights which he has acquired.<sup>7</sup> This is because section 101 of the Copyright Code, whose remedies in the form of injunction, damages and profits, impounding and destruction are for the benefit of the "copyright proprietor."<sup>8</sup> And as discussed elsewhere, copyright proprietor is equivalent to assigns but excludes licensees.<sup>9</sup>

A licensee is not completely helpless when the rights transferred him are infringed. The Federal Rules of Civil Procedure permit him to join the copyright proprietor as a party plaintiff or defendant.<sup>10</sup>

"A second consequence of the assignee's superior rights is that, where an author has transferred away all his rights, his power to affect the copyright ceases. Therefore, although the holder of a common-law copyright can destroy all of his licensee's rights by publication, publication by an assignor cannot affect the assignee's rights, inasmuch as the assignor is now a stranger with no interest; and undoubtedly, upon the same theory, although the assignee's publication of an already—copyrighted article without the statutory notice of copyright might prevent him from suing for infringement, such publication by the assignor could not affect the assignee's rights."<sup>11</sup>

<sup>4</sup> *Ibid.* Cf. Schellberg v. Empringham, 36 F2d 991 (DC NY 1929); Southern Music Pub. Co. v. Disney Productions, 73 FSupp 580 (DC NY 1947).

<sup>5</sup> *E.g.*, the limited license granted Field v. True Comics Inc., 89 FSupp 611 (DC NY 1950).

<sup>6</sup> *Passim*, § 172d.

<sup>7</sup> Goldwyn Pictures Co. v. Howell Sales Co., 282 Fed 9 (2d Cir 1922); Local Trademarks v. Powers, 56 FSupp 751 (DC Pa 1944); Buck v. Elm Lodge, 83 F2d 201 (2d Cir 1936); Witmark & Sons v. Pastime Amusement Co., 298 Fed 470 (DC SC 1924) *aff'd per curiam*, 2 F2d 1020 (4th Cir 1924).

<sup>8</sup> 61 STAT 652 (1947), 17 USCA

§ 101 (Supp 1950). *Op. cit. supra*, note 6.

<sup>9</sup> *Op. cit. supra*, note 2.

<sup>10</sup> FRCP § 19a and see Field v. True Comics Inc., 89 FSupp 611 (DC NY 1950); Widenski v. Shapiro, Bernstein & Co., 147 F2d 909 (1st Cir 1945); Eliot v. Geare-Marston Inc., 30 FSupp 301 (DC Pa 1939); Buck v. Elm Lodge 83 F2d 201 (2d Cir 1936). But *cf.* Shapiro, Bernstein & Co. v. Veltin 47 FSupp 648 (DC La 1942); Buck v. Newsreel Inc., 25 FSupp 787 (DC Mass 1938); Buck v. Russo, 25 FSupp 317 (DC Mass 1938).

<sup>11</sup> Bergstrom, The Businessman Deals with Copyright (1940) Third Copyright Law Symposium, 249, 265.

Another difference which is obvious, precludes the licensee from obtaining the statutory copyright, since he is neither an author nor proprietor; any copyright he seeks would be declared invalid.<sup>12</sup>

In our previous discussion, we have defined assignment as the transfer of all of the rights secured by the Copyright Code. Anything less than a total transfer of all of the rights is a license. For example if the copyright proprietor transfers the stage and motion rights in a novel for the copyright term, this, by our definition, would be considered a license. On the other hand the cases and textwriters describe the foregoing transfer as a partial assignment.<sup>13</sup> Whether the transfer of some of the rights secured by the statute is labeled a license or partial assignment is a matter of nomenclature. As we have indicated elsewhere, licenses or partial assignments may be recorded in the Copyright Office but there is no statutory provision which requires such recordation. As a practical matter licenses or partial assignments are not recorded. Of course a licensee or partial assignee may, if he obtains the permission of the proprietor, copyright a dramatic version of a novel, or a motion picture scenario of the same.

It has been suggested that there are three broad categories of licenses or partial assignments:<sup>14</sup>

1) licenses or assignments which are partial as to time, although all rights are given throughout the world for the period of the license or assignment;<sup>15</sup>

2) licenses or assignments which are partial as to place and which grant rights for a specific locality; the transfer of such rights is absolute for an unlimited period;<sup>16</sup>

<sup>12</sup> *Public Ledger v. New York Times* 275 Fed 562 (DC NY 1921), *aff'd*, 279 Fed 747 (2d Cir 1922).

<sup>13</sup> *E.g.* *Photo Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915); *Ricordi Co. v. Paramount Pictures*, 92 FSupp 537 (DC NY 1950) *modified*, 189 F2d 469 (2d Cir 1951) and cases cited therein; Mr. Justice Frankfurter dissenting in *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 401, 69 Sct 1120, 93 LEd 1419 (1949);

*Ladas, The International Protection of Literary and Artistic Property* (1938) 794 ff; *Ball, Law of Copyright and Literary Property* (1944) 530 ff; *Amdur, Copyright Law and Practice* (1936) 785 ff; *cf.* *Howell, The Copyright Law* (1948) 157.

<sup>14</sup> *Op. cit. supra*, note 11 at 266.

<sup>15</sup> *E.g.* *Ricordi Co. v. Paramount Pictures*, 92 FSupp 537 (DC NY 1950), *modified*, 189 F2d 469 (2d Cir 1951).

<sup>16</sup> *Field v. True Comics Inc.*, 89 FSupp 611 (DC NY 1950); *Harper & Bros. v. Donohue & Co.*, 144 Fed 191

3) licenses or assignments which are partial as to types of rights, viz., the grantor retains movie and television rights while he assigns stage and book rights.<sup>17</sup>

Licenses or assignments which are partial as to types of rights are most frequent. It is suggested that a copyright proprietor who licenses some of the rights secured by § 1, should reserve specifically in the licensing agreement all other rights.

When an author who licenses or assigns his copyright, but reserves certain rights, various questions may arise. On the sale of a manuscript an author may reserve his statutory copyright.<sup>18</sup> When the purchaser secures the statutory copyright, he holds it as trustee for the author.<sup>19</sup> Where an author, who reserves the right of dramatization, assigns the serial or publishing rights to a publisher who is to secure the copyright upon publication, the author must obtain a reassignment of the reserved right and record it in order to prevail against a subsequent purchaser without notice.<sup>20</sup> Of course, an author who assigns all rights but reserves but one, e.g. the right of magazine publication is a licensee and would be precluded from bringing an infringement action unless he joined the assign as a party plaintiff.<sup>21</sup>

## 55. TAXATION OF COPYRIGHT.

The issue tendered by this section can best be illustrated by the tax problems confronting General Eisenhower in the publication and sale of his wartime memoirs, "Crusade in Europe." General Eisenhower, to avoid onerous rates of tax on the royalties from the sale of his book, sold to his pub-

(CC Ill 1905), *aff'd*, 146 Fed 1023 (7th Cir 1906); *Davis v. Vories*, 111 Mo 234, 42 SW 707 (1897).

<sup>17</sup> *E.g.* The Television Agreement between ASCAP and its members discussed in § 52.

<sup>18</sup> *Press Publishing Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), *writ of error dismissed*, 164 US 105, 17 S Ct 40, 41 LEd 367 (1897). *Cf.* *Ford v. Blaney Amusement Co.*, 148 Fed 642 (CC NY 642).

<sup>19</sup> *Cohans v. Richmond*, 19 FSupp 771 (DC NY 1937); *Fitch v. Young*, 230 Fed 743 (DC NY 1916).

<sup>20</sup> *Brady v. Reliance Motion Picture Co.*, 229 Fed 137 (2d Cir 1916). An agreement made by an author to assign the writings he might produce during a specified period in the future is valid, but not to the extent of requiring the author to create and produce. *Harms v. Stern*, 229 Fed 42 (2d Cir 1916).

<sup>21</sup> *Witwer v. Harold Lloyd Corp.*, 46 F2d 792 (DC Cal 1930) reversed on other grounds, 65 F2d 1 (9th Cir 1933), *cert dismissed*, 296 US 699, 54 S Ct 94, 78 LEd 1507 (1933).

lishers for a lump sum, not only publication rights, but all other rights, i.e., motion picture, serial, radio, television rights, etc. The Bureau of Internal Revenue ruled that since General Eisenhower who was a non-professional writer, had disposed of all his rights in the memoirs as one whole package and retained no further ownership thereto, the transaction resulted in the sale of a capital asset on which a lower tax rate would apply.<sup>1</sup>

The doctrine of indivisibility of copyright plays the key role in determining whether the lower tax rates are applicable. If an author effectuates an assignment of his copyright by selling all his rights in the copyrighted work, there is a sale of a capital asset subject to a lower tax rate. On the other hand the revenues received from licensing the separate rights secured by § 1 of the Copyright Code, i.e., the publishing, dramatization, motion picture, radio and television rights to different persons or interests, are taxed as ordinary income since there is no sale of a capital asset.

The problem warrants restatement in terms of the pertinent provisions of the Internal Revenue Code. At the outset, and for the purposes of taxation only, a creative artist is a tradesman; his activities are as much subject to taxes as the ordinary business man. In the case of a resident writer, it is to his

<sup>1</sup> New York Times, January 2, 1948, p. 29. A related problem is illustrated by the sale of the "Amos and Andy" and "Jack Benny" shows to CBS. In the former, the reported consideration was \$2,000,000, and the Bureau treated the sale as a capital gain resulting in a tax saving of over \$1,000,000. In the "Jack Benny" transaction, Benny received \$1,356,000 for his sixty per cent share in Amusement Enterprises, Inc., the company which controlled the Benny radio show. The Bureau ruled that the proceeds from the sale of the radio show were ordinary income because Benny was compensated for his personal services. In the "Amos and Andy" transaction, the taxpayers presumably convinced the Bureau of Internal Revenue that their imaginary characters were property, quite apart from their own contributions as performers. The following ruling by the Bureau of Internal Revenue is pertinent: "The tax

effect of any business transaction is determined by its realities. Accordingly proposals of radio artists and others to obtain compensation for personal services under the guise of sales of property cannot be regarded as coming within the capital gains provision of the Internal Revenue Code." Int. Rev. Code § 117(a)(4) 26 USCA § 117(a)(4) requires that property be held by the owner for at least six months in order for its sale to be treated as a capital gain. But § 209a of the Revenue Act of 1950, 65 STAT 497, 26 USCA § 117(a)(1)(c) now excludes from the definition of "capital asset" copyrights, literary, musical or artistic compositions and similar property. See S Rep't No. 2375 which accompanied HR 8920, 81st Cong. 2d Sess. (1950). This means that non-professional writers cannot invoke the capital gains proviso on the sale of their writings. See also *Passim*, note 52.

advantage that the sale of his works be treated as a capital asset.<sup>2</sup> In the case of a non-resident alien<sup>3</sup> author the problem is whether the transaction is an assignment or license. The gain to the non-resident is complete exemption from taxation since non-residents are exempt from any tax on gains derived from the sale of property in the United States.<sup>4</sup>

<sup>2</sup> "Capital asset" is statutorily defined as all "property" held by the taxpayer subject to certain specifically enumerated exceptions. Int. Rev. Code. § 117(a)(1), 26 USCA § 117(a)(1). See also 3 Mertens, Law of Federal Income Taxation (1942) §§ 22.04, 22.12.

<sup>3</sup> Int. Rev. Code § 117(a)(1), *supra* note 2 does not apply to non-resident aliens.

<sup>4</sup> The applicable portions of the Internal Revenue Code relating to non-resident aliens are as follows: Int. Rev. Code § 212 GROSS INCOME "(a) GENERAL RULE. In the case of a nonresident alien the individual gross income includes only the gross income from sources within the United States." 52 STAT 528, 53 STAT 76, 26, USCA § 212(a); *Id.* § 211(a)(1)(A): "There shall be levied, collected, and paid for each taxable year . . . upon the amount received by every non-resident alien individual not engaged in trade or business within the United States, from sources within the United States as interest (except interest on deposits with persons carrying on the banking business), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits and income a tax of 10 per centum of such amount."

*Id.* § 211(a)(2): "Aggregate More Than \$15,400—The tax imposed by paragraph (1) shall not apply to any individual if the aggregate amount received during the taxable year from the sources therein specified is more than \$15,400."

*Id.* § 211(c): "No United States business or office and gross income of more than \$15,400. A nonresident alien individual not engaged in trade or business within the United States who has a gross income for any taxable

year of more than \$15,400 from the sources specified in subsection (a)(1), shall be taxable without regard to the provisions of subsection (a)(1):

(1) The gross income shall include only income from the sources specified in subsection (a)(1);" . . . 26 USCA § 211.

Int. Rev. Code. § 119: "Income from sources within the United States "(a) Gross income from sources in United States.

"(1) Interest.— . . . United States. (a) Gross income from sources in United States. The following items of gross income shall be treated as income from sources within the United States.

"(2) Dividends— . . .

"(3) Personal Services— . . .

"(4) Rentals and Royalties. Rentals or royalties from property located in the United States or from any interest in such property, including rentals or royalties for the use of or for the privilege of using in the United States, patents, copyrights, . . ." 26 USCA § 119.

Int. Rev. Code § 143. *Withholding of tax at source.* . . .

(b) Nonresident aliens. All persons in whatever capacity . . . having the control, receipt, custody, disposal or payment of . . . dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits and income (but only to the extent that any of the above items constitutes gross income from sources within the United States) of any non-resident alien individual . . . shall . . . deduct and withhold from such annual or periodical gains, profits, and income a tax equal to 30 per centum thereof . . ." For the background and discussion of this exemption to aliens see: S. Rep't No. 2156, 74th

The Treasury Department first came to grips with the problem of copyright assignments and licenses soon after the enactment of the Revenue Act of 1921.<sup>5</sup> The Bureau ruled that receipts from the absolute transfer by a non-resident alien of the rights to a serial publication in the United States of certain literary works were not derived from a source in the United States. The reason given was that the transaction did not constitute a license for use, but a sale.<sup>6</sup>

In 1925, the Bureau held that an author's sale of the movie rights to his play resulted in the sale of a capital asset.<sup>7</sup> In 1933, the Bureau, in the *Sabatini* case made a contrary ruling which expressly revoked the one made in 1921.<sup>8</sup> The facts and reasoning of the Bureau warrant statement.

A non-resident alien author had received income pursuant to contracts with a number of publishers and producers under which he had granted serial rights in books already written, reserving a "stipulated royalty per copy sold." The Bureau characterized all but one of these contracts as requiring "stipulated sums . . . . to be paid as royalties." In addition, in some of these contracts yearly licenses were granted, renewable at the taxpayer's option, with stipulated royalties per copy. In one contract a company was granted first American and Canadian serial rights in the author's exclusive output of both long and short stories for which the company was to pay a stipulated sum of money; in another contract the taxpayer granted motion picture rights throughout the world, the consideration to be paid in installments. The Bureau ruled that these proceeds were within the phrase ". . . royalties from . . . (or) for the use of or for the privilege of using in the United States . . . copyrights."<sup>9</sup>

The Bureau employed the following reasoning to support its conclusion that the taxpayer had granted a license:

Cong. 2d Sess. (1936); Mim. 4471, XV-2 Cum Bull 112 (1936) *Wodehouse v. Commissioner of Internal Revenue*, 166 F2d 986, 988 (4th Cir 1948) *reversed*, 337 US 369, 69 Sct 1120, 93 LEd 1419 (1949).

<sup>5</sup> Int. Rev. Code § 119(a)(4) is similar to its counterpart in the Revenue Act of 1921, § 217(a)(4) of the Revenue Act of 1921, 42 STAT 227, 244.

<sup>6</sup> OD 988, 5 Cum Bull 117 (1921).

<sup>7</sup> IT 2169, IV-1 Cum Bull 13 (1925).

<sup>8</sup> IT 2735, XII-2 Cum Bull 131 (1933). "In Office Decision 998 *supra*, (*op. cit. supra* note 6) a grant of all rights of serial publication in the United States in certain literary works was through error said to be a sale. Such a grant could only be a license. Office Decision 998 is accordingly revoked."

<sup>9</sup> 26 USCA § 119(a)(4).

“The taxpayer in these contracts granted the publishers and producers licenses to use in particular ways his literary property and his copyright therein, and exacted from them certain payments for that use. These were not, and could not be, contracts of sales; they were in fact contracts of license, and the payments for such licenses constituted rentals or royalties subject to tax as such. . . .

“Since the grant by the taxpayer in each instance is so clearly the grant of a particular right in all the rights constituting the taxpayer’s literary property and copyright, the conclusion is obvious that the grant is a license and not a sale.”<sup>10</sup>

Since Sabatini was dissatisfied with the ruling of the Bureau he invoked the jurisdiction of the Board of Tax Appeals. The only difference in the facts was that the exclusive motion picture rights had been sold for a lump sum. The Board held that the transfer of volume, second serial rights and dramatic rights were taxable; however the transaction affecting motion picture rights was not taxable.<sup>11</sup> Both the taxpayer and Commissioner appealed.

The Second Circuit Court of Appeals reversed the decision of the Board of Tax Appeals on its holding that the sale of motion picture rights was not taxable. It held that the transfer of motion picture rights was “but a granting of the right to produce motion pictures from the works for a limited time. The author remained the owner of his works and merely licensed their use for a particular object for a period; there was no transfer of title necessary to a completed sale.” The court disposed of the lump-sum payment by stating that it did not change the character of the transaction; “it was received for the privilege of using the property of the author instead of a series of payments.” The payment was a royalty paid in advance for the granting of a license.<sup>12</sup>

The decisions of the Bureau and the court in the *Sabatini* case were premised on the doctrine of indivisibility of copyright. Thus the income received from the transfer of anything less than all of the rights secured by § 1 of the Copyright

<sup>10</sup> *Op. cit. supra*, note 8.

<sup>11</sup> 32 BTA 705 (1935).

<sup>12</sup> *Sabatini v. Commissioner of In-*

*ternal Revenue*, 98 F2d 753 (2d Cir 1938).

Code was considered as ordinary income.<sup>13</sup> The indivisibility doctrine was invoked by the Board of Tax Appeals and the courts in the *Berlin*<sup>14</sup> and *Ehrlich*<sup>15</sup> cases. In the former, Irving Berlin had agreed to write several songs for a motion picture. The contract with RKO studios provided that the copyright on the songs would be in Berlin's name; in addition such rights as were not expressly granted by contract were reserved to him. Some of the songs had been written by Berlin in previous years, but they had never been published or copyrighted.

Berlin's contention that the proceeds from the transaction were taxable as a capital gain was rejected by the Commissioner. The latter held that this was a personal service contract and that whatever rights RKO received were by way of license rather than sale. The Board of Tax Appeals sustained the Commissioner; it cited the *Sabatini* case with approval and treated the proceeds from the contract as ordinary income.

To Berlin's contention that the songs written in prior years were capital assets, the Board stated: "... it seems questionable in the extreme whether the purely fortuitous contributions by the petitioner of the results of labors performed by him in previous years is sufficient to transmute the present contract, even in part, into one resulting in the disposition of capital assets, assuming that unpublished or uncopyrighted musical and literary works can be considered such."<sup>16</sup>

In the *Ehrlich* case, the family of the late Dr. Paul Ehrlich granted to Warner Bros. Pictures Inc. the exclusive worldwide rights in certain of his letters, photographs, books, original notes and other documents for motion pictures, radio and television broadcasts, as well as advertising pertaining thereto. Warner Bros. had the use of this material for a limited time; it was returned to the Ehrlich family who retained all other rights in connection therewith. The consideration for the contract was a lump sum of \$42,500, to be paid in three installments. Pursuant to § 143(b) of the Revenue Act of 1938,

<sup>13</sup> Mr. Justice Frankfurter dissenting in *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 415-417, 69 SCt 1120, 93 LEd 1419 (1949).

<sup>14</sup> *Irving Berlin v. Commissioner*, 42 BTA 668 (1940).

<sup>15</sup> *Ehrlich v. Higgins*, 52 FSupp 805 (DC NY 1943).

<sup>16</sup> *Op. cit. supra*, note 14.

Warner Bros. withheld from this sum \$4,250, which was ten per cent of the consideration.<sup>17</sup> This was paid to the Collector of Internal Revenue. The doctor's widow, a non-resident alien at the time of the contract sued for a refund. The court sustained the Commissioner's ruling that "the 'material' was not sold outright but only that the rights to use the same in connection with motion pictures and television were granted. Inasmuch as the 'material' was to be returned to the Ehrlich family at a definite date and there was reserved to them the right to use the 'material' in book form or in any other not specifically permitted to Warner, it is clear the certain limited 'use' rights were allowed to Warner and that no purchase or sale was effected. Even though the time was unlimited, the periodic payments were actually royalties paid in advance for the use of the 'material' in the limited manner specified in the contract. Under the doctrine of *Sabatini v. Commissioner of Internal Revenue*, 2 Cir., 98 F.2d 753, the payments would be, then, taxable income."<sup>18</sup>

Obviously the approach to be employed by a copyright proprietor must be directed toward convincing the Bureau and the courts that any one of the "bundle of rights" secured by § 1 of the Copyright Code is a "property right" and hence subject to sale to the same extent as stocks, bonds, or real estate.<sup>19</sup> The Second Circuit employed this approach in *Goldsmith v. Commissioner*:<sup>20</sup> The issue tendered was whether the payments made to an American playwright who had perpetually assigned the motion pictures rights in his copyrighted play were taxable as capital gains or as ordinary income. Goldsmith had retained all other rights in the play. The assignment of the motion pictures rights authorized the assignee to assign such rights to others, and also the right to sue in the name of the assignor, for its own benefit, risk and expense, in order to enjoin the infringement of the rights granted by the assignment.

The Commissioner ruled that the transaction was not a sale ;

<sup>17</sup> *Op. cit. supra*, note 4.

<sup>18</sup> *Op. cit. supra*, note 15.

<sup>19</sup> See *Hale v. Helvering*, 85 F2d 819, 821 (App DC 1936). The copyright cases refer to the transfer of rights via a licensing agreement as a "sale." *McDonald v. Commissioner*

of Internal Revenue, 76 F2d 513 (2d Cir 1935); *Berlin v. Commissioner*, 42 BTA 668 (1942).

<sup>20</sup> 142 F2d 466 (2d Cir 1944), cert den 323 US 774, 65 S Ct 135, 89 L Ed 619 (1944).

he also concluded that even if it had been a sale, it was not the sale of a capital asset resulting in a capital gain since the property had been used in trade or business and was the subject of an allowance for depreciation under § 23(1) of the Revenue Act of 1938.<sup>21</sup> The Tax Court sustained the Commissioner on both grounds.<sup>22</sup> Goldsmith appealed to the Second Circuit Court of Appeals which affirmed the decision of the Tax Court. Judge Chase writing for a court unanimous in result but not in theory stated that a copyright owner "can assign separately to whomsoever he may desire one or more of the sum of the separable rights which together make up the copyright property . . . But when he does split off such rights by assignment the assignee does not become the owner of the copyright itself and acquires only what lesser rights are granted by the terms of the assignment." Judge Chase cited the copyright cases to sustain his contention; he relied on the indivisibility doctrine to exclude the transaction from the capital gains tax.<sup>23</sup>

Judge Learned Hand, joined in by Judge Swan wrote a concurring opinion which rejected the indivisibility doctrine:

"An exclusive license requires the author to protect the licensee against other infringement, and is for most purposes treated as 'property.' I think that it is 'property' within section 117(a)(1); that its grant is a 'sale'; . . . It does not unduly strain the meaning of 'sale' to make it include an exclusive license."<sup>24</sup>

<sup>21</sup> Under the Revenue Act of 1938, a gain from the sale of a depreciable asset, used in trade or business was taxable as an ordinary gain. Under the present law, Int. Rev. Code § 117(j) such gain is taxable as a capital gain.

<sup>22</sup> 1 TC 711 (1943).

<sup>23</sup> *Goldsmith v. Commissioner of Internal Revenue*, 143 F2d 466, 467 (2d Cir 1944): "When by those terms the assignee acquires less than the sum of all the rights which together make up the copyright which as a whole is property and may be conveyed as such, it does not matter whether he is called an assignee in the instrument or whether that is called an assignment or something else. If he gets only the rights of a licensee, the so-called assignment amounts only to a license.

*M. Witmark & Sons v. Pastime Amusement Co.*, DC, 298 F 470, *aff'd* 4 Cir, 2 F2d 1020. And when that is so the amount which the assignee pays for what he gets is for tax purposes to be treated as ordinary income to the recipient because it is in fact royalty income. Unless the assignment conveys to the assignee the title to the copyright, no sale of property is made. *Sabatini v. Commissioner*, 2 Cir, 98 F2d 753."

<sup>24</sup> *Id.* 467, 468. See the recent case of *Herwig v. US, Ct. of Claims*, June 3, 1952, 20 LW 2587 wherein the amount received by an author for movie rights for her first novel was taxable as capital gains since such rights were sold rather than licensed, and were not primarily for sale to customers in

Judge Hand refused to tax the payments received by Goldsmith as capital gains since the taxpayer was “‘in business as a playwright . . . and therefore the rights constituted property’ held by the taxpayer primarily for sale to customers in the ordinary course of his business,” and as such were specifically excluded from the definition of capital assets in § 117(a)(1).<sup>25</sup>

The *Goldsmith* case has important practical considerations. Judge Chase’s views would preclude any revenues received from the license or partial assignment of a copyright from being treated as capital gains. In other words, in order to invoke the lower tax rate, a non-professional writer such as General Eisenhower would have to sell the “entire bundle of rights.” On the other hand, Judge Hand’s approach would consider an exclusive and perpetual license as the sale of a capital asset. A non-resident alien not engaged in the “business” of being an author or playwright would be exempt from taxation; and a non-professional American author would benefit from the lower tax on capital gains. Judge Hand’s views, if they prevailed, would result in lower taxes to the widow, children or next of kin of the copyright proprietor.<sup>26</sup> Similarly artists and writers whose “trade or business” is not art or writing would not be compelled to resort to the “one package” rule in order to avoid the higher tax rate on ordinary income.<sup>27</sup>

The Second Circuit had an opportunity to resolve the conflicting philosophies of the *Goldsmith* decision in *Rohmer v. Commissioner*.<sup>28</sup> Rohmer, a citizen and resident of Great Britain, had transferred to Liberty Magazine the exclusive

the ordinary course of the author’s business.

<sup>25</sup> Int. Rev. Code § 117(a)(1). Goldsmith had stated in his income tax return that he was in “‘businesses’” as a playwright. To the same effect is Field’s v. Commissioner of Internal Revenue, 189 F2d 950 (2d Cir 950).

<sup>26</sup> 61 STAT 652 (1947), 17 USCA § 28 (Supp 1951) provides that copyright may be bequeathed by will; 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951) permits copyright to be renewed in favor of the author’s next of kin.

<sup>27</sup> For decisions discussing the facts

necessary to create the status of one engaged in “‘trade or business’”, see: *Fahs v. Crawford*, 161 F2d 315 (5th Cir 1947); *Commissioner of Internal Revenue v. Boeing*, 106 F2d 305 (9th Cir 1939) cert den, 308 US 619, 60 S Ct 295, 84 LEd 517 (1939); Note 106 ALR 254 (1937). But the Revenue Act of 1950, *op. cit. supra*, note 1, now precludes non-professional writers from invoking the benefits of the capital gains proviso in the sale of their writings or other intellectual productions.

<sup>28</sup> 153 F2d 61, 63 (2d Cir 1946).

and perpetual serial rights to the story, "Island of Fu Manchu," for a lump sum. Rohmer authorized the publisher to copyright the story; but he had reserved the book, motion picture and most of the dramatic rights. In the Tax Court, the Commissioner was upheld in assessing a deficiency against the taxpayer.<sup>29</sup>

The Second Circuit in affirming the Tax Court invoked the indivisibility theory to justify its decision: "Where a copyright owner transfers to any particular transferee substantially less than the entire 'bundle of rights' conferred by the copyright, then the payment therefor, whether in one sum or in several payments, constitutes royalties within the meaning of § 211(a)(1)(A) [of the Internal Revenue Code]. For such a transfer is the grant of the license." Although the payment had been made in a lump sum, the court held that it constituted royalties. The court distinguished the *Goldsmith* case on the ground that it had no bearing on the tax liability of a non-resident alien. "The mere fact that the Rohmer case deals with non-resident aliens while the Goldsmith case does not, hardly proves a dissimilarity of the underlying legal issues. In both situations, the criteria for identifying the transaction as a sale of a capital asset should be the same . . . . Whether non-resident aliens or resident citizens are involved, the term 'sale' is given content by reference to the same body of substantive law—here, the copyright law and its theory of the indivisibility of the copyright."<sup>30</sup>

The final stage of this controversy was reached in *Wodehouse v. Commissioner*.<sup>31</sup> Wodehouse, a non-resident alien

<sup>29</sup> 5 TC 183 (1945). The decision of the Tax Court is discussed in Miller, *Taxation of Income from Literary Property Owned by Non-Resident Aliens* (1945) 54 Yale LJ 879.

<sup>30</sup> Rohmer v. Commissioner of Internal Revenue, 153 F2d 61, 64, 65 (2d Cir 1946); to the same effect are, Molnar v. Commissioner of Internal Revenue, 156 F2d 924 (2d Cir 1946); Estate of Marton v. Commissioner, 47 BTA 184 (1942). For a criticism of the rationale of the Rohmer case, see: Fulda, *Copyright Assignments and the Capital Gains Tax* (1948) 58 Yale LJ 245, 261; Gitlin, *Taxation of Copyright* (1949) 27 Taxes, No. 6, 503,

512; note (1950) *Taxation: Resident and Non-Resident Authors: Partial Assignments of Copyright*, 35 Cornell LQ 898.

<sup>31</sup> 8 TC 637 (1947) reversed, 166 F2d 986 (4th Cir 1948) reversed, 337 US 369, 69 S Ct 1120, 93 L Ed 1419 (1949). Notes, 34 U. of Va. L Rev (1948) 617; 48 ColLRev 967 (1948); Fulda, *Copyright Assignments and the Capital Gains Tax* (1948) 58 YLJ 245; Gitlin, *Taxation of Copyright* (1949) 27 Taxes, No. 6, 503; Fineke, *An Analysis of the Income Tax Aspects of Patents, Copyrights and their Analogues* (1950) TaxLRev 361.

author sold several of his stories to the publisher of the *Saturday Evening Post*, for a lump sum consideration. The contract of sale provided that the copyright would be taken out in the name of the publisher, but that on demand after such publication, the copyright would be assigned to the author, except American (including Canadian and South American) serial rights, which were reserved to the publisher. The Tax Court following the *Rohmer* case, held that the lump sum payment received by Wodehouse was taxable income under § 211(a)(1)(A).<sup>32</sup> On appeal, the Circuit Court of Appeals for the Fourth Circuit, with Judge Dobie dissenting, reversed the *Rohmer* decision. The court rejected the indivisibility theory, stating that the procedural basis of this doctrine "has been swept away by the decision of the Supreme Court in *Independent Wireless Tel. Co. v. Radio Corp. of America*."<sup>33</sup> The court held that substance rather than the form of a transaction should govern in matters of taxation, and that the *Rohmer* case had given undue consideration to "the technical refinements of title to property." "Congress has declared that the gains of non-resident aliens from the sale of real and personal property shall not be taxed; and it seems to us that the will of Congress is frustrated when that which is generally recognized in the commercial exploitation of literary works as a sale is subjected to the incidence of the tax under a different name."<sup>34</sup>

The conflict between the *Rohmer* and *Wodehouse* cases prompted the Supreme Court to grant certiorari.<sup>35</sup> The Supreme Court with three justices dissenting reversed the lower court and affirmed the decision of the Tax Court.<sup>36</sup> Mr. Justice Burton speaking for the majority ignored the indivisibility doctrine; he stated in substance that the issue was one of statutory interpretation i.e., whether Wodehouse's receipts were taxable within the broad language of the Revenue Acts. Mr. Justice Burton's arguments may be summarized briefly:

<sup>32</sup> 8 TC 637 (1947).

<sup>33</sup> 269 US 459, 46 S Ct 166, 70 L Ed 357 (1926).

<sup>34</sup> *Wodehouse v. Commissioner of Internal Revenue*, 166 F2d 986 (4th Cir 1948).

<sup>35</sup> 335 US 807, 69 S Ct 34, 93 L Ed 364 (1948).

<sup>36</sup> *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 69 S Ct 1120, 93 L Ed 1419 (1949).

1. Sums received by a non-resident alien individual for the use of a copyright in the United States constituted gross income taxable under the Revenue Act of 1938<sup>37</sup> and the Internal Revenue Code. This type of income has been taxed "since the early days of our income levies."

2. These receipts unquestionably would have been taxed to a non-resident alien, if received by him under the Revenue Act of 1934.<sup>38</sup> Mr. Justice Burton conceded that the Revenue Act of 1934 did not specifically recite that royalties were taxable income, however the Treasury Department in implementing the statute stated that income in the form of royalties received by a non-resident alien was taxable. Mr. Justice Burton then relied on the *Sabatini* cases to sustain his conclusion that royalties derived from a copyright were taxable income.

3. The Revenue Act of 1936 preserved the taxability of receipts derived from copyright royalties. Mr. Justice Burton relied on the Congressional Committee reports to substantiate this contention.<sup>39</sup> He stated in effect that the basis for taxing copyright royalties was the need "to increase or to at least maintain the existing volumes of revenues."

4. The receipt in a single lump sum for certain rights under the copyright did not exempt the receipts from taxation. Mr. Justice Burton contended that if the royalties had been received by Wodehouse annually or from time to time, they would be taxable income. Their payment in advance and in a lump sum cannot render them tax exempt.

"In the instant case, each copyright which was to be obtained had its full, original life of 28 years to run after the advance payment was received by the author covering the use of or the privilege of using certain rights under it. Fixed and determinable income, from a tax standpoint, may be received either in annual or other payments without altering in the least the need or the reasons for taxing such income or for withholding a part of it at its source. One advance payment

<sup>37</sup> 52 STAT 503, c 289 (1938). Mr. Justice Frankfurter dissenting, *Id.* at 412: "Section 119(a)(4) or a provision with similar phrasing has been part of the Revenue Laws since 1921. See Revenue Act of [Nov. 23] 1921,

§ 217(a)(4), 42 STAT 227, 244, c. 136."

<sup>38</sup> 48 STAT 680 (1934).

<sup>39</sup> H. Rep't No. 2475, 74th Cong. 2d Sess. (1936); S. Rep't No. 2156, 74th Cong. 2d Sess. (1936).

to cover the entire 28-year period of a copyright comes within the reason and reach of the Revenue Acts as well as, or even better than, two or more partial payments of the same sum.”<sup>40</sup>

Mr. Justice Frankfurter, joined in by Mr. Justice Murphy and Mr. Justice Jackson wrote a dissenting opinion which destroyed the myth of the indivisibility doctrine. He described the majority opinion as illusory insofar as it relied on the *Sabatini* cases. The “long prior practice” [of the Commissioner as exemplified by the *Sabatini* cases] completely ignores the practice of which we have been advised is tenuous and, in any event, rests solely on the notion of indivisibility of copyrights. To derive the existence of a practice from a single pronouncement by the Treasury, constituting not the formulation of a fiscal policy but expressing a metaphysical view of copyright law not adopted by this Court gives a very loose meaning to the word ‘practice’.”<sup>41</sup>

Mr. Justice Frankfurter made a detailed analysis of the various Revenue Acts and the regulations implementing the same. He concluded that the prior practice of the Treasury Department was governed by § 143(b) and that in the analogous situation of lump sum payments for the absolute transfer of some but not all of the exclusive rights conferred by the patent law, courts have held that such proceeds are not ordinary income.<sup>42</sup>

The dissenting opinion then went to the heart of the prob-

<sup>40</sup> *Op. cit. supra*, note 36 at 394.

<sup>41</sup> *Id.* at 404.

<sup>42</sup> *General Aniline & Film Corp. v. Commissioner of Internal Revenue*, 139 F2d 759 (2d Cir 1944): “It seems to us to be of no significance with respect to the transfer of title, whether, when a patent is assigned (a) the assignee simultaneously grants a license to the assignor, or (b) the assignor reserves a license; such differences in form would seem to be immaterial. Nor does it seem to us important . . . that the assignor before making the assignment had granted to others some rights under the patent”; *Commissioner of Internal Revenue v. Celanese Corp. of America*, 78 App DC 292, 140 F2d 339 (1943); *Parke, Davis & Co. v. Commissioner*, 31 BTA 427 (1934);

*Myers v. Commissioner*, 6 TC 258 (1946). But *cf. Rotorite Corp. v. Commissioner of Internal Revenue*, 117 F2d 245 (7th Cir 1941). See also the trade-mark cases: *Rainier Brewing Co. v. Commissioner of Internal Revenue*, 7 TC 162 (1946) *aff'd per curiam* 165 F2d 217 (9th Cir 1948); *Seattle Brewing & Malt Co. v. Commissioner of Internal Revenue*, 6 TC 856 (1946), *aff'd per curiam*, 165 F2d 216 (9th Cir 1948). The “trade-mark” cases are discussed in *Fulda, Copyright Assignments and the Capital Gains Tax* (1948) 58 Yale LJ 214, 264-5. See also *Fincke, An Analysis of the Income Tax Aspects of Patents, Copyrights and their Analogous* (1950) 5 TaxLRev 361.

lem. Relying on Mr. Justice Holmes' analysis of the rights conferred by the Copyright Code as set forth in *White-Smith Music Publishing Company v. Apollo Company*,<sup>43</sup> Mr. Justice Frankfurter stated " 'the right to exclude others from interference with the more or less free doing with it as one wills' is precisely the right that Wodehouse transferred to Curtis [the publisher]. To the extent that the Copyright Law gave Wodehouse protection in the United States, he transferred all he had in property of considerable value—the serial rights in his novel—and Curtis acquired all of it. For the duration of the monopoly granted by the Copyright Law, Curtis could assert the monopoly against the whole world including Wodehouse himself."<sup>44</sup> The dissenting opinion then pointed out that § 1 of the Copyright Code spelled out the various rights, viz., the printing, transforming, dramatization and performing rights; that these rights were further subdivided and that each was substantial, separate from the other and had been considered as a property right. "To treat the transfer of any one of the various rights conferred by the Copyright Law as a sale<sup>45</sup> would accord not only with analysis of their essential character and the scheme of the Copyright Law, but with the way these rights are treated by authors and purveyors of products of the mind for whose protection the Copyright Law was designed because of the belief that the interests of society would be furthered. The various exclusive rights have different attributes and therefore different significance. For that reason they may be sold separately and form the basis of a

<sup>43</sup> 209 US 1, 18, 19, 28 Sct 319, 52 LEd 655 (1908): "The notion of property starts, I suppose, from confirmed possession of a tangible object and consists in the right to exclude others from interference with the more or less free doing with it as one wills. But in copyright property has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is in vacuo, so to speak. It restrains the spontaneity of men where but for it there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles having the right. It may be infringed a thousand miles from the owner and without his ever

becoming aware of the wrong. It is a right which could not be recognized or endured for more than a limited time, and therefore, I may remark in passing, it is one which hardly can be conceived except as a product of statute, as the authorities now agree."

<sup>44</sup> *Op. cit. supra*, note 36 at 420.

<sup>45</sup> *Id.* at 422: "Only the other day the House of Lords dealing with a similar copyright law, held that the sums received from the transfer of the motion picture rights in a novel were proceeds from the sale of property rather than a license and therefore not taxable as 'annual profits or gains' *Withers v. Withersole* [1948] 1 All. Eng. 400—HL."

new copyright. . . . Thus it would seem as a matter of legal doctrine that where a person transfers absolutely to another, under terms of payment which do not depend on future use by the transferee, a distinct right conferred by the Copyright Law granting the transferee a monopoly in all the territory to which the Copyright Law itself extends, legal doctrine should reflect business practice in recognizing that the proceeds are from 'the sale of personal property' rather than amounts received as 'fixed or determinable annual or periodical gains, profits, and income'."<sup>46</sup>

The majority opinion in the *Wodehouse* case leaves much to be desired. The opinion holds that a transfer by a non-resident alien author of less than the entire "bundle of rights" which makes up a copyright is taxable. This holding is not as pressing an issue for non-resident alien authors since the United States has signed conventions for the relief of double taxation with such countries as the United Kingdom, France and Sweden. These conventions provide that royalties are no longer taxable in this country or subject to withholding in the case of a resident e.g., of the United Kingdom who pays taxes there on the same royalties; conversely the United Kingdom does not tax residents of the United States.<sup>47</sup>

But the effect of the Supreme Court's decision in the *Wodehouse* case for resident authors is to treat as ordinary income the proceeds derived from the sale of less than all of the rights conferred by § 1 of the Copyright Code. This means that a professional resident author whose property is held by him "primarily for sale to customers in the ordinary course of his trade or business"<sup>48</sup> is precluded from invoking the capital gains tax. Although the majority opinion in the *Wodehouse* case leaves the question open, it would appear that in order for a non-professional writer or widow, children or next of kin of a professional author or artist to escape the onerous rates of income tax, the entire "bundle of rights"

<sup>46</sup> *Id.* at 424: *Withers v. Nether-sole*, [1948] 1 All. Eng. 400, 404—HL: "The effect of a partial assignment of copyright for a period less than the whole term is not to create any new right, but only to divide the existing right. In the result, there are two separate owners each with distinct

property. Neither holds under the other."

<sup>47</sup> Gitlin, *Taxation of Copyright* (1949) 27 *Taxes*, No. 6, 503, 516.

<sup>48</sup> Int. Rev. Code § 117(a)(1); See also *Fields v. Commissioner of Internal Revenue*, 189 F2d 950 (2d Cir 1951).

secured by copyright must be sold in "one package."<sup>49</sup> Despite the efforts of authors and composers to secure remedial legislation,<sup>50</sup> Congress in enacting the Revenue Act of 1950 has closed the door to the "one package rule."<sup>51</sup> Thus non-professional writers and artists are now precluded from invoking the capital gains provision even though they sell the "entire bundle" of rights in "one package."<sup>52</sup>

<sup>49</sup> Remedial legislation has been introduced in Congress, HR 5562, 80th Cong. 2d Sess. (1948) which provides that all moneys received by an author or composer upon the assignment of motion picture rights shall be considered as amounts received from the sale of a capital asset if held for more than six months. See also Report of the Special Subcommittee on Taxation of Literary Property of the ABA (1951) published in Report of Section of Patent, Trade-Mark and Copyright Law at 39.

<sup>50</sup> *Id.*

<sup>51</sup> The Revenue Act of 1950, 65 STAT 497, 26 USCA § 117(a)(1)(c) (1) excluded from the definition of capital asset "(C) a copyright; a literary, musical, or artistic composition, or similar property; held by—(1) a taxpayer whose personal efforts created such property. . . ." Similarly § 117(j)-(1)(c) excludes from the definition of property used in trade or business "a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in subsection (a)(1)(C). . ." And see *Fields v. Commissioner of Internal Revenue*, 189 F.2d 950 (2d Cir 1951), wherein the court discussed the 1950 amendment to the Internal Revenue Code and concluded that a copyright was not "real property". See also SRept No. 2375, which accompanied HR 8920, 81st Cong. 2d Sess. 43-44 (1950).

<sup>52</sup> SRept No. 2375, which accompanied HR 8920, 81st Con. 2d Sess. (1950).

"Copyrights, literary, musical or artistic compositions, and similar property.

Section 209(a) of the House bill would amend section 117(a)(1) of the code by revising the definition of "capital assets" so as specifically to exclude therefrom patents, copyrights,

inventions, designs, literary, musical or artistic compositions, and similar property, in the hands of either (1) the person whose personal efforts created such property or (2) a person deriving a basis for the property, for the purpose of determining gain, from the person who created it. Your committee has limited the scope of this amendment (redesignated as § 211(a) of the bill) to copyrights, literary, musical or artistic compositions, and similar property, and has eliminated the proposed change in the treatment of such property as inventions, patents, and designs. Under the committee amendment, a person who writes a book or creates some other sort of artistic work will be taxed at ordinary income rates, rather than at capital-gain rates, upon gain from the sale of the work regardless of whether it is his first production in the field or not. The amendment made by section 211(a) will also exclude from the capital asset category any property similar to that specifically named; for example, a radio program which has been created by the personal efforts of the taxpayer. Your committee has found it necessary to make a clarifying amendment (contained in § 211(b) of the bill) to § 117(i) of the code to prevent the creator of such property from obtaining capital gains treatment by reason of the use of the property for a time in his trade or business. The interest of a sole proprietor in such a business enterprise as a photographic studio is not "similar property" even though the value of the business may be largely attributable to the personal efforts of the sole proprietor.

"Where property has been created by more than one person, as for example, where three individuals collaborate in writing a book, the interest of each taxpayer in the property will

The majority opinion in the *Wodehouse* case is keyed in terms of statutory interpretation of the applicable provisions of the Internal Revenue Code. But a careful analysis of that opinion discloses that Mr. Justice Burton relied on the *Sabatini* cases<sup>53a</sup> to sustain his conclusion. In the *Sabatini* cases, the Bureau and the courts invoked and wrote into the tax law the doctrine of indivisibility of copyright to justify their

be excluded from the capital asset category and any gain derived from a sale of such interest will be taxed at ordinary rates.

"The provisions of subparagraph (C) apply not only to copyrights and similar property in the hands of the taxpayer whose personal efforts created the property but also to such property held by a person in whose hands the basis of the property is determined (for the purpose of determining gain on a sale or exchange) in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created the property. Thus a sale of such property by one who received it by gift from the creator of the property would be taxed as ordinary income.

"The amendments made by this section to § 117 of the code do not cover the situation in which the taxpayer contributes a copyright or similar property created through his personal efforts to a newly formed corporation in exchange for its stock and then sells the stock since such situation is dealt with in § 213 of the bill.

"In cases where the writing or other product required 36 months or more to produce and 80 percent or more of the income therefrom is lumped into 1 year the provisions of § 107(b) of the code will allow the averaging of the income from such work over a period of not more than 36 months. Under present law there is excluded from the benefits of § 107(b) that part of the gross income from an artistic work or invention which is taxable as a gain from the sale or exchange of a capital asset held for more than 6 months. The exclusion of both artistic works and inventions from the definition of a capital asset,

as proposed by § 209(a) of the House bill, would have made the exception under § 107(b) unnecessary; hence, § 209(f) of the House bill would have made a technical amendment to § 107(b) eliminating such exception. Since inventions will continue to receive capital gains treatment under your committee's bill to the same extent as under present law, your committee has deleted the proposed technical amendment to § 107(b).

"In determining, for the purposes of § 107(b), the tax which would be attributable to the gain on the sale of an artistic work if it had been received ratably in a taxable year before the enactment of this bill, such gain will be treated as ordinary gain. In the case of the sale, prior to the effective date of the amendment, of an artistic work by a creator who has elected the installment basis under § 44, the tax treatment of installment payments received after such effective date will be governed by the rule of *Snell v. Commissioner* (97 F2d 891).

The amendments made by subsections (a) and (b) of § 211 will be applicable only with respect to taxable years beginning after the date of the enactment of the bill." As is pointed out in the Report of the Special Subcommittee on Taxation of Literary Property, *op. cit. supra*, note 49, "It is manifestly unjust to place copyrights on a different basis from patents as far as tax law is concerned." The Revenue Act of 1950 considers a patent as a "capital asset but denies that status to "a copyright, a literary, musical, or artistic composition; or similar property."

<sup>53a</sup> IT 2735, XII-2, Cum Bull 131 (1933); 32 BTA 705 (1935) reversed 98 F2d 753 (2d Cir 1938).

conclusion that the partial assignment of a copyright was taxable as ordinary income.

It is submitted that there is no basis either in law or fact for perpetuating the indivisibility doctrine. It is, as we have stated previously, an anachronism and outmoded fiction which serves no useful purpose; moreover it ignores the business and commercial practices which have developed and are current in the copyright field.<sup>53b</sup>

It is suggested that §§ 28 and 112<sup>54</sup> of the Copyright Code be amended so as to permit the assignment and enforcement of partial rights. This would go a long way in solving the problem of "divisible copyright."<sup>55</sup>

<sup>53b</sup> The recent case of *Herwig v. United States*, Ct. Claims, June 3, 1952, 20 LW 2587, which dealt with the sale of the motion picture rights of "Forever Amber" by Kathleen Winsor to Twentieth Century-Fox Film Corporation adopted the approach suggested by Mr. Justice Frankfurter in the *Wodehouse* case, *supra*. The court held that modern business and commercial practices connected with the copyright proprietor's rights, enumerated in § 1 of the Copyright Code are inherently and essentially different. Since these rights can be purchased and exercised by different persons, and can be separately computed, the court held that

the perpetual and exclusive grant of the motion picture rights was a "sale," and not a "license."

<sup>54</sup> 61 STAT 652 (1947), 17 USCA § 112 (Supp 1951). For a discussion of § 112, see § 172d and 173.

<sup>55</sup> Howell, *The Copyright Law* (1948) 158: "If section 42[28] were changed to read: 'That copyright or any right or rights embraced therein may be assigned,' etc., and § 36[112] were changed to include owners of partial rights among the parties 'aggrieved,' the problem of 'divisible copyright' which has so long plagued the authors would be largely solved in this respect."

## Chapter VI

### STATUTORY REQUISITES FOR COPYRIGHT PROTECTION

- § 60. Introduction.
- 61. Publication: General Discussion.
  - 61a. Publication: Artistic and Dramatic Works.
  - 61b. Publication: Motion Pictures and Television Film.
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- 62. Notice of Copyright: General Discussion.
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- 64. Application for Registration.
- 65. Fees.
- 66. Action for Infringement: Compliance with Formalities of Copyright Code.
- 67. The American Manufacturing Clause.
- 68. Ad Interim Copyright.

#### 60. INTRODUCTION.

Since copyright is a privilege conferred by statute, an applicant must comply with the formalities spelled out by the Copyright Code. The formalities consist of publication with notice of copyright,<sup>1</sup> application for registration of copyright<sup>2</sup> with deposit of copies<sup>3</sup> and payment of prescribed fees.<sup>4</sup>

Unlike the unionist countries who are members of the Berne Convention<sup>5</sup> and do not require compliance with any formalities for securing copyright protection,<sup>6</sup> publication with notice

<sup>1</sup> *Passim*, § 62 *et seq.*

<sup>2</sup> *Passim*, § 64.

<sup>3</sup> *Passim*, § 63 *et seq.*

<sup>4</sup> *Passim*, § 65.

<sup>5</sup> The Berne Convention Brussel text is discussed *passim* in Ch. XIX § 190 *ff.*

<sup>6</sup> Schulman, A Survey of Interna-

tional Copyright (1950). Address before the Copyright Section of the American Bar Ass'n at Washington, D. C., September 16, 1950: "The Berne Union abandoned all formalities many years ago and a work is protected merely by virtue of its creation." See Ladas, The International

of copyright is the essence of compliance with the Copyright Code.<sup>7</sup> This is spelled out in § 10 of the statute:

“Any person entitled thereto by this title may secure copyright for his work by publication thereof with the notice of copyright required by this title; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor, except in the case of books seeking ad interim protection under section 22 of this title.”<sup>8</sup>

The prior law required not only publication with notice, but the filing of title and deposit of copies with the Copyright Office on or before the date of first publication. The failure to comply with these conditions resulted in a forfeiture of copyright.<sup>9</sup> The Copyright Act of 1909 effected a sweeping revision of this procedure.<sup>10</sup> “Copyright [becomes] effective upon the publication with notice and the other formalities become conditions subsequent.”<sup>11</sup>

As stated previously, publication with notice of copyright is the key to statutory protection. Copyright protection is forfeited by the omission, imperfection or misplacement of the notice;<sup>12</sup> however, there is a savings clause in case of accidental omission of notice from certain copies.<sup>13</sup>

Publication with notice extends to the “copyright”<sup>14</sup> conferred by the statute. The term “copyright” comprehends not only “all the writings of an author”<sup>15</sup> but includes the various rights secured by § 1 of the Copyright Code.<sup>16</sup>

Protection of Literary and Artistic Property (1938), 269, 740. See also, §§ 191 and 191a.

<sup>7</sup> *Universal Film Mfg. Co. v. Coperman*, 212 Fed 301, 302 (DC NY 1914), *aff'd*, 218 Fed 557 (2d Cir 1914), cert den, 235 US 704, 35 Sct 209, 59 LEd 433 (1915): “Around this method of procuring copyright has grown a great body of case law, the sum of which is that publication with notice is the essence of compliance with the statute, and publications without such notice amounts to a dedication to the publication sufficient to defeat all subsequent efforts at copyright protection.” To the same effect are *Washington Publishing Co. v. Pearson*, 306 US 30, 59 Sct 397, 83 LEd 470 (1939); *Davenport Quigley Expedition v. Century Productions*, 18 FSupp 974 (DC NY 1937); *Jollie v.*

*Jacques FCas No. 7, 437 (CC NY 1850)*; *Baker v. Taylor, FCas No. 782 (CC NY 1848)*.

<sup>8</sup> 61 STAT 652 (1947), 17 USCA § 10 (Supp 1951).

<sup>9</sup> Weil, *Copyright Law* (1917) 270 *ff.*

<sup>10</sup> Act of March 4, 1909, 35 STAT 1077.

<sup>11</sup> HRep't No. 2222, 60th Cong. 2d Sess. (1909) which accompanied HR 23192.

<sup>12</sup> *Passim*, §§ 60 to 62d.

<sup>13</sup> *Passim*, § 62c.

<sup>14</sup> The Copyright Code contains no definition of the term “copyright.” Cf. Howell, *The Copyright Law* (1948) 57; Weil, *Copyright Law* (1917) 5, 55-56.

<sup>15</sup> 61 STAT 652 (1947), 17 USCA § 4 (Supp 1951).

<sup>16</sup> *Id.* § 1. See also § 90.

The orthodox concept of "copyright" had reference to the printing and publishing rights, the right to recover damages and the right to an injunction where one was appropriate. With the development and economic exploitation of the phonograph, electrical transcriptions, motion pictures, talking motion pictures, radio and television, the significance of the printing and publishing rights declined; and the performing rights came to and are in the forefront. As discussed in the previous chapter, the great majority of performing rights are covered by licensing agreements.

The modern concept of copyright is not restricted to the "writings of an author" or the various exclusive rights spelled out in § 1 of the Copyright Code; it also comprehends the various trade practices and licensing agreements of the entertainment industries.

Whether publication with notice is required for the various trade practices, e.g. phonograph records, electrical transcriptions, motion picture and television film, radio and television broadcasts, etc., will be discussed in subsequent sections of this chapter.

## 61. PUBLICATION: GENERAL DISCUSSION.

We have discussed elsewhere the meaning and significance of publication as applied to common law copyright.<sup>1</sup> Publication with intent to dedicate the work to the general public results in a loss or abandonment of common law rights.<sup>2</sup> Conversely, publication with notice is a condition precedent to statutory copyright.<sup>3</sup>

<sup>1</sup> *Passim*, § 203 ff.

<sup>2</sup> *Supreme Records v. Decca Records*, 90 FSupp 904 (DC Cal 1950); *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950), *reversed on the facts*, 193 F2d 744 (9th Cir 1952); *Block v. Plaut*, 87 FSupp 49 (DC Ill 1949); *Swift v. Collegian Press*, 131 F2d 900 (2d Cir 1942); *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940); *Fashion Originators Guild v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 S Ct 703, 85 LEd 949 (1941); *Atlantic Monthly Co. v. Post Pub. Co.*, 27 F2d 556 (DC Mass 1928); *National Comics*

*Publications v. Fawcett Publications, Inc.*, 191 F2d 594, 598 (2d Cir 1951): "We have no doubt that the author or proprietor of any work . . . may 'abandon' his literary property in the 'work' before he has published it, or his copyright in it after he has done so; but he must 'abandon' it by some act which manifests his purpose to surrender his rights in the 'work' and to allow the public to copy it."

<sup>3</sup> *Washington Publishing Co. v. Pearson*, 306 US 30, 59 S Ct 397, 83 LEd 470 (1939); *Wrench v. Universal Pictures Co. Inc.*, 104 FSupp 374 (DC NY 1952) *Jerome v. Twentieth-*

The Copyright Code does not define publication.<sup>4</sup> Section 26 offers the following explanation of the term "date of publication:"

"In the interpretation and construction of this title 'the date of publication' shall in the case of a work of which copies are reproduced for sale or distribution be held to be *the earliest date* when copies of the first authorized edition were placed *on sale, sold, or publicly distributed* by the proprietor of the copyright or under his authority. . . ." <sup>5</sup>

The purpose of this section is to fix the date from which the copyright term begins to run and is not intended as a general definition of the term "publication."<sup>6</sup> However, the italicized phrases of section 26 suggest certain standards for the guidance of the courts in construing the term "publication."

Placing on sale, sale or public distribution—any of these three amounts to a publication. Although § 10 provides that the notice of copyright shall be affixed "to each copy thereof published or offered for sale," a single copy placed on sale, sold or publicly distributed constitutes a publication.<sup>7</sup>

Publication is not effected by the mere printing of a work.<sup>8</sup>

Century Fox Film Corp., 67 FSupp 736 (DC NY 1946) *aff'd* 165 F2d 784 (2d Cir 1946); Sieff v. Continental Auto Supply Co., 39 FSupp 683 (DC Minn 1941); Deward & Rich v. Bristol Savings & Loan Corp., 120 F2d 537 (4th Cir 1941); Basevi v. Edward O'Toole Co., 26 FSupp 41 (DC NY 1939); Caliga v. Inter-Ocean Newspaper Co., 215 US 182, 30 Sct 38, 54 LEd 150 (1909); Holmes v. Hurst, 174 US 82, 19 Sct 606, 43 LEd 904 (1899).

<sup>4</sup> Universal Film Mfg. Co. v. Coperman, 212 Fed 301, (DC NY 1914), *aff'd*, 218 Fed 577 (2d Cir 1914), cert den 235 US 704, 35 Sct 209, 59 LEd 433 (1915): "The statute does not undertake to describe what publication is, so that we must fall back upon that long line of decisions originally referred to in Werckmeister v. Am. Lithographic Co., 134 Fed 321, 69 CCA 553, 68 LRA 591, and cases there cited sufficiently guide one toward an understanding of publication in any given

instance. Statement of Librarian of Congress at Hearings on June 6, 1906: "Even more than the present statutes, it leaves to the courts to determine the meaning and extent of terms already construed by the courts. It does this even in cases where the temptation is strong to define. . . . What is 'publication'? . . . What is 'fair use'? Many such definitions were proposed and discussed, but deliberately omitted as unsafe."

<sup>5</sup> 61 STAT 652 (1947), 17 USCA § 26 (Supp 1951).

<sup>6</sup> Patterson v. Century Productions, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1939); Cardinal Film Co. v. Beck, 248 Fed 368 (DC NY 1918).

<sup>7</sup> Atlantic Monthly Co. v. Post Publishing Co., 27 F2d 556 (DC Mass 1928); Stern v. Remick, 175 Fed 282 (DC NY 1910); Cardinal Film Corp. v. Beck, 248 Fed 368 (DC NY 1918).

<sup>8</sup> Jewelers' Mercantile Agency v. Jewelers' Weekly Pub. Co., 84 Hun 12,

The latter must be offered for sale to the general public. Thus publication within the meaning of the statute is effectuated where a book is placed on the shelves of a store and is accessible to the public. Although no copies of the book may have been sold the availability and accessibility of the book to the general public constitutes a publication.<sup>9</sup>

The term "public distribution" has reference to material which is distributed gratuitously and has not been sold or placed on sale. This is illustrated by pamphlets, handbills, advertising circulars and the like which are left on doorsteps or sent through the mail.<sup>10</sup> But in *Schellberg v. Empringham*,<sup>11</sup> the question tendered was whether the gratuitous distribution of reprints of a copyrighted article without the indication of copyright was a publication without notice. It appeared that thousands of reprints had been distributed to the author's patients with instructions to call the article to the attention of others. Reprints were kept in the author's reception room where they could be examined or carried away by persons visiting the establishment. Nevertheless the Court held that the copyright was not thereby lost, saying: "The primary purpose of the distribution was to give information to persons interested in the subject discussed by the articles, and to relieve Schellberg of the necessity of explaining his system of treatment to those who might wish to learn about it. . . . The distribution which he [Schellberg] made . . . was for a specific and limited purpose."<sup>12</sup>

Publication with notice is not effected by the so-called "limited publication" or private circulation of a work by an author. An early American case contains a very clear statement of the conditions which render a publication limited in nature: "The distinction between a public circulation of

32 NYSupp 41, 44 (SupCt 1895), quoting *Drone*, Copyrights 291 (1879): "A book is published when printed copies are sold unconditionally to the public. . . . [T]o constitute a publication, it is essential that the work shall be exposed for sale, or gratuitously offered to the general public; so that the public, without discrimination as to persons, may have an opportunity to enjoy that for which protection is granted. Printing itself cannot amount to a publication, for the obvious reason that

a book may be withheld from the public long after it has been printed."

<sup>9</sup> *Ibid.*

<sup>10</sup> *D'Ole v. Kansas City Star*, 94 Fed 840 (DC Mo 1899); *Jewelers Mercantile Agency v. Jewelers' Weekly Publishing Co.*, 84 Hun 12, 32 NYSupp 41 (SupCt 1895) reversed, 155 NY 241, 49 NE 872 (1898).

<sup>11</sup> 36 F2d 991, 992 (DC NY 1929).

<sup>12</sup> *Ibid.* Cf. *White v. Kimmel*, 94 FSupp 502 (DC Calif 1950), reversed, 193 F2d 744 (9th Cir 1952).

written copies, and a restricted or private communication of their contents, was, for some purposes, recognized before the use of printing. . . . But, except under special and unusual circumstances, an author who then parted with a manuscript copy gave to it the most public circulation of which it was capable. . . . Printed copies also may be circulated privately. Their circulation is thus private when they are delivered to a few ascertained persons only, who receive them under conditions expressly or impliedly precluding any ulterior diffusion of the knowledge of their contents. Such a case occurs when a small first edition of a book, printed with a notice of the title page that it is for private circulation is gratuitously distributed by the author among particular persons. Mr. Justice Talfourd, when at the bar, issued in this manner the first impressions of his tragedy *Ion*. Here the restriction was expressly defined. It may, in other cases, be implied from the selection of the persons, and from the method or attendant circumstances of the delivery. . . . The circulation must be restricted both as to persons and purpose, or it cannot be called private."<sup>13</sup>

Limited publication or private circulation is illustrated by the following: the submission of a song or a copy of a work for acceptance or approval by a publisher;<sup>14</sup> when copies of a poem are given to a body to judge its suitability;<sup>15</sup> when copies of an etching are circulated among friends;<sup>16</sup> when a public address or lecture is delivered and the instructor permits his students to copy the same;<sup>17</sup> when a song is sung to a paid audience;<sup>18</sup> when a newspaper account of the presentation of a play is published.<sup>19</sup>

<sup>13</sup> *Keene v. Wheatley*, 14 FCas 180, 191 (CC Pa 1861).

<sup>14</sup> *Jerome v. Twentieth Century Fox Film Corp.*, 67 FSupp 736 (DC NY 1946); *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Gerlach-Barklow Co. v. Morris & Bendien*, 23 F2d 159 (2d Cir 1927); *Allen v. Walt Disney Productions*, 41 FSupp 134 (DC NY 1941); *Basevi v. Edward O'Toole Co.*, 26 FSupp 41 (DC NY 1939). See also *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 74 FSupp 973 (DC NY 1947).

<sup>15</sup> *Press Publishing Company v. Monroe*, 73 Fed 196 (2d Cir 1896),

writ of error dismissed, 164 US 105, 17 SCt 40, 14 LEd 367 (1897).

<sup>16</sup> *Prinee Albert v. Strange*, 2 De G. & S. 652, 64 Eng Rep 293 (Ch 1848), *aff'd* 1 Mac & G. 25, 41 Eng Rep 1171 (Ch 1849).

<sup>17</sup> *Nutl v. Nat'l Institute Inc. for the Improvement of Memory*, 31 F2d 236 (2d Cir 1939); *Bartlette v. Crittenden*, 2 FCas 981, No. 1,082 (CC Ohio 1847); *Caird v. Simes*, 12 App Cas 326 (1887).

<sup>18</sup> *McCarthy & Fischer Inc. v. White*, 259 Fed 364 (DC NY 1919).

<sup>19</sup> *O'Neill v. General Film Co.*, 171 AppDiv 854, 157 NYSupp 1028 (1916).

On the other hand publication with notice is effected, although the owner offers a work for sale but intends a limited or qualified publication. Thus where books are lent or sold to the general public with a proviso that the information contained therein should not be divulged, publication is effected. "[I]f a book be put within the reach of the general public, so that all may have access to it, no matter what limitations be put upon the use of it by the individual subscriber or lessee, it is published. . . ." In another case it was held that when an edition of a musical work has been offered for sale to the general public, a notice that "this copy must not be used for production on the stage" was "ineffective to reserve the very right which such publication dedicates to the public."<sup>20</sup>

Publication with notice may be effectuated by the proprietor or by his duly authorized agent. But is publication effected by the unauthorized sale, offer for sale or public distribution of a work? It is believed that publication does not take place under such circumstances. This is premised on *Jeweler's Mercantile Agency, Ltd. v. Jewelers' Weekly Publishing Co.*,<sup>21</sup> wherein it was held via dictum that the surreptitious printing and circulation of a book without the author's permission was not a publication and hence did not result in an abandonment of common law rights.

Publication is a double-barreled concept. The general publication of a work protected by common law copyright terminates common law rights since there has been a "dedication" or dissemination of the same "among the public so as to justify the belief that it took place with the intention of rendering such work common property."<sup>22</sup> "Publication" with notice likewise initiates statutory copyright.<sup>23</sup> But the

<sup>20</sup> *Jewelers Mercantile Agency Ltd. v. Jewelers' Weekly Publishing Co.*, 84 Hun 12, 32 NYSupp 41 (1895) reversed 155 NY 241, 49 NE 872 (1898); *Meier Glass Co. v. Anchor Hoeking Corp.*, 95 FSupp 264 (DC Pa 1951); *White v. Kimmel*, 193 F2d 744 (9th Cir 1952).

<sup>21</sup> *Id.* Cf. *National Comics Publications Inc. v. Fawcett Publications Inc.*, 93 FSupp 349, 357 (DC NY 1950), reversed on other grounds, 191 F2d 594 (2d Cir 1951).

<sup>22</sup> *American Tobacco Co. v. Werckmeister*, 207 US 284, 299-300, 28 SCT

72, 52 LEd 208 (1907) quoting with approval Slater on the Law of Copyright and Trademark p. 92. See also *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) reversed, 193 F2d 744 (9th Cir 1952); *Morton v. Raphael*, 334 Ill App 399, 79 NE2d 522 (1948). *Tams-Witmark Music Library Inc. v. New Opera Co.*, 298 NY 163, 81 NE2d 70 (1948); *Meier Glass Co. v. Anchor Hoeking Corp.*, 95 FSupp 264 (DC Pa 1951); *Wrench v. Universal Pictures Co.*, 104 FSupp 374 (DC NY 1952).

<sup>23</sup> *Tams-Witmark Music Library Inc. v. New Opera Co.*, 298 NY 163,

general publication resulting in the loss of common law rights must be distinguished from publication with notice which is a condition precedent to statutory copyright. The former may take place before, after or simultaneous with the latter.<sup>24</sup> Furthermore a general publication abroad does not necessarily terminate common law rights or preclude an author from obtaining statutory copyright in this country.<sup>25</sup>

#### 61a. PUBLICATION: ARTISTIC AND DRAMATIC WORKS.

In *American Tobacco Company v. Werckmeister*,<sup>1</sup> plaintiff secured a copyright on an original painting in this country. It was subsequently exhibited at the Royal Academy at London without the appropriate copyright notice. Although the painting was for sale, the by-laws of the Royal Academy precluded any person from copying works on exhibition. The defendant, the American Tobacco Company contended that the absence of the copyright notice destroyed the American copyright. The Supreme Court held for the plaintiff:

“ . . . the exhibition of a work of art at a public exhibition where there are by-laws against copies, or where it is tacitly understood that no copying shall take place, and the public are admitted to view the painting on the implied understanding that no improper advantage will be taken of the privilege . . . does not amount to a general publication.”

The Court then stated. “We do not mean to say that the public exhibition of a painting or statue where all might see and freely copy it, might not amount to publication within the statute, regardless of the artist’s purpose or notice of reservation of rights which he takes no measure to protect. But such is not the present case, where the greatest care was taken to prevent copying.”<sup>2</sup>

81 NE2d 70 (1948). See also *Powell v. Stransky*, 98 FSupp 434 (DC SDak 1951); *National Comics Publications Inc. v. Fawcett Publications Inc.*, 93 FSupp 349 (DC NY 1950), *reversed on other grounds*, 191 F2d 594 (2d Cir 1951).

<sup>24</sup> Cf. *Ladas, The International Protection of Literary and Artistic Property* (1938) 692.

<sup>25</sup> *Heim v. Universal Pictures Co. Inc.*, 154 F2d 480 (2d Cir 1946); *Feris v. Frohman*, 223 US 424, 32 Sct 263, 56 LEd 492 (1912). *Passim*, § 61e. *Warner Bros. Pictures v. Columbia Broadcasting System*, 102 FSupp 141 (DC Cal 1951).

<sup>1</sup> 207 US 284, 299, 28 Sct 72, 52 LEd 208 (1907).

<sup>2</sup> *Ibid.*

It follows that if the public is afforded an opportunity to copy a work of art, this constitutes a publication.<sup>3</sup>

The foregoing cases warrant comparison with *Wright v. Eisle*,<sup>4</sup> wherein it was held that the filing of plans by an architect with the Building Department of New York City was a publication. This decision has been criticized on the ground that the filing of plans was a limited publication since it involved compliance with a legal requirement.<sup>5</sup>

The law is well settled that the performance of a dramatic work, viz., stage play,<sup>6</sup> dramatic or musical composition,<sup>7</sup> lectures, addresses,<sup>8</sup> etc. does not constitute a publication with the resultant loss of common law rights. This is premised on common law copyright, "that the public representation of a dramatic composition, not printed and published, does not deprive the owner of his common-law right, save by operation of statute."<sup>9</sup> Ladas suggests that "a truer basis, however, appears to be that a performance of a dramatic work is not a copy of the work, and that the fact of presentation, by its nature, does not constitute a communication of a copy of the work to the public. The act involves an offering on the part of the author and an acceptance on the part of the audience of the opportunity of seeing and hearing the performance. Accordingly public performance of a dramatic work is not

<sup>3</sup> *Morton v. Raphael*, 334 IllApp 399, 79 NE2d 522 (1948): "Another method [by which publication may be accomplished] is by placing the original on exhibition in a public place . . . where the public may view the same without restriction. . . . But it is universally held that where the work is made available to the public, or any considerable portion thereof, without restriction, there has been a publication." See also: *Kurfiss v. Cowherd*, 233 MoApp 397, 121 SW2d 282 (1938); *Pushman v. New York Graphic Society Inc. et al.*, 25 NYSupp2d 32 (SupCt 1941), *aff'd* 287 NY 302, 39 NE2d 249 (1942); *Werkmeister v. American Lithographic Co.*, 134 Fed 321 (2d Cir 1904); *Carus v. Keefe Bros.*, 242 Fed 745 (DC Mont 1917); *Meier Glass Co. v. Anchor Hocking Corp.*, 95 FSupp 264 (DC Pa 1951).

<sup>4</sup> 86 AppDiv 356, 83 NYSupp 887

(1903). *Cf.* with *Kurfiss v. Cowherd*, 233 MoApp 397, 121 SW2d 282 (1938).

<sup>5</sup> Ladas, *The International Protection of Literary and Artistic Property* (1938) 695.

<sup>6</sup> *Ferris v. Frohman*, 223 US 424, 435, 32 S Ct 263, 56 LEd 492 (1912); *Boucicault v. Hart*, 3 FCas 983, 937 (SD NY 1875); *Boucicault v. Fox*, 3 FCas 977 (DC NY 1862). *Cf.* *De Mille v. Casey*, 121 Misc 78, 201 NYSupp 20 (1923).

<sup>7</sup> *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *McCarthy & Fischer v. White*, 259 Fed 364 (DC NY 1919).

<sup>8</sup> *Nutt v. National Institute Inc. for the Improvement of Memory*, 31 F2d 236 (2d Cir 1929).

<sup>9</sup> *Ferris v. Frohman*, 223 US 424, 435, 437, 32 S Ct 263, 56 LEd 492 (1912).

publication, whether it is for profit or gratuitous *A fortiori* a private performance is not publication.”<sup>10</sup>

The foregoing principles have been extended to radio and television broadcasts. In *Stanley v. Columbia Broadcasting System, Inc.*,<sup>11</sup> defendant contended that there was a publication and loss of plaintiff’s common law rights in his radio program by its presentation to a studio audience and its performance before a radio microphone. The court rejected both contentions:

“The making of a recording of plaintiff’s program in the presence of an invited limited audience was not a publication of the program to the extent of abandoning it to the public with the right to reproduce it. . . . The rendering of a performance before a radio microphone is not an abandonment of ownership of literary property or a dedication of it to the public at large. *Uproar Co. v. National Broadcasting Co., D. C.*, 8 FSupp 358, 362. This decision was affirmed in 1 Cir., 81 F2d 373, where the court held (81F2d at page 376) that the author retained his exclusive rights in the literary material whether or not he had licensed the right to broadcast it by radio.”<sup>12</sup>

<sup>10</sup> Ladas, *op. cit. supra*, note 5 at p. 693. See also Weil, *Copyright Law* (1917) 144.

<sup>11</sup> (CalApp 1948) 192 P2d 495, *aff’d* 35 Cal2d 653, 221 P2d 80 (1950).

<sup>12</sup> *Ibid.* at 192 P2d 507–508. *Cf.* the language of the Supreme Court of California at 221 P2d 80–81: “Defendant’s contention that there can be no liability to pay for an idea which has been made public is without merit when the facts of this case are considered. When plaintiff made his audition recording before an audience in the National Broadcasting Company’s studio he was not making his idea ‘public property’ within the meaning of the law. Prior to publication an author may make copies of his production and enjoy the benefit of limited or restricted publication without forfeiture of the right of a general publication. The communication of the contents of a work under restriction, known as a ‘restricted or limited’ publication, is illustrated by performances of a dramatic or musical composition before a select audience, private circulation of the manuscript, etc. *Ball, Literary*

*Property and Copyright* 473; *Werckmeister v. American Lithographic Co.*, 2 Cir, 134 F 321, 324; *Palmer v. De Witt*, 47 NY 532, 543, 7 AmRep 480; *American Tobacco Co. v. Werckmeister*, 207 US 284, 28 SCt 72, 52 LEd 208, 12 AnnCas 595; *Nutt v. National Institute Inc. for the Improvement of Memory, supra*; *Ferris v. Frohman*, 223 US 424, 32 SCt 263, 56 LEd 492; *Uproar Co. v. National Broadcasting Co., DC*, 8 FSupp 358, *aff’d*, 1 Cir 81 F2d 373.”

For additional cases holding that broadcasting is not a publication, see: *Metropolitan Opera Ass’n Inc. v. Wagner-Nichols Corp.*, 87 USPQ 173 (NYSupCt 1950); *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DCMass 1934), *modified*, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 SCt 835, 80 LEd 1393 (1936); *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (DC Pa 1938); *Twentieth Century Sporting Club v. Transradio Press Service*, 165 Misc 1,300 NYSupp 159 (1937); *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937).

Of course if dramatic works are reproduced for sale or distribution, publication with notice is necessary to preserve the copyright. But the mere performance of a dramatic work whether for profit or gratuitously, is not a publication of the work.<sup>13</sup>

### 61b. PUBLICATION: MOTION PICTURES AND TELEVISION FILM.

Does the distribution of motion picture and television film to exhibitors and stations on a contractual basis constitute a publication? Of course if there is an outright sale of the film, publication has been effected. However, since the great bulk of motion picture and television film is leased to exhibitors and stations, the issue is narrowed to that trade practice.<sup>1</sup>

Although Ladas suggests that the trade-showing of a film to an exhibitor is a publication,<sup>2</sup> it is believed that this is a limited publication or private circulation. The trade-showing of a film to an exhibitor or the critics is akin to the submission of a song or work to a publisher for acceptance and approval.<sup>3</sup> The film has not been made accessible to the general public; its circulation is restricted and limited.<sup>4</sup>

However, the motion picture industry considers its distribution practices whereby it leases films to exhibitors as a publication. Accordingly, the industry registers films as published works available for sale. Although a lower New York court held that the leasing of a motion picture is similar to the performance of a stage play which "has never been held to be a

<sup>13</sup> *Ibid.* But *Cf.* *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949).

<sup>1</sup> *Shafter*, *Musical Copyright* 116 (2d ed 1939): "The problem of distribution and circulation has been made so complex and so vast by the methods of modern business organizations, by the introduction of paid lending libraries and the leasing of motion picture films, that the most innocent act is liable to become an act of distribution and, therefore, publication, with consequent loss of rights." For discussion of the problems involved in motion picture exhibition and distribution, see *Bernstein, The Motion Picture Distributor and the Copyright Law*, in 2 *Copyright Law Symposium* 119

(1940); *McDonough and Winslow, The Motion Picture Industry: United States v. Oligopoly*, 1 *StanLRev* 385 (1949).

<sup>2</sup> *Ladas, The International Protection of Literary and Artistic Property* (1938) 695.

<sup>3</sup> *Jerome v. Twentieth Century Fox Film Corp.*, 67 FSupp 736 (DC NY 1946); *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Gerlach Barlow Co. v. Morris & Bendien*, 23 F2d 159 (2d Cir 1927); *Allen v. Walt Disney Productions*, 41 FSupp 134 (DC NY 1941); *Basevi v. Edward O'Toole Co.*, 26 FSupp 41 (DC NY 1939).

<sup>4</sup> *Id.*

publication,"<sup>5</sup> the motion picture industry does not consider this case as controlling. On the contrary, its practice of registering film as published works is governed by *Jewelers' Mercantile Agency v. Jeweler's Publishing Company*<sup>6</sup> which held that the leasing of a work for a specified term and which is accessible to the general public constitutes a publication.<sup>7</sup>

The foregoing commercial practices must be viewed in the light of the holding of the Second Circuit Court of Appeals in *Patterson v. Century Productions, Inc.*<sup>8</sup> In that case plaintiff had registered his film with the Copyright Office as an unpublished work under section 11, now 12 of the Copyright Code. This means that the work is not reproduced for sale; if the work is to be reproduced for sale, the copyright proprietor must make the necessary deposit of copies. Plaintiff's film, which showed wild animal life in Africa, was exhibited gratuitously to religious, social and educational organizations. Defendant secured a positive print of plaintiff's film and incorporated from 1,000 to 1,500 feet in its copyrighted film, "Jungle Killers." Plaintiff sued for infringement of copyright. The defendant claimed that the infringement suit could not be maintained because the film had been reproduced for sale and plaintiff had failed to deposit two copies of the work with the Copyright Office. Whether the film had been reproduced for sale depended on whether or not what the plaintiff did in distributing the picture amounted to publication. The court held there was no general publication:

"Public exhibition is not necessarily a general publication merely because the public generally is shown the work. The test of general publication is whether the exhibition of the work to the public is under such conditions as to show dedication without reservation of right or only the right to view or inspect it without more. *American Tobacco Co. v. Werckmeister*, 207 U. S. 284, 28 S. Ct. 72, 74, 52 L. Ed. 208, 12 Ann. Cas. 595. If the conditions of publication are such that the only right is to

<sup>5</sup> *De Mille Co. v. Casey*, 121 Misc 78, 201 NYS2d 20 (1923).

<sup>6</sup> 84 Hun 12, 32 NYS 41 (1895), *reversed*, 155 NY 241, 49 NE 872 (1898).

<sup>7</sup> See also: *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940); *Larrowe-Loisette v.*

*O'Laughlin*, 88 Fed 896 (CC NY 1898); *Wagner v. Conried*, 125 Fed 798 (CC NY 1903); *Savage v. Hoffmann*, 159 Fed 584 (CC NY 1908).  
<sup>8</sup> 19 F2d 30 (DC NY 1937), *aff'd*, 93 F2d 489 (2d Cir 1937), cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1938).

look at the copy of the work exhibited, there is no general publication which makes the work thereafter a published work in the copyright sense. *McCarthy & Fischer v. White* (D. C.) 259 F. 364. Even permission to take notes at the delivery of a lecture is not a general publication. *Nutt v. National Institute* (C. C. A.) 31 F. (2d) 236.

"This motion picture was not distributed except for exhibition in the strictly limited noncommercial way above described. As the distribution was limited to exhibitions of the picture without charge, no one was given the right to use the copies sent out for any other purpose whatsoever. The positive films were merely loaned for that purpose which did not permit copying. There was, therefore, no publication before the registration under section 11 or before this suit was brought. Consequently, the copyright was valid and infringed when this action was commenced."<sup>9</sup>

The *Patterson* case may be distinguished from the *Jewelers' Mercantile* case<sup>10</sup> on the ground that the court was dealing with copyright in a work which had not been reproduced for sale. On the other hand when *Patterson* made his film available to religious, social and educational organizations, it was similar to the leasing arrangements between motion picture distributors and exhibitors. Thus the *Patterson* case by implication suggests that the gratuitous leasing of film does not constitute a general publication.

The foregoing discussion has been concerned with the licensing or lease of film to exhibitors for a specified time at an agreed rental.

But there is another aspect of the trade practices of the motion picture industry which warrants comment. Is the exhibition of a film by a theatre owner a publication? By analogy with the cases governing dramatic works, the exhibition of a motion picture photoplay is not a publication.<sup>11</sup>

"Performance of an ordinary play has never been held to be a publication; the mere performance of a photoplay can have no different result."<sup>12</sup>

<sup>9</sup> 93 F2d at 492-493. See also: *Universal Film Mfg. Co. v. Copperman*, 212 Fed 301, (DC NY 1914), *aff'd*, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 SCt 209, 59 LEd 433 (1915); *De Mille Co. v. Casey*, 121 Mis 78, 201 NYS2d (1923).

<sup>10</sup> *Op. cit. supra*, note 6.

<sup>11</sup> *E.g.* *Ferris v. Frohman*, 223 US 424, 32 SCt 263, 56 LEd 492 (1912); *Palmer v. DeWitt*, 47 NY 532 (1872).

<sup>12</sup> *De Mille Co. v. Casey*, 121 Mis 78, 201 NYS2d (1923).

But in the recent case of *Blanc v. Lantz*,<sup>13</sup> this doctrine was repudiated, the court holding that “the distribution and exhibition of these films in commercial theatres throughout the world constitutes so general a publication of the contents of the film and its sound track as to result in the loss of the common-law copyright.” The *Mel Blanc* case will be discussed in greater detail elsewhere.<sup>14</sup> For present purposes, it is submitted that the reasoning of the court on the “publication” issue is erroneous; it contravenes a basic precept of national and international copyright law, i.e., that the performance or exhibition of a dramatic work is not a publication.<sup>15</sup>

Television film is distributed in the same manner as motion picture film. The proprietor licenses the film to networks and stations for a specified period of time at an agreed rental. The leasing of television film is governed by *Jewelers Mercantile Agency v. Jewelers Publishing Company*;<sup>16</sup> accordingly, it would be considered a publication. However, the telecasting of the film by the networks and stations would not be considered a publication.<sup>17</sup>

#### 61c. PUBLICATION: MECHANICAL REPRODUCTION OF MUSIC.

The mechanical reproduction rights of a copyright proprietor are spelled out in § 1(e) of the Copyright Code:

“. . . and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced;”<sup>1</sup>

<sup>13</sup> 83 USPQ 137 (CalSuper 1949).

<sup>14</sup> *Passim*, § 203 ff.

<sup>15</sup> Article 4, par. 4 of the Berne Convention for the Protection of Literary and Artistic Works, Brussels Revision (1948) recites: “The presentation of a dramatic, dramatico-musical or cinematographic work, the performance of a musical work, the public recitation of a literary work, the transmission or the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work

of architecture shall not constitute publication.” See Ladas, *The International Protection of Literary and Artistic Property* (1938) 290 ff.; See also Fox, *Canadian Law of Copyright* (1944), 62, 66, 123, 126.

<sup>16</sup> *Op. cit. supra*, note 6.

<sup>17</sup> *E.g.*, *Stanley v. Columbia Broadcasting System, Inc.*, (CalApp 1948) 192 P2d 495, *aff'd*, 35 Cal2d 653, 221 P2d 80 (1950).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1(e) (Supp 1951).

The foregoing clause confers two distinct rights:

1) the right to make an arrangement of a musical composition in any system of notation from which it may be read. This right is similar to § 1(b): "to arrange or adapt it if it be a musical work;"<sup>2</sup>

2) the right to mechanically reproduce music, i.e., phonograph records, rolls, discs, electrical transcriptions, tapes, etc. Mechanical reproductions cannot be read; they are parts of instruments by means of which sounds are reproduced.<sup>3</sup>

In *White-Smith Music Publishing Company v. Apollo Music Publishing Company*,<sup>4</sup> the Supreme Court held that the mechanical reproduction of music via perforated rolls for piano players was not a written or intelligible copy of a song which embodied a system of notation or which could be read; it was not a copy of the song but a mechanical device for reproducing music.

When Congress passed the Copyright Act of 1909, it gave to composers the *right* to mechanically reproduce their musical compositions but it did not extend copyright protection to the mechanical reproductions themselves.<sup>5</sup>

The *Apollo* case and the Copyright Act of 1909 resulted in the following trade practices which were followed by the phonograph industry:

1. Since a phonograph record was not a copy of a copyrighted musical composition,<sup>6</sup> the former was not registered

<sup>2</sup> *Id.*, § 1(b).

<sup>3</sup> HRep't No. 2222, which accompanied HR 28192, 60 Cong 2d Sess (1909): "It is not the intention of the committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer or copyright proprietor the control, in accordance with the provisions of the bill, of the manufacture and use of such devices."

<sup>4</sup> 209 US 1, 28 Sct 319, 52 LEd 655 (1908), *affirming*, 147 Fed 226 (2d Cir 1906). See also: *Stern v. Rosey*, 17 App DC 562 (1901); *Kennedy v. McTammany*, 33 Fed 584 (CC Mass 1888).

<sup>5</sup> *Op. cit. supra*, note 3.

<sup>6</sup> *Op. cit. supra*, note 4. The English

courts likewise held under the old law that a perforated sheet or a phonograph record when reproduced, was not "a sheet of music", and hence not a copy, which would constitute an infringement of the composer's copyright under the Copyright Act of 1842. *Boosey v. Whight* (1900) 1 Ch 122, 81 LTNS 265; *Mabe v. Connor* (1900) 1 KB 515, 78 LJ KB 342, 100 LT 499; *Newmark v. National Phonograph Co. Ltd. & Edison Mfg. Co., Ltd.* (1907) 23 TLR 439, 51 SolJ 412; *Monekton v. Gramophone Co.*, (1912) 106 LT 84, 28 TLR 205; *Cf. Karno v. Pathé Frères* (1900) 100 LT 260. The current English law (Copyright Act of 1911) provides that authors of musical works shall have the exclusive right of authorizing the

with the Copyright Office. As a matter of fact the Copyright Office has refused to accept for registration phonograph records on the ground that "there is not and never has been any provision in the Act for the protection . . . . of a musical work not expressible by musical notation in the form of legible copies although the subject has been extensively discussed both here and abroad."<sup>7</sup>

2. Mechanical devices for the reproduction of music were accessible to the general public; they bore no copyright notice because they were not considered copies and their accessibility to the general public was not considered a publication.<sup>8</sup>

But the concept that phonograph records of musical works are not copies, and hence their distribution to the public does not constitute a publication received a considerable jolt in the recent case of *Shapiro Bernstein & Co. v. Miracle Record, Inc.*<sup>9</sup> This was a suit for infringement of musical copyright. The fourth defense urged by the defendant was that the plaintiff "abandoned his rights to copyright and dedicated his composition to the public." The court held that plaintiff "abandoned his rights, if any, to a copyright by permitting his composition to be produced on phonograph records and sold some time before copyright. It seems to me that production and sale of a phonograph record is fully as much a publication as production and sale of sheet music. I can see no practical distinction between the two. If one constitutes an abandonment so should the other."<sup>10</sup>

The court denied a motion for new trial and added further:

"It seems to me that publication is a practical question and does not rest on any technical definition of the word

adaptation of their works to instruments which can reproduce them mechanically; they are given the right to publicly perform their works by means of such mechanical instruments.

<sup>7</sup> *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631, n 2 (1937).

<sup>8</sup> In *Buck v. Heretis*, 24 F2d 876 (DCSC 1928) and *Buck v. Lester*, 24 F2d 877 (DCSC 1928) the absence of a copyright notice on a phonograph record was no defense to an action for infringement. But *Cf. Nat'l Ass'n of Performing Artists v. Wm Penn Broadcasting Co.*, 38 FSupp 531 (DC Pa

1941) wherein it was held that "a performer who makes a phonograph record and causes to be affixed thereto a notice of restriction that it is not licensed for commercial radio may restrain the use of such by a radio station." *Contra, RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940) cert den, 311 US 712 61 Sct 393, 85 LEd 463 (1940).

<sup>9</sup> 91 FSupp 473 (DC Ill 1950). For an excellent discussion and analysis of this litigation, see: *Strauss, Unauthorized Recording of Radio Broadcasts* (1950) 11 Fed ComBarJ 193, 196.

<sup>10</sup> *Id.*, at 474-475.

'copy.' Nor do the notice and registration provisions of the Copyright Act § 1 et seq., 17 U. S. C. A. § 1 et seq., determine the issue here. Modern recording has made possible the preservation and reproduction of sound which theretofore had disappeared immediately upon its creation. When phonograph records of a musical composition are available for purchase in every city, town and hamlet, certainly the dissemination of the composition to the public is complete, and is as complete as by sale of sheet music reproduction of the composition. The Copyright Act grants a monopoly only under limited conditions. If plaintiff's argument is to succeed here, then a perpetual monopoly is granted without the necessity of compliance with the Copyright Code."<sup>11</sup>

The court relied on the reasoning of the Second Circuit Court of Appeals in *RCA Mfg. Co. v. Whiteman*,<sup>12</sup> which held that the common law rights of a performer in his particular rendition of a copyrighted musical composition and which were embodied in phonograph records available for sale to the general public, were terminated by publication.

The plaintiff in the *Shapiro Bernstein* case did not perfect its appeal. But this decision has important implications which warrant discussion. The plaintiff relied on *White-Smith Music Publishing Company v. Apollo Music Publishing Company*<sup>13</sup> to support its contention that the mechanical reproduction of an unpublished work was not a copy. This issue, to the best of our knowledge has never been tendered the courts. But the plaintiff's contention is rather persuasive since neither the American nor English courts have even regarded a phonograph record as a copy of a "sheet of music."<sup>14</sup> Although these decisions were concerned with copyrighted musical compositions, it seems logical to conclude that a mechanical reproduction of an unpublished song is also not a copy.

But the more important question yet to be answered is whether the distribution of copyrighted musical composition via phonograph records without copyright notice constitutes a publication. If mechanical reproductions are copies, their distribution to the public would constitute a publication: and the absence of the appropriate copyright notice on such

<sup>11</sup> *Id.*

<sup>12</sup> 114 F2d 86, 88 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>13</sup> *Op. cit. supra*, note 4.

<sup>14</sup> *Op. cit. supra*, note 6.

“copies” would throw the recorded musical compositions into the public domain.<sup>15</sup>

The philosophy of *White-Smith Music Publishing Company v. Apollo Music Publishing Company*,<sup>16</sup> implemented by the Copyright Code and the administrative practice of the Copyright Office which refuses to register mechanical reproduction devices because the latter are not the “writings” of an author, is too firmly embedded in our copyright jurisprudence to be overturned by the courts. The trade practices of the phonograph industry are premised on this philosophy—that mechanical reproductions are not copies and their accessibility to the public does not amount to a publication. A reversal of this philosophy would disrupt the trade and commercial practices of the phonograph industry; it would mean that much of the popular music recorded on mechanical devices would be in the public domain.

The *Shapiro-Bernstein* case places the record manufacturer in a dilemma. It means that copyrighted musical compositions recorded on mechanical devices and distributed without the appropriate copyright notice are no longer protected by the statute.

The solution to this problem is amendatory legislation by Congress whereby mechanical reproductions would be registered with the Copyright Office. This proposal has several decided advantages.

Firstly, it would overrule the *White-Smith* decision. This case was decided in the era when copyright protection was restricted to visual reproductions. This philosophy is no longer dominant. The advent of radio, television and the increased use of recordings suggest that mechanical reproductions be treated as copies. A phonograph record is as much a copy as a lead sheet of music. The former employs a mechanical device to produce music. The latter requires a trained musician to convert musical notations unintelligible to the average layman, into intelligible sounds.

Secondly, if mechanical reproductions were accorded copyright protection, it would eliminate the difficulties and tortuous concepts which are present in our copyright jurisprudence. Thus the doctrine of equitable servitude would no

<sup>15</sup> Strauss, *op. cit. supra*, note 9. 655 (1908), *affirming* 147 Fed 226 (2d Cir 1906).  
<sup>16</sup> 209 US 1, 28 S Ct 319, 52 L Ed

longer plague the courts as it did in the *Whiteman*<sup>17</sup> and *Waring* cases.<sup>18</sup> Similarly the casuistic refinements of the courts in dealing with the infringement of motion picture photoplays and motion pictures other than photoplays would be eliminated.<sup>19</sup> The unauthorized exhibition of either category would be regarded as a copy. In this connection, it should be pointed out that other countries furnish copyright protection to mechanical reproductions.<sup>20</sup> The United States could obviously profit from the experience of those countries which accord copyright protection to recordings.

Thirdly, if phonograph records were considered as copies, it would simplify the problem of publication. Judge Igoe's conclusion that the distribution of phonograph records in every city, town and hamlet constitutes a general publication, makes sense;<sup>21</sup> it is in accord with the case law dealing with "general" and "limited" publication.<sup>22</sup> The extension of copyright protection to mechanical reproductions would furnish a nation-wide and uniform system of protection to recordings; it would close the door to 48 different interpretations of the concept of publication in the state courts.<sup>23</sup>

Amendatory legislation to extend copyright protection to mechanical reproductions would require a special clause to save musical compositions recorded on mechanical devices from falling into the public domain.

But in the absence of amendatory legislation as outlined above, it is believed that the court erred in concluding that the distribution of phonograph records constituted a publication.<sup>24</sup> From a theoretical point of view, the court's decision

<sup>17</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>18</sup> *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937).

<sup>19</sup> *Cf. Tiffany Production, Inc. v. Dewing*, 9 USPQ 545 (DC Md 1931) with *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre Company*, 50 F2d 908 (DC Mass 1931), *reversed*, 59 F2d 70 (1st Cir 1932), *on rehearing*, 3 FSupp 66 (DC Mass 1933). These decisions are discussed in detail in § 104, *passim*.

<sup>20</sup> *E.g. Argentina, Austria, Great*

*Britain, Italy, Mexico and Uruguay.* See *Straschnov, Le Droit D'Auteur et Les Droits Connexes En Radiodiffusion* (1948) 107 ff. See also, *passim*, § 192.

<sup>21</sup> *Shapiro Bernstein & Co. v. Miracle Record Co.*, 91 FSupp 473 (DC Ill 1950).

<sup>22</sup> The concepts of "general" and "limited" publications are discussed in §§ 203 and 203a, *passim*.

<sup>23</sup> *Cf. Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949).

<sup>24</sup> In the proposed draft of the Universal Copyright Convention, (UNESCO/CUA/27, Doc No. DA 111). Article VI defines publication as "the reproduction in tangible form and the

is correct. But the trade and commercial practices of the phonograph industry, which are premised on the philosophy of the *White-Smith* case are too firmly entrenched in our jurisprudence to be overturned by the courts.

#### 61d. PUBLICATION: DEPOSIT OF COPIES WITH THE COPYRIGHT OFFICE.

Section 13 of the Copyright Code in the case of published works requires the deposit of "two complete copies" of the work.<sup>1</sup> The question tendered is whether deposit with the Copyright Office constitutes a publication. The earlier decisions of the Second Circuit held that a deposit was a sufficient publication for the purpose of securing statutory copyright, hence there was no need for placing copies on the market nor for effectuating a "fictitious" sale.<sup>2</sup> It was likewise contended that the deposit of copies results in a publication since the public under the Copyright Code have free access to the work.<sup>3</sup>

The more recent decisions have challenged that ruling; they hold that the deposit of copies is a legal formality prescribed by the statute, and hence is not tantamount to the issue of copies to the public.<sup>4</sup> In addition the statute contemplates

general distribution to the public of copies of a work from which it can be read or otherwise visually perceived."

<sup>1</sup> 61 STAT 652 (1947) 17 USCA § 13 (Supp 1951).

<sup>2</sup> *Stern v. Remick Co.*, 175 Fed 282, 283 (DC NY 1910); *Cardinal Film Corp. v. Beck*, 248 Fed 368 (DC NY 1918); *No-Leak-O Piston Ring v. Morris*, 277 Fed 951 (4th Cir 1921).

<sup>3</sup> *Ibid.* See also *Osgood v. A. S. Aloe Instrument Co.*, 69 Fed 291, 294 (DC Mo 1895).

<sup>4</sup> *Heim v. Universal Pictures Co. Inc.*, 154 F2d 480 (2d Cir 1946); *Mittenthal v. Berlin*, 291 Fed 714, 715 (DC NY 1923):

"The case of *No-Leak-O Piston Ring Co. v. Morris* (277 Fed 951 (CCA4th) is flatly in point. The defendant is wrong in thinking that the court took the delivery of 50 copies to the plaintiff by the printer as a publication, though they were 'kept \* \* \* for their own use'. It was the general distribution on the 6th and

10th of August, which was the date of publication, as indeed section 62 (Comp. St. sec. 9852) required. \* \* \*

"*Cardinal Film Co. v. Beck* (DC 248 Fed 388) followed my ruling in *Stern v. Remick* (CC 175 Fed 282), and probably can not be taken as independent ruling, though Judge Knapp apparently thought so in *No-Leak-O Piston Ring Co. v. Norris*, *supra*. *Stern v. Remick*, *supra*, was rightfully decided because there had been a sale, but I must own that what I said there of publication seems to me now open to doubt. In any case that point is not involved here, because, as I have said, in my judgment the time of deposit in section 12 is permissive, and a deposit before publication is enough". But in *Brown v. Select Theatres Corp.*, 56 FSupp 438 (DC Mass 1944) Judge Wyzanski ruled that the deposit of an operetta with the Copyright Office constituted a publication. Judge Wyzanski's ruling was followed in *Tamswitmark Music, Inc. v. New Opera*

that publication shall be effected outside the Copyright Office.<sup>5</sup>

It is believed that publication is not effected by the deposit of copies with the Copyright Office. This conclusion is buttressed by the language of § 13 of the Copyright Code which provides in part "that after copyright has been secured by the publication of the work with notice of copyright . . . there shall be promptly deposited in the Copyright Office"<sup>6</sup> two copies of the work. Deposit of copies is not tantamount to publication since the former is a condition subsequent to the procurement of statutory copyright.<sup>7</sup>

### 61e. PUBLICATION: OUTSIDE THE UNITED STATES.

The question tendered in this section is whether general publication in a foreign country by a foreign author without any notice of United States copyright amounts to a general publication in this country. The recent case of *Heim v. Universal Pictures Co., Inc.*<sup>1</sup> in answering this question in the negative, reversed a series of decisions<sup>2</sup> and "the universal assumption of textwriters"<sup>3</sup> on this issue.

Co., 298 NY 163, 81 NE2d 70 (1948). It is submitted that "deposit" is an ambiguous concept. In the case of unpublished works not reproduced for sale under § 12 of the Copyright Code, the deposit of a single copy does not constitute a publication. Cf. *Shilkret v. Musiercraft Records*, 43 FSupp 184 (DC NY 1941) reversed on other grounds, 131 F2d 929 (2d Cir 1942), cert den, 319 US 742, 63 S Ct 1030, 87 LEd 1699 (1942) *Quaere* whether the deposit of two copies of a published work constitute a publication? It is believed that the Brown and Tams-Witmark cases go too far. "Deposit" at best is a limited publication which perfects statutory copyright, but "deposit per se" is not the general publication which results in the public distribution of a copyright work.

<sup>5</sup> 61 STAT 652 (1947) 17 USCA § 13 (Supp 1951).

<sup>6</sup> *Id.*

<sup>7</sup> *Washington Publishing Co. v. Pearson*, 306 US 30, 59 S Ct 397, 83 LEd 470 (1939); *Freedman v. Milnag Leasing Corp.*, 20 FSupp 802 (DC NY 1937).

<sup>1</sup> 154 F2d 480 (2d Cir 1946).

<sup>2</sup> *Id.* The majority opinion states: "Basevi v. O'Toole Co., DC, 26 FSupp 41, 46, we think was wrongly decided on this point." *Id.*, at 487, n 6.

<sup>3</sup> Concurring opinion of Judge Clark, *Id.*, at 488-489:

"The opinion holds that American copyright is secured by publication abroad without the notice of copyright admittedly required for publication here. This novel conclusion, here suggested for the first time, seems to me impossible in the face of the statutory language that the person thereto entitled 'may secure copyright for his work by publication thereof with the notice of copyright required by this title,' § 9 of the Copyright Act, 17 USCA § 9, and § 18, defining the 'notice of copyright required by section 9 of this title,' with the provision that as to work of the character here involved 'the notice shall include also the year in which the copyright was secured by publication.' It is against the view of such expert copyright judges as Hough, J., in *Italian Book Co. v. Cardilli*, DCSDNY, 273 F 619 and *Universal Film Mfg. Co. v. Copperman*, DCSDNY, 212 F 301, *aff'd* 2 Cir, 218 F 577, cert

The *Heim* case warrants discussion. The plaintiff, a national of Hungary,<sup>4</sup> wrote a song between 1934 and 1935; he assigned his rights in the song to a Hungarian publisher, who evidently published the same without notice of foreign or American copyright.<sup>5</sup> Plaintiff's assignee copyrighted the song as an unpublished work in the United States in 1936. The copyright was subsequently assigned to plaintiff by the publisher in 1941, and was recorded in the Copyright Office in 1942. Judge Frank held that "publication in a foreign country by a foreign author . . . [does] not require, as a condition of obtaining or maintaining a valid American copyright, that any notice be affixed to any copies whatever published in such foreign country, regardless of whether publication first occurred in that country or here, or whether it occurred before or after registration here."<sup>6</sup>

In *Basevi v. O'Toole Company, Inc.*,<sup>7</sup> the New York District Court had previously ruled to the contrary. Judge Woolsey held that publication abroad without notice of United States copyright thereon, precluded the foreign owner from subsequently securing a valid copyright in this country.<sup>8</sup> Although

den, 235 US 704, . . . and Woolsey, J., in *Basevi v. Edward O'Toole Co.*, DCSDNY, 26 FSupp 41, and apparently the universal assumption of text writers. See Howell, *The Copyright Law*, 1942, 73; Ladas, *The International Protection of Literary and Artistic Property*, 1938, 698; Ball, *The Law of Copyright and Literary Property*, 1944, 217; *Copyright Protection in the Americas* (Law & Treaty Series No. 16) 66; 18 CJS *Copyright and Literary Property*, § 66, p. 190."

<sup>4</sup> The United States by treaty proclamations had extended copyright protection to citizens of Hungary, Act of Oct. 15, 1912, 37 STAT 1631, 17 USCA § 9, as implemented by 37 FR 202.4.

<sup>5</sup> Hungary, which is a member of the Berne Convention has dispensed with all formalities; a work is protected merely by virtue of its creation. II UNESCO *Copyright Bulletin* (1949) No. 2-3, 94 ff. For a brief survey of the Copyright Law of Hungary, see Ladas, *The International Protection of Literary and Artistic Property* (1938) 1044: "The acquisition and enforcement

of copyright [in Hungary] is not subject to any formality."

<sup>6</sup> 154 F2d at 486.

<sup>7</sup> 26 FSupp 41 (DC NY 1939).

<sup>8</sup> *Id.*: "Therefore, the publication of a book, or, as here, of one of the component parts thereof, in a foreign country, without notice of United States copyright thereon, will prevent the owner from subsequently securing a valid copyright thereof in the United States. *American Code Company v. Bensinger*, 282 F 829, 833 (CCA 2d); *Universal Film Co. v. Copperman*, 212 F 301, 303; 'The Mikado' Case—*Carte v. Duff*, 25 F' 183, 194; and *cf.* *Ferris v. Frohman*, 223 US 424, 434.

The case of *Italian Book Company v. Cardilli*, 273 F 619, cited by the plaintiff's counsel, must, I think, be regarded as having been overruled by the Circuit Court of Appeals in the *Bensinger* case to which I have just referred. "In the *Cardilli* case, (273 Fed 183 (DC NY 1918), a song was written and published in Italy by two nationals of Italy; it was copyrighted in 1913 in accordance with the law of Italy. Each copy of the song stated

Judge Woolsey's opinion did not contain an extended discussion of this issue, it is believed that his holding was premised on the following reasoning:

Publication with notice initiates statutory copyright in the United States. Although § 10 of the Copyright Code is ambiguous as to whether publication abroad without notice prevents statutory copyright here, the legislative history of this clause suggests that initial publication may be effected by the sale, offer of sale or public distribution of a foreign work abroad.<sup>9</sup>

Judge Frank's holding in the *Heim* case is none too clear. The first clause of § 10 does not specify where publication is to take place; the second clause requires the notice of copyright to be affixed to each copy published or offered for sale in the United States. Judge Frank may have reasoned that since copyright notice is required for publication in the United States, initial publication can only be effected in this country, hence the sale or distribution of copies abroad does not con-

in Italian that the proprietor owned the rights for all countries and that all rights were reserved. Four years later, the Italian proprietor sold to the plaintiff the privilege of copyrighting and selling the same in the United States. The plaintiff copyrighted the work in 1917, however, the original date of publication was stated to be September 1, 1913. The defendant copied the work and sold copies after registration of United States copyright. The question before the court was whether publication in Italy prevented American copyright four years later. The court answered this question in the negative. To quote from the court's opinion: "It seems to me as a matter of first impression that the publication in Italy was, by the terms of the notice printed or stamped on each copy sold, limited to Italy, and did not (in the absence of statutory prohibition) \* \* \* prevent the subsequent American copyright, if (as is the case here) there had been no publication in the United States \* \* \* prior to that of the copyright owner.

"The novelty of this litigation arises from the fact that that which is printed and published in the United States is

in the Italian language, and is identical with what was put forth in Italy. This seems to be left out of our present statute." The court concluded that this was a case of first impression and that it held for plaintiff with considerable doubt, in view of the equities of the situation.

<sup>9</sup> Howell, *The Copyright Law (1948)* 73: "In the original draft of section 9 [now § 10] of the Act, it was provided that 'any person entitled thereto by this Act may secure copyright for his work by publication thereof in the United States with the notice of copyright required by this Act'; but in the final draft the *italicized* words were transferred to the next clause: 'and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor.'" But a work copyrighted here, but published abroad without any copyright notice and sold only for use there, does not lose copyright protection here. See *Merriam Co. v. United Dictionary Co.*, 146 Fed 354, 358 (7th Cir 1906) *aff'd* 208 US 260, 263, 28 Sct 290, 52 LEd 478 (1908); *Bentley v. Tibbals*, 223 Fed 247 (2d Cir 1915).

stitute a publication.<sup>10</sup> The difficulty with this argument is that the second clause of § 10 “deals with the preserving of the copyright after the original publication has secured it. . . . and is indeed the only direct requirement for notice of the already acquired copyright.”<sup>11</sup>

Judge Frank made a passing reference to § 13 of the statute but did not elaborate on the applicability of this clause. This section deals with the deposit of copies with the Copyright Office after publication. It provides that in the case of works of a foreign author published in a foreign country, the deposit may consist of one complete copy of the best edition published. It is doubtful whether this clause authorizes publication abroad without the appropriate copyright notice. Section 13 regulates the deposit of copyrighted works and applies only “after copyright has been secured by publication of the work with notice of copyright as provided in section 10 of this title.”<sup>12</sup>

The final argument advanced by Judge Frank was that “the requirement [of publication with copyright notice abroad] would achieve no practical purpose for a notice given by a single copy would obviously give notice to virtually no one.”<sup>13</sup> Judge Clark in his concurring opinion answered this contention:

“There perhaps may be some doubt as to the utility of any notice; it is said not to be required ‘in most foreign countries.’ . . . But if Congress thought it a necessary requirement for the literary monopoly it granted, common fairness would seem to suggest that it apply also to publications abroad, or at least that foreign publications be not made notoriously easier and more profitable than domestic publication. And the required notice does furnish a certain amount of information and warning to competitors and possible infringers, perhaps enough to warn them away from infringement in many an obvious case. That more drastic requirements might have accomplished more does not justify elimination of those which were specifically retained.”<sup>14</sup>

<sup>10</sup> Weil, *Copyright Law* (1917) 276 ff. makes this contention.

<sup>11</sup> Judge Clark concurring in *Heim v. Universal Pictures Co. Inc.*, 154 F2d 480 (2d Cir 1946).

<sup>12</sup> 61 STAT 652 (1947), 17 USCA

§ 13 (Supp 1951). See Ladas, *The International Protection of Literary and Artistic Property* (1938) 697-8.

<sup>13</sup> 154 F2d at 486.

<sup>14</sup> *Op. cit. supra*, note 11.

It would appear that the basis of the holding in the *Heim* case was that copyright protection was secured in Hungary without complying with any formalities.<sup>15</sup> This is true of most European countries, and particularly those who are members of the Berne Convention.<sup>16</sup> Judge Frank may have concluded that since copyright protection was obtained in Hungary by publication without notice, it would be unfair and inequitable to preclude copyright registration in this country because the work lacked the appropriate copyright notice when published there. But since copyright in the United States is predicated on publication with notice, it would appear that this requirement should be applicable to foreign works published abroad. A contrary holding discriminates against domestic publication.<sup>17</sup>

The performance of a work abroad does not constitute a publication which would preclude copyright registration in the United States.<sup>18</sup> The copyright laws of the majority of foreign countries provide that the public performance of a dramatic work is not a publication.<sup>19</sup> But even if the public performance of a work be deemed a publication abroad,<sup>20</sup>

<sup>15</sup> 154 F2d at 486-7: "There is no doubt textual difficulty in reconciling all the sections, as has often been observed; the most practicable, and as we think, the correct interpretation, is that publication abroad will be in all cases enough, provided that, under the laws of the country where it takes place, it does not result in putting the work into the public domain. Assuming arguendo, that plaintiff's publication in Hungary did not do so, it could not affect the American copyright. . . ."

<sup>16</sup> Article 4, par. 2 of the Berne Convention, Brussels Revision (1948) provides that "The enjoyment and the exercise of these rights [the subject matter and rights secured by copyright] shall not be subject to any formality; . . ." See also II UNESCO Copyright Bulletin (1949) No. 2-3, 94 ff. for a comparative study of the "formalities" of international copyright law.

<sup>17</sup> However, a work copyrighted in the United States, but published abroad and not designed for sale or distribution here, does not lose American copyright because such edition pub-

lished abroad lacks copyright notice. See *Merriam Co. v. United Dictionary Co.*, 146 Fed 354 (7th Cir 1906), *aff'd*, 208 US 260, 28 S Ct 290, 52 L Ed 478 (1908).

<sup>18</sup> *Brown v. Select Theatres Corp.*, 56 FSupp 438 (DC Mass 1944); *O'Neill v. General Film Corp.*, 171 AppDiv 854, 157 NYSupp 1028 (1916); *Ferris v. Frohman*, 223 US 424, 32 S Ct 263, 56 L Ed 492 (1912).

<sup>19</sup> *E.g.* Article 4, paragraph 4 of the Berne Convention, Brussels Revision (1948): "The presentation of a dramatic, dramatico-musical or cinematographic work, the performance of a musical work, the public recitation of a literary work, the transmission of the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture, shall not constitute publication." See Ladas, *The International Protection of Literary and Artistic Property* (1938) 394 ff.

<sup>20</sup> Ladas, *op. cit. supra*, note 19 at 402. See II UNESCO Copyright Bulletin (1949) No. 2-3 at 30-32.

such a statute would have no extra-territorial effect. The American courts would apply the doctrine of *Ferris v. Frohman*<sup>21</sup> viz., that the performance of an unpublished play is not a publication.

## 62. NOTICE OF COPYRIGHT: GENERAL DISCUSSION.

The notice required by § 10 of the Copyright Code is spelled out in § 19:

§ 19: "*Notice; Form.*—The notice of copyright required by section 10 of this title shall consist either of the word 'Copyright' or the abbreviation 'Copr.', accompanied by the name of the copyright proprietor, and if the work be a printed literary, musical, or dramatic work, the notice shall include also the year in which the copyright was secured by publication. In the case, however, of copies of works specified in subsections (f) to (k), inclusive, of section 5 of this title, the notice may consist of the letter C enclosed within a circle, thus ©, accompanied by the initials, monogram, mark, or symbol of the copyright proprietor: *Provided*, That on some accessible portion of such copies or of the margin, back, permanent base, or pedestal, or of the substance on which such copies shall be mounted, his name shall appear. But in the case of works in which copyright was subsisting on July 1, 1909, the notice of copyright may be either in one of the forms prescribed herein or may consist of the following words: 'Entered according to Act of Congress, in the year —, by A. B., in the office of the Librarian of Congress, at Washington'; or, at his option, the word 'Copyright', together with the year the copyright was entered and the name of the party by whom it was taken out; thus, 'Copyright, 19—, by A. B.' "

The purpose of a copyright notice is to prevent innocent persons who are unaware of the existence of copyright from incurring the penalties of infringers by making use of the copyrighted work.<sup>2</sup> The notice likewise informs the public

<sup>21</sup> *Op. cit. supra*, note 18.

<sup>1</sup> 61 STAT 652 (1947) 17 USCA § 19 (Supp 1951).

<sup>2</sup> *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1947), cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947); *Smith v. Wilkinson*, 19 FSupp 841 (DC NH 1937), *aff'd*, 97 F2d 506 (1st Cir 1938); *American*

*Tobacco Co. v. Werckmeister*, 207 US 284, 28 Sct 72, 52 LEd 208 (1907); *Stecher Lithographic Co. v. Dunston Lithographic Co.*, 233 Fed 601 (DC NY 1916). See also *Fleischer Studios v. Freundlich Inc.*, 73 F2d 276, 277 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935).

the date the copyright was acquired, and hence the period of the limited monopoly.<sup>3</sup>

The publication of a work without the required notice results in a dedication of the work to the general public with loss of copyright protection.<sup>4</sup>

Some of the older cases<sup>5</sup> and even the recent case of *Group Publishers, Inc. v. Winchell*<sup>6</sup> have held that "strict compliance with the statutory requirements is essential to the perfection of the copyright itself and failure fully to conform to the form of notice prescribed by the act results in an abandonment of the right and a dedication of one's work to the public."<sup>7</sup>

It is believed that substantial compliance rather than literal compliance should be the test. As long as the face of the notice advises the public that the work is copyrighted, the name of the copyright proprietor and the year date, that should constitute substantial compliance with § 19.<sup>8</sup>

<sup>3</sup> *Burrow Giles Lithographic Co. v. Sarony*, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884). See also *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>4</sup> *Deward & Rich v. Bristol Savings & Loan Corporation*, 120 F2d 537 (4th Cir 1941); *Atlantic Monthly Co. v. Post Publishing Co.*, 27 F2d 556 (DC Mass 1928); *Universal Film Mfg. Co. v. Copperman*, 212 Fed 301 (DC NY 1914) *aff'd*, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 S Ct 209, 59 L Ed 433 (1915); *Meier Glass Co. v. Anchor Hocking Corp.*, 95 FSupp 264 (DC Pa 1951); *Warner Bros. Pictures v. Columbia Broadcasting System*, 102 FSupp 141 (DC Cal 1951).

<sup>5</sup> *Bolles v. Outing Co.*, 175 US 262, 20 S Ct 94, 44 L Ed 156 (1899); *Burrow Giles Lithographic Co. v. Sarony*, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884); *Bentley v. Tibbals*, 223 Fed 247, 253 (3d Cir 1915): "The courts hold that the statutory requirements as to notice must be strictly complied with. . . . And *cf.* *Miffin v. White*, 190 US 260, 23 S Ct 769, 47 L Ed 1040 (1903):

"It is incorrect to say that any form of notice is good which calls attention to the person of whom inquiry can be made and information obtained, since, the right being purely statutory, the public may justly demand that the

person claiming a monopoly of publication shall pursue, in substance at the least, the statutory method of securing it. In determining whether a notice of copyright is misleading we are not bound to look beyond the face of the notice and inquire whether, under the facts of the particular case, it is reasonable to suppose an intelligent person could actually have been misled."

See also *Advertisers Exchange v. Anderson*, 144 F2d 907 (8th Cir 1944). *Contra*, *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>6</sup> 86 FSupp 573 (DC NY 1949).

<sup>7</sup> *Id.* at 577 and cases cited therein.

<sup>8</sup> *National Comics Publications Inc. v. Fawcett Publications Inc.*, 93 FSupp 349 (DC NY 1950) *reversed*, 191 F2d 594 (2d Cir 1951); *Bloek v. Plaut*, 87 FSupp 49 (DC Ill 1949); *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1947) cert den 331 US 820, 67 S Ct 1310, 91 L Ed 1837 (1947); *Fleischer Studios Inc. v. Freundlich Inc.*, 5 FSupp 808 (DC NY 1934) *aff'd*, 73 F2d 276 (2d Cir 1934) cert den, 294 US 717, 55 S Ct 516, 79 L Ed 1250 (1935); *Wrench v. Universal Pictures Co.*, 104 FSupp 374 (DC NY 1952); *Harry Alter Co. v. Graves Refrigeration Inc.*, 101 FSupp 703 (DC Ga. 1951).

It is submitted that the courts should apply a broad and liberal policy in effectuating the objectives of § 19 and related sections<sup>9</sup> of the Copyright Code. A strict and literal interpretation of § 19 imposes severe penalties on the copyright proprietor who fails to comply with the technical requirements of the Code—his copyright falls into the public domain.<sup>10</sup> Illustrative of the strict and literal approach is *Group Publishers Inc. v. Winchell*.<sup>11</sup> In that case Natamsa Publishing Co. had published a book bearing a copyright notice stating that it was the copyright proprietor. Natamsa then assigned the copyright of the book in writing to plaintiff. At the time publication was effected, plaintiff had not recorded the assignment in the Copyright Office; recordation was effected before plaintiff instituted its suit for infringement of copyright. The court dismissed the complaint because the copyright notice was defective. “Defendants are also entitled to prevail, as a matter of law, on the ground that the substitution of the name of an assignee in a notice of copyright prior to the recordation of the assignment” does not conform to the notice prescribed by the statute. “The Congressional policy reflected in the statute is that the notice of copyright shall contain, as proprietor, the name of the holder of record; for indiscriminate substitution could result in considerable confusion and would not ‘sufficiently aid in tracing . . . . title if need be.’ ”<sup>12</sup>

We have discussed *Group Publishers Inc. v. Winchell* in greater detail elsewhere and have concluded that it was erroneously decided.<sup>13</sup> Despite the absence of recordation of the assignment at the time publication was effected, the copyright notice advised the public that the work was copyrighted. Defendant would have had no difficulty in tracing ownership or title of the work since the assignment was recorded before the suit was instituted. It is submitted that the court was overly technical in its application of the notice requirements of the statute.

The significance of *Group Publishers Inc. v. Winchell*, is that the work was thrown into the public domain because

<sup>9</sup> *E.g.* sections 20 and 21 of the Copyright Code, 61 STAT 652 (1947), 17 USCA §§ 20 and 21 (Supp 1951) and discussed *passim* in sections 62a to 62e inclusive.

<sup>10</sup> *E.g.* National Comics Publications

*Inc. v. Fawcett Publications, Inc.*, 93 FSupp, 349 (DC NY 1950), *reversed*, 191 F2d 594 (2d Cir 1951).

<sup>11</sup> 86 FSupp 573 (DC NY 1949).

<sup>12</sup> *Id.* at 576 and 577.

<sup>13</sup> *Infra*, § 52.

plaintiff did not comply with a technical requirement of the Copyright Code. This is not an unusual or isolated case. There are a substantial number of decisions wherein failure to comply with the notice requirements of the statute has resulted in loss of statutory copyright and a dedication of the work to the public.<sup>14</sup>

From a practical point of view, copyright is of no concern to the general public. The latter do not pirate copyrighted works. It is only the commercial users viz., the book publishing trade and the music, motion picture, radio and television industries, etc., who are really concerned with copyright. The mere fact that a work is published puts such commercial users on notice that the work may be copyrighted. We are not contending that the formality of copyright notice should be discarded. The Congressional policy reflected in the statute calls for notice. But in view of the limited group who deal with copyright and who are familiar with its business and commercial practices, substantial compliance with § 19 of the statute should be sufficient to put them on notice that a work is copyrighted.

#### 62a. NOTICE OF COPYRIGHT: FORM.

Section 19<sup>1</sup> prescribes two forms of copyright notice:

In the case of printed literary, musical and dramatic works,

<sup>14</sup> *E.g.* National Comics Publications Inc. v. Fawcett Publications Inc., 93 FSupp 349 (DC NY 1950) *reversed*, 191 F2d 594 (2d Cir 1951); Booth v. Haggard, 184 F2d 470 (8th Cir 1950); Advertisers Exchange v. Anderson, 144 F2d 907 (8th Cir 1944); Kraft v. Cohen, 117 F2d 579 (3d Cir 1941); Wildman v. New York Times Co., 42 FSupp 412 (DC NY 1941); Deward & Rich v. Bristol Savings & Loan Corporation, 34 FSupp 345 (DC Va 1940) *aff'd*, 120 F2d 537 (4th Cir 1941); Basevi v. Edward O'Toole Co., 26 FSupp 41 (DC NY 1939); Smith v. Bartlett, 18 FSupp 35 (DC Me 1937); Horsman Doll Co. v. Kaufman, 286 Fed 372 (2d Cir 1922), cert den, 261 US 615, 43 S Ct 361, 67 LEd 828 (1923); Lydiard-Peterson Co. v. Woodman, 204 Fed 921 (DC Minn 1913); Record & Guide Co. v. Bromley, 175 Fed 156 (CC Pa 1910).

<sup>1</sup> The text of § 19 is quoted in its entirety in § 62. HRep't No. 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909) in discussing §§ 19 and 20 states:

"Section 18 [now 19] and 19 [now 20] refer to the copyright notice. The notice now required by law, which must be very strictly followed in order to prevent forfeiture of the copyright, is as follows:

"Entered according to Act of Congress in the year —, by A.B., in the office of the Librarian of Congress, at Washington; or, at his option, the word 'Copyright,' together with the year the copyright was entered, and the name of the party by whom it was taken out; thus: 'Copyright, 18—, by A.B.'"

The bill as originally introduced provided that the notice of copyright

and this includes, books, periodicals, lectures, dramatic, dramatico-musical and musical compositions,<sup>2</sup> the notice must contain the following:

- a) the word "copyright" or the abbreviation, "copr."
- b) the name of the copyright proprietor;
- c) the year of publication.<sup>3</sup>

In the case of maps, words of art or reproductions thereof, drawings, photographs, prints and pictorial illustrations,<sup>4</sup> the notice may consist of the letter C encircled in a circle, viz., ©, accompanied by the initials, mark or symbol of the copyright proprietor. However, on some accessible portion of the copy, margin, base, pedestal or back, the name of the copyright proprietor must appear.

With reference to the first form of notice, the more recent cases suggest that substantial compliance with the three requirements satisfies the objectives of § 19.<sup>5</sup>

should consist of the word 'Copyright,' or of some abbreviation thereof, accompanied in every case by the name of the copyright proprietor, or, in case it was a work of art, etc., by the proprietor's initials, monogram, etc.; that in case of a book or other printed publication the notice should be on its title-page or the page immediately following. If it was a map, work of art, drawing, plastic work, photograph, or a print, notice should be upon some accessible portion of the work itself, or on the margin, back, base, or pedestal, etc. No date was required, not even the year in which the copyright was secured, in case of a book or anything else. Serious objections were made to the elimination of the date. It was said that the public would have no means of ascertaining whether the copyright had expired and that the public was entitled to that knowledge.

Your committee felt that in case of books or printed publications, including dramatic and musical works, the year in which the copyright began should be stated in the notice, and we have provided for the insertion of the date in the notice in all such works. Your committee did not feel that it was necessary to have the date printed on works of art, etc. Artists have always objected to the copyright notice which

they were obliged to put on the pictures, because it was considered a disfigurement, and we have retained substantially the provision of the original bill regarding the notice in such cases. The original bill provided that when the rights of public performance were desired the notice should include the statement "rights of public performance reserved." Since the right of public performance is as clearly incidental to the general right as is the right of translation or dramatization and is so treated in the bill, specific notice of it seems as little requisite as in the case of other subsidiary rights."

<sup>2</sup> This refers to the classifications comprehended by § 5(a) to § 5(e) inclusive of the Copyright Code, 61 STAT 652 (1947), 17 USCA § 5(a) to § 5(e) (Supp 1951).

<sup>3</sup> Since motion pictures are classified as dramatic works, they bear the same copyright notice as printed literary, musical and dramatic works. See *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947); *Metro-Goldwyn Mayer Distributing Corp. v. Bijou Theatre*, 3 FSupp 66 (DC Mass 1933).

<sup>4</sup> This refers to the copies of works specified in subsections (f) to (k) of § 5 of the Copyright Code, *supra* note 2.

<sup>5</sup> National Comics Publications Inc.

At the outset variations in the order of copyright notice do not render the notice defective. The notice required by the Code if followed literally calls for 'Copyright,' the year date and the name of the proprietor. The notice need not follow the order prescribed by the statute.<sup>6</sup>

Additional information contained in the notice, viz., "copyright transferred,"<sup>7</sup> "published"<sup>8</sup> "Trade-Mark Reg. U. S. Pat. Off."<sup>9</sup> does not invalidate the copyright. Similarly the use of a fictitious name, provided the applicant complies with the fictitious name statute of the state wherein he is doing business,<sup>10</sup> or the trade name of a partnership or corporation constitutes a substantial compliance with the statute.<sup>11</sup> Abbreviations of year<sup>12</sup> or name of the proprietor<sup>13</sup> do not render the copyright invalid. Thus the omission of the word "Inc.," in the name of a corporation does not make the notice defective.<sup>14</sup> The use of the surname alone would appear to be sufficient.<sup>15</sup>

v. Fawcett Publications Inc., 93 FSupp 349 (DC NY 1950) *reversed*, 191 F2d 594 (2d Cir 1951); Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947) cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947); Alter Co. v. Graves Refrigeration, Inc., 101 FSupp 703 (DC Ga. 1951).

<sup>6</sup> Falk v. Schumacher, 48 Fed 222 (DC NY 1891); Bentley v. Tibbals, 223 Fed 247 (2d Cir 1915).

<sup>7</sup> Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947) cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947).

<sup>8</sup> Hills & Co., Limited v. Hoover, 136 Fed 701 (DC Pa 1905); Hills & Co., Limited v. Austrich, 120 Fed 862 (DC NY 1903). The use of the term "Registered" without the phrase "Copyright" is invalid. See Higgins v. Keuffel, 140 US 428, 11 Sct 731, 35 LEd 470 (1891).

<sup>9</sup> Block v. Plaut, 87 FSupp 49 (DC Ill 1949).

<sup>10</sup> Hart v. Montgomery Ward & Co., 61 USPQ 473 (DC Ill 1944). Cf. Haas v. Leo Feist Inc., 234 Fed 105 (2d Cir 1916).

<sup>11</sup> Powell v. Stransky, 98 FSupp 434, 436 (DC SDak 1951): "As to defendant's claim that plaintiff's copyright

is void and of no legal effect because its claimed certificate of registration was issued in the trade name of the plaintiff when it appears by the evidence that plaintiff has upon different occasions used other trade names, defendant has submitted no authority, nor have I been able to find any authority, to support defendant's contention, and I regard the same as without merit." See also Block v. Plaut, 87 FSupp 49 (DC Ill 1949).

<sup>12</sup> Bolles v. Outing Co., 77 Fed 966 (2d Cir 1897); Snow v. Mast, 65 Fed 995 (DC Ohio 1895). The use of Roman numerals in lieu of arabic numbers for the year date does not invalidate the form of copyright notice, Stern v. Remick, 175 Fed 282 (DC NY 1910).

<sup>13</sup> Fleischer Studios Inc. v. Freundlich Inc., 5 FSupp 808 (DC NY 1934), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); Alter Co. v. Graves Refrigeration, Inc., 101 FSupp 703 (DC Ga 1951); Cf. Campbell v. Wireback, 269 Fed 372 (4th Cir 1920).

<sup>14</sup> *Id.*

<sup>15</sup> Burrow Giles Lithographic Co. v. Sarony, 111 US 53, 4 Sct 288, 28 LEd 344 (1884).

As stated above, the year date may be abbreviated, may be in roman numerals or even omitted.<sup>16</sup>

The copyright notice must identify the copyright proprietor. In the *Bessett* case, the outside cover of a catalogue which contained 16 pages of illustrations reproduced from drawings of sewing machine parts, had the following printed material: "Send your attachment problems to Bessett;" one inch lower was printed, "copyright—1933." The court held that this was an insufficient designation of the name of the copyright proprietor. "It might refer to Worthington S. Bessett, to the corporation, or merely constitute a trade-mark."<sup>17</sup> But in *Block v. Plaut*, the trade-mark, "Closet Caddy" with the legend, "Copyright 1948" below the trade-mark was a sufficient compliance with the statute.<sup>18</sup> It is believed that the court was overly technical in the *Bessett* case.

The true test to be applied to a copyright notice is that it be sufficiently complete and recognizable upon inspection as a copyright notice.<sup>19</sup> Technical deficiencies in the copyright notice as exemplified by *Group Publishers Inc. v. Winchell*<sup>20</sup> should not invalidate the copyright. Of course if the copyright notice is illegible or microscopic to the extent that it cannot be read without the aid of a magnifying glass, the notice is defective.<sup>21</sup>

The year date is required for printed literary, musical or dramatic works; it is not required for those works which employ the symbol ©. As stated previously, the year date advises the public of the inception of the copyright term. But an error in the year date does not necessarily invalidate the

<sup>16</sup> National Comics Publication Inc. v. Fawcett Publications Inc., 93 FSupp 349 (DC NY 1950), *reversed on other grounds*, 191 F2d 594 (2d Cir 1951).

<sup>17</sup> Bessett Inc. v. Germain Co., 18 FSupp 249 (DC Mass 1937). See also *Buck v. Liederkranz*, 34 FSupp 1006 (DC Pa 1940); *Goes Lithographing Co. v. Apt Lithographic Co.*, 14 FSupp 620 (DC NY 1936).

<sup>18</sup> *Block v. Plaut*, 87 FSupp 49 (DC Ill 1949).

<sup>19</sup> *Krafft v. Cohen*, 117 F2d 579 (3d Cir 1941); *Basevi v. Edward O'Toole Co.*, 26 FSupp 41 (DC NY 1939); *Stecher Lithographic Co. v. Dunston*,

233 Fed 603 (DC NY 1916); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>20</sup> 86 FSupp 573 (DC NY 1949).

<sup>21</sup> *National Comics Publications Inc. v. Fawcett Publications, Inc.*, 93 FSupp 349 (DC NY 1950), *reversed on other grounds*, 191 F2d 594 (2d Cir 1951); *Deward & Rich Inc. v. Bristol Savings & Loan Corp.*, 34 FSupp 345 (DC Va 1940) *aff'd* 120 F2d 537 (4th Cir. 1941); *Smith v. Wilkinson*, 97 F2d 506 (1st Cir 1938). *Cf. Advertisers Exchange v. Anderson*, 144 F2d 907 (8th Cir 1944).

copyright.<sup>22</sup> Thus where the copyright notice alleged that the year date was 1911, but the work was actually copyrighted in 1912, the mistake in date did not render the copyright defective. The courts have held that the effect of antedating the copyright cuts down the term of the copyright. Thus in the above case, copyright begins to run from 1911, despite the fact that the work was not published until 1912.<sup>23</sup> But the converse of this case results in the loss of copyright. Thus if publication is effected in 1911, but the copyright notice bears the year date of 1912, the notice is defective since the applicant is seeking a copyright term for one year longer than the law allows.<sup>24</sup> It is believed that the courts should modify this rule. Error in the year date should not invalidate a copyright whether the copyright term is shortened or enlarged. A postdated copyright notice can always be changed to comport with the date of publication.<sup>25</sup>

The second form of notice, i.e., those works which employ © is an alternative method; the year date is not required for works of art, reproductions thereof, drawings, prints and pictorial illustrations, whether the first or second form of notice is used.<sup>26</sup> The alternative form of copyright notice must be visible to the eye without the aid of a magnifying glass.<sup>27</sup> In addition, the failure of these classes of work to state the name of the copyright proprietor on the margin, back, permanent base or pedestal of the work will invalidate the copyright.<sup>28</sup>

<sup>22</sup> Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947) cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947); Basevi v. Edward O'Toole Co., 26 FSupp 41 (DC NY 1939); Southern Music Pub. Co. v. Bibo-Lang Inc., 10 FSupp 972 (DC NY 1935); American Code Co. v. Bensingler, 282 Fed 829 (2d Cir 1922); Callaghan v. Myers, 128 US 617, 9 Sct 177, 32 LEd 547 (1888); Wrench v. Universal Pictures Co., 104 FSupp 374 (DC NY 1952).

<sup>23</sup> Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947) cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947).

<sup>24</sup> West Publishing Co. v. Thompson Co., 169 Fed 833 (DC NY 1909); Baker v. Taylor, 2 FCas 478 (CC NY 1848). But cf. Heim v. Universal Pic-

tures Co., Inc. 154 F2d 480 (2d Cir 1946) n. 7.

<sup>25</sup> See Heim v. Universal Pictures Co., Inc., 154 F2d 480 (2d Cir 1946); National Comics Publications v. Fawcett Publications, 191 F2d 594 (2d Cir 1951); Wrench v. Universal Pictures Co., 104 FSupp 374 (DC NY 1952).

<sup>26</sup> Fleischer Studios v. Freundlich Inc., 5 FSupp 808 (DC NY 1934), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935).

<sup>27</sup> Smith v. Wilkinson, 19 FSupp 841 (DC NH 1937), *aff'd*, 97 F2d 507 (1st Cir 1938). *Op. cit. supra*, note 21.

<sup>28</sup> Goes Lithographing Co. v. Apt Lithographing Co., 14 FSupp 620 (DC NY 1936). But cf. National Comics Publications Inc. v. Fawcett Publications, 191 F2d 594 (2d Cir 1951).

At the inception of the motion picture industry, copyright notice had to appear in every scene.<sup>29</sup> At the present time, sufficient notice of copyright is given if the notice is attached to the film. Since motion picture photoplays are classified as dramatic works,<sup>30</sup> the first form of notice is applicable.<sup>31</sup> This copyright notice is usually exhibited at the beginning of the picture. The notice need no longer be repeated where a film is arbitrarily divided into reels, even though the reels are independent of each other and can be shown separately.<sup>32</sup>

The case of *National Comics Publications v. Fawcett Publications*<sup>33</sup> warrants discussion because not only does it illustrate the various problems of copyright notice, but more importantly, the Second Circuit Court of Appeals reversed a long line of decisions in holding "that any notice is sufficient which gives the substance of what is prescribed in § 19."<sup>34</sup> Detective Magazine published with the appropriate book form of copyright notice, a comic magazine, entitled "Action Comics" in 1938. The magazine featured the "Superman" cartoons which were described by the court as "short stories in pictorial form." The "Superman" stories were reprinted in "Superman" magazine in 1939. Defendant contended that the copyright was lost because the 1939 copyright notice extended the copyright term for an additional year. The court rejected this argument because the publication of "Superman" magazine contained new and original matter in addition to the "Superman" stories. Under § 7 of the statute, the republication of old material with new and original matter is considered a new copyrighted work.<sup>35</sup> In this connection, § 7 contains no provision as to the date of the copyright

<sup>29</sup> In the early days of the motion picture industry, each company put its trade-mark on a prominent object in each scene to prevent theft by competitors.

<sup>30</sup> *Universal Pictures v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947).

<sup>31</sup> Howell, *The Copyright Law* (1948) 68.

<sup>32</sup> *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 S Ct 759, 82 L Ed 1114 (1939).

<sup>33</sup> 93 FSupp 349 (DC NY 1950), *reversed*, 191 F2d 594 (2d Cir 1951).

<sup>34</sup> 191 F2d at 602.

<sup>35</sup> 61 STAT 652 (1947), 17 USCA § 7 (Supp 1951). Where a new edition contains new and original matter, the year date of publication of the new edition should appear in the copyright notice. *Cf. West Publishing Co. v. Thompson Co.*, 176 Fed 833 (2d Cir 1910). But if a purported new edition does not contain new and original matter, the proprietor cannot extend the copyright term by using a later year date. See *Sief v. Continental Auto Supply*, 39 FSupp 683 (DC Minn 1941); *Edmunds v. Stern*, 248 Fed 897 (2d Cir 1918).

notice. The courts have held that a new edition may recite either the date of publication of the original work or the date of publication of the new edition.<sup>36</sup>

“Superman” magazine was subsequently published in 1941 as a bi-monthly magazine. The copyright notice read: “Sept.-Oct. 1941, No. 12. Superman is published bi-monthly by Superman Inc., 480 Lexington Ave., New York, N. Y. . . . Entire contents copyrighted by Superman Inc.” Defendant contended that this notice did not comply with the statute since the year date was omitted. The court held that the notice was a substantial compliance with the statute.<sup>37</sup>

In the fall of 1938 Detective Magazine entered into an agreement with the McClure Newspaper Syndicate whereby the latter secured newspaper syndication rights throughout the world in the “Superman” strips. The agreement provided that copyright was to be taken out in the name of McClure, but at the termination of the agreement, it was to revert to Detective. These strips were published in various newspapers throughout the country. Some of the strips carried the book form of copyright notice; others carried no copyright notice or carried the following notices:

- a) the words “McClure Syndicate” alone;
- b) numerals representing the year, followed by the words “McClure Newspaper Syndicate”;
- c) the letter “C” within a circle, followed by the year date and the words “McClure Newspaper Syndicate.” As the lower court stated, “the letter ‘C’ in many cases being so small or so blurred, that it appears to be only a dot or is to be discernible only with the aid of a magnifying glass”; or
- d) the word “Copyright” followed by the year date.

The district court held that the foregoing notices, other than the few which employed the book form, were invalid.

<sup>36</sup> *Meccano Ltd. v. Wagner*, 234 Fed 912 (DC Ohio 1916); *West Publishing Co. v. Thompson Co.*, 176 Fed 833 (2d Cir 1910). As stated in *op. cit supra* note 35, a new edition, in order to use a later year date must contain new and original matter. See also: *Woodman v. Lydiard Peterson Co.*, 192 Fed 67 (CC Minn 1912); *Farmer v. Calvert Lithographing, Engraving & Map Pub. Co.*,

FCas No. 4, 651 (CC Mich 1872); *Wrench v. Universal Pictures Co.*, 104 FSupp 374 (DC NY 1952); *Cf. Miller v. Eagle Mfg. Co.*, 151 US 186, 14 SCT 310, 38 LEd 121 (1894).

<sup>37</sup> See *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406, 409 (2d Cir 1947) cert den, 331 US 820, 67 SCT 1310, 91 LEd 1837 (1947).

This holding was premised on the court's classification of the strips with their explanatory text as literary works which required the book form of notice.<sup>38</sup> The district court was reversed on appeal on this issue. Judge Learned Hand concluded as a matter of law that "the 'strips' were 'pictorial illustrations' and within subsection (k) of § 5. The 'proprietor' of such 'works' has a choice between using the word 'Copyright' and the letter "C" and either will serve."<sup>39</sup>

The district court then stated that even if the alternative form of notice was authorized, the notice was defective. Section 19 requires the use of the letter "C" in a circle and the initials, mark or symbol of the copyright proprietor. Since plaintiff's notice did not contain both elements, the omission of either of these requirements rendered the copyright invalid.<sup>40</sup> Furthermore the illegibility of the notice precluded copyright protection.<sup>41</sup>

Judge Hand brushed these arguments aside; he then enunciated for the first time the liberal construction rule of § 19:

"... since the purpose of notice is to advise the public of the 'proprietor's' claim, any notice will serve which does in fact advise it that there is a 'proprietor' who does claim copyright, provided that the notice does not affirmatively mislead. It is true that § 21 would not protect imperfect notices, which appeared upon more than 'particular copies'; nevertheless it would be absurd to construe it as limiting any latitude that the preceding law had allowed to a notice not strictly in accord with § 19. *Therefore we hold that any notice is sufficient which gives the substance of what is prescribed in § 19.*"<sup>42</sup>

The foregoing italicized sentence has far-reaching implications. It means that the technical construction of § 19 can no longer be invoked to defeat a valid claim of copyright.

There is one additional phase of the *National Comics Publications* decision which warrants discussion. Plaintiff in the lower court contended that the errors and omissions of

<sup>38</sup> *Advertisers Exchange v. Anderson*, 144 F2d 907 (8th Cir 1944); *De-ward & Rich v. Bristol Savings & Loan Corp.*, 34 FSupp 345 (DC Va 1940), *aff'd*, 120 F2d 537 (4th Cir 1941).

<sup>39</sup> *National Comics Publications Inc. v. Fawcett Publications Inc.*, 191 F2d 594 (2d Cir 1951).

<sup>40</sup> *Mifflin v. White Co.*, 190 US 260, 23 Sct 769, 47 LEd 1040 (1903).

<sup>41</sup> *Op. cit. supra*, note 21.

<sup>42</sup> *National Comics Publications Inc. v. Fawcett Publications Inc.*, 191 F2d 594, 602 (2d Cir 1951).

McClure, the licensee of the copyright should not deprive the licensor of its copyright. The courts have held that the publication of a work with defective notice by a licensee does not invalidate the rights of the copyright proprietor. The licensee is not considered to be an agent of the copyright proprietor, hence the former's errors and omissions cannot be imputed to the latter.<sup>43</sup> The lower court refused to apply this doctrine, since it construed the agreement between Detective Comics and McClure as a joint adventure or limited partnership." As the agreement was one of joint adventure, the errors and omissions of McClure are chargeable to Detective, for the rights and obligations of joint adventurers are substantially those of partners, and each participant in a joint adventure is an agent for the others."<sup>44</sup>

Judge Hand agreed with the result reached by the lower court on this issue, but not with its reasoning. He did not deem it necessary to decide whether the contract constituted a "joint venture"—incidentally one of the most obscure and unsatisfactory of legal concepts." Since the contract provided that the strips would be copyrighted in McClure's name, although the copyright would revert to Detective at the termination of the contract. McClure was the copyright proprietor of the strips; its (McClure's) failure to affix the required notices on first publication of the strip and on each copy published thereafter, meant that the work fell in the public domain. But Judge Hand then qualified the rights and obligations of the parties by again construing the licensing agreement. If McClure received an unconditional license to publish the comic strips, their publication by McClure without the required notice would cause the comic strips to fall into the public domain. On the other hand, if McClure promised to attach the copyright notice to the strips, "the performance of that contract was a condition upon the license, for 'Detective' certainly did not mean to be remitted only to the inadequate remedy of an action for damages for breach of promise."<sup>45</sup>

<sup>43</sup> De Mille Co. v. Casey, 121 Misc 78, 201 NYSupp 20 (1923); Harper & Bros. v. Donohue & Co., 144 Fed 491 (DC Ill 1905); American Press v. Daily Story, 120 Fed 766 (7th Cir 1902).

<sup>44</sup> National Comics Publications Inc. v. Fawcett Publications, Inc., 93 FSupp 349, 357 (DC NY 1950).

<sup>45</sup> 191 F2d 594, 600 (2d Cir 1951).

**62b. NOTICE OF COPYRIGHT: PLACE.**

Section 20 prescribes the place of copyright notice for printed literary, dramatic and musical works:

§ 20: "*Same; Place of Application of; One Notice in Each Volume or Number of Newspaper or Periodical.*—The notice of copyright shall be applied, in the case of a book or other printed publication, upon its title page or the page immediately following, or if a periodical either upon the title page or upon the first page of text of each separate number or under the title heading, or if a musical work either upon its title page or the first page of music. One notice of copyright in each volume or in each number of a newspaper or periodical published shall suffice."

As stated in the previous sections, substantial compliance with the form of notice should satisfy the requirements of the statute. But the courts in dealing with § 20, require literal compliance with that provision. To quote from *Richards v. New York Post, Inc.*,<sup>2</sup> "by explicit provision of the statute the place for copyright notice in the case of a book or printed pamphlet is on the title page or the page immediately following. It follows that a notice on any other page, no matter how prominent, is ineffective."<sup>3</sup>

The recent case of *Booth v. Haggard*<sup>4</sup> illustrates that the failure to comply with the literal terms of § 20 results in the loss of copyright. Plaintiff published a book entitled "1948-49 Kossuth County TAM Service." This title appeared on the front cover of the book without any copyright notice. The inside of the front cover contained no printed matter. The first page had a map of Kossuth County; the second page was blank. The third page repeated the title of the book; and at the bottom of the page was the copyright notice. The court held that the front cover page was the title page of the book. Since the copyright notice did not appear on the "title page or

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 20 (Supp 1951).

<sup>2</sup> 23 FSupp 619 (DC NY 1938).

<sup>3</sup> *Id.* at 620. To the same effect: *Deward & Rich v. Bristol Savings & Loan Corp.*, 34 FSupp 345 (DC Va 1940) *aff'd*, 120 F2d 537 (4th Cir 1941); *Krafft v. Cohen*, 117 F2d 579 (3rd Cir 1941); *Basevi v. Edward O'Toole Co.*, 26 FSupp 41 (DC NY 1939); *United Thrift Plan Inc. v.*

*National Thrift Plan Inc.*, 34 F2d 300 (DC NY 1929); *Freeman v. The Trade Register*, 173 Fed 419 (DC Wash 1909); *Record & Guide v. Bromley*, 175 Fed 156, (DC Pa 1909). But *cf.* *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>4</sup> 184 F2d 470 (8th Cir 1950). But *cf.* *Powell v. Stransky*, 98 FSupp 434 (DC SDak 1951).

the page immediately following,"<sup>5</sup> the copyright notice was defective.

The courts have no discretion in interpreting and applying § 20. It is believed that § 20 should be amended to avoid the loss of copyright where the notice is placed on other than the title page or the page immediately following. Such amendatory legislation should provide that the notice be *reasonably* located so as to apprise the public that the work is copyrighted<sup>6</sup>. What constitutes a reasonable location of notice can be defined by the courts through the process of inclusion and exclusion.

### 62c. NOTICE OF COPYRIGHT: EFFECT OF ACCIDENTAL OMISSION.

Section 21 was intended to ameliorate the harsh provisions of §§ 19 and 20:<sup>1</sup>

<sup>5</sup> *Op. cit. supra*, note 1.

<sup>6</sup> Article III of the Preliminary Draft of the Universal Copyright Convention, UNESCO, Doc. No. DA/111 (June-July 1951) provides that the copyright notice "shall be placed in a manner and location designed to give reasonable notice of reservation of copyright."

<sup>1</sup> H. Rept. No. 2222 which accompanied H.R. 28192, 60th Cong 2 Sess (1909):

"Section 20 [now 21] makes a material change in existing law. Under existing law notice of copyright must be printed in every copy of every edition of a book. If any copy of any edition published by authority of the proprietor of the copyright by accident or mistake gets out without the copyright notice, the whole copyright is lost. More copyrights have been lost under this drastic provision of the law than in any other way. Your committee believe that an unintentional failure to comply with this requirement in the case of a single book ought not to have attached to it the penalty involved in the forfeiture of the copyright, and this bill provides that—

Where the copyright proprietor has sought to comply with the provisions

of this act with respect to notice, the omission by accident or mistake of the prescribed notice from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, after actual notice of the copyright, begins an undertaking to infringe it, but shall prevent the recovery of damages against any innocent infringer who has been misled by the omission of the notice; and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay innocently incurred if the court, in its discretion, shall so direct.

If the notice is omitted by accident or mistake so as to lead an innocent party to think he had a right to reproduce the book or other copyrighted matter and begins to do so, then no damages shall be recovered against him if he has been misled by the omission of the notice, and until he has actual notice in a suit for infringement no permanent injunction shall be had without reimbursement to the innocent infringer for his outlay if the court shall so direct."

§ 21: "Same; Effect of Accidental Omission from Copy or Copies.—Where the copyright proprietor has sought to comply with the provisions of this title with respect to notice, the omission by accident or mistake of the prescribed notice from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, after actual notice of the copyright, begins an undertaking to infringe it, but shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice; and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay innocently incurred if the court, in its discretion, shall so direct."<sup>2</sup>

This section has been invoked by litigants where the copyright notice has been omitted or there has been an error or mistake in the form or place of the notice. The courts in construing this section have held that the curative provision is applicable if one or a few copies bear a defective notice.<sup>3</sup> But section 20 furnishes no relief if all or the great bulk of copies lack the prescribed form or location of notice.<sup>4</sup>

In *Advertisers Exchange Inc. v. Anderson*,<sup>5</sup> plaintiff had copyrighted in the book classification, some manuals containing illustrations and applicable text material for advertisements by beauty parlors. The manuals were furnished to the subscribers for plaintiff's beauty parlor service, together with a matrix of each of the suggested advertisements for use in local publications. None of the matrices had been indi-

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 21 (Supp 1951).

<sup>3</sup> *Krafft v. Cohen*, 117 F2d 579 (3d Cir 1941); *Deward & Rich v. Bristol Savings & Loan Corp.*, 34 FSupp 345, (DC Va 1940) *aff'd*, 120 F2d 537 (4th Cir 1941); *United Thrift Plan Inc. v. National Thrift Plan Inc.*, 34 F2d 300 (DC NY 1929).

<sup>4</sup> *Sieff v. Continental Auto Supply*, 39 FSupp 683 (DC Minn 1941); *Richards Inc. v. New York Post*, 23 FSupp 619, (DC NY 1938). *Cf.* *National Comics Publications v. Fawcett Publications*, 191 F2d 594, 601 (2d Cir 1951): "Several courts have held that § 21 does not excuse the omission 'of the prescribed notice' upon all subse-

quent copies, even though the notice on the first published copy was proper. They have based this ruling on the word, 'particular,' in the phrase 'particular copy or copies,' and again we agree, since it is difficult otherwise to give any effect to that word. We shall not try to say in advance upon how many copies the notice may be omitted or defective, and yet the omissions or defects be deemed to be upon only 'particular copies'; although some courts have said that such copies must 'be very few,' in spite of the fact that the section is remedial and should be generously construed."

<sup>5</sup> 144 F2d 907 (8th Cir 1944).

vidually copyrighted as a print or pictorial illustration; however, they did use the alternative form of copyright notice, viz., ©. The court held that the absence of the book form of copyright notice released the matrices from the copyright to the public domain. Plaintiff then contended that if the notices were improper or insufficient, it should be permitted to invoke the curative provision. The court rejected this argument, by stating that "the deliberate selection and use of a certain form of copyright notice, which fails to meet the substantive requirements of 17 U.S.C.A. sec. 18 [now 19] can hardly be termed an 'omission by accident or mistake of the prescribed notice from a particular copy or copies'." <sup>6</sup>

A persuasive argument could be made that the curative provision should have been invoked by the court since the matrices did carry a copyright notice, although it was the wrong form.<sup>7</sup> It obviously advised the public that the matrices were copyrighted. But the court concluded that the use of the alternative form was a "mistake of law"<sup>8</sup> which precluded relief to plaintiff. The distinction between a mistake of law and one of fact is nebulous at best. Section 21 contains no language which would deny the benefits of the statute to a copyright proprietor because he made a mistake of law. The legislative history of § 21 suggests that a liberal interpretation be accorded this provision to avoid the loss of copyright protection because of omissions or mistakes in the copyright notice. It is believed that there is no statutory basis for the "mistake of law" concept in the curative provision. Such an approach thwarts the purposes and objectives of the statute.<sup>9</sup>

Section 21 further provides that a defective copyright notice which does not invalidate the copyright precludes recovery against an innocent infringer who has been actually misled by the omission of notice. Thus where the alternative form of

<sup>6</sup> *Id.* at 909.

<sup>7</sup> *Cf.* Alfred Decker Cohn Co. v. Etchison Hat Co., 225 Fed 135, 137 (DC Va 1915): "The judgment of the court is that the notice published in Men's Wear was so defective in the respects indicated as not to convey to anyone the existence of a copyright, and its conclusion upon the whole case is that the complainant has a valid copyright; that incidentally these defendants have infringed the same; that

by reason of the improper and defective publication in Men's Wear [© was too small], from which the defendants copied the same, no damages will be awarded against them."

<sup>8</sup> 144 F2d at 909; *Wildman v. New York Times Co.*, 42 FSupp 412 (DC NY 1941).

<sup>9</sup> *Op. cit. supra*, note 1. See also *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

notice was blurred, irregular and indistinct, the copyright proprietor was precluded from recovering damages from an innocent infringer who was misled by the omission of notice.<sup>10</sup> In another case a newspaper was absolved from liability in printing advertisements furnished it by a customer where the matrices contained no copyright notice. The court held that the omission of the notice (which did not invalidate the copyright) prevented recovery against the newspaper since the latter was misled by the omission of the notice.<sup>11</sup> On the other hand an infringer who has actual notice of the copyright, cannot invoke § 21 and thus escape damages because of an inadvertent omission of notice.<sup>12</sup>

### 32d. NOTICE OF COPYRIGHT: COMPONENT PARTS.

The questions tendered in this section are illustrated by the recent case of *Leigh v. Gerber*.<sup>1</sup> This was a suit for infringement of two copyrights, one for a painting and the other for a reproduction thereof. Plaintiff secured a copyright on an original painting. He subsequently authorized Parade Magazine to publish a reproduction thereof. The magazine published the reproduction in an edition which was duly copyrighted; however the reproduction bore no notice of copyright.

Reproductions of a work of art constitute a distinct class of copyrightable material.<sup>2</sup> The first question tendered was whether the reproduction of plaintiff's painting in a copyrighted edition of Parade secured to the latter a copyright in the reproduction. The answer to this question is dependent on the answer to the following question:

Does the authorized publication of a copyrighted work of art, in a copyrighted periodical, with notice of the copyright on the periodical, but omitting notice on the reproduction, comply with the notice requirements of the statute?

In the *Mifflin* cases the Supreme Court held that the authors of copyrighted novels lost their copyrights when their licensees

<sup>10</sup> *Strauss v. Penn Printing & Publishing Co.*, 220 Fed 977 (DC Pa 1915); *Alfred Decker Cohn Co. v. Etchison Hat Co.*, 225 Fed 135 (DC Va 1915).

<sup>11</sup> *Wilkes Barre Record v. Standard Advertising*, 63 F2d 99 (3rd Cir 1933).

<sup>12</sup> *Schellberg v. Empringham*, 36

F2d 991, 994 (DC NY 1929); *Gerlach-Barklow Co. v. Morris & Bendien*, 23 F2d 159 (2d Cir 1927).

<sup>1</sup> 86 FSupp 320 (DC NY 1949).

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 5h (Supp 1951).

published serializations of the novels in copyrighted editions of the Atlantic Monthly but failed to give specific notice of the authors' copyrights.<sup>3</sup> Six years after the *Mifflin* decisions the copyright laws were revised. Section 3 of the Copyright Act of 1909 extended statutory protection to the component parts of copyrighted works.<sup>4</sup> The purpose of this provision was to obviate the need of taking out separate copyrights on the contributions of different persons included in a single publication.<sup>5</sup>

It is believed that under § 3, the notice of copyright on a periodical protects each article and picture in the periodical to the same extent as if the publisher had secured individual copyrights on the same.<sup>6</sup> One or two cases have held that the republication of a copyrighted article in a copyrighted periodical without the notice results in an abandonment of the work. Thus in *McDaniel v. Friedman*,<sup>7</sup> plaintiff had copyrighted a book entitled "A New Technique and Instrumentation for the Removal of Impacted Teeth." The substance of the book was published in "Dental Digest," a dental magazine which was likewise copyrighted. The court held that the republication of the book without the statutory notice resulted in the loss of the copyright. In response to plaintiff's contention that the copyright on the periodical protected the article, the court stated that since the publisher had not brought an infringement action, his failure to sue cannot inure to plaintiff's benefit.

It was believed that *McDaniel v. Friedman* was erroneously decided. The court did not discuss let alone mention the effect of § 3 in protecting the component parts of a copyrighted periodical.

<sup>3</sup> *Mifflin v. Dutton*, 190 US 265, 23 Sct 771, 47 LEd 1043 (1903); *Mifflin v. White Co.*, 190 US 260, 23 Sct 769, 47 LEd 1040 (1903).

<sup>4</sup> Act of March 4, 1909, 35 STAT 1076, *infra*, § 32.

<sup>5</sup> H. Rept. No. 2222, which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>6</sup> *Kaplan v. Fox Film Corp.*, 19 FSupp 780 (DC NY 1937); *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921), *aff'd*, 281 Fed 83 (2d Cir 1922),

cert den, 259 US 581, 42 Sct 464, 66 LEd 1074 (1922); *King Features Syndicate v. Fleischer*, 299 Fed 533 (2d Cir 1924); *Mail & Express Co. v. Life Publishing Co.*, 192 Fed 899 (2d Cir 1912); *Dam v. Kirk La Shelle Co.*, 166 Fed 589 (CC NY 1908), *aff'd*, 175 Fed 902 (2d Cir 1910); *Ford v. Blaney Amusement Co.*, 148 Fed 642 (CC NY 1906).

<sup>7</sup> 38 USPQ 355 (7th Cir 1938); *Douglas v. Cunningham*, 33 USPQ 470 (DC Mass 1933).

To return to *Leigh v. Gerber*, the copyright notice affixed to Parade Magazine would protect component parts of the periodical, including the reproduction of the painting. Of course the separate publication of the reproduction would require a notice of copyright. The omission of the notice of copyright on the reproductions would constitute a noncompliance with the notice requirements of the statute and result in a dedication to the public of the work of art.<sup>8</sup>

Two additional questions are tendered by the case of *Leigh v. Gerber*. By publishing a reproduction of plaintiff's painting in a copyrighted edition of its magazine, did Parade secure a copyright in the reproduction, when it did not own the author's rights in the original? Secondly who is the copyright proprietor when the reproductions are published separately?

The usual trade practice is that where an author or painter places his work in the hands of a publisher for publication, the contract provides that the publisher is to obtain the copyright in his own name. At the termination of the contract, the copyright is reassigned the author or painter. But in the *Miffin* case, the Supreme Court held that the failure of Dr. Holmes, the author of "The Breakfast Table" to authorize the publishers of the Atlantic Monthly to copyright his work resulted in a loss of the author's rights.<sup>9</sup> The copyright law then in effect did not protect the component parts of the periodical, hence the notice of copyright on the latter was ineffective for the serializations of the novel.<sup>10</sup> The Court conceded that "it might, perhaps, be inferred that the author of a book who places it in the hands of a publisher for publication might be presumed to intend to authorize them to obtain copyright in their own names . . . it is apparent that there was no such intention in this case, inasmuch as Dr. Holmes himself entered the book, under its correct title for copyright." The Supreme Court then stated that even if Dr. Holmes authorized the publisher to secure the copyright, there was an additional question tendered, viz., whether the copyright on the Atlantic Monthly in the name of the publisher was equiva-

<sup>8</sup> *E.g.* Deward & Rich v. Bristol Savings & Loan Corp., 34 FSupp 345 (DC Va 1940) *aff'd*, 120 F2d 537 (4th Cir 1941); Basevi & Edward O'Toole Co., 26 FSupp 41 (DC NY 1939).

<sup>9</sup> *Miffin v. White Co.*, 190 US 260,

23 SCT 769, 47 LEd 1040 (1903); *Miffin v. Dutton*, 190 US 265, 23 SCT 771, 47 LEd 1043 (1903).

<sup>10</sup> See *Holmes v. Hurst*, 174 US 82, 19 SCT 606, 43 LEd 904 (1899).

lent to the copyright of "The Professor at the Breakfast Table" by Oliver Wendell Holmes. The Court feared that the foregoing copyright notices would not advise the public that they were intended for the protection of the same work.

As stated above, the *Mifflin* case may be explained on the theory that the copyright laws did not protect the component parts of a copyrighted periodical. But it is believed that the Court was in error when it concluded that the publisher of the *Atlantic Monthly* was not authorized to obtain a copyright on the serializations of the novel.<sup>11</sup> Similarly the Supreme Court's contention that the public would be misled by the copyright notices ignores the true function of a notice. The latter whether on a periodical or on a book advises the public that the contents of both are copyrighted.<sup>12</sup>

The case of *Kaplan v. Fox Film Corporation*<sup>13</sup> warrants discussion on this issue. Theatre Magazine copyrighted the contents of its August 1929 issue. It subsequently assigned to plaintiff its copyright in the cover design of the issue. Plaintiff likewise secured from the scenic designer, all of his rights in the cover design. The defendant infringed the copyright by using the scenic effect in a motion picture produced by it.

Defendant's first contention was that the plaintiff failed to show that he owned the copyright because it was not shown that Theatre Magazine was the author or proprietor of the cover design when it secured a copyright on the contents of the magazine. The court sustained this contention because the complaint did not allege that Theatre Magazine had acquired the scenic designer's rights prior to securing the statutory copyright. The court held that in a copyright infringement action, the complainant must trace title acquired by proprietorship. This requirement is applicable to component parts of a periodical for "when a periodical contains articles or pictures made by persons who have not transferred their rights to the publisher, the publisher's copyright of the periodical does not cover them. . . . The link from the artist to

<sup>11</sup> Cf. *Tams-Witmark Music Library Inc. v. New Opera Co.*, 298 NY 163, 81 NE2d 70 (1948).

<sup>12</sup> *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1947)

cert den, 331 US 820, 67 Sct 1310, 91 LEd 1837 (1947). See cases cited in *op. cit. supra* note 6.

<sup>13</sup> 19 FSupp 780 (DC NY 1937).

the publisher being missing from the chain of title pleaded, the bill is defective."<sup>14</sup>

The court relied on the *Mifflin* case to sustain its conclusion. It is submitted that where a periodical is copyrighted, the courts should presume that the entire contents are copyrighted in the name of the proprietor. The business and commercial practices of the book publishing trade support this presumption. Similarly, where a copyrighted periodical reproduces a work of art which may be owned by another, protection should be accorded to the reproduction; the copyright in the latter is held by the publisher as trustee for the painter or author.

Implicit in the *Kaplan* case is fear that the defendant may be subjected to successive suits for infringement of the copyright.<sup>15</sup> As we have discussed elsewhere, the defendant can always join the painter or author as an involuntary plaintiff under the Federal Rules of Civil Procedure.<sup>16</sup>

To return to *Leigh v. Gerber*, the court should have presumed that Parade Magazine was authorized by the painter to secure a copyright on the reproduction of the painting. Similarly Parade Magazine was trustee of the copyright for the benefit of the original author or painter. If the reproductions are published separately, the copyright notice may recite that the copyright proprietor is the magazine; or the original proprietor may have the copyright assigned to him, hence the notice would recite that he is the copyright proprietor. The better practice would be for the original author or painter to obtain a new copyright on his reproduction.

### 63. DEPOSIT OF COPIES.

Prior to the Copyright Act of 1909, the deposit of two complete copies of the work not later than the date of publica-

<sup>14</sup> *Id.* at 782.

<sup>15</sup> In *Cunningham v. Douglas*, 33 USPQ 470 (DC Mass 1933) plaintiff wrote a story which he sold to the American Mercury Magazine. The latter secured a copyright on the issue which contained the story; it subsequently assigned the copyright on the story to the plaintiff. In an action for infringement brought by the plaintiff, the court dismissed plaintiff's bill on

the ground that the copyright was indivisible. Since the publisher had not assigned the copyright on the entire issue to plaintiff, the latter was only a licensee and could not sue for infringement.

<sup>16</sup> Rule 19(a) of the Federal Rules of Civil Procedure. *Infra* §§ 53 and 54. And see *Field v. True Comics, Inc.*, 89 FSupp 611 (DC NY 1950).

tion, was essential to the existence of copyright.<sup>1</sup> Thus the delay of a single day in mailing a work to the Copyright Office resulted in the loss of the copyright.<sup>2</sup>

The current provisions of the Act avoid these drastic results by granting copyright protection upon publication of the work with the prescribed notice; prompt deposit of the work must be made thereafter without setting any precise time limit as to what constitutes a "prompt deposit."<sup>3</sup>

In the "Washington Merry-Go-Round" case, the question tendered the Supreme Court was whether a deposit effectuated fourteen months after publication with notice precluded a suit for infringement. The Court held that the delay in deposit-

<sup>1</sup> See Historical Note, 17 USCA § 12 at p. 65 ff.

<sup>2</sup> H. Rept. No. 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909):

"Sections 12 [now 13] and 13 [now 14] deal with the deposit of copies, and should be considered together. They materially alter the existing law, which provides that in order to make the copyright valid there must be deposited two complete copies of the book or other article not later than the date of first publication. The failure of a shipping clerk to see that the copies go promptly forward to Washington may destroy a copyright of great value, and many copyrights have been lost because by some accident or mistake this requirement was not complied with. The committee felt that some modification of this drastic provision, under which the delay of a single day might destroy a copyright, might well be made. The bill reported by the committee provides that there shall be 'promptly' deposited in the copyright office, or in the mail, addressed to the register of copyrights, two complete copies of the best edition then published, and that no action or proceeding shall be maintained for the infringement of copyright in any work until the provisions with respect to the deposit of copies and the registration of such work shall have been complied with."

<sup>3</sup> 61 STAT 652 1947), 17 USCA § 13 (Supp 1951):

§ 13: "Deposit of Copies After Pub-

lication; Action or Proceeding for Infringement.—After copyright has been secured by publication of the work with the notice of copyright as provided in section 10 of this title, there shall be promptly deposited in the copyright office or in the mail addressed to the Register of Copyrights, Washington, District of Columbia, two complete copies of the best edition thereof then published, or if the work is by an author who is a citizen or subject of a foreign state or nation and has been published in a foreign country, one complete copy of the best edition then published in such foreign country, which copies or copy, if the work be a book or periodical, shall have been produced in accordance with the manufacturing provisions specified in section 16 of this title; or if such work be a contribution to the periodical for which contribution special registration is requested, one copy of the issue or issues containing such contribution; or if the work is not produced in copies for sale there shall be deposited the copy, print, photograph, or other identifying reproduction provided by section 12 of this title, such copies or copy, print, photograph, or other reproduction to be accompanied in each case by a claim of copyright. No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this title with respect to the deposit of copies and registration of such work shall have been complied with."

ing the copies did not destroy the right to sue for infringement.<sup>4</sup>

It should be pointed out that no action for infringement can be maintained until copies are actually deposited.<sup>5</sup> In the "Washington Merry-Go-Round Case," deposit of copies was effectuated subsequent to the infringement. The lower court held that it was contrary to the policy of the Act to permit a suit where the deposit was subsequent to the infringement.<sup>6</sup> The Supreme Court reversed this ruling; it held that the claim of copyright came to fruition immediately upon publication, and that a tardy deposit, whether prior or subsequent to infringement did not preclude the institution of a suit.<sup>7</sup>

Howell in discussing the "Washington Merry-Go-Round" case states:

"An examination of the official Catalog of Copyright Entries shows considerable variations in the time of deposit following publication, but as a rule the copies come along with reasonable promptness. "The practice of the Copyright Office has always been to accept copies for registration though deposited long after publication, and this practice found sanction in decisions of the courts even before the authoritative ruling of the Supreme Court in the 'Merry-Go-Round' case. See, for example, Freedman v. Milnag, 35 USPQ 184 (1937), wherein the court said: 'It is clear therefore that mere failure to deposit promptly after publication does not invalidate the copyright. The fact that the plaintiff delayed for two or three months in applying for registration does not prejudice his rights'."<sup>8</sup>

Section 13 requires the deposit of "two complete copies of the best edition." The Copyright Office requested this clause since applicants were depositing "imperfect copies and anything but fresh copies."<sup>9</sup> The deposit of two copies of the best edition serves a duofold purpose: it is a condition precedent to the perfection of copyright;<sup>10</sup> it offers a period of

<sup>4</sup> *Washingtonian Publishing Co. v. Pearson*, 306 US 30, 59 S Ct 397, 83 LEd 470 (1939).

<sup>5</sup> 61 STAT 652 (1947) 17 USCA § 13. (Supp 1951) *supra* note 3.

<sup>6</sup> *Pearson v. Washingtonian Publishing Co.*, 98 F2d 245 (App DC 1938).

<sup>7</sup> *Op. cit. supra*, note 4.

<sup>8</sup> Howell, *The Copyright Law* (1948) 76.

<sup>9</sup> *Id.* at 77.

<sup>10</sup> *Op. cit. supra*, note 3.

grace to authors and publishers who desire to delay deposit until the best edition is on the market.<sup>11</sup>

In *Bouvé v. Twentieth Century Fox Film Corporation*, the question tendered the court was whether a "proof copy" was a best edition. Appellee tendered for registration twenty contributions to periodicals bound as a book and requested registration of the same as a book. The Register of Copyrights refused, claiming that the work as presented did not constitute the best edition. The court answered this contention by referring to the fact that "they were the only edition published," and hence were entitled to registration.<sup>12</sup>

The statute also requires that "complete" copies be deposited. The absence or insufficiency of a copyright notice renders a work incomplete and hence would preclude the maintenance of an infringement suit.<sup>13</sup>

"The Copyright Office declines to accept for registration copies of a published work not bearing the prescribed notice as evidence of compliance with the law. To do otherwise would tend to give the applicant a false sense of security. But it often develops in correspondence that the applicant has erroneously thought he was not entitled to affix the notice to the copies and begin distribution until the certificate of registration was issued. The Office must perforce return the unmarked copies, but writes a letter of explanation to enable the applicant to square himself with the law and reapply for registration later on."<sup>14</sup>

A premature deposit of copyright, i.e., deposited prior to the date of copyright will not invalidate the copyright.<sup>15</sup> The practice of the Copyright Office is to retain the copies until

<sup>11</sup> Cf. *Mittenthal v. Berlin*, 291 Fed 714 (DC NY 1923).

<sup>12</sup> *Bouvé v. Twentieth Century Fox Film Corporation*, 74 App DC 271, 122 F2d 51 (1941). It should be pointed out that the fees for registration would be substantially higher if each chapter were copyrighted individually. And see Howell, 78: "For a similar ruling with respect to miscellaneous 'syndicate' material in seemingly page-proof form made into volumes and exposed for sale to the extent of a few copies at a nominal price in certain bookstores and news stands, prior to distribution of the individual items to subscribers for publication in news-

papers, see *King Features Syndicate v. Bouvé*, Register of Copyrights, 48 USPQ 237 (1940), a petition for a declaratory judgment. Here the impelling motive of the plaintiff was admittedly to avoid the payment of statutory fees which, in the aggregate, would run into very high figures if each separate item had to be registered as a contribution to a periodical, as contended, in behalf of the Register."

<sup>13</sup> *Hoyt v. Daily Mirror Inc.*, (DC NY 1939) 31 FSupp 89.

<sup>14</sup> Howell, 78-79.

<sup>15</sup> *United States v. Backer*, 134 F2d 533 (2d Cir 1943).

the applicant advises it of the date of publication. The applicant is then required to execute a new form with the publication date.<sup>16</sup>

### 63a. DEPOSIT OF COPIES: CONTRIBUTIONS TO PERIODICALS.

Section 13 provides that "if such work be a contribution to a periodical, for which contribution special registration is requested, one copy of the issue or issues containing such contribution" shall be deposited.

The Copyright Code does not define the term "contribution." The latter has reference to the component parts of a periodical, viz., a novel which is published in installments or the reproduction of a work of art in a magazine.<sup>1</sup>

Section 3 of the Copyright Code protects the component parts of a copyrighted work and does not require a separate copyright notice.<sup>2</sup>

Section 13 authorizes the special registration of a novel which is published in installments in a magazine. The author may submit one complete copy of the periodical containing the installment, and thus secure special copyright protection for the latter.

The usual practice for a novel which is published serially in a copyrighted magazine is for the author to have the publisher hold the copyright in trust for him. After the novel has been fully published, the publisher can assign the copyright to the author;<sup>3</sup> the latter may also secure a new copyright on the book.<sup>4</sup>

### 63b. FAILURE TO DEPOSIT COPIES: DEMAND BY REGISTRAR.

Section 14 spells out the remedies available to the Register of Copyright and the penalties which are inflicted on an applicant who fails to respond to a demand by the Register of Copyright that he deposit copies of his work. This provision is self-explanatory.

<sup>16</sup> *Op. cit. supra* note 14 at 80.

<sup>1</sup> *Infra* §§ 32 and 62d.

<sup>2</sup> *E.g.* Crocker v. General Drafting Corp., 50 FSupp 634 (DC NY 1943); Kaplan v. Fox Film Corp., 19 FSupp 780 (DC NY 1937).

<sup>3</sup> Quinn-Brown Publishing Corp. v. Chilton Co., 15 Supp 213 (DC NY 1936).

<sup>4</sup> *Infra* §§ 31a and 31b.

§ 14. "*Same; Failure to Deposit; Demand; Penalty.*— Should the copies called for by section 13 of this title not be promptly deposited as provided in this title, the Register of Copyrights may at any time after the publication of the work, upon actual notice, require the proprietor of the copyright to deposit them, and after the said demand shall have been made, in default of the deposit of copies of the work within three months from any part of the United States, except an outlying territorial possession of the United States, or within six months from any outlying territorial possession of the United States, or from any foreign country, the proprietor of the copyright shall be liable to a fine of \$100 and to pay to the Library of Congress twice the amount of the retail price of the best edition of the work, and the copyright shall become void."<sup>1</sup>

The Copyright Office has attempted to enforce § 14 by its Compliance Section.<sup>2</sup> The latter scans current publications to determine whether works have been published with notice of copyright. If such material has been published with such notice but has not been deposited with the Copyright Office, the Compliance Section advises the copyright claimant of the requirements of the statute. The Compliance Section can only request deposit of copies; it cannot require an applicant to submit an application for copyright or compel the payment of fees.

The Copyright Office does not enforce § 14 in the courts; that is the responsibility of the Attorney General. It is believed that the Department of Justice has never invoked

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 14 (Supp 1951). H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909):

"If the works are not promptly deposited, we provide that the register of copyrights may at any time after publication of the work, upon actual notice, require the proprietor of the copyright to deposit, and then in default of deposit of copies of the work within three months from any part of the United States, except an outlying territorial possession of the United States, or within six months from any outlying territorial possession of the United States, or from any foreign country, the proprietor of the copyright

shall be liable to a fine of \$100 and to pay to the Library of Congress twice the amount of the retail price of the best edition of the work, and the copyright shall become void. It was suggested that the forfeiture of the copyright for failure to deposit copies was too drastic a remedy, but your committee feel that in many cases it will be the only effective remedy: certainly the provision for compelling the deposit of copies by the imposition of a fine would be absolutely unavailing should the copyright proprietor be the citizen or subject of a foreign state."

<sup>2</sup> The functions of the Compliance Section are discussed in greater detail in § 182.

the aid of the courts to compel a copyright claimant to comply with § 14.

### 63c. DEPOSIT OF COPIES: FREE TRANSMISSION BY MAIL.

Section 15 is self-explanatory; it provides for the free transmission by mail of the copy or copies to be deposited with the Copyright Office:

§ 15. "*Same; Postmaster's Receipt; Transmission by Mail Without Cost.*—The postmaster to whom are delivered the articles deposited as provided in sections 12 and 13 of this title shall, if requested, give a receipt therefor and shall mail them to their destination without cost to the copyright claimant."<sup>1</sup>

This section does not apply to the transmission of the application for registration, the payment of fees or correspondence with the Copyright Office.

### 64. APPLICATION FOR REGISTRATION.

Section 13 recites in part that "no action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this title with respect to the deposit of copies and registration of such work shall have been complied with."<sup>1</sup>

Registration has reference to the application for registration of a claim for copyright which is submitted to the Copyright Office. The latter furnishes the appropriate forms gratis for the various classes heretofore discussed.<sup>2</sup> These forms

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 15 (Supp 1951).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 13 (Supp 1951).

<sup>2</sup> 37 FR § 202.1 (1948):

"*Application forms*—(a) *In general.* Section 5 of Title 17 of the United States Code provides thirteen classes (Class A through Class M) of works in which copyright may be claimed. Examples of certain works falling within these classes are given in §§ 202.2 to 202.14, inclusive, for the purpose of assisting persons, who desire to obtain registration of a claim to copyright, to select the correct application form.

(b) *Claims of copyright.* All works

deposited for registration shall be accompanied by a "claim of copyright" in the form of a properly executed application and the statutory registration fee.

(c) *Forms.* The Copyright Office supplies without charge the following forms for use when applying for the registration of claim to copyright in a work and for the filing of a notice of use of musical compositions on mechanical instruments.

Form A—Books published in the United States of America (Class A).

Form A Foreign—Books first published outside the United States of America (Class A).

Form B—Periodicals (Class B).

should be filled out with the utmost care by the applicant, since they constitute, together with copies, the basis of the facts stated in the certificate and become a part of the permanent records, which are open to public inspection."<sup>3</sup>

The statute and the administrative practice requires the Register of Copyrights to examine carefully all applications to insure compliance with all statutory requisites.<sup>4</sup>

After such registration and compliance, a certificate of copyright is issued to the applicant by the Register of Copyrights.<sup>5</sup> Section 209 of the Copyright Code requires the certificate "to be admitted in any court as prima facie evidence of the facts stated therein."<sup>6</sup> If no evidence is offered to

Form B5—Contributions to periodicals (Class B).

Form C—Lectures or similar productions prepared for oral delivery (Class C).

Form D—Dramatic or dramatico-musical compositions (Class D).

Form E—Musical compositions (Class E).

Form F—Maps (Class F).

Form G—Works of art; models or designs for works of art (Class G).

Form GG—Published three-dimensional works of art (Class G).

Form H—Reproductions of a work of art (Class H).

Form I—Drawings or plastic works of a scientific or technical character (Class I).

Form J—Photographs (Class J).

Form K—Prints and pictorial illustrations (Class K).

Form KK—Prints or labels used for articles of merchandise (Class K).

Form L—Motion-picture photoplays (Class L).

Form M—Motion pictures other than photoplays (Class M).

Form R—For renewal copyright of works other than commercial prints and labels.

Form RR—For renewal copyright of commercial prints or labels.

Form U—For notice of use of musical compositions on mechanical instruments."

<sup>3</sup> Howell, *The Copyright Law* (1948) 79.

<sup>4</sup> This is premised on the language

on § 11 of the Copyright Code, quoted in note 5, *passim*.

<sup>5</sup> 61 STAT 652 (1947), 17 USCA § 11 (Supp 1951):

§ 11: "*Registration of Claim and Issuance of Certificate*.—Such person may obtain registration of his claim to copyright by complying with the provisions of this title, including the deposit of copies, and upon such compliance the Register of Copyrights shall issue to him the certificates provided for in section 209 of this title."

On the powers of the Register of Copyrights in the issuance of a certificate, see: *Bouvé v. Twentieth Century Fox Film Corporation*, 74 App DC 271, 122 F2d 51 (1941).

<sup>6</sup> 61 STAT 652 (1947), 17 USCA § 209 (Supp 1951):

§ 209: "*Certificate of Registration; Effect as Evidence; Receipt for Copies Deposited*.—In the case of each entry the person recorded as the claimant of the copyright shall be entitled to a certificate of registration under seal of the copyright office, to contain the name and address of said claimant, the name of the country of which the author of the work is a citizen or subject, and when an alien author domiciled in the United States at the time of said registration, then a statement of that fact, including his place of domicile, the name of the author (when the records of the copyright office shall show the same), the title of the work which is registered for which copyright is claimed, the date of the deposit of the copies of such work, the date of publication if the work has

contradict the certificate, a valid copyright is established.<sup>7</sup>

As stated elsewhere copyright vests upon publication with notice.<sup>8</sup> Registration is necessary, however, before any action may be brought under the statute to enforce any remedy granted therein.<sup>9</sup>

### 65. FEES.

Section 215 of the Copyright Code spells out the fees which must accompany the registration of a claim to copyright: This section is self-explanatory:

§ 215. "*Fees.*—The Register of Copyrights shall receive, and the persons to whom the services designated are rendered shall pay, the following fees:

For the registration of a claim to copyright in any work, except a print or label used for articles of merchandise, \$4; for the registration of a claim to copyright in a print

been reproduced in copies for sale, or publicly distributed, and such marks as to class designation and entry number as shall fully identify the entry. In the case of a book, the certificate shall also state the receipt of the affidavit, as provided by section 17 of this title, and the date of the completion of the printing, or the date of the publication of the book, as stated in the said affidavit. The Register of Copyrights shall prepare a printed form for the said certificate, to be filled out in each case as above provided for in the case of all registrations made after July 1, 1909, and in the case of all previous registrations so far as the copyright office record books shall show such facts, which certificate, sealed with the seal of the copyright office, shall, upon payment of the prescribed fee, be given to any person making application for the same. Said certificate shall be admitted in any court as prima facie evidence of the facts stated therein. In addition to such certificate the register of copyrights shall furnish, upon request, without additional fee, a receipt for the copies of the work deposited to complete the registration."

For cases which hold that a certificate of copyright "is prima facie evidence, at least, of the validity of the copyright and that plaintiff is the proprietor thereof and has title

thereto," see: *Home Art, Inc. v. Glensder Textile Corp.*, 81 FSupp 551 (DC NY 1948); *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948); *Vogel Music Co. v. Forster Music Publisher*, 147 F2d 614 (2d Cir 1945), cert den, 325 US 880, 65 SCT 1573, 89 LEd 1996 (1946); *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1945), cert den, 329 US 809, 67 SCT 622, 91 LEd 691 (1945); *Marks Music Corp. v. Wonnell*, 61 FSupp 722 (DC NY 1945); *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (DC NY 1942); *Pizzano v. Knowles & Co.*, 37 FSupp 118 (DC Mass 1941); *Nutt v. National Institute for the Improvement of Memory*, 31 F2d 236 (2d Cir 1929); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927). *Cf. Baron v. Leo Feist Inc.*, 78 FSupp 686 (DC NY 1948), *aff'd*, 173 F2d 288 (2d Cir 1949).

<sup>7</sup> *Id.* See also *Berlin v. Evans*, 300 Fed 677 (DC Pa 1924); *Cf. Baron v. Leo Feist Inc.*, 78 FSupp 686 (DC NY 1948), *aff'd*, 173 F2d 288 (2d Cir 1949); *Krafft v. Cohen*, 117 F2d 579 (3d Cir 1941).

<sup>8</sup> *Infra*, §§ 60 and 61. See *United States v. Backer*, 134 F2d 533 (2d Cir 1943); *Rosedale v. News Syndicate Co.*, 39 FSupp 357 (DC NY 1941).

<sup>9</sup> *Passim*, § 66.

or label used for articles of merchandise, \$6; which fees shall include a certificate of registration under seal for each work registered: *Provided*, That only one registration fee shall be required in the case of several volumes of the same book published and deposited at the same time: *And provided further*, That with respect to works of foreign origin, in lieu of payment of the copyright fee of \$4 together with one copy of the work and application, the foreign author or proprietor may at any time within six months from the date of first publication abroad deposit in the Copyright Office an application for registration and two copies of the work which shall be accompanied by a catalog card in form and content satisfactory to the Register of Copyrights.

For recording the renewal of copyright and issuance of certificate therefor, \$2.

For every additional certificate of registration, \$1.

For certifying a copy of an application for registration of copyright, and for all other certifications, \$2.

For recording every assignment, agreement, power of attorney, or other paper not exceeding six pages, \$3; for each additional page or less, 50 cents; for each title over one in the paper recorded, 50 cents additional.

For recording a notice of use, \$2, for each notice of not more than five titles; and 50 cents for each additional title.

For any requested search of Copyright Office records, or works deposited, or services rendered in connection therewith, \$3 for each hour of time consumed.”<sup>1</sup>

#### 66. ACTION FOR INFRINGEMENT: COMPLIANCE WITH FORMALITIES OF COPYRIGHT CODE.

The last sentence of § 13 provides that “no action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this title with respect to the deposit of copies and registration of such work shall have been complied with.”<sup>1</sup>

The following formalities must be complied with before an action for infringement of a published work may be maintained:

1. The work must be published with notice of copyright.<sup>2</sup>
2. Two copies of the work must be deposited with the Copy-

<sup>1</sup> 61 STAT 652 (1947), 17 USCA      <sup>2</sup> *Infra*, §§ 60 and 61.

§ 215 (Supp 1951).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA

§ 13 (Supp 1951).

right Office.<sup>3</sup> If an infringement of an unpublished work is involved, one complete copy must be deposited with the Copyright Office.<sup>4</sup>

3. The procural of a certificate of registration is a prerequisite for the maintenance of the suit.<sup>5</sup>

### 67. THE AMERICAN MANUFACTURING CLAUSE.

Section 13 provides that any book or periodical deposited with the Copyright Office "shall have been produced in accordance with the manufacturing provisions specified in section 16 of this title."<sup>1</sup> Thus compliance with the manufacturing requirements of the statute for books and periodicals is a condition precedent for statutory copyright in the United States.

The manufacturing clause provides that printed books or periodicals to be accorded copyright protection in the United States, except those of foreign origin in a language other than English, must be manufactured in the United States. They must be printed from type set within the United States and must be bound here. The manufacturing requirements do not apply to books and periodicals of foreign origin in the English language which seek *ad interim*<sup>2</sup> copyright protection; the latter must be registered with the Copyright Office within six months after its publication abroad; and not more than 1500 copies of these works may be imported if copyright is to be retained, and the copyright terminates if the book or periodical is not printed here within five years.<sup>3</sup> Section 17 further

<sup>3</sup> *Advertisers Exchange v. Anderson*, 52 FSupp 809 (DC Ia 1943), *aff'd*, 144 F2d 907 (8th Cir 1944); *Friedman v. Milnag Leasing Corporation*, 20 FSupp 802 (DC NY 1937). A deposit of copies after commencement of suit is invalid and precludes the maintenance of the action. See *Rudolph Lesch Fine Arts Inc. v. Metal*, 51 FSupp 69 (DC NY 1943); *Lumiere v. Pathe Exchange*, 275 Fed 428 (2d Cir 1921); *New York Times Co. v. Sun Printing & Publishing Co.*, 204 Fed 586 (2d Cir 1913), cert den, 234 US 758, 34 S Ct 676, 58 L Ed 1579 (1914).

<sup>4</sup> *Cf. Turner & Dahnken v. Crowley*, 252 Fed 749 (9th Cir 1918).

<sup>5</sup> *Algonquin Music Inc. v. Mills Music Inc.*, 93 FSupp 268 (DC NY 1950); *Rosedale v. News Syndicate Co.*, 39 FSupp 357 (DC NY 1941); *Davenport Quigley Expedition v. Century Productions*, 18 FSupp 974 (DC NY 1937).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 13 (Supp 1951).

<sup>2</sup> *Ad Interim*. Copyright is discussed in § 68.

<sup>3</sup> 61 STAT 652 (1947) as amended by Act of June 3, 1949, 63 STAT 153, 17 USCA § 16 (Supp 1951):

§ 16: "*Mechanical Work to Be Done in United States*.—Of the printed book or periodical specified in section 5, subsections (a) and (b), of this title,

provides that an affidavit vouching for American manufacture must accompany the application for registration of a book.<sup>4</sup> An affidavit is not required for a periodical or other copyrighted work.<sup>5</sup>

except the original text of a book or periodical of foreign origin in a language or languages other than English, the text of all copies accorded protection under this title, except as below provided, shall be printed from type set within the limits of the United States, either by hand or by the aid of any kind of typesetting machine, or from plates made within the limits of the United States from type set therein, or, if the text be produced by lithographic process, or photoengraving process, then by a process wholly performed within the limits of the United States, and the printing of the text and binding of the said book shall be performed within the limits of the United States; which requirements shall extend also to the illustrations within a book consisting of printed text and illustrations produced by lithographic process, or photoengraving process, and also to separate lithographs or photoengravings, except where in either case the subjects represented are located in a foreign country and illustrate a scientific work or reproduce a work of art: *Provided, however,* That said requirements shall not apply to works in raised characters for the use of the blind, or to books or periodicals of foreign origin in a language or languages other than English, or to works printed or produced in the United States by any other process than those above specified in this section, or to copies of books or periodicals, of foreign origin, in the English language, imported into the United States within five years after first publication in a foreign state or nation up to the number of fifteen hundred copies of each such book or periodical if said copies shall contain notice of copyright in accordance with sections 10, 19, and 20 of this title and if ad interim copyright in said work shall have been obtained pursuant to section 22 of this title prior to the importation into the United States of any copy except those permitted by the provisions of section 107

of this title: *Provided further,* That the provisions of this section shall not affect the right of importation under the provisions of section 107 of this title, nor the extension of time within which to comply with conditions and formalities granted by Presidential proclamation, No. 2608, of March 14, 1944."

4 61 STAT 652 (1947), 17 USCA § 17 (Supp 1951):

§ 17: "*Affidavit to Accompany Copies.*—In the case of the book the copies so deposited shall be accompanied by an affidavit under the official seal of any officer authorized to administer oaths within the United States, duly made by the person claiming copyright or by his duly authorized agent or representative residing in the United States, or by the printer who has printed the book, setting forth that the copies deposited have been printed from type set within the limits of the United States or from plates made within the limits of the United States from type set therein; or, if the text be produced by lithographic process, or photoengraving process, that such process was wholly performed within the limits of the United States and that the printing of the text and binding of the said book have also been performed within the limits of the United States. Such affidavit shall state also the place where and the establishment or establishments in which such type was set or plates were made or lithographic process, or photoengraving process or printing and binding were performed and the date of the completion of the printing of the book or the date of publication."

<sup>5</sup> Howell, *The Copyright Law* (1948) 87: "No affidavit is required to accompany the copies of a periodical or other copyright work; nor is it necessary for an attorney to file a power of attorney to act in behalf of his client either in relation to making the affidavit or applying for registration."

The manufacturing clause was incorporated into the copyright laws by the Act of March 3, 1891.<sup>6</sup> This legislation provided that books, photographs, chromos or lithographs had to be printed from type set within the United States or from plates made within the limits of this country.<sup>7</sup> This legislation was passed at the behest of the printing and typographical unions who objected to the flooding of the American market with the products of cheap foreign labor.<sup>8</sup>

The Act of 1891 was deficient in two respects to the printing and typographical unions. No penalty was affixed to the failure to comply with the manufacturing requirements. In addition there was no requirement that books be bound in the United States.

Subsequent legislation rectified these omissions. An applicant for copyright is required to file an affidavit that he has complied with the manufacturing clause.<sup>9</sup> A false affidavit

<sup>6</sup> 26 STAT 1107.

<sup>7</sup> The 1891 legislation is discussed in *Merriam Co. v. United Dictionary Co.*, 146 Fed 354 (7th Cir 1906), *aff'd*, 208 US 260, 28 S Ct 290, 52 L Ed 478 (1908).

<sup>8</sup> H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>9</sup> Act of March 4, 1909, 35 STAT 1078 H Rept No 2222, which accompanied HR 28192, 60th Cong 2d Sess (1909):

"Section 15 [now 16] is known as the 'manufacturing section.' In order to afford protection to American typographers, Congress some years ago enacted a law providing that in case of a book, photograph, chromo, or lithograph the two copies of the same required to be delivered to the Librarian of Congress should be printed from type set within the limits of the United States, or from plates made therefrom, or from negatives or from drawings on stone made within the limits of the United States. No penalty whatever was affixed to the failure to comply with this requirement. The applicant for a copyright simply stated that his book was so printed. This statement was not made under oath nor did he ever indicate where the work was done. It was found that this statute did not in all cases afford

adequate protection and it was claimed that books were copyrighted which had not been manufactured in compliance with this provision.

"On April 28, 1904, the House passed a bill which required the applicant for a copyright to make an affidavit setting forth that the two copies to be deposited had been made in compliance with the statute, and provided that any violation of the act or the making of a false affidavit as to having complied with the conditions shall be deemed a misdemeanor, punishable by fine, and that all rights under the copyright shall be forfeited. That bill was favorably reported by the Senate committee, but failed to be reached.

"It was felt by your committee that if there was reason, as we think there was, for the requirement that the book should be printed from type set in this country, there was just as much reason for a requirement that the book should be printed and bound in this country and that the ordinary illustrations produced by lithographic process and photo-engraving process and separate lithographs or photo-engravings should be made in this country. That protection to the men engaged in the work of setting type, making plates, printing and binding books is given by this section, which also carries the penalty

is deemed a misdemeanor, punishable by fine and all rights under the copyright are forfeited.<sup>10</sup> The Copyright Act of 1909 added the requirement that books must be bound in the United States.<sup>11</sup>

In addition to books and periodicals, illustrations within a book and separate lithographs or photo-engravings are subject to the provisions of the manufacturing clause. Section 16 is inapplicable to the original text of a book or periodical of foreign origin in a language or languages other than English; neither is it applicable to musical and dramatic compositions published in book form or made by lithographic process abroad.<sup>12</sup> The legislative history of the phrase "foreign origin" indicates that it refers only to books by foreign authors even though they are printed in a foreign language.<sup>13</sup> Thus a book written in a foreign language by an American author is not a book of foreign origin.<sup>14</sup> On the other hand a Swedish translation of a book copyrighted in the United States by a national of Sweden is a book of "foreign origin" and hence is exempt from the manufacturing requirements.<sup>15a</sup>

Also exempt from § 16 are books published abroad in the English language seeking *ad interim* protection. This will be discussed in the next section. The manufacturing clause does not apply to works in raised character for the use of the blind, books or periodicals of foreign origin published in a language other than English, etc.<sup>15b</sup>

provision for knowingly making a false affidavit as to compliance with these provisions. An exception, so far as lithographs and photo-engravings are concerned, is made in case 'the subjects represented are located in a foreign country.'"

10 61 STAT 652 (1947), 17 USCA § 18 (Supp 1951):

§ 18: "Making False Affidavit.— Any person who, for the purpose of obtaining registration of a claim to copyright, shall knowingly make a false affidavit as to his having complied with the above conditions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than \$1,000, and all of his rights and privileges under said copyright shall thereafter be forfeited."

11 *Op cit supra*, note 9. But books initially bound within the United States may be rebound abroad. 28 Op Atty-Gen 209 (1910).

12 *Hervieu v. Ogilvie Publishing Company*, 169 Fed 978 (CC NY 1909); *Oliver Ditson Co. v. Littleton*, 67 Fed 905 (1st Cir 1895) affirming 62 Fed 597 (CC Mass 1894).

13 Howell, *The Copyright Law* (1948) 85; Bowker, *Copyright, Its History and Its Law* (1912) 156.

14 *Id.*

15a Ruling by Treasury Department, Collector of Customs, June 23, 1910 and published in 17 Copyright Office Bulletins 275.

15b For additional categories of works exempt from the manufacturing clause, see 61 STAT 652 (1947), 17

As stated above, illustrations, lithographs and photo-engravings, whether published separately or in book form must be manufactured in the United States.<sup>16</sup> The manufacturing clause is inapplicable where the subjects represented by illustrations, lithographs or photo-engravings are located in a foreign country or illustrate a scientific work or reproduce a work of art.<sup>17</sup> It is doubtful whether a work of art can be transported to a foreign country and reproduced there for the purpose of evading the manufacturing requirements. But if a painting is created in a foreign country, the reproductions thereof need not comply with the American manufacturing clause, although the painting is copyrighted in this country.<sup>18</sup>

Section 16 likewise requires that the following processes be effectuated in this country: printing from type; printing from plates made by type; and reproductions by lithographs or photo-engraving.

On June 3, 1949,<sup>19</sup> § 16 was amended so as to permit the importation into this country of 1500 copies of a book written in the English language but manufactured abroad. This clause must be read in conjunction with the amendments to the *ad interim* sections of the Copyright Code. This exception to the manufacturing clause has two objectives:

It permits an American publisher to test the market by the importation of 1500 copies before investing his money in the publication. If the publisher is of the opinion that the book is marketable, any additional copies which are published must comply with the manufacturing requirements outlined above.

Congress was likewise of the opinion that the importation of 1500 copies manufactured abroad would "reduce the likelihood of retaliation against us."<sup>20</sup> This will be discussed *in extenso* in the next section.

#### 68. AD INTERIM COPYRIGHT.

As stated in the previous section, the manufacturing clause was introduced into copyright legislation in 1891. The effect

USCA § 107 (Supp 1951). Section 117 is discussed *passim*, § 175b.

<sup>16</sup> 28 Op Atty Gen 150 (1910).

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> 63 STAT 153.

<sup>20</sup> S Rept No 375, and H Rept No 238, which accompanied HR 2285, 81st Cong 1st Sess (1949).

of this and subsequent amendatory legislation to the manufacturing clause was to close the American market to foreign authors, particularly those of England, unless their books were printed and bound in the United States. Under the British copyright law then in effect, initial publication in the United States precluded British copyright.<sup>1</sup>

To ameliorate the stringent manufacturing provisions of the Act of 1891, Congress provided for "ad interim" protection of foreign works. In 1905 Congress amended the Act of 1891 by authorizing *ad interim* copyright for books printed abroad in languages other than English, but not for books in the English language. A book first published abroad had to be deposited within thirty days thereafter in this country; the copyright had to be reserved on the title page. Within one year after publication abroad, if the requirements as to filing notice and deposit of two copies in the original language "or of a translation in the English language" printed in either case from type set in the United States were complied with, the copyright would be extended to the full term of 28 years.<sup>3</sup>

The Copyright Act of 1909 as amended by the Act of December 18, 1919, completely reversed the 1905 legislation.<sup>4</sup> *Ad*

<sup>1</sup> Cf. *Brown v. Select Theatres Corp.*, 56 FSupp 438 (DC Mass 1944). See also Fox, *Canadian Law of Copyright* (1944) 66-67.

<sup>2</sup> The *Ad Interim* Copyright Act of January 7, 1904 (33 STAT 4) furnished "protection to exhibitors of foreign literary, artistic or musical works at the Louisiana Purchase Exhibition."

<sup>3</sup> Act of March 3, 1905, 33 STAT 1000.

<sup>4</sup> Act of March 4, 1909, 35 STAT 1080, as amended by Act of December 18, 1919, 41 STAT 369. H Rept No 2222 which accompanied H R 28192, 60th Cong 2d Sess (1909):

"Section 21 gives to authors of books written in the English language an ad interim term, which can not in any case endure more than sixty days. By the act approved March 3, 1905, the proprietor of a book published abroad in a foreign language was, under certain conditions, given twelve months after the first publication in such foreign country to deposit copies and

comply with the other conditions regarding copyright.

"After the passage of the act of 1905 English authors felt that some such rights should be given them. Section 21 was inserted for that purpose. This bill modifies the act of March 3, 1905, which relates to books of foreign origin in a foreign language, so that until such works are translated and published in English here, they may obtain copyright for the full term by the deposit of one copy in such foreign language bearing notice of copyright within thirty days after publication abroad. This change is made for the reason that it is believed that greater benefit might accrue by according general protection to such works, thus promoting projects for translations into English which under the general clause would later be produced within the United States in order to gain copyright here as works in English.

"Section 22 provides for an extension of the ad interim term so that it

*interim* copyright was limited to foreign works published in the English language. Registration for *ad interim* protection had to be made by depositing a copy and filing an application with a request for reservation of the copyright within 60 days after publication abroad. The *ad interim* term of copyright protection was four months. At the expiration of that period, *ad interim* protection lapsed unless within that time an edition of the book was printed and published in accordance with the provisions of the American manufacturing clause. The copyright term of the work was then extended to 28 years from the date of first publication abroad.<sup>5</sup>

In 1949 Congress effectuated revisions in both the manufacturing and *ad interim* clauses.<sup>6</sup> Sections 22 and 23 are quoted in their entirety:

§ 22: "*Ad Interim Protection of Book or Periodical Published Abroad.*—In the case of a book or periodical first published abroad in the English language, the deposit in the Copyright Office, not later than six months after its publication abroad, of one complete copy of the foreign edition, with a request for the reservation of the copyright and a statement of the name and nationality of the author and of the copyright proprietor and of the date of publication of the said book or periodical, shall secure to the author or proprietor an *ad interim* copyright therein, which shall have all the force and effect given to copyright by this title, and shall endure until the expiration of five years after the date of first publication abroad."<sup>7</sup>

§ 23: "*Same; Extension to Full Term.*—Whenever within the period of such *ad interim* protection an authorized edition of such books or periodicals shall be published within the United States, in accordance with the manufacturing provisions specified in section 16 of this title, and whenever the provisions of this title as to deposit of copies, registration, filing of affidavits, and the printing of the copyright notice shall have been duly complied

will endure for the full term provided in the act upon compliance with all the provisions of this act as to deposit of copies, registration, filing of affidavits, etc."

<sup>5</sup> *Id.*

<sup>6</sup> Act of June 3, 1949, 63 STAT 153. See S Rept No 375 and H Rept

No. 238 which accompanied HR 2285, 81st Cong 1st Sess (1949) herein-after designated as "1949 Legislative History."

<sup>7</sup> 61 STAT 652 (1947) as amended by 63 STAT 154 (1949), 17 USCA § 22 (Supp 1951).

with, the copyright shall be extended to endure in such book or periodical for the term provided in this title."<sup>8</sup>

The 1949 legislation achieved the following objectives:

1. The prior law required all foreign authors and publishers to pay a \$4 fee and send to the Copyright Office one copy of their book or other work in order to secure copyright registration in the United States.<sup>9</sup> The 1949 legislation gives foreign authors the option of registering their works without the payment of any fee; they may forward an additional copy of their books or periodicals and a library card instead of paying the \$4 fee.<sup>10</sup> This clause enables foreign authors to secure United States copyright without expending American dollars.<sup>11</sup> The disadvantage of this alternate procedure is that it establishes the precedent of a further formality as a prerequisite for American copyright protection.

2. As stated previously, the *ad interim* provisions of the Copyright Code required all foreign authors and publishers of books and periodicals written in the English language to do two things to obtain copyright in the United States: They had to register the book or periodical in the Copyright Office within 60 days of publication abroad; and manufacture

<sup>8</sup> 61 STAT 652 (1947) as amended by 63 STAT 154 (1949), 17 USCA § 23 (Supp 1951).

<sup>9</sup> 61 STAT 652 (1947) as amended by Act of April 27, 1948, 62 STAT 202.

<sup>10</sup> 61 STAT 652 (1947) as amended by 62 STAT 202 (1948) as amended by 63 STAT 154 (1949), 17 USCA § 215 (Supp 1951): "And provided further, That with respect to works of foreign origin, in lieu of payment of the copyright fee of \$4 together with one copy of the work and application, the foreign author or proprietor may at any time within six months from the date of first publication abroad deposit in the Copyright Office an application for registration and two copies of the work which shall be accompanied by catalog card in form and content satisfactory to the Register of Copyrights." The Copyright Office has implemented § 215 of the Copyright Code by § 201.7 (37 FR § 201.7) effective July 1, 1950:

§ 201.7: "Preparation of catalog

card. The catalog card which may accompany a work of foreign origin, as provided in section 215 of 17 USC, as amended by the act of June 3, 1949 (63 Stat 153), may be a catalog card supplied by a library in the country of publication. In lieu of such a card the applicant may prepare his own card, or may fill out the form supplied by the Copyright Office. The catalog card should contain the title of the work, the year and city of publication, the name of the publisher and the names of all authors whom the applicant considers of sufficient importance to record. When available, the year of birth as well as pseudonym, if any, of each author named should be given. If the form furnished by the Office is not used, the size of the card should preferably be 3 inches by 5 inches or 7½ centimeters by 12½ centimeters. The Register of Copyrights reserves authority to accept catalog cards not complying with the above requirements."

<sup>11</sup> 1949 Legislative History.

the work in the United States within four months thereafter. The 1949 legislation allows six months for registration of the work in the United States; in addition, it extends the time for manufacturing the work in this country to five years. This provision should enable American and foreign publishers to determine whether the book can be profitably published in this country.<sup>12</sup>

3. Two purely formal amendments were made to §§ 22 and 23. Sections 22 and 23 had previously extended *ad interim* protection only to books. The amendment added the phrase "or periodical." "These amendments will make section 23 consistent with section 22 in specifying periodicals as coming within the purview of *ad interim* registration."<sup>13a</sup>

4. The 1949 legislation amended the manufacturing clause by permitting an American publisher to import into the United States 1500 copies of a work to test the American market.<sup>13b</sup>

No notice of copyright is required on the works protected by *ad interim* copyright with but one exception.<sup>14</sup> The 1500 copies which may be imported under § 16 must bear a copyright notice. The purpose of copyright notice is to put such foreign works on the same footing as domestic works. "If *ad interim* registration were not required as a prerequisite to the importation of copies of the work, then the foreign publisher could export to the United States up to 1500 copies of the work bearing copyright notice and then fail to obtain *ad interim* registration for the work. The results would be that these copies would bear a false copyright notice and as users of copyrighted material customarily assume that a notice of copyright means that the work is protected by United States copyright, the foreign author and publisher would

<sup>12</sup> *Id.*

<sup>13a</sup> *Id.*

<sup>13b</sup> The Copyright Office has implemented § 16 of the Copyright by the following regulation, 37 FR § 201.8, effective July 1, 1950:

§ 201.8: "*Import statements.* The Copyright Office will issue import statements for books and periodicals of foreign origin in the English language imported under the provisions of section 16 of 17 USC, as amended by the act of June 3, 1949 (63 Stat 153).

A statement for the importation of 1,500 copies will be issued to the person named in the application for *ad interim* copyright registration. The holder of this statement shall present it to the customs officer in charge of the port of entry. Upon receipt of statement from the customs officer showing importation of less than 1,500 copies, a new statement will be issued for the balance."

<sup>14</sup> 61 STAT 652 (1947), 17 USCA § 10 (Supp 1951).

obtain substantially the benefits of copyright protection without having actually complied with our law."<sup>15</sup>

One of the primary objectives of the 1949 legislation was to "reduce the likelihood of retaliation against us." This objective must be considered against the background of international copyright law<sup>16</sup> and the long continued and persistent efforts to abolish the manufacturing clause.

The United States excepted, no other country in the world requires as a condition precedent to copyright protection, the equivalent of the American manufacturing clause.<sup>17</sup> These requirements have constituted the major obstacle to an agreement with the rest of the world on international copyright.<sup>18</sup> It is believed that the manufacturing clause prompted the Berne convention to write into the Rome revision of 1928, as amplified in Brussels in 1948 the so-called retaliatory provisions. The latter although they have never been put into effect provide that when a country, a non-member of the Berne Convention fails to protect adequately the works of authors of a Union country, the latter may adopt certain measures in retaliation. Other countries may support the member country which has taken such measures in that they are required to

<sup>15</sup> 1949 Legislative History.

<sup>16</sup> The subject of international copyright relations is discussed *passim*, Chapter XIX, § 190 ff.

<sup>17</sup> II. UNESCO Copyright Bulletin (1949) No 2-3 at 94 ff., "Formalities;" Howell, The Copyright Law (1948) 84, 167-168. Canada has a compulsory licensing provision which provides that any person may apply to the Minister of Trade and Commerce for a license to print and publish a book in Canada. This provision can only be invoked, if at any time after publication and within the copyright term, the copyright proprietor fails (a) to print the book or cause the same to be printed; (b) or supply by means of copies so printed the reasonable demands of the Canadian market for such books. The compulsory licensing provision applies only to books published elsewhere than in Canada. The statute provides for the payment of royalties to the author. "This provision has remained prac-

tically a dead letter, for if the demand of the book in Canada is sufficient to justify the expense of reprinting, the author or publisher may give the prescribed undertaking to bring out a Canadian edition of the work, whereupon the license is withheld (sec 14, subd 5). It is learned from authoritative Canadian sources that, during all this time, only two applications for such licenses have been filed with respect to books in the English language, but in each case the prescribed undertaking was given and the license was not issued. By amendment of the Act in 1931, the citizens of countries which have adhered to the Berne Convention are exempt from this licensing provision" Howell, *supra* at 168. The compulsory licensing provision as applied to books or books published in serial form is discussed in detail in Fox, Canadian Law of Copyright (1944) 305 ff.

<sup>18</sup> Howell, The Copyright Law (1948) 84. See also *passim*, § 195e.

give no greater protection than that provided by the "injured" country.<sup>19</sup>

The only justification for the manufacturing clause is the protection of the American labor market. Organized labor, and particularly the Allied Printing Trades Council, has opposed the abrogation of the manufacturing clause on the ground that its repeal would result in the flooding of the American market with the products of cheap foreign labor.

This contention of the Allied Printing Trades Council warrants analysis. "It is estimated that at least 85 per cent of the works produced abroad in the English language are not reprinted and published in the United States."<sup>20</sup> Similarly, in 1948, over 14,000 books were published in England and yet only 139 books written in the English language in England and in all other foreign countries were registered in the United States Copyright Office.<sup>21</sup>

It is submitted that the repeal of the manufacturing clause would not result in the dire consequences predicted by organ-

<sup>19</sup> Berne Convention, Brussels Revision (1948):

"Article 6

1. Authors who are not nationals of one of the countries of the Union, and who first publish their works in one of those countries, shall enjoy in that country the same rights as native authors, and in the other countries of the Union the rights granted by the present Convention.

2. Nevertheless, where any country outside the Union fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union, the latter country may restrict the protection given to the works of authors who are, at the date of the first publication thereof, nationals of the other country and are not effectively domiciled in one of the countries of the Union. If the country of first publication avails itself of this right, the other countries of the Union shall not be required to grant to works thus subjected to special treatment a wider protection than that granted to them in the country of first publication.

3. No restrictions introduced by virtue of the preceding paragraph shall affect the rights which an author may have acquired in respect of a work

published in a country of the Union before such restrictions were put into force.

4. The countries of the Union which restrict the grant of copyright in accordance with this Article shall give notice thereof to the Government of the Swiss Confederation by a written declaration specifying the countries in regard to which protection is restricted, and the restrictions to which rights of authors who are nationals of those countries are subjected. The Government of the Swiss Confederation shall immediately communicate this declaration to all the countries of the Union."

See also Ladas, *The International Protection of Literary and Artistic Property* (1938) 95, 282 ff. who states that the discriminatory provisions of the American manufacturing clause were discussed at length at the Imperial Copyright Conference of 1910.

<sup>20</sup> Ladas, *op cit supra*, note 19 at 865.

<sup>21</sup> 1949 Legislative History. Publishers' Weekly for January 9, 1952 states that but 1,473 titles were imported into the United States in 1951. This was 13 per cent of our production.

ized labor. On the contrary the elimination or at least modification of the manufacturing requirements would at least be one step forward in reaching an accord on an international copyright convention.

Illustrative of the numerous attempts to repeal or modify the manufacturing clause and related provisions is H.R. 4059, introduced in the House on May 10, 1951. This bill would eliminate the manufacturing requirements for copyright on books and periodicals of foreign origin written in the English language and would do away with the special requirements for *ad interim* copyright on these works. This proposed legislation would return the manufacturing restrictions in their application to authors who are United States citizens or who are domiciled aliens.<sup>22</sup>

It has been suggested that the manufacturing clause be eliminated in its entirety from the Copyright Code. Some have even suggested that Congress should go further and exempt from the manufacturing provisions works written by United States nationals in a foreign language and published abroad.<sup>23</sup>

There are strong and cogent reasons for the repeal of the manufacturing clause:

In the first place, the manufacturing provisions do not belong in a copyright law. The purpose of the Copyright Code is to protect and secure intellectual interests. The manufacturing clause is a tariff device to protect the book manufacturing industry and the printing trades. If the printing trades require protection from cheap foreign labor (which we doubt), it should be effectuated via tariff regulations and not through a distortion of the purposes and objectives of the Copyright Code.<sup>24</sup>

<sup>22</sup> HR 4059, 82d Cong 1 Sess (1951). See Statement of Thorvald Solberg, Register of Copyrights, Revision of Copyright Laws, Hearings before House Committee on Patents, 74th Cong 2d Sess (1934) 734 ff.: See also the "Vestal" Bill, HR 12549, 71st Cong 1st Sess, which passed the House on January 13, 1931 but never became law.

<sup>23</sup> Report of Committee on Copyrights, American Bar Ass'n (1951),

but see dissent of Sam B. Warner, former Register of Copyrights. See Statement of Mr. Warner in opposition to HR 4059 (January, 1951).

<sup>24</sup> See Statement of Ernest A. Gross, Acting Assistant Secretary of State, attached to 1949 Legislative History. See also Address of Sam B. Warner, former Register of Copyrights "The Manufacturing Clause In Our Copyright Law," October 25, 1951 before the BMI Convention.

If there ever was any justification for the manufacturing clause, it has long since disappeared. When the manufacturing requirements were incorporated into American copyright law, the United States was an importing nation in respect to literary material. There was little, if any, utilization of American works abroad. Today, the shoe is on the other foot. American works are now utilized throughout the world. Foreign authors write in English in order to obtain the widest publication of their scientific, literary and other works. It is submitted that no segment of our society would be injured by the repeal of the manufacturing clauses from the Copyright Code. It must be remembered that these provisions do not prohibit importation but entail the penalty of the abandonment of copyright.<sup>25</sup>

As stated previously, the repeal or modification of the manufacturing clause would remove the major obstacle to an agreement between the United States and other countries on international copyright. The preliminary draft of the Universal Copyright Convention, sponsored by UNESCO would eliminate "manufacture in the national territory" as a condition of securing copyright.<sup>26</sup> In other words, the manufacturing clause would not apply to foreign authors whose works are published abroad in English; however, Article III, clause 2 authorizes a country to retain such formalities as the manufacturing clause in its application to their own nationals or domiciled aliens.<sup>27</sup>

At the various meetings of the Committee of Experts, whose studies led to the preliminary draft of the Universal Copyright Convention, the representatives of other countries, particularly the delegation from the United Kingdom objected to the manufacturing clause. The latter, for obvious reasons, discriminates against English authors.<sup>28</sup>

The obvious recourse against the manufacturing clause is to invoke the retaliatory provisions of the Berne Con-

<sup>25</sup> *Op cit supra*, note 24.

<sup>26</sup> Preliminary Draft of Universal Copyright Convention, UNESCO/ CUA/27, (DOC No DA/111, July 1951) Article III, Clause (1). See also § 195e, *passim*.

<sup>27</sup> *Id.*, Article III, Clause 2.

<sup>28</sup> *Id.* at p 24: "On the request of certain delegations, particularly the

delegation of the United Kingdom, it was understood that the so-called 'manufacturing clause' of the US law would be among the formalities covered by the new system. It was noted on this occasion, however, that this point in no way constituted an innovation, since the Washington experts envisaged the elimination of this clause."

vention.<sup>29</sup> Today, the works of American authors, and this is not limited to books and periodicals, but extends to the entire subject matter of copyright, are protected in the United States and abroad by simultaneous publication here and in Canada, England or some other Berne Convention country. As a general rule simultaneous publication in a Berne Convention country would protect the work in the 40 countries who are members of the Berne Union.<sup>30</sup> But the discrimination effectuated upon foreign authors by the manufacturing clause could result in a withdrawal of some if not all of the copyright privileges extended by the Berne Convention countries to American authors. Thus not only the United Kingdom but all of the Berne Convention countries could refuse to recognize American performing rights in dramatic works or musical compositions; or the courts of the latter countries would refuse to entertain suits for infringement of American performing rights.

The United Kingdom and other countries are reluctant to invoke the retaliatory provisions of the Berne Convention against the United States because of the manufacturing clause. The State Department, the Committee on Copyrights of the American Bar Association, the American Book Publishers Council and other organizations have urged that the manufacturing clause be repealed.<sup>31</sup> Since the United States has participated in the work of the Committee of Experts, looking toward a Universal Copyright Convention, it would appear that this country is committed to the principle of eliminating the manufacturing requirements for copyright on books and periodicals of foreign origin written in the English language. As stated previously, the preliminary draft of a Universal Copyright Convention would permit this country to retain the manufacturing clause as a condition precedent for United States citizens or domiciled aliens to secure copyright.<sup>32</sup>

To return to H.R. 4059, it is a step in the right direction. The enactment of this legislation effectuates the preliminary

<sup>29</sup> *Op cit supra*, note 19.

<sup>30</sup> See Schulman, A Survey of International Copyright, presented at The Copyright Symposium, meeting of the Copyright Section, Amer Bar Ass'n, September 16, 1950. See also §§ 191 and 195e.

<sup>31</sup> 1949 Legislative History; *op cit supra*, note 23.

<sup>32</sup> Article III, clause 2 of Preliminary Draft of Universal Copyright Convention, *op cit supra*, note 26.

draft of the Universal Copyright Convention by eliminating the manufacturing requirements for works of foreign origin written in English. The likelihood of the complete elimination in their entirety of all of the manufacturing provisions of the Copyright Code, including *ad interim* copyright is remote. The printing and typographical trade unions would strenuously oppose the complete abolition of the manufacturing requirements. Practical considerations suggest that H.R. 4059 as proposed, be supported at this time. The enactment of this legislation would remove the major stumbling block to participation by the United States in a Universal Copyright Convention.<sup>33</sup>

<sup>33</sup> Note: The Compulsory Manufacturing Provision: An Anachronism In The Copyright Law (1950) 49 Mich LRev 417; Note: The Manufacturing Clause: Copyright Protection To The Foreign Author (1950) 50 ColLRev

686; Note: Copyright, Relaxation of the Manufacturing Requirement For Foreign Works (1950) 35 CornLQ 452; Kuhn Work of UNESCO on Copyright (1949) 43 Am Journal of International Law 78.

## Chapter VII

### STATUTORY COPYRIGHT IN UNPUBLISHED WORKS

#### § 70. Introduction.

##### 71. Common Law Rights.

##### 72. Statutory Copyright In Unpublished Works.

#### 70. INTRODUCTION.

Prior to the 1909 Act, the basic policy of copyright legislation was to restrict statutory copyright to published works. This is understandable, since copyright legislation at its inception dealt primarily with books and similar works after publication.<sup>1</sup>

With the extension of the subject matter of copyright to plays, dramas, motion pictures, radio and television, the value of the publishing rights declined, and correspondingly, the pecuniary value of performing rights increased. Copyright legislation prior to 1909 offered no protection to unpublished musical compositions, lectures, dramas, plays, motion pictures, etc.; they were protected by common law copyright.

The Copyright Act of 1909 departed from its historic policy of restricting statutory copyright to published works; it extended the benefits of the statute to the following unpublished works: lectures or similar productions, dramatic, musical or dramatico-musical compositions; photographs; motion pictures; works of art; plastic works and drawings.<sup>2</sup>

#### 71. COMMON LAW RIGHTS.

We have discussed elsewhere that common-law copyright exists independently of the statute and has been and will be utilized for the protection of "live" radio and television programs.<sup>1</sup>

Section 2 of the Copyright Code preserves common-law copyright:

§ 2: "*Rights of Author or Proprietor of Unpublished Work.*—Nothing in this title shall be construed to annul

<sup>1</sup> Weil, Copyright Law (1917) 101-

<sup>1</sup> *Passim*, § 203b.

102.

<sup>2</sup> Howell, The Copyright Law (1948)

94.

or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.'<sup>2</sup>

The inclusion of this section in the statute has provoked a considerable amount of controversy as to whether certain common law rights survive when the benefits of the statute are invoked by an applicant.<sup>3</sup> This problem is part and parcel of the historic controversy whether or not by the common law there was a copyright in literary works which survived publication.<sup>4</sup> It will be recalled that this question was tendered by the enactment of the Statute of Anne.<sup>5</sup> *Millar v. Taylor* held that the common law rights existed and were not taken away by the statute.<sup>6</sup> Five years later, the House of Lords in *Donaldson v. Beckett* reached a contrary conclusion and concluded that the statute destroyed all common law rights.<sup>7</sup> The same result was reached by a divided court in this country with reference to the statute then in force.<sup>8</sup>

The narrow question tendered is whether by § 2, Congress intended that certain common law rights survive statutory copyright. Unfortunately the legislative history of section 2 furnishes no clue to the Congressional intent.<sup>9</sup> Similarly, a comparison between the language of section 2 and the corresponding provision in the prior law, quoted in the margin,<sup>10</sup> indicates that although section 2 is broader in scope than its predecessor, such differences as there are do not spell out the Congressional intent.<sup>11</sup>

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 2 (Supp 1951).

<sup>3</sup> Weil, Copyright Law (1917) 101 ff.; De Wolf, An Outline of Copyright Law (1925) 25; Shafter Musical Copyright (2d Ed 1939) 107 ff.

<sup>4</sup> *Infra*, § 20.

<sup>5</sup> 8 Anne, c 19 (1710).

<sup>6</sup> *Millar v. Taylor*, 4 Burr 2303, 98 Eng Rep 201 (1769).

<sup>7</sup> *Donaldson v. Beckett*, 4 Burr 2408, 2 Bro PC 129 (1774).

<sup>8</sup> *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (1834).

<sup>9</sup> H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): "Section 2 is new in phraseology, although substantially the same provision is found in section 4967 of

the Revised Statutes. It was thought best by the committee to insert the provision 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 in respect to this kind of a work."

<sup>10</sup> Revised Statutes § 4967, Act of July 8, 1870, 16 STAT 215, as amended by the Act of March 3, 1891, 26 STAT 1109: "Every person who shall print or publish any manuscript whatever without the consent of the author or proprietor first obtained, shall be liable to the author or proprietor for all damages occasioned by such injury."

<sup>11</sup> Howell, *The Copyright Law* (1948) 93.

The great majority of text writers who have discussed this issue have concluded that section 2 does not reserve any undefined common law rights in statutory copyright. In short, statutory copyright destroys common law rights.<sup>12</sup>

The case law with but one exception affirms this conclusion. In *Maurel v. Smith*, two of three authors in an operetta obtained the copyright in their names. The author whose name was omitted from the copyright sought to recover his share of the motion picture and dramatic rights. Judge Hand recognized his claim by holding that common law rights survived statutory copyright.<sup>13</sup> This decision was reversed the same year by a higher court. As was stated in *Photo Drama Motion Picture Co. v. Social Uplift Film Corporation*:

“We do not concur in Judge Hand’s holding that one who has obtained a statutory copyright of a book or play has left in him any common-law right in literary property by virtue of section 2 of the Act. We think that section is intended only to indicate that the statute does not displace the common law right. Whoever elects to avail himself of the statute, however, must be held to have abandoned his common-law right.”<sup>14</sup>

The principle of the *Photo Drama* case has been reaffirmed by the courts.<sup>15</sup>

<sup>12</sup> Weil, Copyright Law (1917) 156-157; Shafter Musical Copyright (2d Ed 1939) 126; Socolow, The Law of Radio Broadcasting (1939) 1076; Amdur, Copyright Law and Practice (1936) 64; Ladas, The International Protection of Literary and Artistic Property (1939) 688; Howell, The Copyright Law (1948) 93-94. But cf. De Wolf, An Outline of Copyright Law (1925) 35.

<sup>13</sup> *Maurel v. Smith*, 220 Fed 195 (DC NY 1915), *aff’d* 271 Fed 211 (2d Cir 1917). Cf. *Crowe v. Aiken*, FCas No 3, 441 (CC Ill 1870; Warner Bros. Pictures v. Columbia Broadcasting System, 102 FSupp 141 (DC Cal 1951).

<sup>14</sup> *Photo-Drama Motion Picture Co. v. Social Uplift Film Corporation*, 213 Fed 374 (DC NY 1914), *aff’d*, 220 Fed 448 (2d Cir 1915); *Universal Film Co. v. Coppersman*, 212 Fed 301 (DC NY 1914), *aff’d* 218 Fed 577 (2d

Cir 1914), cert den, 235 US 704, 35 Sct 209, 59 LEd 433 (1915); *Savage v. Hoffman*, 159 Fed 584 (CC NY 1908); *Bobbs-Merril Co. v. Straus*, 147 Fed 15 (2d Cir 1906) *aff’d*, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908); *Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 Sct 38, 54 LEd 150 (1909); *Holmes v. Hurst*, 174 US 82, 19 Sct 606, 43 LEd 904 (1899).

<sup>15</sup> *Supreme Records v. Decca Records, Inc.*, 90 FSupp 904 (DC Calif 1950); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944); *Loew’s Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); See also: *Brown v. Select Theatres Corp.*, 56 FSupp 438 (DC Mass 1944), *aff’d* 154 F2d 59 (1st Cir 1945); *Berry v. Hoffman*, 125 Pa Super 261, 189 Atl 516 (1937); *Benelli v. Hopkins*, 197 Misc 877, 95 NYS2d 668 (1950).

From an historical and practical point of view, it is believed that section 2 was not intended to reestablish common law rights in statutory copyright. Since *Donaldson v. Beckett*<sup>16</sup> and *Wheaton v. Peters*<sup>17</sup> the courts have recognized that statutory copyright displaces common law copyright.<sup>18</sup> From a practical point of view, the statute is silent on the undefined rights of section 2. If Congress intended that common law rights should survive publication, it would have spelled out and measured such rights by a legislative yardstick. The absence of any legislative standard suggests that Congress affirmed the common law rule—statutory copyright destroys common law copyright.<sup>19</sup>

Another approach to this problem is suggested by *Loew's Incorporated v. Superior Court*. In that case a common law action was brought in the California state courts for infringement of the performing rights of a play. The copyright proprietor had complied with the formalities of the statute and secured copyright protection. The court held that it had no jurisdiction since statutory copyright governed the rights and remedies of the proprietor and that the proper forum was the federal court:

“The existence concurrently of the common-law and statutory copyright, as is here claimed, would permit the owner of the statutory copyright of exclusive representation to seek the advantages of the statute and at the same time to reject its disadvantages.”<sup>20</sup>

It would thus appear that section 2 of the Act does not preserve any common law rights in statutory copyright. However, the recent case of *Warner Bros. Pictures v. Columbia Broadcasting System*<sup>21</sup> has challenged this relationship by suggesting that there is a residuum of common law rights

<sup>16</sup> 4 Burr 2408, 2 Bro PC 129 (1774).

<sup>17</sup> 8 Pet 591, 8 LEd 1055 (1834).

<sup>18</sup> See *Holmes v. Hurst*, 174 US 82, 19 SCt 606, 43 LEd 904 (1899); *Globe Newspaper Co. v. Walker*, 210 US 356, 28 SCt 726, 52 LEd 1096 (1908); *Societe des Films Menchen v. Vitagraph Co. of America*, 251 Fed 258 (2d Cir 1918); *Supreme Records v. Decca Records, Inc.*, 90 FSupp 904 (DC Cal 1950); *Benelli v. Hopkins*,

197 Misc 877, 95 NYS2d 668 (1950); *Berry v. Hoffman*, 125 PaSuper 261, 189 Atl 516 (1937).

<sup>19</sup> For such legislative history as there is of § 2, see *op cit supra*, note 9.

<sup>20</sup> *Loew's Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Rosen v. Loew's Inc.*, 162 F2d 785 (2d Cir 1947); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944).

<sup>21</sup> 102 FSupp 141 (DC Cal 1951).

which survive statutory copyright. This case warrants detailed discussion.

Dashiell Hammett's story, the "Maltese Falcon," dealing with the exploits of a private detective, "Sam Spade", was copyrighted in 1929 and published in installments in five issues of Black Mask Magazine. These copyrights were subsequently assigned to Alfred A. Knopf. Thereafter Hammett and Knopf licensed in perpetuity the exclusive motion picture rights in the "Maltese Falcon" to Warner Bros. Under the terms of this licensing agreement, Warner Bros. acquired "the motion picture rights, including, common law and statutory copyright in the same . . . together with all benefits of the copyrights in such writings, the title and the theme thereof." Warner Brothers made three copyrighted motion-picture versions of this story.

Several years later, Hammett wrote and had published three original stories dealing with the exploits of "Sam Spade". Thereafter Hammett licensed to others the use of the fictional character "Sam Spade" for radio, motion picture and television purposes. This fictional character appeared in a series of programs broadcast over the facilities of CBS.

Plaintiff claimed that these broadcasts constituted infringement of its copyright. This claim was premised on the contention that Warner Bros. had the exclusive right to use the characters portrayed in the "Maltese Falcon"—and thus to create sequels to the work—in the fields of motion pictures, radio and television.

The court in holding for the plaintiff examined the instrument of assignment to Warner Bros.; it concluded that Hammett had reserved character, series and sequel rights. It is believed that the court properly construed the licensing agreement between Warner Bros. and Knopf and Hammett. As we have discussed elsewhere, licensing agreements are construed in derogation of the rights of the grantee.<sup>22</sup> Since

<sup>22</sup> *Infra* § 52. See also: RKO Radio Pictures Inc. v. Sheridan, 195 F2d 167, 169 (9th Cir 1952); Hollywood Plays Inc. v. Columbia Pictures Inc., 274 AppDiv 912, 77 NYS2d 568 (1948), rev'd on other grounds, 299 NY 61, 85 NE2d 865 (1949); Norman v. Century Athletic Club, 69 A2d 466 (Md 1949); Rogers v. Republic Productions, 104 FSupp 328 (DC Cal 1952). Cf. Autry v. Republic Productions, Inc., decided May 13, 1952 (DC Cal 1952). See also Silverberg, *Televising Old Films* (1952) 38 VaLRev 615, 619.

the licensing agreement did not assign to plaintiff the character, series and sequel rights, they were retained by the author.

But then the court attempted to justify the existence of these rights in relationship to the pattern of statutory copyright. The court described the character series and sequel rights as "common law rights incident to authorship of a literary work," which survived and were independent of the statutory copyright secured in the "Maltese Falcon":

"Neither the rationale of the rule nor the language nor the purpose of the statute requires that the author relinquish any common-law right other than the perpetual right to restrict publication of the work. On the other hand it would seem that considerations of reason and policy argue against divesting the author of other common-law rights incident to authorship. Accordingly the courts have recognized that statutory copyright does not divest the author of such non-statutory or common-law rights as he may have to exclude others from making use of the title or the characters."<sup>23</sup>

As stated above, it is believed that the court properly construed the licensing agreement and thereby reached the correct decision. But the court erred when it described the title, character, series and sequel rights as common law rights which survived statutory copyright.

As we have discussed elsewhere, neither the title<sup>24</sup> nor characters<sup>25</sup> in a work, are protected by the Copyright Code.<sup>26</sup> The next question tendered is whether the concept of common law copyright may be employed to protect these property rights.

It is believed that common law copyright cannot be invoked

<sup>23</sup> Warner Bros. Pictures v. Columbia Broadcasting System, 102 FSupp 141, 147 (DC Cal 1951).

<sup>24</sup> *Passim*, § 231a.

<sup>25</sup> *Passim*, § 231b. The Copyright Code will protect personalized and distinctive characters embodying distinctive qualities. Seltzer v. Sunbroek, 22 FSupp 621, 629 (DC Cal 1938); Detective Comics Inc. v. Bruns Publications, 111 F2d 432, 433 (2d Cir 1940); Nichols v. Universal Pictures Corp., 45 F2d 119 (2d Cir 1930) cert den, 282 US 902, 51 SCt 216, 75 LEd 795 (1931). See Yankwich, Law of In-

tellectual Property (1951) 11 FRD 457, 467.

<sup>26</sup> Warner Bros. Pictures v. Columbia Broadcasting System, 102 FSupp 141, 147 (DC Cal 1951): "Recognition and protection of such rights in intellectual product is eminently just in view of the statutory provision that the 'works for which copyright may be secured . . . shall include all the writings of an author,' 17 USCA § 4, and the fact that the title and characters are held not to be included in the monopoly granted by the copyright statutes."

to protect titles—a word or phrase—for the same reasons which have prompted the courts to deny statutory copyright protection to titles.<sup>27</sup> It would be contrary to public policy to establish an exclusive monopoly in a word or phrase.<sup>28</sup>

Similarly, it is very doubtful whether characters *per se* are protected by common law copyright.<sup>29</sup> Both at common law and by statute, a character in a play, novel, motion picture, etc., is only protected in relationship to the sequence of incidents and locale of the story.<sup>30</sup> A character *per se* is not invested with the rights and remedies which inhere in common law copyright. This is because common law copyright protects only the order of words which describe the character “Sam Spade.” Others are free to describe a similar character, provided they use their own language.<sup>31</sup>

It is believed that the court should have described title, character, sequel and series rights as property or quasi-property rights, reserved to Dashiell Hammett and protected by the law of unfair competition.<sup>32</sup> This approach has several advantages:

It does not disturb or jeopardize the historic relationships between common law and statutory copyright. The latter as we have discussed previously, recognizes that statutory copyright terminates common law rights.

If the courts construed the statute so as to reestablish common law rights in statutory copyright, it would engender the entire scheme of copyright protection. For the most part, the writings of an author are protected either by common law or by statute. If a work may be protected simultaneously by both doctrines, or if some of the bundle of rights which make up copyright are protected partly by common law and partly by the statute, it would result in a further subdivision of the rights and hinder their saleability. Parties would be reluctant to purchase, assign or license copyrighted

<sup>27</sup> *Passim*, § 231a.

<sup>28</sup> *Passim*, § 201.

<sup>29</sup> *Supreme Records v. Decca Records*, 90 FSupp 904 (DC Cal 1950).

<sup>30</sup> *Golding v. RKO Radio Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936); *Nichols v. Universal Pic-*

*tures*, 34 F2d 145 (DC NY 1929), *aff'd*, 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931); *Shipman v. RKO Radio Pictures*, 100 F2d 533 (2d Cir 1938).

<sup>31</sup> *Cf.* Yankwich, *Originality in the Law of Intellectual Property* (1951) 457, 465 ff.

<sup>32</sup> *Passim*, §§ 233 and 234.

works and derivative copyrighted works, fearing that authors, their heirs and assigns would retain undefined residual rights which could jeopardize the commercial exploitation of the rights granted or purchased.

It is therefore submitted that section 2 of the Act does not reestablish common law rights in statutory copyright. Section 2 reaffirms the dual system for the protection of intellectual works:

- a) unpublished works are protected by common law copyright;
- b) published works are protected by statutory copyright.

A third category was added by the 1909 Act which furnished copyright protection to specifically defined classes of unpublished works. This will be discussed in the next section.

## 72. STATUTORY COPYRIGHT IN UNPUBLISHED WORKS.

As stated elsewhere, copyright legislation prior to 1909 was restricted to published works.<sup>1</sup> The 1909 Act prescribed a new policy: it furnished statutory protection to specifically defined classes of unpublished works:

§ 12: "*Works Not Reproduced for Sale.*—Copyright may also be had of the works of an author, of which copies are not reproduced for sale, by the deposit, with claim of copyright, of one complete copy of such work if it be a lecture or similar production or a dramatic, musical, or dramatico-musical composition; of a title and description, with one print taken from each scene or act, if the work be a motion picture photoplay; of a photographic print if the work be a photograph; of a title and description, with not less than two prints taken from different sections of a complete motion picture, if the work be a motion picture other than a photoplay; or of a photograph or other identifying reproduction thereof, if it be a work of art or plastic work or drawing. But the privilege of registration of copyright secured hereunder shall not exempt the copyright proprietor from the deposit of copies, under sections 13 and 14 of this title, where the work is later reproduced in copies for sale."<sup>2</sup>

<sup>1</sup> *Infra*, § 70. And see Weil, Copyright Law (1917) 101-102.

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 12 (Supp 1951). Howell, The Copyright Law (1948) in discussing this

section states at p. 94: "This act of grace was accorded these particular classes because they are primarily adapted for performance or exhibition and may achieve their purpose without

This section is applicable to the following classes of works: lectures and similar productions; dramatic, musical or dramatico-musical publications; photographs; motion pictures; works of art; and plastic works and drawings. Books, periodicals, maps, reproductions of a work of art and prints and pictorial illustrations cannot be registered as unpublished works.

Section 12 is primarily employed for works which can be adapted for presentation, execution, performance or exhibition. Thus dramas, plays, and "live" radio and television broadcasts may be registered as unpublished works.<sup>3</sup> As stated elsewhere, motion picture and television films are registered as published works on the basis of *Jeweler's Mercantile Agency Ltd. v. Jewelers Weekly Publishing Co.*<sup>4</sup> Musical compositions which are not offered for sale to the general public may also be registered under § 12.

The advantage of registering a work under this section is that as an unpublished work, it obtains all of the rights and remedies conferred by the Copyright Code without any of the disadvantages attendant publication.<sup>5</sup>

Weil in discussing this provision in 1917, stated that "the questions which arise under this section of the law present matters of great commercial importance and of equal legal doubt."<sup>6</sup> The passage of time has not resolved the doubts surrounding § 12. The text writers have been reluctant to discuss the purpose and meaning of this section.<sup>7</sup> And there

being reproduced in copies for sale or public distribution. This section, therefore, being an exception to the general rule, must be deemed limited in its operation to the kinds of work specifically named therein. *Kreymborg v. Durante*, 22 USPQ 248 (1934). Unpublished scripts orally delivered via the radio would undoubtedly be included here, as similar productions to lectures. As remarked by the court in the *Kreymborg* case, "In its mention of a production similar to a lecture, sermon or address, Congress plainly meant a production likewise intended in the first instance for oral communication. A speech, argument, debate, interview, perhaps even an informal talk, would be a similar 'production'."

<sup>3</sup> *Id.* See also *Shilkret v. Musicraft*

*Records*, 131 F2d 929 (2d Cir 1942) cert den, 319 US 742, 63 SCT 1030, 87 LEd 1699 (1942).

<sup>4</sup> 84 Hun 12, 32 NYSupp 41 (1895), reversed, 155 NY 241, 49 NE 872 (1898). *Infra* § 61b.

<sup>5</sup> *Op cit supra*, note 3.

<sup>6</sup> Weil, *Copyright Law* (1917) 289.

<sup>7</sup> Neither Ball, *Law of Copyright and Literary Property* (1944), Shafter, *Musical Copyright* (2d Ed 1939) nor Amdur, *Copyright Law and Practice* (1936) discuss § 12 at any length. Weil, *Copyright Law* (1917) discusses this section at 289 ff. Ladas, *The International Protection of Literary and Artistic Works* (1939) 760 ff. offers a brief discussion of § 12. He urges that § 12 be enlarged. "The law should permit the deposit of all types

is a paucity of case law on the interpretation of this section.<sup>8</sup>

As stated previously, the classes of works specified in section 12, i.e. lectures, dramas, plays, musical comedies, operas and operettas are used primarily for performance or exhibition. An author does not usually publish the foregoing classes of work in the ordinary acceptation of the term, hence he does not receive any royalties on copies sold. His compensation is derived almost exclusively from the public representation of the work.

Section 12 was enacted with the thought in mind of further protecting playwrights, dramatists and the like. If a copyright could be secured on "copies not reproduced for sale," it might possibly curtail unauthorized performances.

The construction and interpretation of section 12 tender several important questions of law.

The section provides that copyright may be secured in "works of an author of which copies are not reproduced for sale." This tenders the important question of the meaning of the foregoing phrase.<sup>9</sup> The phrase "not reproduced for sale" has been held to be equivalent to "unpublished" at the time deposit is made.<sup>10</sup>

of unpublished works. This would enable all authors to protect their creations without the necessity of publication." For a brief but excellent discussion of § 12 see Howell, *The Copyright Law* (1948) 94 ff.

<sup>8</sup> *E.g.*, *Shilkret v. Musicraft Records*, 131 F2d 929 (2d Cir 1942), cert den, 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942); *Marx v. United States*, 96 F2d 204, (9th Cir 1938); *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938) cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1939); *Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923); *Universal Film Mfg. Co. v. Copperman*, 212 Fed 301 (DC NY 1914), *aff'd*, 218 Fed 577 (2d Cir 1914) cert den 235 US 704, 35 Sct 209, 59 LEd 433 (1915); *Turner & Dahnken v. Crowley*, 252 Fed 749 (9th Cir 1918).

<sup>9</sup> The legislative history of this section is not helpful on the meaning of this phrase. H Rept No 2222, which accompanied HR 28192, 60th Cong 2d Sess (1909) recites: "Section 11[12]

refers to copyright on works of which copies are not reproduced for sale, and deals with what shall be deposited as copies. It provides, however, that if the work is later reproduced in copies for sale, the copies themselves must be deposited. If the work be a photograph, the proprietor need not file a copy of the photograph, but merely a photographic print. If it be a work of art or a plastic work, he need not file a copy of that, but simply a photograph or an identifying reproduction thereof." By the Townsend Amendment, Act of August 24, 1912, c. 356, 37 STAT 488, which added two new classes of copyright work, viz., "1. motion-picture photoplays" and "(m) Motion pictures other than photoplays," section 11(12) was amended by including unpublished motion pictures.

<sup>10</sup> *Shilkret v. Musicraft Records* 131 F2d 929, 930, (2d Cir 1942), cert den, 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942): "The Copyright Act of 1909 recognizes a distinction between

If section 12 authorizes statutory copyright in unpublished works, what rights are secured by this type of registration? To rephrase the question, does section 12 contemplate a reinforced common law copyright, or are the rights and remedies of section 12 similar to copyright obtained through publication with the appropriate notice?

The discussion in the previous section would indicate that statutory copyright of an unpublished work destroys all common law rights.<sup>11</sup> Secondly, the rights and remedies of a copyrighted unpublished work are spelled out in section 1 of the Copyright Code to the same extent as are unpublished works.<sup>12</sup> This is confirmed by *Shilkret v. Musicraft Records*.<sup>13</sup> One of the questions tendered by that case was whether the author of an unpublished copyrighted musical composition was vested with the mechanical reproducing rights and thus could maintain an infringement action against a phonograph company which made and sold records without the copyright proprietor's consent. For the purposes of this case, one of the exclusive rights of a copyright proprietor under section 1 of the Act are the mechanical recording and reproducing rights. If the composer licenses those rights to a phonograph company, then any other person or firm may manufacture and sell phonograph records provided the latter pays a royalty of two cents per record to the copyright proprietor.<sup>14</sup> In the *Shilkret* case, plaintiff had not licensed his mechanical reproducing rights. Defendant contended that a copyright proprietor could not assert mechanical reproducing rights in a copyrighted unpublished musical composition since these rights

published and unpublished works of an author. Copyright of the former is obtained under § 9[10] 17 USCA § 9[10] 'by publication thereof with the notice of copyright required by this title.' See *Washingtonian Pub. Co. v. Pearson*, 306 US 30, 59 Sct 397, 83 LEd 470. Copyright of unpublished works though not described by that term, is dealt with in section 11(12) 17 USCA § 11(12).'' To the same effect are: *Leibowitz v. Columbia Graphophone Co.*, 298 Fed 342 (DC NY 1923); *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1939). *Howell, The Copyright Law* (1948) at 95: "Congress,

itself, in the amendatory act of 1928 respecting copyright fees, put its seal of approval on this interpretation in providing that 'in case of any unpublished work registered under the provisions of section 11(12) the fee for registration with certificate shall be \$1.'''

<sup>11</sup> *Infra*, § 71.

<sup>12</sup> For the various rights secured by § 1 of the Copyright Code, *passim*, § 90.

<sup>13</sup> 131 F2d 929, (2d Cir 1942), cert den 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942).

<sup>14</sup> 61 STAT 652 (1947), 17 USCA § 1(e) (Supp 1951).

were restricted to published works.<sup>15</sup> The court denied defendant's contention:

"No intelligible reason can be suggested why Congress should wish to forbid mechanical reproducers to infringe copyrighted works which had been published, but allow them to copy those which had not. One cannot say that merely because an author publishes his work he gives the public some benefit of it and for that reason should be preferred; perfect and indubitable publication can be on so small a scale that the public has even less real access to the published work than it has to the single copy of an unpublished work which is deposited under § 11 [12] in the copyright office and is open to public inspection under § 58 [212], 17 U. S. C. A. § 58 [212]. Nor is any reason apparent why the author of an unpublished motion picture film, copyrighted under section 11 [12] should have protection against unauthorized copying of his film as we held in *Patterson v. Century Productions*, 2 Cir., 93 F(2d) 489, but protection be denied the composer of an unpublished musical composition copyrighted under the same section. By complying with section 11[12] an author gets the statutory rights specified in section 1 and among them, in the case of a musical composition, the right of mechanical recording and reproduction under clause (e)."<sup>16</sup>

The next question tendered is the duration of an unpublished copyrighted work. Section 12 is silent on this issue, whereas section 24, dealing with published works recites "that the copyright secured by this title shall endure for twenty-eight years from the date of first publication."<sup>17</sup>

In *Marx v. United States*,<sup>18</sup> wherein appellants were indicted for the crime of infringing and aiding and abetting the infringement of a copyrighted radio script, the constitutionality of section 12 was challenged because the Act was silent on the duration of the copyright. The court held that "Con-

<sup>15</sup> *Id.* Section 1(e) provides that the exclusive right of mechanical reproduction applies only to compositions "published and copyrighted after July 1, 1909." Ladas, *The International Protection of Literary and Artistic Property* (1939) 763, n. 327 concluded that on the basis of the above quoted language, the copyright proprietor of an unpublished work could not exercise the exclusive right of mechanical reproduction of music.

<sup>16</sup> *Shilkret v. Musicraft Records*, 131 F2d 929 (2d Cir 1942) cert den 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942).

<sup>17</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951).

<sup>18</sup> 96 F2d 204 (9th Cir 1938). This was a criminal proceeding under § 104 of the Copyright Code, discussed *passim*, § 175.

gress manifestly intended to extend the benefits of the copyright laws to authors of unpublished works as well as to those whose works are published.”<sup>19</sup> Under such circumstances section 24 is applicable to unpublished works, hence the duration of the copyright term is for 28 years.

A subsidiary question tendered by this case was when the twenty-eight year term should begin to run. In the case of published works, the term starts “from the date of first publication.”<sup>20</sup> The court pointed out that the word “publication” has no definite and fixed meaning; that it may have one meaning for published works and another for unpublished works. But in view of the declared purpose to limit all copyrights to twenty-eight years, section 23[24] should be construed, in the case of works of which copies are not reproduced for sale, as having reference to the date of deposit.”<sup>21</sup>

Copyright is secured on unpublished works by deposit with the Copyright Office. Section 12 spells out the nature of the deposit for the various classes of works. For motion picture photoplays, the deposit must consist of the title and description, with one print taken from each scene or act; for motion pictures other than photoplays, a title and description, with not less than two prints taken from different sections of the picture. A description does not require that the scenario or shooting script be forwarded to the Copyright Office. The latter will accept a brief synopsis e.g., three or four paragraphs from the promotional literature describing the film. The prints furnished the Copyright Office are usually enlarged photographs from each reel. For lectures, dramatic or dramatico-musical compositions, one complete copy is required.<sup>22</sup> In the case of photographs, a copy will suffice; for plastic works, drawings, or works of art, a photographic or other reproduction is required.

In the event that a copyright proprietor should desire to publish or reproduce for sale unpublished works, he must

<sup>19</sup> *Id.*; *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 S Ct 759, 82 L Ed 1114 (1939).

<sup>20</sup> *Op cit supra*, note 17.

<sup>21</sup> *Marx v. United States*, 96 F2d 204 (9th Cir 1938).

<sup>22</sup> *Cf. Turner & Dahnken v. Crowley*, 252 Fed 749 (9th Cir 1918) wherein

the deposit of a printed copy of a musical composition was declared valid, although the rules and regulations of the Copyright Office, then in effect, stated that in order to secure copyright of an unpublished work, “a typewritten or manuscript copy” should be deposited.

comply with sections 13 and 14.<sup>23</sup> This requires the deposit of two additional copies of the work. The practice of the Copyright Office as affirmed by the courts is to issue a new certificate of registration.<sup>24</sup>

The statute does not require a notice of copyright on the unpublished work deposited with the Copyright Office. If the work is later reproduced for sale, it must bear the appropriate copyright notice. The copyright term for a published work dates back to the time of deposit of the unpublished work, otherwise, the term of protection could be extended beyond twenty-eight years.<sup>25</sup>

The extension of copyright protection to unpublished works presents a curious anomaly. An author may rely on his common law rights which are applicable only to unpublished works or he may invoke the protection offered by § 12. The question tendered is which method of protection is more advantageous to the author.

Common law copyright<sup>26</sup> is a perpetual right which gives the author a complete monopoly in his particular creation.<sup>27</sup> The common law rights are more absolute and extensive than the rights secured by § 1 of the Copyright Code.<sup>28</sup> In the case

<sup>23</sup> 61 STAT 652 (1947) 17 USCA § 12 (Supp 1951): “. . . . But the privilege of registration of copyright secured hereunder shall not exempt the copyright proprietor from the deposit of copies, under sections 13 and 14 of this title, where the work is later reproduced in copies for sale.”

<sup>24</sup> *Rosedale v. News Syndicate Co.*, 39 FSupp 357 (DC NY 1941).

<sup>25</sup> *Cf. Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 S Ct 759, 82 LEd 1114 (1939); *Turner & Dahnken v. Crowley*, 252 Fed 749 (9th Cir 1918).

<sup>26</sup> For a discussion of the rights conferred by common law copyright, *passim* § 202, *Bobbs-Merrill Co. v. Straus*, 210 US 339, 346, 28 S Ct 722, 52 LEd 1086 (1908):

“As the law is now expounded, there are important differences between the statutory and the common law right. The former exists only in works which have been published within the meaning of the statute, and the latter only in works which have not been so pub-

lished. In the former case ownership is limited to a term of years; in the latter it is perpetual. The rights do not coexist in the same composition; when the statutory right begins the common law right ends. Both may be defeated by publication. Thus, when a work is published in print, the owner's common law rights are lost, and unless the publication be in accordance with the requirements of the statute, the statutory right is not secured.”

<sup>27</sup> *Crowe v. Aiken*, FCas 3,441 (CC Ill 1870); *Bartlett v. Crittenden*, FCas 1,076 (CC Ohio 1849); *Baron v. Leo Feist Inc.*, 78 FSupp 686 (DC NY 1948), *aff'd*, 173 F2d 288 (2d Cir 1949).

<sup>28</sup> *Harper & Bros. v. Donohue & Co.*, 144 Fed 491, 492 (CC Ill 1905). An author's rights before publication are:

“The sole, exclusive interest, use, and control. The right to its name, to control, or prevent publication. The right of private exhibition, for criticism or otherwise, reading, representation, and restricted circulation; to

of a lecture, play, musical composition, etc., the author or composer may obtain damages for any unauthorized use, whether for profit or not;<sup>29</sup> the doctrine of "fair use"<sup>30</sup> and the compulsory licensing provisions of the Copyright Code do not apply to common law copyright. Other features of common law rights are the absence of any limitation to the damages that may be secured in case of infringement, the rights are enforceable in the state courts<sup>31</sup> and an unpublished manuscript cannot be levied or attached by creditors.<sup>32</sup>

Common law copyright has its disadvantages. "The proof of prior authorship of a manuscript song [uncopyrighted] is the most formidable of limitations. The author may present his tattered original in court; he may introduce as evidence the statements of witnesses who heard or became acquainted with the melody about the time it was composed. In a recent trial involving 'Strange Interlude' by Eugene O'Neill, one of our most famous playwrights, the attorney defending the case relied largely on this method of proof to establish prior authorship."<sup>33</sup>

Another disadvantage of common law copyright is that

copy, and permit others to copy, and to give away a copy; to translate or dramatize the work; to print without publication; to make qualified distribution. The right to make the first publication. The right to sell and assign her interest, either absolutely or conditionally, with or without qualification, limitation, or restriction, territorial or otherwise, by oral or written transfer." And see also:

Maurel v. Smith, 271 Fed 211 (2d Cir 1921), *aff'd* 220 Fed 195 (SD NY 1915); *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd* 35 Cal2d 653, 221 P2d 73 (1950); *Loew's, Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Johnston v. Twentieth Century-Fox Film Corp.*, 82 CalApp2d 796, 187 P2d 474 (1947); *Pushman v. New York Graphic Society, Inc.*, 287 NY 302, 39 NE2d 249 (1942).

<sup>29</sup> *Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 SCT 38, 54 LEd 150 (1909); *Wheaton v. Peters*, 8 Pet

591, 8 LEd 1055 (US 1834); *Maxwell v. Goodwin*, 93 Fed 665 (CC ND Ill 1899). In *Press Publishing Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 SCT 40, 41 LEd 367 (1896), it was held that exemplary or punitive damages may be awarded.

<sup>30</sup> The doctrine of "fair use" is discussed *passim*, § 157. See also *Hill v. Whalen & Martell Inc.*, 220 Fed 359 (DC NY 1914); *Toksvig v. Bruce Publishing Co.*, 181 F2d 664 (7th Cir 1950).

<sup>31</sup> *Cf. Loew's Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941).

<sup>32</sup> *Dart v. Woodhouse*, 40 Mich 399, 29 AmRep 544 (1879); *Bartlett v. Crittenden*, 2 FCas 967, No. 1,076 (CC Ohio 1849). But a mortgage of the statutory copyright on the story, treatment, script, continuity and manuscript composition of a photoplay may be foreclosed in the federal courts. *Security-First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951).

<sup>33</sup> *Shafter, Musical Copyright* (2d

general publication results in a loss of common law rights. We have discussed elsewhere that what constitutes "publication" for the purpose of terminating common law rights is at times not too clear.<sup>34</sup>

But the advantages and disadvantages of common law copyright warrant comparison with statutory copyright of unpublished works:

The disadvantages of the latter are as follows:

a) since a copyright in an unpublished work is a statutory right, there must be compliance with the formality of deposit with the Copyright Office;

b) it is limited for a term of twenty-eight years, which is renewable for another twenty-eight year term;<sup>35</sup>

c) the statutory rights are not as absolute and extensive as the common law rights, e.g., the doctrine of "fair use."<sup>36</sup>

The advantages of a copyrighted unpublished work may be summarized briefly:

a) the certificate of registration is prima facie evidence of ownership of a valid copyright;<sup>37</sup>

b) statutory copyright is under federal jurisdiction irrespective of diversity of citizenship;<sup>38</sup>

c) it provides for statutory damages where actual damages and profits cannot be ascertained.<sup>39</sup>

As stated previously, "live" radio and television shows have been and will be copyrighted as unpublished works. The advantage of section 12 is that it requires no publication of the work, hence it can be argued that there is less likelihood of unauthorized performances, presentations or exhibitions.

Ed 1939) 110. The O'Neill case is *Lewys v. O'Neill*, 49 F2d 603 (2d Cir 1931).

<sup>34</sup> The doctrine of publication resulting in a loss of common law rights is discussed *passim*, § 203. And see *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>35</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951).

<sup>36</sup> *Op cit supra*, notes 28 to 30, inclusive.

<sup>37</sup> 61 STAT 652 (1947), 17 USCA

§ 209 (Supp 1951); *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (DC NY 1942); *Marks Music Corp. v. Stasny Music Corp.*, 1 FRD 720 (DC NY 1941); *Infra* §§ 64 and 66.

<sup>38</sup> 61 STAT 652 (1948) as amended by Act of June 25, 1948, 62 STAT 992, 17 USCA § 101 (Supp 1951). And see *Security-First National Bank v. Republic Pictures Corp.*, 97 FSupp 360 (DC Cal 1951). *Passim*, § 172.

<sup>39</sup> *Id.* And see Chapter XVI, § 160 ff.

## Chapter VIII

### DURATION AND RENEWAL OF COPYRIGHT

#### § 80. Duration of Copyright.

81. Renewal of Copyright: General Discussion.
- 81a. Renewal of Copyrights Subsisting July 1, 1909.
- 81b. Renewal of Copyrights Registered in Patent Office.
82. Renewable Works by Proprietors.
83. Renewable Works of Authors.
84. Formalities for Renewal of Copyright.

#### 80. DURATION OF COPYRIGHT.

Section 24 of the Copyright Code recites that “the copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author’s true name or is published anonymously or under an assumed name.”<sup>1</sup> The “date of first publication” is defined in the case of works reproduced in copies for sale or distribution, as the earliest date when copies of the first authorized edition are placed on sale, sold or publicly distributed by the proprietor of the copyright or under his authority.<sup>2</sup> The date of publication for unpublished works is when deposit of a copy is made at the Copyright Office.<sup>3</sup>

“Copyright under the Act runs for 28 years after first publication and not from the date of registration save in cases of *ad interim* copyright.<sup>4</sup> While the length of the initial term is the same as in previous statutes, except that the term granted by these ran from registration, not publication, the length of the renewal term, where authorized, has been doubled.”<sup>5</sup>

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951). The Berne Convention, Brussels Revision (1948) Article 7, Clause 1 provided that “the term of protection granted by this Convention shall be the life of the author and fifty years after his death.” See Ladas, *The International Protection of Literary and Artistic Property* (1938) Ch. VII Duration of Copyright, 311 ff.

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 26 (Supp 1951); see *Tobani v. Carl Fischer Inc.*, 98 F2d 57 (2d Cir 1938), cert den, 305 US 650, 59 Sct 243, 83

LEd 420 (1939); *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938) cert den 303 US 655, 58 Sct 759, 82 LEd 1114 (1939).

<sup>3</sup> *Marx v. United States*, 96 F2d 204 (9th Cir 1938); *Patterson v. Century Productions*, 93 F2d 489, (2d Cir 1938), cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1939). See also *Shilkret v. Musiercraft Records*, 131 F2d 929 (2d Cir 1942), cert den, 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942).

<sup>4</sup> For the term of *ad interim* copyright, see *infra* § 68.

<sup>5</sup> Weil, *Copyright Law* (1917) 363.

### 81. RENEWAL OF COPYRIGHT: GENERAL DISCUSSION.

Section 24 of the Copyright Code dealing with the renewal and extension of copyright provides:

“§ 24. *Duration; Renewal and Extension.*—The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author’s true name or is published anonymously or under an assumed name: *Provided*, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children, be not living, then the author’s executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.”<sup>1</sup>

Renewal of copyright is a misnomer. The second copyright term for another twenty-eight years is not a continuing right but a new and independent grant, free and clear of any rights, interests, or licenses attached to the copyright for the initial term.<sup>2</sup> The devolution of the right of renewal does not follow

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951).

tures Inc., 92 FSupp 537 (DC NY 1950), modified on appeal, 189 F2d 469, 471 (2d Cir 1951): “A copyright

<sup>2</sup> Ricordi & Co. v. Paramount Pic-

the ordinary rules of law in case of testacy or intestacy and thus pass to the author's estate if he dies before the renewal year arrives. Renewal of copyright is governed by the statute; it can be obtained only by the author and by designated beneficiaries in the order of preference specified by the Copyright Code:<sup>3</sup>

- a) the author if still living at the end of the original term;
- b) the widow, widower, or children if the author is dead;
- c) the author's executor if the widow, widower or children are dead;
- d) the author's next of kin, if there be no will.<sup>4</sup>

Renewal of copyright is derived from the Statute of Anne which gave the author or his assigns an exclusive copyright for 14 years from publication; after the expiration of this term, if the author was still living, the copyright could be renewed for another 14 years.<sup>5</sup> The English law today, conforms to the Berne Convention by giving the author and his assigns the exclusive copyright for the life of the author and fifty years after his death.<sup>6</sup>

The first Federal Copyright Act of 1790 reflected its historical antecedents. The first term was for 14 years and "if, at the expiration of the said term, the author or authors, or any of them, be living, and a citizen or citizens of these United States, or resident therein, the same exclusive right shall be continued to him or them, his or their executors, administrators or assigns, for the further term of fourteen years."<sup>7</sup>

renewal creates a new estate, and the few cases which have dealt with the subject assert that the new estate is clear of all rights, interests or licenses granted under the original copyright"; *Witmark & Sons v. Fisher Music Co.*, 38 FSupp 72 (DC NY 1941), *aff'd*, 125 F2d 949 (2d Cir 1942), *aff'd* 318 US 643, 63 Sct 773, 87 LEd 1055 (1943); *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943); *Shapiro Bernstein & Co. v. Bryan*, 27 FSupp 11 (DC NY 1939), *aff'd*, 123 F2d 697 (2d Cir 1941); *Southern Music Publishers v. Bibo-Lang, Inc.*, 10 FSupp 975 (DC NY 1935) modified on appeal, 85 F2d 63 (2d Cir 1936); *Silverman v. Sunrise Pictures Corp.*, 273 Fed 909 (2d

Cir 1921), cert den, 262 US 758, 43 Sct 705, 67 LEd 1219 (1923); *Fox Film Corp. v. Knowles*, 274 Fed 731, 732, (DC NY 1921), *aff'd*, 279 Fed 1018 (2d Cir 1922) reversed on other grounds, 261 US 326, 43 Sct 365, 67 LEd 680 (1923); *Fitch v. Shubert*, 20 FSupp 314 (DC NY 1937); *White-Smith Music Publishing Co. v. Goff*, 187 Fed 247 (1st Cir 1910).

<sup>3</sup> *Op cit supra*, note 2.

<sup>4</sup> *Op cit supra*, note 1.

<sup>5</sup> 8 Anne c. 19 (1709).

<sup>6</sup> Copyright Act of 1911, 1 & 2 Geo. V, c. 34. See Copinger, *Copyright* (7th Ed 1936) 78-86.

<sup>7</sup> 1 STAT 124 (1790). Prior to this statute, two of the original thir-

The Copyright Act of 1831 amended the 1790 Act in two important respects: the original term was increased from fourteen to twenty-eight years, and the renewal term, although still only fourteen years long, could pass to the author's widow or children if he did not survive the original term.<sup>8</sup>

The Copyright Act of 1909<sup>9</sup> effected the following changes in the 1831 legislation:

a) the original term and renewal were both extended to twenty-eight years;<sup>10</sup>

b) the privilege of renewal was granted not only to the author, his widow and surviving children, but was extended to the author's executor, or in the absence of a will, to his next of kin.

c) a new provision was added which authorized the proprietor as distinguished from the author to obtain a renewal of copyright on the following classes of works:

- 1) posthumous work;
- 2) periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor;
- 3) works copyrighted by a corporate body;
- 4) an employer for whom such work is made for hire.<sup>11</sup>

teen colonies, Maryland and South Carolina provided a second term of copyright only on behalf of the author, if living. Connecticut, Georgia, New Jersey, New York and Pennsylvania, while providing for renewal terms, enacted legislation which provided that at the end of the first term, the protection should return to the "author if living, his heirs and assigns." See Hearings on Revision of Copyright Laws, before the House of Representatives, 74th Cong 2d Sess (1936) 1195 ff.

<sup>8</sup> 4 STAT 436 (1834). The purpose of these changes as stated in the report of the Committee on the Judiciary of the House of Representatives was "chiefly to enlarge the period for the enjoyment of copy-right, and thereby to place authors in this country more nearly upon an equality with authors in other countries. . . . In the United States, by the existing laws, a copy-right is secured to the author for fourteen years; and, if, at the end of that period, he be living, then for fourteen

years more; but, if he be not then living, the copy-right is determined, although, by the very event of the death of the author, his family stands in more need of the only means of subsistence ordinarily left to them." 7 Register of Debates appx. cxix.

<sup>9</sup> Act of March 4, 1909, 35 STAT 1075.

<sup>10</sup> It was originally proposed that in the case of books and musical compositions, that the copyright term be for one term, lasting for the life of the author and for fifty years thereafter. HR 19,853 and S 6330, 59th Cong 1st Sess (1905). Joint hearings by the Committees on Patents of both houses were held on these bills but no action was taken by the Fifty-ninth Congress.

<sup>11</sup> H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

"Section 23 [now 24] deals with the term of the copyright. Under existing law the copyright term is twenty-eight ears, with the right of renewal by the

The second proviso to § 23 of the Copyright Act of 1909 (now § 24 of the Copyright Code) dealing with contributions and other works renewable by an author provided in part:

“That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work *when such contribution has been separately registered*, the author of such work, if

author, or by the author's widow or children if he be dead, for a further term of fourteen years, with the right of renewal for fourteen years. The act of 1790 provided for an original term of fourteen years with the right of renewal for fourteen years. The act of 1831 extended the term to its present length. It was urged before the committee that it would be better to have a single term without any right of renewal, and a term of life and fifty years was suggested. Your committee, after full consideration, decided that it was distinctly to the advantage of the author to preserve the renewal period. It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years, your committee felt that it should be the exclusive right of the author to take the renewal term, and the law should be framed as is the existing law, so that he could not be deprived of that right.

“The present term of twenty-eight years, with the right of renewal for fourteen years, in many cases is insufficient. The terms, taken together, ought to be long enough to give the author the exclusive right to his work for such a period that there would be no probability of its being taken away from him in his old age, when perhaps, he needs it the most. A very small percentage of the copyrights are ever renewed. All use of them ceases in most cases long before the expiration of twenty-eight years. In the comparatively few cases where the work survives the original term the author ought to be given an adequate renewal term. In the exceptional case of a brilliant work of literature, art, or musical composition it continues to

have a value for a long period, but this value is dependent upon the merit of the composition. Just in proportion as the composition is meritorious and deserving will it continue to be profitable, provided the copyright is extended so long; and it is believed that in all such cases where the merit is very high this term is certainly not too long.

“Your committee do not favor and the bill does not provide for any extension of the original term of twenty-eight years, but it does provide for an extension of the renewal term from fourteen years to twenty-eight years; and it makes some change in existing law as to those who may apply for the renewal. Instead of confining the right of renewal to the author, if still living, or to the widow or children of the author, if he be dead, we provide that the author of such work, if still living, may apply for the renewal, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or, in the absence of a will, his next of kin. It was not the intention to permit the administrator to apply for the renewal, but to permit the author who had no wife or children to bequeath by will the right to apply for the renewal.

“In the case of composite or cyclopaedic works, to which a great many authors contribute for hire and upon which the copyright was originally secured by the proprietor of the work, it was felt that the proprietor of such work should have the exclusive right to apply for the renewal term. In some cases the contributors to such a work might number hundreds and be scattered over the world, and it would be impossible for the proprietor of the work to secure their cooperation in applying for the renewal.”

still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years. . .'<sup>12</sup>

The italicized phrase was deleted by the Act of March 15, 1940.<sup>13</sup> Prior to this amendment, the author, widow, children, etc., could not obtain a renewal of the contribution to a periodical or composite work not separately registered unless the proprietor assigned the copyright in the contribution to the author, etc. The proprietor could, if he desired, exact remuneration from the author, etc., for the assignment of the copyright.<sup>14</sup> In addition, when the time for renewal arrived, the proprietor, i.e., the publishing company of the periodical or composite work had gone out of existence, leaving no successor in interest or any legal representative entitled to renew the copyright. This resulted in many contributions falling into the public domain. The foregoing prompted Congress to delete this restrictive clause.<sup>15</sup>

Section 24 of the Copyright Code reenacts verbatim the corresponding provision of the Copyright Act of 1909 as amended by the Act of March 15, 1940.<sup>16</sup>

<sup>12</sup> 35 STAT 1080 (1909).

<sup>13</sup> 54 STAT 51.

<sup>14</sup> Howell, *The Copyright Law* (1948) 105.

<sup>15</sup> S Rept No 465 which accompanied S 547, 76th Cong 1st Sess (1939) which resulted in the Act of March 15, 1940, 54 STAT 51:

“The purpose of the bill is set forth in the following report from the Register of Copyrights, dated May 20, 1939:

“The primary purpose of this proposed amendment is to make it possible for authors and those naturally dependent upon them to save valuable copyrights from falling into the public domain at the end of the first term of 28 years because the contribution to the periodical was not separately registered, although protected by the blanket copyright of the issue of the periodical in which it appeared. Many of such copyrights are falling into the public domain from day to day because

the proprietor, i.e., the publishing company of the periodical, has gone out of existence, leaving no successor in interest or any legal representative entitled to renew the copyright. This information comes to us through the authors themselves or their agents, who seek to secure renewal, but upon investigation of the original records it turns out that no separate registration of the work in question had been made and consequently the author or his widow, children, etc., are barred under the law as it stands from exercising the renewal privilege.

“The renewal applications which the Copyright Office has been obliged under existing law to reject, relate in practically every instance to stories which originally appeared as contributions to newspapers or magazines.”

<sup>16</sup> H Rept No 254 which accompanied H R 2083, 80th Cong 1st Sess (1947).

**81a. RENEWAL OF COPYRIGHTS SUBSISTING JULY 1, 1909.**

Section 24 of the Copyright Act of 1909, quoted in the margin,<sup>1</sup> became obsolete on July 1, 1937; it was deleted from the Copyright Code when § 24 of the latter became effective on the same date.<sup>2</sup>

The purpose of § 24 of the Copyright Act of 1909 was to extend to copyrights acquired before July 1, 1909 the benefits of the increased renewal term. Prior to the 1909 legislation, the original term was twenty-eight years and the renewal term was fourteen years. The 1909 Act gave to subsisting copyrights protection up to fifty-six years, reckoned from the date of original entry of title.

The foregoing is illustrative by *Harris v. Coca-Cola Co.*<sup>3</sup> The original copyright on a book was obtained on May 2, 1880. The original twenty-eight year term expired in 1908. The renewal term which was then fourteen years terminated on May 2, 1922. Section 24 of the Copyright Act of 1909 gave the author, widow, children, etc., an additional renewal and extension for a further term of fourteen years. Thus if the author, widow, children, etc., applied for renewal within the year expiring on May 2, 1922, they secured copyright protection for fifty-six years.<sup>4</sup>

**81b. RENEWAL OF COPYRIGHTS REGISTERED IN PATENT OFFICE.**

We have discussed elsewhere that under the Act of June 18, 1874,<sup>1</sup> the Commissioner of Patents supervised and controlled

<sup>1</sup> Act of March 4, 1909, § 24, 35 STAT 1088:

“Sec. 24. That the copyright subsisting in any work on July 1, 1909, may, at the expiration of the term provided for under existing law, be renewed and extended by the author of such work if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then by the author's executors, or in the absence of a will, his next of kin, for a further period such that the entire term shall be equal to that secured by this Act, including the renewal period: *Provided, however,* That if the work be a composite work upon which copyright was originally secured by the pro-

prietor thereof, then such proprietor shall be entitled to the privilege of renewal and extension granted under this section: *Provided,* That application for such renewal and extension shall be made to the copyright office and duly registered therein within one year prior to the expiration of the existing term.”

<sup>2</sup> H Rept No 254 which accompanied HR 2083, 80th Cong 1st Sess (1947).

<sup>3</sup> *Harris v. Coca-Cola Co.*, 1 FSupp 713 (DC Ga 1932), *aff'd*, 73 F2d 370 (5th Cir 1935) cert den, 294 US 709, 55 Sct 406, 79 LEd 1243 (1935).

<sup>4</sup> See also *Fox Film Corp. v. Knowles*, 261 US 326, 43 Sct 365, 67 LEd 680 (1923).

<sup>1</sup> 18 STAT 78.

the registration of prints and labels as copyrights.<sup>2</sup> By the Act of July 31, 1939, effective July 1, 1940, the Commissioner's jurisdiction over commercial prints and labels for the purpose of copyright registration was transferred to the Register of Copyrights.<sup>3</sup>

Section 4 of the 1939 Act was renumbered § 25 when the Copyright Code was enacted.<sup>4</sup> Section 25 is self-explanatory:

§ 25: "*Renewal of Copyrights Registered in Patent Office Under Repealed Law.*—Subsisting copyrights originally registered in the Patent Office prior to July 1, 1940, under section 3 of the act of June 18, 1874, shall be subject to renewal in behalf of the proprietor upon application made to the Register of Copyrights within one year prior to the expiration of the original term of twenty-eight years."<sup>5</sup>

## 82. RENEWABLE WORKS BY PROPRIETORS.

Section 24 authorizes the proprietor<sup>1</sup> of the original copyright as distinguished from the author, widow, children, etc., to obtain the renewal for the following classes of works:<sup>2</sup>

1. "Posthumous works," i.e. those on which the original copyright has been taken out by someone to whom the literary property passed before publication.<sup>3</sup> Howell in commenting on this classification states:

"It is difficult to see why these were included in this proviso, since it has the effect of depriving the author's spouse and children from the renewal privilege in case

<sup>2</sup> *Infra*, § 31k.

<sup>3</sup> Act of July 31, 1939, 53 STAT 1142.

<sup>4</sup> H Rept No 254 which accompanied HR 2083, 80th Cong 1st Sess (1947).

<sup>5</sup> 61 STAT 652 (1947), 17 USCA § 25 (Supp 1951).

<sup>1</sup> Weil, Copyright Law (1917), 364: "Every proprietor of a copyrightable work is entitled to copyright therein but every proprietor of statutory copyright is not entitled to a renewal of such copyright on the expiration of its initial term. As pointed out in an excellent opinion, (*White-Smith Music Publishing Co. v. Goff* (CC RI 1910) 180 Fed 256, affirmed in 1st Cir 1911, 187 Fed 247) citing and comparing the various statutory provisions bearing on the subject matter of the suc-

ceeding section, it has been a uniform legislative policy, manifested in all of the American statutes, to differentiate between proprietors, who were not the authors of copyrighted works, and such authors, or their families, when renewals of copyright were made."

<sup>2</sup> *Ibid.*; see H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909). See also *Shapiro, Bernstein & Co. v. Bryan*, 123 F2d 69 (2d Cir 1941); *Witmark & Sons v. Fisher Music Co.*, 38 FSupp 72 (DC NY 1941), *aff'd*, 125 F2d 949, (2d Cir 1942), (but see dissenting opinion of Mr. Justice Frank at 954 ff.), *aff'd* 318 US 643, 63 Sct 773, 87 LEd 1055 (1943).

<sup>3</sup> *Shapiro, Bernstein & Co. v. Bryan*, 123 F2d 697 (2d Cir 1941).

the original copyright was secured by the publisher. In principle, they should have the same right of renewal as when the work is published during the author's life."<sup>4</sup>

2. "Composite works." This refers to works to which a number of authors have contributed distinguishable parts, viz., compilations, encyclopedias, periodicals etc.<sup>5</sup>

3. "Any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author)." Judge Learned Hand in referring to this category states that "the third class is not entirely plain."<sup>6</sup> Howell voices the same criticism but refers to the legislative history of the provision to clarify its meaning. He states that "the words in the parenthetical clause '(otherwise than as assignee, or licensee of the individual author),' 'are necessary to cover the case of a personal copyright taken out by an incorporated firm of publishers.' That is to say, presumably to cover the case of a work by an individual author who assigned the right to secure copyright for the first term to a 'corporate body,' in contrast to works of an impersonal character, such as digests and dictionaries, where the identity of the individual authors is merged in the work as a whole. It is to the latter types of work that this clause seems especially applicable, composite works being already covered by the preceding clause."<sup>7</sup>

4. Any work originally copyrighted by "an employer for whom such work is made for hire." This classification can be illustrated by *Tobani v. Carl Fischer, Inc.*<sup>8</sup> and *Shapiro Bernstein & Co. v. Bryan.*<sup>9</sup> The original copyright in the *Tobani* case was acquired prior to 1909, hence section 24 of

<sup>4</sup> Howell, *The Copyright Law* (1948) 103.

<sup>5</sup> *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), modified on appeal, 189 F2d 469 (2d Cir 1951); *Shapiro, Bernstein & Co. v. Bryan*, 123 F2d 697 (2d Cir 1941), *Harris v. Coca-Cola Co.* 1 FSupp 713 (DC Ga 1932) *aff'd* 73 F2d 370 (5th Cir 1935), cert den, 294 US 709, 55 Sct 406, 79 LEd 1243 (1935).

<sup>6</sup> *Shapiro, Bernstein & Co. v. Bryan*, 123 F2d 697, 699 (2d Cir 1941): "The third class is not entirely plain and it is not indeed necessary for us to define its scope. Coupled as it is with the fourth—which alone is here important—it may include 'works' which

are composed by persons who may be related to a corporation neither as employees 'for hire,' nor as assignors or licensors. (Members of a corporation producing a common 'work' by mutual contributions, fused so as to be indistinguishable, may conceivably be one example)."

<sup>7</sup> Howell, *The Copyright Law* (1948) 103.

<sup>8</sup> 98 F2d 57 (2d Cir 1938), cert den, 305 US 650, 59 Sct 243, 83 LEd 420 (1939). See also *Tobani v. Carl Fischer, Inc.*, 263 AppDiv 503, 33 NYS2d, 294 (1942), *aff'd*, 289 NY 727, 46 NE2d 347 (1943).

<sup>9</sup> 27 FSupp 11 (DC NY 1911), *aff'd* 123 F2d 697 (2d Cir 1941).

the Copyright Act of 1909 was applicable. Tobani was employed as an arranger by the defendant under a contract for hire. In 1928, eleven years after his employment ceased, and in order to settle a dispute as to defendant's claim of ownership of the copyright renewals with respect to musical works prepared by Tobani, a contract was entered into adjusting this dispute. By this agreement Tobani acknowledged that these works were prepared by him pursuant to and in furtherance of his employment; he conveyed to his employer all such works, the copyright therein and the right to apply for renewals. Tobani received \$25 per week for life and at his death his wife was to get \$5,000.

Tobani's son, in behalf of himself and the deceased's other children, secured the renewals in his own name. The question tendered was who was entitled to the renewals.

Since section 24 of the Copyright Act of 1909 did not specifically recite that an "employer for hire" could secure a renewal, "the Copyright Office deemed that he was excluded from the right of renewal thereunder, and so consistently refused to register a claim presented on that basis."<sup>10</sup> Plaintiffs invoked this argument. The court, however, rejected this contention; it relied on section 62 (now 26) which provides that "in the interpretation and construction of this Act [title] . . . the word 'author' shall include an employer in the case of works made for hire."<sup>11</sup> Since Tobani was an employee for hire, the defendant was an author, hence it was authorized to obtain the renewal. Another factor which influenced the court's decision was that "the author [Tobani] here parted with his absolute property in the work and could not himself, if living, secure a renewal of the copyright."<sup>12</sup>

But the decree of the Second Circuit Court of Appeals presents a curious anomaly. The lower court had directed the plaintiff to assign the renewal to the defendant. Although the appellate court stated that plaintiffs had no right to a renewal of the copyrights, hence their renewal registrations were void, "it does not follow, however, that appellee [defendant] can cure its failure to renew by compelling appellants

<sup>10</sup> Howell, *The Copyright Law* (1948) 106. <sup>12</sup> *Op cit supra*, note 8.

<sup>11</sup> 61 STAT 652 (1947), 17 USCA § 26 (Supp 1950).

[plaintiffs] to convey their registration.”<sup>13</sup> It is believed that the court should have ordered the assignment of renewals to the defendant, rather than have the works fall into the public domain. The court could readily have concluded that plaintiffs were trustees *ex maleficio* for the benefit of defendant.<sup>14</sup>

In *Shapiro Bernstein & Co. v. Bryan*,<sup>15</sup> which dealt with § 24 of the Copyright Code, plaintiff had employed defendants to write the words and music of a series of songs under a contract for hire. The original copyright was obtained by the predecessor of plaintiff on October 18, 1910. The copyright term expired on October 18, 1938, hence an application for renewal had to be made within the year beginning October 19, 1937. Both plaintiff and defendants filed applications for renewal of copyright. The issue in the case was whether plaintiff was an “employer for whom” the song “was made for hire.” This was dependent on the contracts of employment between plaintiff and defendants. The court examined with care the written contracts of employments and concluded that plaintiff was an employer for hire. “The simple meaning of the words is that when the employer has become the proprietor of the original copyright because it was made by an employee ‘for hire,’ the right of renewal goes with it, unlike an assignment. . . . The ‘work’ intended is clearly any ‘work’ which, but for the employment, the employee could have himself copyrighted; not a work in which his rights would have given him only a joint interest in the copyright.”<sup>16</sup>

<sup>13</sup> *Id.* See also *Von Tilzer v. Vogel Music Co.*, 53 FSupp 191 (DC NY 1943) *aff'd sub nom.* *Gumm v. Vogel Music Inc.*, 158 F2d 516 (2d Cir 1946).

<sup>14</sup> *Cf.* *Shapiro Bernstein & Co. v. Vogel Music Co.*, 73 FSupp 165 (DC NY 1947); *Vogel Music Co. v. Forster Music Publisher*, 147 F2d 614 (2d Cir 1945) cert den, 325 US 880, 65 Sct 1573, 89 LEd 1996 (1946); *Marks Music Corp. v. Vogel Music Co.*, 47 FSupp 490 (DC NY 1942), *aff'd* 140 F2d 266 (2d Cir 1944), modified on other grounds, 140 F2d 268 (2d Cir

1944); But in 28 Op Atty Gen 170 (1910) it was stated “he [the Register of Copyrights] should be governed by the language of the statute and grant a renewal to no one other than the person or persons mentioned therein.”

<sup>15</sup> 27 FSupp 11 (DC NY 1939) *aff'd*, 123 F2d 697 (2d Cir 1941).

<sup>16</sup> *Id.* at 700. To the same effect: *Von Tilzer v. Vogel Music Co.*, 53 FSupp 191 (DC NY 1943) *aff'd*, 158 F2d 516 (2d Cir 1946); *Fisher Music Co. v. Leo Feist Inc.*, 55 FSupp 359 (DC NY 1944).

### 83. RENEWABLE WORKS OF AUTHORS.

The policy of section 24 is to confer the right of renewal upon "the author of such work, if still living, or the widow, widower or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin. . . ."

Since the right of renewal is statutory,<sup>2</sup> it cannot be given to an assignee, legatee or the administrator of an estate, including an administrator de bonis non with the will annexed.<sup>3</sup> On the other hand if the author dies before the renewal year arrives leaving no surviving spouse or children, the author's executor may secure the renewal since he represents the person of the testator and may exercise the powers of the decedent.<sup>4</sup> This means that an executor has greater rights than his testator since the latter cannot bequeath the renewal right where his death precedes the original statutory term. "An executor in a similar situation merely permits the time to elapse before the statutory period arises and then undertakes validly to renew the copyright."<sup>5</sup>

Since renewal of copyright is a new statutory grant, any and all license agreements which attached to the copyright for the initial term are no longer binding.<sup>6</sup>

But the derivative copyrights authorized by a licensing agreement are not necessarily terminated at the expiration of the original copyright term. This is illustrated by *Ricordi & Co. v. Paramount Pictures Inc.*,<sup>7</sup> wherein one of the issues

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951).

<sup>2</sup> 28 Op Atty Gen 170 (1910). Cf. *Marks Music Corp. v. Vogel Music Co.*, 47 FSupp 490 (DC NY 1942), *aff'd*, 140 F2d 266 (2d Cir 1944) modified on other grounds, 140 F2d 268 (2d Cir 1944).

<sup>3</sup> *Silverman v. Sunrise Pictures Co.*, 290 Fed 804 (2d Cir 1923), cert den 262 US 758, 43 Sct 705, 67 LE 1219 (1923); *Danks v. Gordon*, 119 NY Misc 571 (1922); *Danks v. Gordon*, 272 Fed 821 (2d Cir 1921); *White-Smith Music Publishing Co. v. Goff*, 187 Fed 247 (1st Cir 1911).

<sup>4</sup> *Yardley v. Houghton Mifflin Co.*, 25 FSupp 631 (DC NY 1938), *aff'd* 108 F2d 28 (2d Cir 1939) cert den

309 US 686, 60 Sct 891, 84 LE 1029 (1939); *Fox Film Corp. v. Knowles*, 261 US 326, 43 Sct 365, 67 LE 680 (1923).

<sup>5</sup> *Shafter, Musical Copyright* (2d Ed 1939) 174.

<sup>6</sup> *Ricordi & Co. v. Paramount Pictures, Inc.*, 92 FSupp 537 (DC NY 1950) modified on appeal, 189 F2d 469 (2d Cir 1951); *Witmark & Sons v. Fisher Music Co.*, 38 FSupp 72 (DC NY 1941), *aff'd* 125 F2d 949 (2d Cir 1942), *aff'd* 318 US 643, 63 Sct 773, 87 LE 1055 (1943); *Fitch v. Shubert*, 20 FSupp 314 (DC NY 1937).

<sup>7</sup> 92 FSupp 537 (DC NY 1950) modified on appeal, 189 F2d 469 (2d Cir 1951).

tendered the court was the extent to which a licensed copyrighted dramatization of a novel survived the original copyright term of the novel. The case will be discussed in detail since it illustrates some of the complexities attendant renewals of copyrights.

In 1897 John Luther Long wrote a novel entitled "Madame Butterfly," which was published in the Century Magazine and copyrighted by the Century Company. In 1900 David Belasco with the consent of the copyright owner, wrote a play based on the novel and having the same title. This play was not copyrighted until 1917. In 1901 Long and Belasco made a contract with plaintiff, Ricordi, whereby the latter secured the exclusive rights throughout the world to make an operatic version of "Madame Butterfly." This license agreement authorized plaintiff to copyright the operatic version. Puccini in collaboration with others wrote the opera "Madame Butterfly." The latter was copyrighted in 1904; the renewal was acquired by plaintiff in 1931 from the son of Puccini.

In 1913 Long and the defendant, Paramount Pictures Inc., entered into an agreement whereby the latter obtained motion picture rights in Long's novel for a five year term. This license was renewed in 1919; it expired in 1924.

Long renewed his copyright in the novel on August 12, 1925. In 1932 his administrator granted defendant the motion picture rights therein. The defendant in 1932 likewise secured from the trustee under Belasco's will an assignment of the motion picture rights in Belasco's play. The copyright on the play expired in 1945 and was not renewed.

The issue before the court was whether the plaintiff could make a motion picture version of its opera. Defendant contended that plaintiff had stage and not motion picture rights; that in order for plaintiff to produce a motion picture of the opera, it had to obtain the motion picture rights from defendant.

The court held:

a) At the expiration of the original copyright term of the novel in 1925, the motion picture rights assigned defendant terminated. However, the assignment to defendant of motion picture rights in the renewal of copyright of Long's novel was valid.

b) Defendant's assignment of the motion picture rights in Belasco's play was a nullity since the copyright in the play expired in 1945 and was not renewed. Belasco's play was property in the public domain.

c) To return to the original question viz., whether the license agreement which authorized the plaintiff to obtain a copyright on the operatic version terminated when the copyright on Long's novel expired in 1925, the court held that the expiration of the original term "did not affect the plaintiff's copyright of so much of the opera as was a 'new work' and entitled to be independently copyrighted as such."<sup>8</sup> In other words plaintiff acquired no rights under Long's renewal of the copyright; however, the copyright of the opera gave plaintiff rights in such new matter which it added to the play.<sup>9</sup> These rights or new matter persisted beyond the original term of Long's copyrighted novel.

d) The court concluded that plaintiff was not entitled to make general use of the novel for a motion picture version of Long's copyrighted story; plaintiff was restricted to what was copyrightable as new matter. Plaintiff, however, was free to use Belasco's play since the latter was in the public domain. On the other hand defendant, by virtue of its assignment of the motion picture rights from Long's administrator in 1932, had exclusive motion picture rights in the novel; it could also use Belasco's play, but was precluded from using plaintiff's opera without its consent.

Another question which was recently before the courts was whether an agreement to assign a renewal made by an author in advance of the twenty-eighth year of the original term was valid and enforceable. In *Fisher Music Co. v. Witmark & Sons*,<sup>10</sup> the defendant-George Graff had collaborated in the writing of "When Irish Eyes Are Smiling." Graff and his associates were employed under a contract whereby they assigned the copyright to the plaintiff, Witmark & Sons. Five years later, Graff entered into a second agreement with

<sup>8</sup> *Id.* at 471.

<sup>9</sup> 61 STAT 652 (1947), 17 USCA § 7 (Supp 1951). *Shapiro Bernstein & Co. v. Vogel Music Co.*, 73 FSupp 165 (DC NY 1947); *Edmonds v. Stern*, 248 Fed 897 (2d Cir 1918).

<sup>10</sup> 38 FSupp 72 (DC NY 1941), *aff'd* 125 F2d 949 (2d Cir 1942) *aff'd* 318 US 642, 63 S Ct 773, 87 LEd 1055 (1943).

the plaintiff whereby for a consideration of \$1,600, he released all royalties and renewal rights to 60 songs including "When Irish Eyes Are Smiling." This assignment of the renewal rights purported to bind Graff, "his heirs, executors, administrators and next of kin," and granted an irrevocable power of attorney to plaintiff to execute in Graff's name or that of his heirs, all documents necessary to secure the renewal of copyright.<sup>11</sup>

Plaintiff applied for the renewal within the statutory term in Graff's name, registered the renewal in Graff's name and subsequently assigned the renewal to itself and recorded the same. Graff applied for renewal and subsequently assigned the same to Fisher Music Co. When Fisher threatened to publish the song, plaintiff requested an injunction pendente lite, an accounting and damages.

The narrow issue before the court was whether "an agreement to assign his renewal, made by an author in advance of the twenty-eighth year of the original term of copyright, is valid and enforceable."<sup>12</sup>

The Supreme Court relied on the legislative history of section 24 and concluded that there was no *statutory* bar against assignments of authors' renewal interests. This is the narrow holding of the *Witmark* and *Fisher* case. Although the author may agree to assign in futuro his renewal rights, the fulfillment of such a contract is contingent upon his surviving into the renewal year.<sup>13</sup> "It is also apparent that the assignment here would not have cut off the rights of renewal extended to the widow, children, executors, or next of kin, in the event of Graff's death prior to the renewal period."<sup>14</sup>

The opinion in the *Witmark* and *Fisher* case intimated

<sup>11</sup> The appellate court, 125 F2d 949, held that an express power of attorney to file application for renewal of copyright was not required; the power of attorney could be implied from the assignment of expectancy of copyright renewal. To the same effect is *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943).

<sup>12</sup> 318 US 647.

<sup>13</sup> *Id.*; *Ricordi & Co. v. Paramount Pictures Inc.*, 189 F2d 469 (2d Cir 1951); *Von Tilzer v. Vogel Music Co.*, 53 FSupp 191 (DC NY 1943); *Ros-*

*siter v. Vogel*, 134 F2d 908 (2d Cir 1943). A contract to assign a renewal in futuro is enforceable in the state courts. *Schirmer v. Robbins Music Corp.*, 176 Misc 578, 28 NYS2d 699 (1941); *Tobani v. Carl Fischer, Inc.*, 263 AppDiv 503, 33 NYS2d 294 (1942), *aff'd*, 289 NY 727, 46 NE2d 347 (1943).

<sup>14</sup> *Witmark & Sons v. Fisher Music Co.*, 125 F2d 949, 950 (2d Cir 1942); *Fox Film Corp. v. Knowles*, 261 US 326, 43 S Ct 365, 67 L Ed 680 (1923).

that the courts could examine agreements which assigned renewal rights in futuro to determine whether they were made under such coercion that their enforcement would be unconscionable. In *Rossiter v. Vogel*, the Second Circuit reversed and remanded a case to the District Court to determine an issue of fact, viz., whether there was adequate consideration for an assignment of renewal rights in futuro.<sup>15</sup>

Another question which undoubtedly will be presented to the courts is whether a widow or children who join with the author in the assignment of renewal rights in futuro are bound by such a contract when the author dies before the statutory year arrives. Such an agreement would appear to circumvent the statute and nullify the Congressional intent i.e., the protection and security intended for an author's family.<sup>16</sup> Assuming that there is no statutory ban to such contracts (which we doubt) the courts would scrutinize such contracts with care to determine if any coercion had been exercised, or if the consideration was adequate.<sup>17</sup>

We had discussed elsewhere that if one of several authors secures the copyright in his own name upon a joint work, the copyright is valid, but the copyright owner holds it upon a constructive trust for the other authors.<sup>18</sup> This principle has been extended to the renewal of copyright<sup>19</sup> and was further amplified by *Marks Music Corporation v. Vogel Music Co.*<sup>20</sup> In this case Marks composed the words which were

<sup>15</sup> *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943).

<sup>16</sup> *Op cit supra*, note 13; *Shapiro Bernstein & Co. v. Bryan*, 123 F2d 697 (2d Cir 1941); *Silverman v. Sunrise Pictures Corporation*, 273 Fed 909 (DC NY 1921), *aff'd*, 290 Fed 804 (2d Cir 1923) cert den, 262 US 758, 43 SCt 705, 67 LEd 1219 (1923):

"It is plain from the language of the act, and from the design and purpose thereof as expressed by congressional committee and recognized by courts, that the author cannot take away the rights of widows, children, etc. before the opening of the last year of original copyright. It is not until then that any estate or chose in action arises or exists; and when such right arises it is—as above stated—a new estate, not a true extension of the existing copyright. If it were other-

wise, the author could grant to his first publisher the renewal right eo nomine, which is exactly what the statute was designed to prevent."

<sup>17</sup> *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943).

<sup>18</sup> *Infra*, § 42.

<sup>19</sup> *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (DC NY 1942); *Marks Music Corp. v. Vogel Music Co.*, 47 FSupp 490 (DC NY 1942); *Marks Music Corp. v. Vogel Music Co.*, 49 FSupp 135 (DC NY 1943); *Silverman v. Sunrise Pictures Corp.*, 290 Fed 804 (2d Cir 1923), cert den, 262 US 758, 43 SCt 705, 67 LEd 1219 (1923).

<sup>20</sup> 140 F2d 266 (2d Cir 1944). See also *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1947), cert den, 331 US 820, 67 SCt 1310, 91 LEd 1837 (1947).

to be set to music by some unknown composer. Marks sold the words to Harding who engaged Loraine to write the music. The court held that both authors had acted in concert and in furtherance of a common design, hence the resulting production was a work of joint authorship rather than a composite work. Under these circumstances, Mark's renewal of the copyright inured to the benefit of himself and Loraine.<sup>21</sup> If on the other hand the original copyright was not secured by the joint efforts of both authors, the latter is a composite work and each author may secure a separate renewal for his own component part of the work.<sup>22</sup>

On the death of an author the right of renewal passes to the persons enumerated in section 24 in the order in which they are mentioned therein.<sup>23</sup> The renewal does not pass to the administrator of an intestate author's estate or to the legatee or legatees to whom the author may have bequeathed the copyright.<sup>24</sup> If the author is not survived by a spouse or child, the right of renewal may be exercised by the executors of his will who take the renewal copyright in trust for the next of kin.<sup>25</sup> If the estate is settled and the executors discharged before the right of renewal accrues or in the absence of a will, the right vests in the next of kin as tenants in common. In the absence of a surviving spouse or child, the executor may apply for renewal when the author dies testate prior to the year within which the application for renewal may be made as well as when the latter dies testate within the statutory renewal year.<sup>26</sup>

<sup>21</sup> *Ibid.*

<sup>22</sup> A renewal of copyright in a musical work covers the words and music. See cases cited *op cit supra* note 19. But *cf.* *Harris v. Coca-Cola Co.*, 73 F2d 370 (5th Cir 1934) wherein it was held that the renewal secured by an author of a book containing illustrations made by an artist paid by the publisher, did not protect the illustrations.

<sup>23</sup> *Tobani v. Carl Fischer, Inc.*, 263 AppDiv 503, 33 NYS2d 294 (1942) *aff'd* 289 NY 727, 46 NE2d 347 (1943).

<sup>24</sup> *Fox Film Corporation v. Knowles*, 261 US 326, 43 S Ct 365, 67 LEd 680 (1923); *Silverman v. Sunrise Pictures Corporation* 290 Fed 804 (2d Cir 1923), cert den, 262 US 758, 43 S Ct 705, 67

L.Ed 1219 (1923); *White-Smith Music Publishing Co. v. Goff*, 187 Fed 247 (1st Cir 1911).

<sup>25</sup> *Fox Film Corporation v. Knowles*, 279 Fed 1018 (2d Cir 1922); *s.c.*, (DC NY 1921) 275 Fed 582; *White-Smith Music Publishing Co. v. Goff*, 187 Fed 247 (1st Cir 1911).

<sup>26</sup> *Ibid.*; *Silverman v. Sunrise Pictures Corporation*, 273 Fed 910 (2d Cir 1921); *Howell, The Copyright Law* (1948) 108: "(e) Where the executor has exercised the renewal right, the person entitled to enjoy the renewed copyright will receive it through the executor without the need of any formal assignment from him; for the executor holds the property right only for the purposes of ad-

Howell in discussing the devolution of copyright to next of kin, states "that where there are several surviving children or next of kin, any one of them may renew for the benefit of all concerned as tenants in common; for otherwise if one owner of a microscopic fraction of right cannot be found or can be bought off, the rest of the family would be helpless."<sup>27</sup> Similarly, the term "children" of the author is used in the renewal section in its common law sense of offspring and would appear to exclude stepchildren or grandchildren. "In the case of *adopted* children, however, it appears that under the law of certain states (e.g. New York) they are made members of the family for all legal purposes, and hence the law of their domicile might properly be deemed to govern here."<sup>28</sup>

Section 24 contains no provision requiring notice of copyright or renewal copies. It has been suggested that a copyright notice giving the year date of renewal and the name of the renewal claimant be affixed to each copies. Since there is some doubt as to what the notice should consist of, it has been suggested that the original as well as the renewal notice be included. Thus on a published work, the notice would recite: "Copyright 1924 by John Doe; Copyright Renewed, 1952 by John Doe."<sup>29</sup>

#### 84. FORMALITIES FOR THE RENEWAL OF COPYRIGHT.

Section 24 requires that the application for renewal of copyright to be "made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright."<sup>1</sup> Renewals must be applied for within the twenty-eighth year.<sup>2</sup> "Notwithstanding that a

ministration in accordance with the distribution order of the probate court. *Fox Film Corp. v. Knowles*, 274 F 731 (1921) (f). How far an executor is or can be discharged of his office by anything short of death or revocation of letters is a matter of state legislation and capable of greatly complicating questions arising under national statutes. Hough, J. in *Silverman v. Sunrise Pictures Co.*, 273 F 909 (CCA 2, 1921)."

<sup>27</sup> Howell, *The Copyright Law* (1948) 109. See also: *Southern Music Publishing Co. v. Bibo-Lang*, 10 FSupp

972 (DC NY 1935); *Silverman v. Sunrise Pictures Corp.*, 273 Fed 909 (DC NY 1921).

<sup>28</sup> *Ibid.*

<sup>29</sup> *Cf. Ladas, The International Protection of Literary and Artistic Property* (1938) 774. See also Howell, *The Copyright Law* (1948) 110.

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 24 (Supp 1951).

<sup>2</sup> *Witmark & Sons v. Fisher Music Co.*, 125 F2d 949, 950 (2d Cir 1942), *aff'd*, 318 US 643, 63 Sct 773, 87 LEd 1055 (1943).

whole year is given for filing the application, it is surprising how frequently applicants defer mailing it until the eleventh hour, thereby running the risk of losing the renewal term altogether if for any reason the application fails to reach its destination in time. In such cases it is advisable to send also a telegram setting forth all the essential facts called for in the formal application card."<sup>3</sup>

The computation for the renewal period is from the date of first publication of the original copyright.<sup>4</sup> The renewal application may be filed on the last day of the twenty-eighth year and not necessarily twenty-eight years from the date of first publication.<sup>5</sup> In a recent case, a song was copyrighted as an unpublished work on October 31, 1911. A new version of the song, which could be copyrighted as a new work under § 7<sup>6</sup> of the statute was published on October 25, 1912 with notice. The latter recited that the work was copyrighted in 1911. The effect of the mistake in date was to cut down the copyright term.<sup>7</sup> In other words, the date of first publication was October 31, 1911. The application for renewal was filed on December 2, 1939. The question before the court was whether the renewal was timely filed. The court held that a renewal filed within the twenty-eighth year was valid. "The theory upon which a mistaken date in the notice can have any legal effect is that it may mislead the public as to the length of the monopoly. We can see no reason why the public should take one day in the year stated rather than another; in other words the public has no reason to assume that the work is in the public domain until the year has expired."<sup>8</sup>

In the case of unpublished works, the renewal is computed from the date of the original deposit in the Copyright Office.<sup>9</sup>

<sup>3</sup> Howell, *The Copyright Law* (1948) 102-103.

<sup>4</sup> 61 STAT 652 (1947), 17 USCA § 26 (Supp 1951).

<sup>5</sup> *Shapiro Bernstein & Co. v. Vogel Music Co.*, 161 F2d 406 (2d Cir 1947) cert den 325 US 880, 65 Sct 1573, 89 LEd 1996 (1947).

<sup>6</sup> 61 STAT 652 (1947), 17 USCA § 7 (Supp 1951). *Baron v. Leo Feist Inc.*, 173 F2d 664 (2d Cir 1949); *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); *Sieff v. Continental Auto*

*Supply Co.*, 39 FSupp 683 (DC Minn 1941).

<sup>7</sup> *Southern Music Publishing Co. v. Bibo-Lang, Inc.*, 10 FSupp 975 (DC NY 1935); *Callaghan v. Myers*, 128 US 617, 9 Sct 177, 32 LEd 547 (1888). *Cf. National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>8</sup> *Op cit supra*, note 5.

<sup>9</sup> *Shilkret v. Musicraft Records*, 43 FSupp 184 (DC NY 1941) reversed on other grounds, 131 F2d 929 (2d Cir

Although the decisions are not too clear, it would appear that the renewal does not vest until the expiration of the original copyright term.<sup>10</sup>

The last sentence of section 24 provides "that in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication." The failure of an author or his family or the proprietor to apply for a renewal of copyright causes the work to fall into the public domain and become public property.<sup>11</sup> All that is required is the timely filing of an application for renewal of copyright. The renewal claimant has no control over registration; that is a function of the Copyright Office.<sup>12</sup> The refusal of the Copyright Office to register a renewal application does not invalidate the renewal claimant's rights under section 1 of the Copyright Code.<sup>13</sup>

1942), cert den, 319 US 742, 63 Sct 1030, 87 LEd 1699 (1942); *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938) cert den 303 US 655, 58 Sct 759, 82 LEd 1114 (1939); *Marx v. United States*, 96 F2d 204 (9th Cir 1938).

<sup>10</sup> *Ladas, The International Protection of Literary and Artistic Property* (1938) 774. *Rossiter v. Vogel*, 134 F2d 908 (2d Cir 1943). But in *Fox Film Corp. v. Knowles*, 261 US 326, 43 Sct 365, 67 LEd 680 (1923), the executor of the author was permitted to renew the copyright even though the author died before the last year of the original copyright had been reached. See also *Silverman v. Sunrise Pictures Corp.*, 290 Fed 804 (2d Cir 1923), cert den 262 US 758, 43 Sct 705, 67 LEd 1219 (1923).

<sup>11</sup> *Ricordi & Co. v. Paramount Pic-*

*tures Inc.*, 189 F2d 469 (2d Cir 1951); *Atlas Mfg. Co. v. Street & Smith*, 204 Fed 398 (8th Cir 1913) appeal dismissed, 231 US 348, 34 Sct 73, 58 LEd 262 (1913); *Ogilvie v. Merriam Co.*, 149 Fed 858 (CC Mass 1907), modified on appeal, 159 Fed 638 (1st Cir 1908), cert den, 209 US 551, 28 Sct 761, 52 LEd 922 (1908).

<sup>12</sup> *Howell, The Copyright Law* (1948) 105.

<sup>13</sup> *White-Smith Music Publishing Co. v. Goff*, 180 Fed 256 (CC RI 1910) *aff'd*, 187 Fed 247 (1st Cir 1911): "It [complainant] offered registration under the statute, and although registration was refused, yet it fully complied with the requirements of law, and is entitled to maintain this suit if it had any statutory right to the extension."

## Chapter IX

### RIGHTS SECURED BY COPYRIGHT

§ 90. Summary of Rights Secured By Copyright.

#### 90. SUMMARY OF RIGHTS SECURED BY COPYRIGHT.

The core of the Copyright Code is § 1 which spells out the exclusive rights of the copyright proprietor:

§ 1: "*Exclusive Rights as to Copyrighted Works.*— Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

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

(b) To translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it if it be a nondramatic work; to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art;

(c) To deliver, authorize the delivery of, read, or present the copyrighted work in public for profit if it be a lecture, sermon, address or similar production, or other nondramatic literary work; to make or procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, delivered, presented, produced, or reproduced; and to play or perform it in public for profit, and to exhibit, represent, produce, or reproduce it in any manner or by any method whatsoever. The damages for the infringement by broadcast of any work referred to in this subsection shall not exceed the sum of \$100 where the infringing broadcaster shows that he was not aware that he was infringing and that such infringement could not have been reasonably foreseen; and

(d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented,

produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method—whatsoever; and

(e) To perform the copyrighted work publicly for profit if it be a musical composition; and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced. . . .”<sup>1</sup>

The exclusive rights secured by copyright have been classified into five broad categories:

1) The printing and publishing rights. This was the core of the statute and the most valuable right before the arrival of the phonograph, motion pictures, talking motion pictures, radio and television.<sup>2</sup>

2) The right of transformation. This right enables the copyright proprietor to transform or convert his copyrighted work into other forms of “writings” which, in turn, may be copyrighted.<sup>3</sup> Thus a novel which is registered as a book can be converted into a play and protected as a dramatic composition.<sup>4</sup> The novel may be transformed into a motion-picture photoplay and registration effectuated under that category.<sup>5</sup> Another example of the right of transformation

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1 (Supp 1951), as amended by Public Law 575, 61 STAT 653 (1952).

<sup>2</sup> *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 S Ct 722, 52 LEd 1086 (1908): “To secure the author the right to multiply copies of his work may be said to have been the main purpose of the copyright statute.” See also: *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921) *aff’d*, 281 Fed 83 (2d Cir 1922) cert den, 259 US 581, 42 S Ct 464, 66 LEd 1074 (1922): “The true definition of ‘copyright’ is the sole right of multiplying copies”; *Atlas Mfg. Co. v. Street & Smith*, 204 Fed 398 (8th Cir 1913) appeal dismissed 231 US 348, 34 S Ct 73, 58 LEd 262 (1913); *Lawrence v. Dana*, FCas No 8, 136 (CC Mass 1869); *Harms v. Cohen*, 279 Fed 276 (DC Pa 1922); *Carew v. Melrose Music*, 92 FSupp 971 (DC NY 1950); *Fawcett Publica-*

*tions v. Elliott Publishing Co.*, 46 FSupp 717 (DC NY 1942).

<sup>3</sup> *Gillette v. Stoll Film Co.*, 170 Misc 850, 200 NYSupp 787 (1922); *Atlas Mfg. Co. v. Street & Smith*, 204 Fed 398 (8th Cir 1913) appeal dismissed 231 US 755, 34 S Ct 323, 58 LEd 468 (1913); *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), modified on appeal, 189 F2d 469 (2d Cir 1951).

<sup>4</sup> *Stephens v. Howells Sales Co.*, 16 F2d 805 (DC NY 1926); *Fitch v. Young*, 230 Fed 743 (DC NY 1916), *aff’d*, 239 Fed 1021 (2d Cir 1917); *Klein v. Beach*, 232 Fed 240 (DC NY 1916), *aff’d*, 239 Fed 108 (2d Cir 1917); *Underhill v. Schenck*, 187 NYSupp 589, 114 Misc 520 (1921). See also *Christie v. Harris*, 47 FSupp 39 (DC NY 1942), *aff’d*, 154 F2d 827 (2d Cir 1943), cert den, 329 US 97, 67 S Ct 97, 91 LEd 634 (1943).

<sup>5</sup> *Burns v. Twentieth Century Fox*

is the arrangement and adaptation of musical compositions.<sup>6</sup> The right to arrange or adapt a musical composition is an exclusive statutory privilege which, if done by other than the copyright proprietor, requires the latter's license or consent.<sup>7</sup> Such an arrangement can be copyrighted, provided the copyright proprietor consents. A copyright in an arrangement creates a property right in the work distinct from that of the first composer.<sup>8</sup>

3) The right of performance. In the case of radio, television or stage plays, and motion pictures, the performing rights are an exclusive privilege and the copyright proprietor may prevent anyone from reproducing in public irrespective of pecuniary profit, the copyrighted work.<sup>9</sup> In the case of musical compositions as distinguished from a dramatic or dramatico-musical composition, there can be no infringement of the former unless the work is performed "publicly for profit."<sup>10</sup>

4) The right of assignment. We have discussed this subject elsewhere and in greater detail.<sup>11</sup> For present purposes, the right of assignment in conjunction with the other rights spelled out by § 1, enables the copyright proprietor to produce or have produced derivative works<sup>12</sup> which will in turn be capable of individual copyright.<sup>13</sup> A derivative work

Film Corp., 75 FSupp 986 (DC Mass 1948); Cain v. Universal Pictures Co., 47 FSupp 1013 (DC Cal 1942); Photo-Drama Motion Picture Co. v. Social Uplift Film Corp., 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915); Universal Film Mfg. Co. v. Copperman, 212 Fed 301 (DC NY 1914), *aff'd*, 218 Fed 577, (2d Cir 1914), cert den, 235 US 704, 35 SCT 209, 59 LEd 433 (1914).

<sup>6</sup> Baron v. Leo Feist Inc., 173 F2d 288 (2d Cir 1949); Cooper v. James, 213 Fed 871 (2d Cir 1914); Carte v. Evans, 27 Fed 861 (CC Mass 861); Jollie v. Jacques, FCas No 7437 (1850).

<sup>7</sup> Carte v. Evans, 27 Fed 861 (CC Mass 861).

<sup>8</sup> Shafter, Musical Copyright (2d Ed 1939) 77.

<sup>9</sup> Metro-Goldwyn-Mayer v. Bijou Theatre Co., 59 F2d 70 (1st Cir 1932); Palmer v. De Witt, 47 NY 532 (1872); Harper v. Kalem Co., 169 Fed 61 (2d Cir 1909), *aff'd*, 222 US 55, 32 SCT 20, 56 LEd 92 (1911).

<sup>10</sup> Herbert v. Shanley, 242 US 591, 37 SCT 232, 61 LEd 511 (1917); Hubbell v. Royal Pastime Amusement Co., 242 Fed 1002 (DC NY 1917); Harms v. Cohen, (DC Pa 1922) 279 Fed 276; Buck v. Jewell-La Salle Realty Co., 283 US 191, 51 SCT 410, 75 LEd 971 (1931); Associated Music Publishers v. Debs Memorial Radio Fund, 141 F2d 852 (2d Cir 1944), cert den 323 US 766, 65 SCT 120, 89 LEd 613 (1945); Interstate Hotel Co. v. Remick Music Corp., 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 SCT 622, 91 LEd 691 (1946).

<sup>11</sup> *Infra*, § 51 ff.

<sup>12</sup> Metro-Goldwyn-Mayer Corp. v. Bijou Theatre Co., 59 F2d 70 (1st Cir 1932); Harms v. Cohen, 279 Fed 276 (DC Pa 1922).

<sup>13</sup> Photo-Drama Motion Picture Co. v. Social Uplift Film Corp., 213 Fed 374 (DC NY 1914), *aff'd* 220 Fed 448 (2d Cir 1915).

produced by some one other than the copyright owner is usually effectuated by a license agreement. Thus the copyright owner of a novel may license to different persons the stage, screen, radio and television rights.<sup>14</sup>

5) The right to mechanically reproduce musical compositions is both an *exclusive* and a *non-exclusive* right. The synchronization rights which refer to the music recorded on the sound track of motion picture and television film are exclusive;<sup>15</sup> the music recorded on phonograph records and other mechanical reproductions intended for home use, are non-exclusive. For the latter category, the statute provides that if the copyright proprietor permits his musical composition to be mechanically reproduced, other manufacturers may mechanically reproduce the song by the payment of a two cent license fee per record.<sup>16</sup> This is known as the compulsory license provision of the Copyright Code or the "doctrine of accessibility."<sup>17</sup>

<sup>14</sup> Cf. Harper v. Kalem Co., 169 Fed 61 (2d Cir 1909) *aff'd* 222 US 55, 32 SCt 20, 56 LEd 92 (1911). *Infra*, § 51 ff.

<sup>15</sup> See Witmark & Sons v. Jensen, 80 FSupp 843 (DC Minn 1948): "The United States Court of Appeals for this circuit has held in Remick Music Corp. v. Interstate Hotel Co., 1946, 157 F2d 744 at page 745, cert den, 329 US 809, 67 SCt 622, 623, 91 LEd

691, 1296, that the right to perform a composition publicly for profit and the right to record it are separate and independent rights." Alden-Rochelle Inc. v. American Society, 80 FSupp 888 (DC NY 1948); Jerome v. Twentieth Century-Fox Film Corp., 67 FSupp 736 (DC NY 1946).

<sup>16</sup> *Passim*, § 131b.

<sup>17</sup> Shafter, Musical Copyright (2d Ed 1939) 330 ff.

## Chapter X

### PRINTING AND PUBLISHING RIGHTS

#### § 100. General Discussion.

##### 101. Copying.

##### 102. Vending.

##### 103. Publishing.

##### 104. Applicability of Printing and Publishing Rights to Motion Pictures, Radio and Television.

#### 100. GENERAL DISCUSSION.

This right comprehends printing, reprinting, publishing, copying and vending the copyrighted work.<sup>1</sup> It is derived from the first Federal Copyright Act of 1790 which granted only the exclusive right of "printing, reprinting, publishing and vending" published works.<sup>2</sup>

"This is the most comprehensive right applicable to all copyright material."<sup>3</sup> This subsection adapts without change the phraseology of the former statutes. "Many amendments of this were suggested, but the committee felt that it was safer to retain without change the old phraseology which has been so often construed by the courts."<sup>4</sup>

The printing and publishing rights are not as important to television as the rights of transformation and public performance. If a radio or television show is reproduced as a published work, the copyright proprietor should seek registration of the same as a dramatic composition.<sup>5</sup> This classification furnishes better protection than the book category since any unauthorized performance would infringe the rights

<sup>1</sup> Weil, Copyright Law (1917) 69: "Thus it has been said a copyright involves the right of publication and reproduction of works of art and literature. Indeed, it may be doubted whether a copyright can be conceived to exist which does not involve these rights." But see *passim*, § 104.

<sup>2</sup> Act of May 31, 1790, 1 STAT 124.

<sup>3</sup> Howell, The Copyright Law (1948) 111. See also: Jewelers Circular Publishing Co. v. Keystone Publishing Co., 274 Fed 932 (DC NY 1921), *aff'd*,

281 Fed 83 (2d Cir 1922), cert den, 259 US 581, 42 Sct 464, 66 LEd 1074 (1922); Bobbs-Merrill Co. v. Straus, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908).

<sup>4</sup> H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>5</sup> 61 STAT 652 (1947), 17 USCA § 5(d) (Supp 1951). And see Kreyenborg v. Durante, 21 USPQ 557 (DC NY 1934), rehearing denied, 22 USPQ 248 (DC NY 1934).

secured by § 1(d) of the Copyright Code.<sup>6</sup> The "shooting script" and motion picture or television scenarios should likewise be registered as dramatic compositions.

Prior to the recent amendment to the Copyright Code, granting recording and performing rights in nondramatic literary works,<sup>7</sup> registration of motion picture or television scenarios in the book category furnished protection to only the printing and publishing rights.<sup>8</sup> Thus the reading of a copyrighted book or poem over the radio did not infringe the printing and publishing rights since the prior law did not grant the right of public performance in books.<sup>9</sup>

As we shall discuss elsewhere, the recent amendment to the Copyright Code now recognizes recording and performing rights in nondramatic literary works. As of January 1, 1953, radio and television stations are precluded from broadcasting nondramatic literary works without the consent of the copyright proprietor.<sup>10</sup>

Of course the unauthorized dramatization of a copyrighted book via a radio or television broadcast would infringe the derivative right of transformation.<sup>11</sup>

### 101. COPYING.

The key word in § 1(a) dealing with the printing and publishing rights is the exclusive right conferred on the copyright proprietor "to . . . copy . . . the copyrighted work."<sup>1</sup> This term which comprehends the rights to print, reprint and publish, also includes the right to make copies by writing, typewriting, shorthand, photography, electro-typing and

<sup>6</sup> *Id.* *Passim*, § 104.

<sup>7</sup> Public Law No. 575, 82d Cong 2d Sess (1952), 66 STAT 752.

<sup>8</sup> 61 STAT 652 (1947), 17 USCA § 5(a) (Supp 1951). See also 37 FR § 202.2. The unauthorized publication of a radio or television program in book or pamphlet form may authorize the proprietor to maintain an unfair competition action. See *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934) modified on appeal, 81 F2d 373 (1st Cir 1936) cert den 298 US 670, 56 Sct 835, 80 LEd 1393 (1936).

<sup>9</sup> *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941) cert

den 314 US 687, 62 Sct 300, 86 LEd 550 (1942); *Kreymborg v. Durante*, 21 USPQ 557, (DC NY 1934), rehearing denied 22 USPQ 248 (DC NY 1934). *Connelly and Rivers v. Pichel* (DC Calif 1934, unreported).

<sup>10</sup> *Passim*, §§ 121 and 122.

<sup>11</sup> *Harper & Bros. v. Kalem Co.*, 169 Fed 61 (2d Cir 1909), *aff'd* 222 US 55, 32 Sct 20, 56 LEd 92 (1911); *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), modified on other grounds, 189 F2d 469 (2d Cir 1951).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1(a) (Supp 1951).

stereotyping, lithographing or reproducing the work by any other mechanical process.<sup>2</sup>

A copy may be defined as that which the average reasonable man would recognize without aid, suggestion or critical analysis from others, to be so nearly like the original as to lead him to conclude that it was taken from the original.<sup>3</sup> It is not necessary that a copy be a "chinese copy" in order to find infringement.<sup>4</sup> A substantial reproduction of a work is a copy, no matter what the medium of reproduction is.<sup>5</sup> Thus the photograph of a piece of sculpture<sup>6</sup> or of an engraving<sup>7</sup> is a copy. Similarly toys which resemble copyrighted cartoons are likewise copies.<sup>8</sup> On the other hand, copying protects the form of drawing or illustration; it does not preclude the manufacture and sale of the articles represented

<sup>2</sup> *MacMillan v. King*, 223 Fed 862 (DC Mass 1914). *Well, Copyright Law* (1917) 70: "The sole right to make copies is often given as the definition of copyright and may be said to have been the main purpose of the copyright statutes."

<sup>3</sup> *Allegrini v. De Angelis*, 59 FSupp 248 (DC Pa 1944), *aff'd* (3d Cir 1945); *Gingg v. Twentieth-Century-Fox Film Corporation* 56 FSupp 701 (DC Cal 1944); *Harold Lloyd Corp. v. Witwer*, 65 F2d 1, (9th Cir 1933), cert dismissed 296 US 699, 54 Sct 94, 78 LEd 1507 (1934); *West Publishing Co. v. Thompson Co.*, 169 Fed 883 (DC NY 1909); *Lawrence v. Dana*, FCas No 8, 136 (CC Mass 1869). *Howell, The Copyright Law* (1948) 112: "The commonly-accepted definition of a 'copy' appears in an old English case, *West v. Francis*, 5 Barn & Old 743, (cited with approval by the Supreme Court in *White-Smith Music Pub. Co. v. Apollo Co.*, 209 US 117 (1908), viz: 'A copy is that which comes so near to the original as to give to every person seeing it the idea created by the original.'"

<sup>4</sup> *Contemporary Arts Inc. v. Woolworth Co.*, 93 FSupp 739 (DC Mass 1950), *aff'd*, 193 F2d 158 (1st Cir 1951).

<sup>5</sup> *Triangle Publications v. New England Publishing Co.*, 46 FSupp 198 (DC Mass 1942); *Bobreck v. Dene-*

*beim*, 28 FSupp 383 (DC Mo 1939); *Jones Bros. Co. v. Underkoffler* 16 FSupp 729 (DC Pa 1936); *Fleischer Studios Inc. et al v. Freundlich*, 5 FSupp 808 (DC NY 1934), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); *Carr v. National Capital Press*, 63 AppDC 210, 71 F2d 220 (1934); *King Features v. Fleischer*, 299 Fed 533 (2d Cir 1924); *Hill v. Whalen & Martell*, 220 Fed 359 (DC NY 1914); *Bracken v. Rosenthal*, 151 Fed 136 (DC Ill 1907); *Rossiter v. Hall*, FCas 12,082, 20 FCas 1,253 (DC NY 1866).

<sup>6</sup> *Bracken v. Rosenthal*, 151 Fed 136 (DC Ill 1907).

<sup>7</sup> *Remick v. Automobile Accessories Co.*, 5 F2d 411 (6th Cir 1925), cert den, 269 US 556, 46 Sct 19, 70 LEd 409 (1925): "Thus it has been held both in this country and England that a photograph was an infringement of a copyrighted engraving under statutes passed before the photographic process had been developed. *Gambert v. Hald*, 14 CBNS 303; *Rossiter v. Hall*, 5 Blatch 362, FCas No 12,082."

<sup>8</sup> *Fleischer Studios v. Freundlich*, 5 FSupp 808 (DC NY 1934) *aff'd*, 73 F2d 276 (2d Cir 1934) cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); *King Features v. Fleischer*, 299 Fed 533 (2d Cir 1924); *Hill v. Whalen & Martell*, 220 Fed 359 (DC NY 1914).

by the drawings or illustrations, viz., dresses<sup>9</sup> and furniture.<sup>10</sup> The right to copy does not vest in the copyright proprietor a monopoly or exclusive right in the illustrated article.<sup>11</sup>

### 102. VENDING.

The exclusive right to vend includes the right to lend, lease or give away copyrighted works.<sup>1</sup> If the copyright proprietor has disposed of his work unrestrictedly, i.e., parted with title, he is precluded from restricting its re-sale price or territorial use.<sup>2</sup> Thus in *Bobbs-Merrill v. Strauss*<sup>3</sup> a notice on the title page of a book purporting to limit the price at which the book would be sold at retail by future purchasers with whom there was no privity of contract was declared invalid. In other words whenever the copyright proprietor parts with his title and ownership in a particular copy, he exhausts his statutory right to vend. The purchaser of the copy acquires "the free mental use" of the same with the right to resell it;

<sup>9</sup> *Verney Corp. v. Rose Fabric Converters Corp.*, 87 FSupp 802 (DC NY 1949); *Belding Hemingway Co. v. Future Fashions Inc.*, 143 F2d 216 (2d Cir 1944); *White v. Leanore Frocks Inc.*, 120 F2d 113 (2d Cir 1941); *Nat Lewis Purses v. Carole Bags*, 83 F2d 475 (2d Cir 1936); *Adelman v. Soumers & Gordon Inc.*, 21 USPQ 218 (DC NY 1934); *Kemp v. Beatley v. Hirsch*, 34 F2d 291 (DC NY 1929).

<sup>10</sup> *National Cloak v. Standard Mail Order*, 191 Fed 528 (DC NY 1911); *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (CC Pa 1911); *Lamb v. Grand Rapids School Furniture*, 39 Fed 474 (CC Mich 1889); *Baker v. Selden*, 101 US 99, 25 LEd 841 (1879).

<sup>11</sup> Cases cited *op cit supra*, notes 9 and 10. See also *Fashion Originators Guild of America v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 Sct 703, 85 LEd 949 (1941).

<sup>1</sup> *Bauer & Cie v. O'Donnell*, 229 US 1, 13, 33 Sct 616, 57 LEd 1041, 1045 (1913): "In each case to vend is to part with the thing for a consideration".

<sup>2</sup> *United States v. General Electric Co.*, 80 FSupp 989 (DC NY 1948);

*United States v. Dausch & Lomb Optical Co.*, 321 US 707, 64 Sct 805, 88 LEd 1024 (1944); *United States v. Univis Lens Co.*, 316 US 241, 62 Sct 1088, 86 LEd 1408 (1942); *Ethyl Gasoline Corp. v. United States*, 309 US 436, 60 Sct 618, 84 LEd 852 (1940); *United States v. General Electric Co.*, 272 US 476, 47 Sct 192, 71 LEd 362 (1926); *Strauss v. Victor Talking Machine Co.*, 243 US 490, 37 Sct 412, 61 LEd 866 (1917); *Bauer & Cie v. O'Donnell*, 229 US 1, 33 Sct 66, 57 LEd 1041 (1913); *Dr. Miles Medical Co. v. Park & Sons Co.*, 220 US 373, 31 Sct 376, 55 LEd 502 (1911); *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908); *Adams v. Burk*, 17 Wall 453, 21 LEd 700 (1873). In the recent case of *Columbia Pictures Corp. v. Coomer*, 20 LW 2106 (DC Ky 1951) it was held that a clause in a license agreement prescribing the admission prices to be charged at the showings of the film was not per se a violation of the Sherman Act in the absence of proof that the clause was part of a general plan, conspiracy or combination to restrain trade.

<sup>3</sup> 210 US 339, 28 Sct 722, 52 LEd 1086 (1908).

but the purchaser cannot multiply copies of the copy or exploit its contents for the purpose of deriving a pecuniary profit from the intellectual labor of the author.<sup>4</sup>

The right to vend comprehends the right to lease. The current practice in the motion picture industry is for the distributor or copyright owner to license or lease for a few days the use of the motion picture in a theater or theaters for a fee mutually agreed upon by the parties.<sup>5</sup> Title to the film is retained by the copyright owner and he "has the right under our laws, to exhibit them, or to license their exhibition at such prices or in such manner as to him may seem appropriate."<sup>6</sup> The exclusive privileges conferred by the Copyright Code on motion picture distributors are not absolute. Licensing agreements must comply with the anti-trust laws. Thus a licensing agreement which requires each motion picture exhibitor to maintain a stipulated minimum admission price, limits the ability of licensees of the same distributor to compete against one another in admission prices. This results in the erection of a price structure by the copyright owner which is contrary to the anti-trust laws.<sup>6</sup>

The great bulk of television film will be distributed to stations via licensing arrangements with the copyright owner

<sup>4</sup> Bobbs-Merrill Co. v. Straus, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908) Scribner v. Straus, 210 US 352, 28 Sct 735 52 LEd 1094 (1908); Bobbs-Merrill Co. v. Snellenberg, (CC Pa 1904) 131 Fed 530. And see § 27 of the Copyright Code (61 STAT 652 (1947), 17 USCA § 27) (Supp 1951) . . . ; "but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained."

<sup>5</sup> Bernstein, The Motion Picture Distributor and the Copyright Law (1940) Second Copyright Law Symposium 119; McDonough Jr. and Winslow, The Motion Picture Industry: United States v. Ogligopoly (1949) 1 Stanford LRev 385, hereinafter designated as McDonough; See also: Adelman, Effective Competition and the Antitrust Laws (1948) 61 HarvLRev 1289, 1317; Rostow, The New Sherman Act: A Positive Instrument of Progress (1947) 14 U of Chi LRev 567;

Rostow; Monopoly Under the Sherman Act: Power or Purpose? (1949) 43 IllLRev 745.

<sup>6</sup> United States v. Interstate Circuit, 20 FSupp 868 (DC Texas 1937), *aff'd*, 306 US 208, 59 Sct 467, 83 LEd 610 (1939).

United States v. Paramount Pictures Inc., 334 US 131, 68 Sct 915, 92 LEd 1260 (1948); United States v. Griffith, 334 US 100, 68 Sct 941, 92 LEd 1236 (1948); Schine Chain Theatres Inc v. United States, 334 US 110, 68 Sct 947, 92 LEd 1245 (1948); Interstate Circuit v. United States, 306 US 208, 59 Sct 467, 83 LEd 610 (1939). But *cf.* Columbia Pictures Corp. v. Coomer, 20 LW 2105 (DC Ky 1951) wherein the court held that the prescription of admission charges by a distributor does not necessarily violate the antitrust laws unless the clause prescribing admission prices for copyrighted motion pictures is part of a general plan, combination or conspiracy to restrain trade.

retaining title and the television network, station or the sponsor paying a fee, mutually agreed upon by the parties. Television licensing agreements are not absolute; they must be so drafted that they do not violate the anti-trust laws. Thus it is doubtful whether such practices as block-booking, formula deals, master agreements, franchises,<sup>7</sup> etc. would be tolerated in television, either by the Department of Justice or by the Federal Communications Commission.

It is believed that the Commission on the basis of the network case,<sup>9</sup> would invalidate such practices on the principle that they impair the ability of a television licensee from operating in the public interest.<sup>10</sup>

<sup>7</sup> These practices are discussed in detail in *United States v. Paramount Pictures Inc., et al.*, 66 FSupp 323, (DC NY 1946) and 70 FSupp 53 (DC NY 1947), *aff'd* in 324 US 131, 68 S Ct 915, 92 LEd 1260 (1948). See also, McDonough, *supra*, note 5.

<sup>9</sup> *National Broadcasting Co. v. United States*, 319 US 190, 63 S Ct 997, 87 LEd 1344 (1943). See also *Mansfield Journal v. FCC*, 86 USApp DC 102, 180 F2d 28 (1950).

<sup>10</sup> The extent to which the Commission is concerned with the so-called monopolistic practices of the motion picture industry, outlawed in *United States v. Paramount Pictures Inc.*, 334 US 131, 68 S Ct 915, 92 LEd 1260 (1948) is illustrated by its specification of issues on the hearing dealing with the proposed merger of American Broadcasting Co. and United Paramount Theatres Inc. These issues are quoted in their entirety (Broadcasting, September 3, 1951, pp 25, 71):

“1. to obtain full information with respect to the participation of any of the applicants, their officers, directors, stockholders, employes, or agents, in any violations of either Federal or State anti-trust laws, the extent and character of such participation, and the results of any litigation flowing from such participation and more specifically to secure information as to:

a. Whether the violations committed were willful or inadvertent.

b. Whether the violations were committed over a long period of time or, in terms of time, were isolated events.

c. Whether the violations were recent.

d. Whether the violations also constituted violations of Sections 311 and 313 of the Communications Act.

2. To obtain full information with respect to the properties to be received by American Broadcasting-Paramount Theatres Inc., and Columbia Broadcasting System, Inc., the considerations to be paid therefor and the terms of such payment, and, in the event no monetary consideration is to be paid, the terms of the transaction resulting in the acquisition by the transferee of the properties in question.

3. To obtain full information with respect to the corporate structure of American Broadcasting-Paramount Theatres Inc., and with respect to the legal, technical, financial and other qualifications of its officers, directors and stockholders.

4. To determine the policies to be pursued by American Broadcasting-Paramount Theatres Inc., by the transferees in the operation and control of the broadcast facilities proposed to be owned by it or its subsidiaries and to obtain full information as to the individual or individuals authorized to formulate and execute such policies.

5. To obtain full information with respect to the policies and plans of American Broadcasting-Paramount Theatres Inc., relating to any arrangements contemplated for the televising of selected programs in theatres to the exclusion of other outlets.

Whether certain trade practices, i.e., block-booking, etc., violate the anti-trust laws must be considered in the light of the history, background and economic development of the industry under scrutiny.<sup>11</sup> It does not necessarily follow that certain trade practices of the motion picture industry which were condemned by the Supreme Court would be declared invalid in the television film industry. Undoubtedly block-booking as developed and practiced by the motion picture industry would be outlawed from television film agreements. On the other hand, the background and economic development of the radio and television industries suggests that a modified form of block-booking or blind-selling may be legally permissible.

Block-booking in the motion picture industry had reference to the practice of licensing or offering for license one feature or a group of features on condition that the exhibitors would license another feature or group of features released by the distributors during a given period. The films were licensed in blocks before they were actually produced. In many cases the only knowledge prospective exhibitors had of the films which they had contracted for, was from a description of each picture by title, plot and players. This practice was declared illegal since it "adds to the monopoly of a single copyrighted

6. To obtain full information with respect to the restrictions, if any, to be imposed by American Broadcasting-Paramount Theatres Inc., on broadcast stations in the use, *inter alia*, of motion picture films or stories exhibited by transferee or restrictions imposed on broadcast stations in the use of talent under contract to or employed by the transferee.

7. To obtain full information with respect to the plans of the transferees for the staffing and programming of the broadcast stations proposed to be owned by them.

8. To obtain full information with respect to the plans of the transferee, American Broadcasting - Paramount Theatres Inc., in the event of grant of its above applications, to comply with the Commission's Rules and Regulations relative to multiple ownership.

9. To determine whether the effect of the proposed merger of American Broadcasting-United Paramount Theatres Inc., if consummated, would substantially lessen competition or tend to monopoly in any line of commerce, in any section of the country.

10. To determine in the light of the evidence adduced under the above issues, whether the applicants, their officers, stockholders and directors, are qualified from the standpoint of character and conduct to be licensees, and whether grant of the above-styled applications would be in the public interest, convenience and necessity."

<sup>11</sup> *Op cit supra*, note 5. See also Huettig, *Economic Control of the Motion Picture Industry* (1944); Evans, Betrand and Blanchard, *The Motion Picture Industry—A Pattern of Control* (TNEC Monograph, 1941).

picture that of another copyrighted picture which must be taken and exhibited in order to secure the first.”<sup>12</sup>

Blind-selling was described as the practice whereby a distributor licensed a feature before the exhibitor was afforded an opportunity to view it. “By this practice a distributor could promise a picture of good quality or of a certain type which when produced might prove to be of a poor quality or of another type—a competing distributor meanwhile being unable to market its product and in the end losing its outlets for future pictures. The evidence indicates that trade-shows, which are designed to prevent such blind-selling, are poorly attended by exhibitors. Accordingly, exhibitors who choose to obtain their films for exhibition in quantities, need to be protected against burdensome agreements by being given an option to reject a certain percentage of their blind-licensed pictures within a reasonable time after they shall have become available for inspection.”<sup>13</sup>

Block-booking and blind-selling have their counterparts in the network regulations which have been legalized by the Commission with the approval of the Supreme Court.<sup>14</sup> For example the regulation governing “option time,” permits a network to contract with its affiliate for any three specified hours from 6:00 p.m. to 11:00 p.m. for a two year period. This means that the network has a firm commitment for the hours from 7:00 p.m. to 10:00 p.m. from an affiliate for two years.<sup>15</sup> Obviously the network cannot advise its affiliate

<sup>12</sup> United States v. Paramount Pictures Inc., 66 FSupp 323, 348 (DC NY 1946). See also McDonough, *supra* note 5 at 392.

<sup>13</sup> *Id.* at 350; McDonough, *supra* note 5 at 392 discusses other practices which were outlawed: clearances, price fixing, preferential treatment of affiliated and unaffiliated circuits in licensing film, pooling agreements and joint ownership, and unaffiliated circuits' predatory practice.

<sup>14</sup> National Broadcasting Company v. United States, 319 US 190, 63 S Ct 997, 87 LEd 1344 (1943). The network regulations are discussed in detail in sections 43b.1 to 43b.7 inclusive of Warner, Radio & Television Law.

<sup>15</sup> Section 3.634 of the Commission's Rules and Regulations: “Option time.

—No license shall be granted to a television broadcast station which options for network programs any time subject to call on less than 56 days' notice, or more time than a total of three hours within each of four segments of the broadcast days as herein described. The broadcast day is divided into 4 segments, as follows: 8:00 a.m. to 1:00 p.m.; 1:00 p.m. to 6:00 p.m.; 6:00 p.m. to 11:00 p.m.; 11:00 p.m. to 8:00 a.m. Such options may not be exclusive as against other network organizations and may not prevent or hinder the station from optioning or selling any or all of the time covered by the option, or other time, to other network organizations.” Section 3.633 limits an affiliation contract to two years.

before the network contract is executed, of the specific program for each quarter or half-hour show. Network sponsors do not as a general rule commit themselves for a two-year period. The maximum commitment by a national advertiser is for one year and this period may be divided into four segments with the sponsor having an option to renew at the end of each quarter. This means that the most the network can advise its affiliate is the general nature of the program, i.e., sports, quiz, drama, variety, etc. In many instances the network cannot inform its affiliate during the two-year contract term of the type of program, the stars, sponsors, etc.; the network hopes that the time segment, e.g., from 7:00 to 7:30 p.m. will be sold.

The foregoing practices indicate that affiliates commit themselves sight unseen for sponsored network programs. This is block-booking and blind-selling with a vengeance since the affiliate is bound for a two-year term by the network contract and the network prescribes the network station rate for each of its affiliates.<sup>16</sup>

Network option time which is the counterpart of block-booking and blind-selling has been legalized by the Commission because of the economics of the broadcast industry. Option time is the sine qua non of the network contract. It enables networks to negotiate for and accept sponsored programs for nationwide broadcasts for specified hours with reasonable assurance that they will secure acceptance from all or almost all of the affiliates desired by advertisers. Without the use of option time no network could discuss with advertisers the simultaneous transmission of programs over a large number of stations.<sup>17</sup>

Although the transcontinental coaxial cable is now in use,

<sup>16</sup> Section 3.635 of the Commission's Rules and Regulations authorizes an affiliate to reject or refuse any programs which are "unsatisfactory or unsuitable," and are "contrary to the public interest." An affiliate may also reject a network program by "substituting a program of outstanding local or national importance." From a practical point of view, affiliates seldom reject network programs. Since the networks are the licensees of AM and TV stations, it is unlikely that

they would furnish network programs which would be unsuitable, unsatisfactory, or contrary to the public interest. Secondly, affiliates on occasion have rejected network programs for outstanding programs of local or national importance. But this is the exception and not the rule. See Warner, Radio & Television Law, §§ 45 to 45e.

<sup>17</sup> "Option Time" is discussed in greater detail in Warner, Radio & Television Law §§ 41b.3 and 43b.3.

the tremendous costs for the use of the same may well prompt the distribution of many television network programs via film. It may well be that sponsors, networks and television film distributors (the latter being similar to firms supplying transcription services) will include in their licensing agreements with television broadcast stations, provisions akin to block-booking and blind-selling. These trade practices, although outlawed in the motion picture industry may be legally and economically justifiable for the television film industry. Conversely trade practices legalized in the motion picture industry may be regarded as invalid if applied to the television film industry. Each practice must be scrutinized with care both from the legal and economic viewpoint to determine whether it can be transplanted to the television film industry.

### 103. PUBLISHING.

The right to publish authorizes the copyright owner not only to communicate a work to the public or any part thereof, but also the right to determine the conditions and terms of such publication.<sup>1</sup> "Since however, the right of first publication is a common law right, the rights given by this section, which refer to statutory copyright, can arise only after first publication. Hence the right so given by the statute instead of being the right first to publish is, in reality, the right to continue, or not, to publish after the initial publication, or to publish new editions."<sup>2</sup>

### 104. APPLICABILITY OF PRINTING AND PUBLISHING RIGHTS TO MOTION PICTURES, RADIO AND TELEVISION.

The broad question tendered by this section is whether the printing and publishing rights are applicable to all copyrighted works listed in § 5 of the statute. Several of the

<sup>1</sup> Fitch v. Young, 230 Fed 743, 744 (DC NY 1916):

"It is true that the statute uses more words than 'publish' to define copyright, including the words 'copy, publish, print, complete, vend,' and others; but they are all clearly intended to be covered by the word 'publish,' as used in the assignment \* \* \*. The analogy of patents is apt, in

which the form of an assignment does not count, and in which even a license for the term of the patent to use, make, and vend will, if exclusive, operate as an assignment. *Waterman v. MacKenzie*, 138 US 252, 11 SCt 334, 34 LEd 923." See also *Harper Bros. v. Donohue & Co.*, 144 Fed 491 (CC Ill 1905).

<sup>2</sup> Weil, Copyright Law (1917) 71.

works enumerated in § 5, viz., works of art, models or designs for works of art, plastic works of a scientific or technical character and motion pictures are in a different media, hence they cannot be printed or published in the technical sense.<sup>1</sup>

The trend of judicial decisions is to make § 1(a) applicable to all classes of works so far as their nature permits.<sup>2</sup> Thus it has been suggested that an unauthorized photograph of a copyrighted piece of sculpture<sup>3</sup> or of an engraving<sup>4</sup> would infringe the printing and publishing rights.

The precise question tendered is whether the unauthorized exhibition of a film infringes the printing and publishing rights.<sup>5</sup> There can be no doubt that the unauthorized exhibition of a film infringes § 1(d) of the statute.<sup>6</sup> But whether

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 5 (Supp 1951). For the various classes of works which may be registered under § 5, see Chapter III, "The Subject Matter of Copyright Protection" § 31 ff.

<sup>2</sup> Weil, Copyright Law (1917) 72: "The most important question arising under this subdivision of the section is as to what works are included in its scope. It refers generally, in terms, to copyrighted 'works'. Section 5 details some classes of 'works' it was intended to make subject to copyright. Many of these works are not embodied in such media that they may be printed. Subdivision (a) gives the right to print the works to which it refers. The grammatical structure is such that, literally, the rights given are collective and not separate and distinct. It may, hence, be argued that in view of the literal reading of the subdivision, unless the work is such that all the rights given by it may be used, it was not intended to apply to such work. The question whether the subdivision is limited to works capable of being printed, should, it is deemed, be answered in the negative. The external evidence of Congressional Committee reports does not show that such limitation was intended. A liberal construction should be given to the statute." See also Ball, Law of Copyright and Literary Property (1944) 413. Cf. *Foreign & Domestic Music Corp. v. Licht*, 196 F2d 627 (2d Cir 1952) which implies that the re-

production of a song on a "music track" is a form of publication protected by § 1(a) of the statute.

<sup>3</sup> *Bracken v. Rosenthal*, 151 Fed 136 (DC Ill 1907).

<sup>4</sup> *Rossiter v. Hall*, FCas 12,082, 5 Blatchf 362 (CC NY 1866).

<sup>5</sup> Cf. Ball, Law of Copyright and Literary Property (1944) 413:

"The tendency of modern copyright decisions to give a practical construction to the statute in so far as it applies to modern inventions expressly within its scope, with a view of securing to the author the full commercial value of his productions as the main object of the Copyright Act, is persuasive of an affirmative answer to this question. Although that point has not been decided, a conclusion to the effect that the exhibition of a copyrighted motion picture is a publication in violation of a copyright protecting the proprietor's exclusive right 'to publish' has been implied in at least three cases" citing *Tiffany Productions v. Dewing* 50 F2d 911 (DC Md 1931); *Metro-Goldwyn-Mayer Bijou Theatre*, 3 FSupp 66 (DC Mass 1933); *Universal Film Mfg. Co. v. Copperman*, 218 Fed 577 (2d Cir 1914).

<sup>6</sup> *Universal Pictures v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947); *Tiffany Productions v. Dewing*, 9 USPQ 545 (DC Md 1931). A motion picture other than a photoplay would infringe that clause of § 1(d): "... to make or procure the making of any transcription or record thereof by or

the exhibition of a film constitutes a copy or a publication has important implications on the applicability of the printing and publishing rights to television.

In *Tiffany Productions v. Dewing*,<sup>7</sup> the question before Judge Coleman was whether the unlicensed exhibition of a film was a "copy" or "publication" within the meaning of § 1(a) of the statute. The plaintiff's argument was that when the motion-picture film is run through the projecting apparatus, a duplicate of every image on the strip or film is projected upon the screen. Visually there is precise similarity in every detail. If the film is stopped in the projecting machine at any point, the projected "still" on the screen is identical, although enlarged with the image on the film. Thus it is an exact "copy." The only difference between the film in the projecting machine and the "copy" on the screen is one of size.

Judge Coleman rejected this argument. He relied on *White-Smith Music Publishing Company v. Apollo Co.*,<sup>8</sup> wherein the Supreme Court held that a perforated roll or pianola record was not a copy of a musical composition. To quote from the Supreme Court's opinion: "What is meant by a copy? We have already referred to a common understanding of it as a reproduction or duplication of a thing. . . . Various definitions have been given by the experts called in this case. The one which most commends itself to our judgment is perhaps as clear as can be made, and defines a copy of a musical composition to be 'a written or printed record of it in intelligible notation.' It may be true that in a broad sense a mechanical instrument which reproduces a tune copies it; but this is a strained and artificial meaning. When the combination of musical sounds is reproduced to the ear it is the original tune as conceived by the author which is heard. These musical tones are not a copy which appeals to the eye. In no sense can musical sounds which reach us through the sense of hearing be said to be copies, as that term is generally understood, and as we believe it was intended to be under-

from which, in whole or in part, it may in any manner or by any method be exhibited . . . and to exhibit . . . it in any manner or any method whatsoever." *Metro-Goldwyn-Mayer Corp. v. Bijou Theatre Co.*, 59 F2d 70 (1st

Cir 1932) reversing 50 F2d 908 (DC Mass 908) on rehearing, 3 FSupp 66 (DC Mass 1933).

<sup>7</sup> 9 USPQ 545 (DC Md 1931).

<sup>8</sup> 209 US 1, 28 Sct 319, 52 LEd 655 (1909).

stood in the statutes under consideration. . . . The statute has not provided for the protection of the intellectual conception apart from the thing produced, however meritorious such conception may be, but has provided for making and filing of a tangible thing, against the publication and duplication of which it is the purpose of the statute to protect the composer."<sup>9</sup>

Although Judge Coleman did not discuss this point, it is believed that the transitory image flashed on the screen is not a copy since it lacks permanency. The "writings" of an author which are protected by the Copyright Code embrace "all forms of writing, printing, engraving, etching, etc., by which the ideas in the mind of an author are given visible expression."<sup>10</sup> The foregoing definition should be implemented by the requirement that they be reduced to permanent form.<sup>11</sup> The Copyright Code cannot be employed to protect

<sup>9</sup> *Id.* In *Metro-Goldwyn-Mayer Corp. v. Bijou Theatre Co.*, 59 F2d 70 (1st Cir 1932) the court left open the question as to whether the exhibition of a film infringed the printing and publishing rights. On rehearing before the District Court, 3 FSupp 66 (DC Mass 1933) it was said: "It may well be doubted whether the White-Smith case requires the conclusion that in the case at bar the plaintiff's exclusive right of 'duplication' has not been violated." It is believed that the White-Smith case has not been overruled or modified by the Copyright Act of 1909. When Congress in § 1(e) of the Copyright Act of 1909 authorized the right of mechanical reproduction, it did not extend copyright protection to the mechanical reproductions per se; it only granted the right to the copyright proprietor to determine whether or not his musical composition would be mechanically reproduced. *Passim*, § 154a. The Committee Report discusses the White-Smith case extensively. H Rept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909). As we read the legislative history of § 1(e), Congress by enacting this provision, did not intend to overrule the White-Smith case. But *cf.* *Foreign & Domestic Music Corp. v. Licht*, 196 F2d 627 (2d Cir 1952).

<sup>10</sup> *Burrow-Giles Lithographic Co. v.*

*Sarony*, 111 US 53, 4 Sct 279, 28 LEd 349 (1884).

<sup>11</sup> Weil, *Copyright Law* (1917) 406: "It would seem that a copy involves the conception that it must have some degree of permanency or the maxim *de minimis* would apply. Thus, while the making of a single copy may be infringement, if this copy were destroyed almost as soon as made, as for example, if a vaudeville artist drew with colored chalks, or if a verse were cast upon a screen through a stereopticon, it may be doubted whether such a temporary production could fairly be called a copy." See *Hanfstaengl v. Empire Theatre*, 2 Ch 1 (1894) wherein a *tableaux vivant* was held not to be an infringement of a painting. The decision draws a distinction between reproduction and actionable reproduction, the latter implying something capable of forfeiture, viz., something tangible and reasonably permanent. The Hanfstaengl decision was overruled by the English Copyright Act of 1911. See Fox, *Canadian Copyright Law* (1944) 380-381. But in the recent case of *Victoria Park Racing & Recreation Grounds Co. Ltd.*, 37 NSWR 322, 38 NSWR 33 (1937) the information posted on the "tote" (totalizer or odds) board, giving the positions, odds, names of winners, etc., was not copy-

ideas in the author's mind or the transitory expression of the same.<sup>12</sup>

The second question tendered was whether the exhibition of a motion picture was a "publication" within the meaning of § 1(a) of the statute. Although Judge Coleman expressed some doubts on this issue, he was of the opinion that *White-Smith Music Publishing Company v. Apollo Co.*<sup>13</sup> "is also strongly persuasive of a negative answer to this question. . . ." <sup>14</sup> This conclusion is buttressed by the cases which hold that since the "performance of an ordinary play has never been held to be a publication, . . . the mere performance of a photoplay can have no different result." <sup>15</sup>

In *Patterson v. Century Productions, Inc.*,<sup>16</sup> the court was confronted with this question: defendants in some unauthorized way secured a positive copy of plaintiff's copyrighted film. Defendants then had a duplicate negative made; they incorporated 1500 feet from a duplicate negative into their own film, entitled "The Jungle Killer." Defendants then made positive prints from their duplicate negative (which included the 1500 feet from plaintiff's film) for distribution to motion picture theatres. Defendants clearly infringed plaintiff's printing and publishing rights since the making of a negative print from the positive and vice versa were copies. Permanency was present because the tangible copy of plaintiff's 1500 feet was preserved on the negative and positive prints made by the defendant.

But then the court went on to say: "Besides that, when the film was shown the defendants who did that made an enlarged copy of the picture. It was to be sure temporary but still a copy while it lasted. I suppose that a painting reproduced in colors that quickly faded to leave the canvas blank, would, when the reproduction was complete, be a copy regardless of its life as such." <sup>17</sup> It is submitted that this dictum is

rightable because of the evanescent character of the information. The latter was posted and pulled down after a few minutes exposure.

<sup>12</sup> *Passim*, § 154a. See Chaffee, Reflections on the Law of Copyright (1945) 45 ColLRv 503, 504.

<sup>13</sup> 209 US 1, 28 Sct 319, 52 LEd 655 (1909).

<sup>14</sup> *Tiffany Productions Inc. v. Dewing*, 9 USPQ 545 (DC Md 1931).

<sup>15</sup> *De Mille Co. v. Casey*, 121 Misc 78, 201 NYSupp 20 (1923). *Infra*, § 61b.

<sup>16</sup> *Patterson v. Century Productions*, 19 FSupp 30 (DC NY 1937), *aff'd*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1938).

<sup>17</sup> 93 F2d 489 (2d Cir 1938).

erroneous. Permanency is as much a requisite of statutory copyright as originality.<sup>18</sup>

The true and correct basis for holding that the exhibition of motion picture or television film and television "live" broadcasts do not infringe the printing and publishing rights is premised on the fact that the transitory images flashed on the screens lack permanency.

<sup>18</sup> *Op cit supra*, note 11.

## Chapter XI

### THE RIGHT OF TRANSFORMATION

#### § 110. Translation Rights.

111. The Right to Make Other Versions of Literary Works.

112. The Right to Dramatize Nondramatic Works.

113. The Right to Convert a Dramatic Work Into Nondramatic Form.

114. The Right to Arrange or Adopt Musical Compositions.

115. The Right to Complete, Execute and Finish a Model or Design for a Work of Art.

#### 110. TRANSLATION RIGHTS.

This exclusive right is spelled out in § 1(b):

“To translate the copyrighted work into other languages or dialects. . . .”<sup>1</sup>

This right existed at common law, provided there had been no voluntary publication.<sup>2</sup> It applies to retranslations from the original as well as to translations in other languages.<sup>3</sup>

Obviously the copyright proprietor of a television film has the exclusive right to translate or make foreign versions of the same. Conversely an unauthorized translation would be grounds for an infringement action.<sup>4</sup>

#### 111. THE RIGHT TO MAKE OTHER VERSIONS OF LITERARY WORKS.

This exclusive right authorizes the copyright proprietor to change the form of a literary work at will and precludes others from making use of the same.

<sup>1</sup> 61 STAT 652 (1947) 17 USCA § 1(b) (Supp 1951).

<sup>2</sup> Harper & Bros. v. Donohue, 144 Fed 491 (CC Ill 1905).

<sup>3</sup> Weil, Copyright Law (1917) 73. See also: Pasickniack v. Dojacek, 1 WWR 865, 37 ManLR 265 (1928); Wyatt v. Barnard, 3 Ves&B 77 (1814); Byrne v. Statist Co., 1 KB 622 (1914). A translation need not be literal in order to be protected. See Lauri v. Renad, 3 Ch 402, 8 TLR 637 (1892).

<sup>4</sup> The right to make or authorize a translation is recognized by the Berne

Convention as being one of the incidents of copyright vesting in the author. See Article 2, paragraph 2 of the Brussels Revision (1948) Article V, clause (1) of the Preliminary Draft of the Universal Copyright Convention provides: “For the purposes of this Convention, copyright shall include the exclusive right to make or authorize the translation of a work.” For a discussion of the conditions and alternative proposals to Article V, see § 195g, *passim*.

A literary work protected by § 1(b) is not restricted to "works of creative or imaginative literature,"<sup>1</sup> but includes "works in the vernacular."<sup>2</sup> "Thus a writing in the form of an advertisement, a direction sheet for a game, or an item appearing in the column of a newspaper, would if duly copyrighted, enjoy the right here secured."<sup>3</sup>

The term "any other version"<sup>4</sup> includes abridgements,<sup>5</sup> new editions of books,<sup>6</sup> adaptations of plays for motion pictures,<sup>7</sup> radio,<sup>8</sup> television, arrangements of music,<sup>9</sup> translations<sup>10</sup> and retranslations,<sup>11</sup> dramatizations of novels,<sup>12</sup> etc. In *Corcoran v. Montgomery Ward & Co.*, it was held that a manufacturer of phonograph records which caused a copy-

<sup>1</sup> Weil, Copyright Law (1917) 74.

<sup>2</sup> Howell, The Copyright Law (1948) 118. Cf. *Colliery Engineer Sales Co. v. Ewald*, 126 Fed 803 (CC NY 1903).

<sup>3</sup> *Id.* For other versions which are copyrightable, see: *Buckley v. Music Corporation of America*, 54 USPQ 70 (DC Del 1942): radio program script; *Donnelly & Sons Co. v. Haber*, 43 FSupp 456 (DC NY 456): catalog of plumbers' supplies; *Crocker v. General Drafting Co.*, 50 FSupp 634 (DC NY 1943): road map, design and setting; *College Entrance Book Co. v. Amseo Book Co., Inc.*, 119 F2d 874 (2d Cir 1941); *Penn Sportservice Inc. v. Goldstein*, 45 USPQ 706, 46 USPQ 477, 47 USPQ 210 (DC Pa 1940): baseball scorecard; *Deutsch v. Felton*, (DC NY 1939); graphology chart; *Ketcham v. New York World's Fair*, 34 FSupp 657 (DC NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941): color chart for world's fair; *Jackson v. Quickslip Co.*, 110 F2d 731 (2d Cir 1940). See particularly the following: *Alegrini v. De Angelis*, 59 FSupp 248 (DC Pa 1944), *aff'd*, 149 F2d 815 (3d Cir 1945): new arrangement and adaptation of old material.

<sup>4</sup> *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572, 573 (9th Cir 1941), cert den, 314 US 687, 62 Sct 300, 86 LEd 550 (1942): "The precise meaning of the phrase 'any other version' appears not to be settled by the decisions. The phrase has been held to apply to abridgements. *G. Ricordi & Co. v. Mason*, CC 201 F 182; *Id.*, DC 201 F 184; *Id.*, 2 Cir, 210 F 277; *MacMillan Co. v. King*, 223 F 862. It

has been suggested that it refers to versions of a literary nature. *Ladas, The International Protection of Literary and Artistic Property* (1938) p. 779."

<sup>5</sup> *Ricordi & Co. v. Mason*, 201 Fed 184 (DC NY 1912), *aff'd*, 210 Fed 277 (2d Cir 1913).

<sup>6</sup> *Edmonds v. Stern*, 248 Fed 897 (2d Cir 1918); *West Publishing Co. v. Thompson*, 176 Fed 833 (2d Cir 1910).

<sup>7</sup> Cf. *Sheldon v. Metro-Goldwyn-Mayer Pictures Corp.*, 26 FSupp 134 (DC NY 1938), reversed on other grounds, 106 F2d 45 (2d Cir 1940), *aff'd*, 309 US 390, 60 Sct 681, 84 LEd 825 (1940); *Underhill & Schenck*, 114 Misc 520, 187 NYSupp 589 (1921); *Klein v. Beach*, 232 Fed 240 (DC NY 1916), *aff'd*, 239 Fed 108 (2d Cir 1917).

<sup>8</sup> Cf. *Hazard v. Columbia Broadcasting System*, 150 F2d 852 (9th Cir 1945); *Select Theatres Corp. v. Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>9</sup> *Baron v. Feist Inc.*, 173 F2d 288 (2d Cir 1949).

<sup>10</sup> *Infra*, § 110.

<sup>11</sup> *Id.*

<sup>12</sup> *Harper & Bros. v. Kalem Co.*, 169 Fed 61 (2d Cir 1909), *aff'd*, 222 US 55, 32 Sct 20, 56 LEd 92 (1911); *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915); *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), modified on other grounds, 189 F2d 469 (2d Cir 1951).

righted poem to be set to music and recorded the same, did not make another "version" of the poem within the meaning of § 1(b).<sup>13</sup> The court relied on *White-Smith Music Publishing Co. v. Apollo Co.*,<sup>14a</sup> which for the purposes of the *Corcoran* case, holds that a mechanical reproduction is neither a copy nor "any other version" of the poem. The *Corcoran* case is no longer law. The recent amendment to the Copyright Code recognizing recording and performing rights in nondramatic literary works, extends copyright protection to poems, novels and other nondramatic literary works preserved on records.<sup>14b</sup>

A new version of a work protected by the statute may be duly copyrighted. Thus the adaptation of a novel for motion picture<sup>15</sup> or television film purposes, or for a radio or "live" television broadcast would be considered as new versions of literary work;<sup>16</sup> each may be independently copyrighted.<sup>17</sup>

The exclusive right spelled out by § 1(b) to make other versions of literary works is not absolute. A brief summary of a literary work is the form of a newspaper review or literary criticism, which does not reproduce the essence of the work is not an "other version." This is illustrated by *Ricordi & Co. v. Mason*<sup>18</sup> in which the complainant sought to enjoin the defendant from publishing and selling non-dramatic versions of the copyrighted operas "Iris and Germania." Defendant sold such versions in a publication

<sup>13</sup> *Op cit supra*, note 4.

<sup>14a</sup> 209 US 1, 28 Sct 319, 52 LEd 655 (1908).

<sup>14b</sup> Public Law No 575, 66 STAT 752, 82d Cong 2d Sess (1952). See also, Conference Rep't No 2486, SRep't No 1778 and HRep't No 1160 which accompanied HR 3589, 82d Cong 1st and 2d Sess (1951 and 1952).

<sup>15</sup> Weil, Copyright Law (1917) 74-75 discussed the question of whether a motion picture photoplay could be deemed a literary work: "If this be held not to be a literary work, since the rights of dramatization are limited to non-dramatic works, the right to make other versions would not enure to its proprietor and he would hence, while able to turn it into a novel, not have the right to turn it into a play to be spoken by human

actors. Because of the broad construction given the word 'writings' and by applying the same reasoning, it is deemed it may be held 'literary works' embraces those embodied in the media of motion picture films, but this is entirely a question for future decision." Weil's forecast was affirmed in *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre*, 3 FSupp 66 (DC Mass 1933); *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947).

<sup>16</sup> 61 STAT 652 (1947), 17 USCA § 7 (Supp 1951).

<sup>17</sup> *Id.* See also *Recordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), modified on other grounds, 189 F2d 469 (2d Cir 1951).

<sup>18</sup> 201 Fed 184 (DC NY 1912), *aff'd*, 210 Fed 277 (2d Cir 1913).

entitled, "Opera Stories." The question before the court was one of statutory construction:

"Although section 1 of the Copyright Act, which went into effect July 1, 1909, in broad terms gives the complainant the exclusive right 'to translate the copyrighted work into other languages or dialects, or make any other version thereof' etc., still the summing up of a libretto by merely outlining the plot or theme, detailing the incidents in such a way as to give in the fewest words possible the so-called story, as was done by the defendant with the opera 'Germania' and 'Iris,' does not constitute the making of such a version thereof as was in the contemplation of Congress when the copyright statute was enacted. A literal definition of the words 'make any other version thereof' would not only include the defendant's publication, but also the newspaper publications, after performance, of any reviews or criticisms, even when written by reporters invited by the owner of the play to witness the production. The publication of abridgements or versions of the play or opera being permitted to the newspapers, it makes no difference that another, without dialogue or stage directions, embodies practically the same information in a salable book. Indeed, the proofs show that the information as to the theme or plot of the opera in question was not taken by defendant from complainant's copyrighted librettos, but, that the version of 'Germania' was derived from a newspaper, and that of 'Iris' from a German publication. 'Of course, if the defendant's stories consisted of mere modifications of the copyrighted works or abridgements thereof, reproducing portions of the dialogue, words, or phrases, the scenes, and characters, a different question would be presented. As the proofs stand, however, I am convinced that the defendant's 'Opera Stories' is not an invasion of the copyright secured to the complainant by statute or an interference therewith.'<sup>19</sup>

#### 112. THE RIGHT TO DRAMATIZE NONDRAMATIC WORKS.

This is a broad right conferred upon the copyright proprietor. As Weil points out, "drama or dramatic works, for copyright purposes, have a far larger meaning than that in which they are originally used."<sup>1</sup> Thus comedies, farces, musical comedies, pantomimes, ballets, plays, motion pictures,

<sup>19</sup> *Id.*

<sup>1</sup> Weil, Copyright Law (1917) 75.

and radio and television broadcasts derived from non-dramatic works are comprehended by § 1(b).

A dramatic work may be defined as one which tells a story. Dialogue or narrative commentary is not necessary; action is, but the action must tell a story.<sup>2</sup> Thus a stage dance consisting of a series of graceful movements, but telling no story, portraying no character nor depicting any emotion is not a dramatic work.<sup>3</sup> Scenic and stage effects are also excluded from the definition of a drama.<sup>4</sup>

A song, which in and of itself is not considered a dramatic composition, is capable of dramatization.<sup>5</sup> A series of cartoons in a book depicting imaginary characters may be infringed by a dramatization.<sup>6</sup> As stated previously, a motion picture photoplay based on a copyrighted novel would be a dramatization thereof.<sup>7</sup> Similarly, there may be several dramatizations of the same novel, each capable of being copyrighted.<sup>8</sup>

<sup>2</sup> Seltzer v. Sunbrock, 22 FSupp 621 (DC Cal 1938): "The courts in determining what constitutes a dramatic composition, have emphatically stated that there must be a story—a thread of consecutively related events—either narrated or presented by dialogue or action or both." Coreoran v. Montgomery Ward & Co., 121 F2d 572 (9th Cir 1941) cert den, 314 US 687, 62 S Ct 300, 86 LEd 550 (1942): "While the poem has action in plenty, it lacks in the form in which it was written certain of the qualities of a dramatic work, notably dialogue and a perceptible plot."

<sup>3</sup> Fuller v. Bemis, 50 Fed 928 (DC NY 1892) Supreme Records v. Decca Records, 90 FSupp 904, 909 (DC Cal 1950): "There is a line of cases which holds that what we may call generically by the French word *représentation*,—which means to perform, act, impersonate, characterize, and is broader than the corresponding English word,—is not copyrightable or subject to any right recognized under the law of unfair competition. So the choice of a distinct locale for a play or story is not the subject of appropriation. Nor are mechanical devices used in production, gestures or motions of actors, or the movement of a dance or spec-

tacle. See Amdur on Copyright Law and Practice, pp. 702-725; 732-734; Harold Lloyd Corporation v. Witwer, 9 Cir, 65 F2d 1, 22; Echevarria v. Warner Bros., DC Cal 1935, 2 FSupp 633; Schwarz v. Universal, DC Cal 1949, 85 FSupp 270; Seltzer v. Sunbrock, DC Cal 1938, 22 FSupp 621; Martinetti v. Maguire, CC Cal 1867, 16 FCas page 920, No 9173."

<sup>4</sup> *Id.* See also Barnes v. Miner, 122 Fed 480, 490 (DC NY 1903).

<sup>5</sup> Witmark & Sons v. Pastime Amusement Co., 298 Fed 470 (DC SC 1924), *aff'd*, 2 F2d 1020 (4th Cir 1924).

<sup>6</sup> Hill v. Whalen & Martell, 220 Fed 359 (DC NY 1914).

<sup>7</sup> Harper Bros. v. Kalem Co., 222 US 55, 32 S Ct 20, 56 LEd 92 (1911).

—And see Howell, *The Copyright Law* (1948) at 119: "In an English case the copyright of a story told in words was held infringed by the performance in public of a ballet or other choreographic work, which by reproducing the same original combinations or series of ideas or incidents tells the same story through the medium of action. *Holland v. Vivian Van Dam Productions, Ltd.*, in *Copyright Cases*, p. 69, 1936 by E. J. Macgillivray."

<sup>8</sup> Harper Bros. v. Kalem Co., 169 Fed 61 (2d Cir 1909), *aff'd*, 222 US

### 113. THE RIGHT TO CONVERT A DRAMATIC WORK INTO NONDRAMATIC FORM.

Prior to the Act of 1909, an unauthorized novelization of a play did not infringe the copyright.<sup>1</sup> The Copyright Code remedied this deficiency by conferring upon the copyright proprietor the exclusive right to convert a dramatic work into a novel or other non-dramatic work.<sup>2</sup>

The novelization of an original motion picture photoplay i.e., written originally for the screen, would be protected by this clause. Similarly the script of a dramatic radio or television program could not be converted into a novel, or other non-dramatic work unless the copyright proprietor licensed such use.<sup>3</sup>

### 114. THE RIGHT TO ARRANGE OR ADAPT MUSICAL COMPOSITIONS.

The statute confers upon the copyright proprietor the exclusive right to make arrangements or adaptations of his musical composition.<sup>1</sup> An arrangement or adaptation which reflects sufficient originality to constitute a "new work" is copyrightable. The adaptation of a large musical opus into a smaller and specialized one is a "new work" which is susceptible of copyright protection. Similarly the transformation of symphonic music requiring 100 instruments into a piano concerto reflects originality, and hence warrants copyright protection.<sup>2</sup> On the other hand, a routine alteration, i.e. transposition into another key or a change in the fingering or phrasing is incidental to the original copyright; such embellishments do not warrant a separate copyright.<sup>3</sup>

55, 32 Sct 20, 56 LEd 92 (1911). See also: Photo-Drama Motion Picture Co. v. Social Uplift Film Corp., 213 Fed 374 (DC NY 1914), *aff'd*, 220 Fed 448 (2d Cir 1915); Klein v. Beach, 232 Fed 240 (DC NY 1916) *aff'd*, 239 Fed 108 (2d Cir 1917).

<sup>1</sup> Fitch v. Young, 239 Fed 1021 (2d Cir (1917).

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 1(b) (Supp 1951); Weil, Copyright Law (1917) 82.

<sup>3</sup> Uproar Co. v. National Broadcasting Co., 8 FSupp 358 (DC Mass 1934), modified on appeal, 81 F2d 373 (1st

Cir 1936), cert den, 298 US 670, 56 Sct 835, 80 LEd 1393 (1936).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1(b) (Supp 1951).

<sup>2</sup> Supreme Records v. Decca Records, 90 FSupp 904 (DC Cal 1950); Baron v. Leo Feist Inc., 173 F2d 288 (2d Cir 1949); Edmonds v. Stern, 248 Fed 897 (2d Cir 1918); Atwell v. Ferrett, 2 Blatchf 39, FCas No 690; 1 Blatchf 151, FCas No 4747 (1846).

<sup>3</sup> Norden v. Oliver Ditson Co., 13 FSupp 415 (DC Mass 1936); Cooper v. James, 213 Fed 871 (DC NY 1914). Louis Charles Smith in Copyright in

In the case of musical works in the public domain, an arrangement thereof reflecting originality or novelty may be copyrighted. A musical work which combines old material from the public domain is also capable of copyright protection. Thus "the dreadfully popular and ubiquitous 'Yes, We Have No Bananas' was quilted together from three totally different and amazing sources—the 'Hallelujah Chorus' from Handel's 'Messiah,' 'Aunt Dinah's Quilting Party' and 'I Dreamt I Dwelt in Marble Halls' from the 'Bohemian Girl.'" <sup>4</sup>

Incidental music written specifically for a television broadcast or a motion picture photoplay is copyrightable to the same extent as a musical composition.<sup>5</sup>

Obviously any arrangement or adaptation of a musical work requires the consent of the copyright owner. In the absence of a license, the copyright proprietor may enjoin the performance and cause the destruction of unauthorized arrangements or adaptations.<sup>6</sup>

An extremely interesting case which was recently decided by Judge Yankwich warrants discussion. In *Supreme Records Inc. v. Decca Records Inc.*,<sup>7</sup> plaintiff brought an unfair competition action against the defendant claiming that the latter had appropriated and imitated the former's musical arrangement of "A Little Bird Told Me," orchestrated by

the *Editing of Music* (Mimeograph, Library of Congress, June 1947) has discussed at length the pros and cons of whether a valid copyright may be secured in the editing of music. The latter refers to the use of text or symbols, to show dynamics, fingering, phrasing, bowing or the like "so that the editor may explain or instruct how the music is to be played. No changes are made in the musical composition, other than to supply or correct a note." "A true editor clarifies by his experience, skill and labor the original work of the composer. The thoughts of the editor are expressed in writing when he places symbols in juxtaposition to the musical notation or adds new text matter to the composition, such as annotations or prefatory statements. When the editor, however, actually adds new music, such as an arrangement, he is, in addition to being an editor, also a composer of music."

Whether a copyright may be secured in the editing of music has never been adjudicated by the federal courts. Mr. Smith at pp. 39-40 of his mimeographed pamphlet concludes that the "editing of music can well be the creative or original writings of an author, and hence are copyrightable."

<sup>4</sup> Shafter, *Musical Copyright* (2d Ed 1939) 82; *Hirsch v. Paramount Pictures Inc.*, 17 FSupp 816 (DC Calif 1937); *Arnstein v. Broadcast Music Inc.*, 137 F2d 410 (2d Cir 1943). See also Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 483.

<sup>5</sup> *Cf. Famous Music Corp. v. Melz*, 28 FSupp 767 (DC La 1939); *Harms Pastime Amusement Co. v. Witmark & Sons*, 2 F2d 1020 (4th Cir 1924), affirming, 298 Fed 470 (DC SC 1924).

<sup>6</sup> 61 STAT 652 (1947), 17 USCA § 101(d) (Supp 1951).

<sup>7</sup> 90 FSupp 904 (DC Cal 1950).

Paula Watson. The unfair competition aspects of this case will be discussed in greater detail elsewhere.<sup>8</sup> As the court pointed out, plaintiff was asserting no statutory rights. The copyright proprietor had not authorized it to arrange or adapt the song and register the same as a new work under § 7 of the statute. "The plaintiff merely holds a limited right to record,—a right which the composer did not intend to be exclusive, because the record shows that he or his agent approached the defendant, and that the recording by Decca was made in pursuance to an agreement whereby they pay royalties and compensation for the privilege of recording the song."<sup>9</sup> As we shall discuss elsewhere,<sup>10</sup> the court concluded that the mere recording of an arrangement by one not the author lacked the necessary property right to support an unfair competition action.<sup>11</sup> But even assuming that such a right "may exist," "it must consist of unique elements which combine to produce a finished product which has a being and distinctiveness of its own." Plaintiff's recording was deficient in that respect; and neither was there any likelihood of confusion as far as the public was concerned, between plaintiff's and defendant's records.

Judge Yankwich then analyzed the musical content and orchestrations of both records to prove that there was no similarity, hence, no appropriation of plaintiff's "secondary meaning" which plaintiff claimed, had attached to its recording.<sup>12</sup> Judge Yankwich described plaintiff's recording as "thin, mechanical, lacking inspiration, containing the usual accompaniments and the usual intonations you would find in any common recording. The impression one receives from the Decca recording is entirely different. It is rich, against a musically colorful background. It sounds full, meaty, polished."<sup>13</sup>

<sup>8</sup> *Passim*, § 211a.

<sup>9</sup> 90 FSupp at 907.

<sup>10</sup> *Passim*, § 211a.

<sup>11</sup> *Cf.* *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940) cert den 311 US 712, 61 SCt 393, 85 LEd 463 (1940); "This [common law] right has at times been stated as though it extended to all productions demanding 'intellectual effort'; and for the purposes of this case we shall assume that

it covers the performances of an orchestra conductor, and—what is far more doubtful—the skill and art by which a phonograph record maker makes possible the proper recording of those performances upon a disc."

<sup>12</sup> The doctrine of "secondary meaning" as developed in the law of unfair competition is discussed *passim*, § 210b.

<sup>13</sup> 90 FSupp at 912.

As Judge Yankwich concluded: "Assuming that a common-law property right may be asserted to the arrangement in a recording, distinct from the right to the song itself, in order that a particular arrangement be given recognition as such, the elements which the recorder has introduced must involve creative ability of a distinct kind. Adding certain incidents, such as emphasis upon accent, which is all that the clapping does, does nothing to the essence of musical creation. Musical creation consists in the grouping of notes, similarity of bars, harmony or melody. See *Hirsch v. Paramount Pictures*, D. C. Cal. 1937, 17 F. Supp. 816, 818. Accent is important. But accent alone does not rise to the dignity of creation."<sup>14</sup>

In the *Supreme Records* case, Judge Yankwich concluded that plaintiff could neither invoke the law of unfair competition nor common law copyright to protect its recording. But the significance of this decision is that it spells out a standard of originality not only for musical compositions but for arrangements and adaptations of the same. And this standard of originality is likewise employed to measure copyrightability for arrangements and adaptations under the Copyright Code.<sup>15</sup>

#### 115. THE RIGHT TO COMPLETE, EXECUTE AND FINISH A MODEL OR DESIGN FOR A WORK OF ART.

As discussed elsewhere,<sup>1</sup> copyright protection is not limited to works of fine art such as paintings, drawings or sculpture, but extends to works of artistic craftsmanship such as artistic jewelry, enamels, glassware and tapestry.<sup>2</sup> Thus copyright protection is accorded the following categories:

<sup>14</sup> *Id.* at 914.

<sup>15</sup> See *Hirsch v. Paramount Pictures Inc.*, 17 F.Supp 816 (DC Cal 1937).

<sup>1</sup> *Infra*, § 31g.

<sup>2</sup> Regulations of the Copyright Office, 37 FR §§ 202.8 and 202.9 (1948):

§ 202.8: "*Works of art (Class G)*

—(a) *In general.* This class includes works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry, enamels, glassware, and tapestries, as well as all works belonging to the fine arts, such as paintings, drawings and sculpture. Works of art and models or

designs for works of art are registered in Class G on Form G except published three-dimensional works of art which require Form GG.

(b) *Published three - dimensional works of art.* All applications for copyright registration of published three-dimensional works of art shall be accompanied by as many photographs, in black and white or in color, as are necessary to identify the work. Each photograph shall not be larger than nine by twelve inches, but preferably shall be eight by ten inches, nor shall it present an image of the work smaller than four inches in its greatest dimen-

1) The fine arts which are intended for ornamental purposes such as paintings in oil, mosaics, carvings, and statuary, all of which are not generally susceptible of commercial reproduction;

2) Minor objects of art intended for ornamental display and reproduced in quantities for sale from the original. This category includes such items as vases, plaques, etching, etc.;

3) Objects which are both ornamental and utilitarian such as stained glass windows and tapestry.<sup>3</sup>

Although the Copyright Office accepts for registration, objects primarily designed for a utilitarian purpose, but also ornamental, viz., clocks, curtains, rugs, furniture, etc., as works of fine art,<sup>4</sup> the recent case of *Stein v. Expert Lamp Co.* holds that a design of an electric lamp in the form of a statuette cannot be "protected as a monopoly by means of a copyright registration, without an examination as to originality, novelty or inventiveness."<sup>5</sup> The court suggested that plaintiff should have invoked the design patent law. The latter is intended to promote the decorative arts and to stimulate the exercise of inventive faculty in improving the appearance of articles of manufacture.<sup>6</sup> It provides in part that "Any person who

sion. The title of the work shall appear on each photograph. In addition to the photographs, application on Form GG, and the statutory registration fee, each applicant shall select and comply with one of the following options:

(1) *Option A.* Send two copies of the best edition of the work (or one copy, if by a foreign author and published in a foreign country). The Copyright Office will retain the copies for disposition in accordance with its usual practice.

(2) *Option B.* Send two copies of the best edition of the work (or one copy, if by a foreign author and published in a foreign country) and in addition mark the package with the special label supplied by the Copyright Office or by the use of other appropriate means indicating that Option B has been chosen. The Copyright Office will promptly return the copies to the copyright claimant or to his agent, at an address within the United States at his expense.

(3) *Option C.* Send no copies of the

work. If Option C is selected the Copyright Office will issue its certificate, bearing a notation that photographs were accepted in place of copies, but expresses no opinion as to the need for, or possible effect of delay in, making deposit of copies prior to suit for infringement of copyright."

§ 202.9: "Reproductions of works of art (Class II). This class includes published reproductions of existing works of art in the same or a different medium, such as a lithograph, photo-engraving, etching or drawing of a painting, sculpture or other work of art."

<sup>3</sup> *Op cit supra*, note 1.

<sup>4</sup> Howell, *The Copyright Law* (1948) 20.

<sup>5</sup> *Stein v. Expert Lamp Co.*, 188 F2d 611 (7th Cir 1951).

<sup>6</sup> See *Capex Co. v. Swartz*, 166 F2d 5 (7th Cir 1948); *Duncan & Miller Glass Co. v. Hazel Atlas Glass Co.*, 47 FSupp 192 (DC WVa 1942); *Frankart Inc. v. Everlite*, 11 FSupp 680 (DC NY 1935).

has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof . . . may . . . obtain a patent therefor.”<sup>7</sup>

A design patent has been described as a “hybrid which combines in itself features of both a patent and a copyright.”<sup>8</sup> A design patent is similar to a copyright in that it protects an artistic or ornamental form;<sup>9</sup> it is similar to a patent in that it requires “what is termed inventive genius,”<sup>10</sup> and investigation as to priority of use.<sup>11</sup> A design patent differs from copyright in that it is employed for industrial uses; its exclusive right is to “make, use and vend;”<sup>12</sup> a copyright on the other hand “consists only in the power to prevent others from reproducing the copyrighted work.”<sup>13</sup>

The question tendered is whether certain designs are susceptible of both patent and copyright protection. The policy of the Copyright Office is to register as works of arts utilitarian objects which are ornamental in design. Thus works of artistic craftsmanship such as jewelry and enamels have been registered under this classification.<sup>14</sup> But the courts, as exemplified by *Stein v. Expert Lamp Co.*<sup>15</sup> are not as liberal as the Copyright Office in employing the Copyright Code to protect the applied arts. The courts are reluctant to extend the exclusive monopoly privilege conferred by the Copyright Code to unpatented articles of manufacture.<sup>16</sup>

One or two cases have intimated that dual protection is available. Thus in the “Kewpie” doll case, the copyright application referred to the doll as a statuette and a “work

<sup>7</sup> 32 STAT 193 (1902) as amended by 53 STAT 1212 (1939), 35 USCA § 73.

<sup>8</sup> Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) § 16.3.

<sup>9</sup> *Op cit supra*, note 6. See also *Circle S. Products Co. v. Powell Products, Inc.*, 174 F2d 562 (7th Cir 1949).

<sup>10</sup> *General Times Instruments Corp. v. United States Time Corporation*, 165 F2d 853 (2d Cir 1948).

<sup>11</sup> *Capex Co. v. Swartz*, 166 F2d 5 (7th Cir 1948); *Protex Signal Co. v. Feniger*, 11 F2d 43 (6th Cir 1926).

<sup>12</sup> *Op cit supra*, note 7.

<sup>13</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311

US 712, 61 Sct 393, 85 LEd 463 (1940).

<sup>14</sup> *Op cit supra*, note 2. See Warner, Sam B., *Copyrighting Jewelry* (1949) 31 JPatOffSoc 487; Hugin, *Copyrighting Works of Art*, *Ibid* 710.

<sup>15</sup> 188 F2d 611 (7th Cir 1951).

<sup>16</sup> *Brown Instrument Co. v. Warner*, 161 F2d 910 (USAppDC 1947), cert den, 332 US 801, 68 Sct 101, 92 LEd 380 (1947); *Taylor Instrument Co. v. Fawley-Brost Co.*, 139 F2d 98 (7th Cir 1943), cert den, 321 US 785, 64 Sct 782, 88 LEd 1076 (1944); *Kemp & Beatley Inc. v. Hirsch*, 34 F2d 291 (DC NY 1929); *Baker v. Selden*, 101 US 99, 25 LEd 841 (1880).

of plastic art.” The court refused to express any opinion as to the propriety of copyrighting a doll, but concluded based on the admission of the defendant, that the latter had infringed both the design patent and the copyright.<sup>17</sup>

The next question tendered is whether a design patent has any advantages over copyright or vice versa. A design patent requires examination of the prior art, whereas the element of invention is not essential under the copyright law. But the latter must comply with certain formalities, particularly notice of copyright, whereas the patent design law is not as strict. This is illustrated by *De Jonge & Co. v. Breuker & Kessler Co.*, wherein an artist was commissioned to produce a painting. The latter consisted of sprigs of holly, mistletoe and spruce arranged in the form of a hollow square and was reproduced twelve times in a contiguous arrangement on single strips of paper used for wrapping boxes during the Xmas season. Plaintiff obtained a copyright on the design under the prior copyright law. The defendant who was sued for infringement claimed that it should have been patented as a design for an article of manufacture. The lower court held that the work was susceptible of patent or copyright protection; that since the proprietor chose the latter, he must comply with the formalities of the copyright law. The court held that the notice of copyright on the design was defective. The single notice of copyright on each sheet of wrapping paper was insufficient; the notice should have been reproduced on each of the twelve designs although the designs were not displayed separately, but as a harmonious whole. The court then stated that the foregoing difficulties could have been obviated if plaintiff had patented the painting as a design. The design patent was intended for such use; it could have furnished adequate protection. From a practical point of view the presence of twelve copyright notices on the wrapping paper would have destroyed its commercial value.<sup>18</sup>

The appellate court reserved its opinion as to whether the sphere of copyright and patent overlapped. It agreed with the lower court that if this was a painting, every reproduc-

<sup>17</sup> *Wilson v. Haber Bros. Inc.*, 275 Fed 346 (2d Cir 1921); *Horsman v. Kaufman*, 286 Fed 372 (2d Cir 1922). See also: *Kallus v. Bimblick Toy Mfg. Co.*, 229 AppDiv 313, 241 NYSupp 105 (1930).

<sup>18</sup> *De Jonge v. Breukler & Kessler Co.*, 182 Fed 150 (CC Pa 1910).

tion must bear the statutory copyright notice.<sup>19</sup> The Supreme Court, per Mr. Justice Holmes affirmed this holding:

“The thing protected and the only thing was the painting, the whole of which was reproduced in a single square. Every reproduction of a copyrighted work must bear the statutory notice. *American Tobacco Co. v. Werckmeister*, 207 U.S. 284, 294, 52 L. ed. 208, 215, 28 Sup. Ct. Rep. 72, 12 Ann. Cas. 595. It is suggested that it is overtechnical to require a repetition of the notice upon every square in a single sheet that makes a harmonious whole. This argument tacitly assumes that we can look to such larger unity as the sheet possesses. But that unity is only the unity of a design that is not patented. The protected object does not gain more extensive privileges by being repeated several times upon one sheet of paper, as anyone would recognize if it were the *Gioconda*. The appellant is claiming the same rights as if this work were one of the masterpieces of the world, and he must take them with the same limitations that would apply to a portrait, a Holy Family, or a scene of war.”<sup>20</sup>

As stated above, the Copyright Office will register an artistic drawing which may subsequently be utilized as an article of manufacture. However such copyright protection cannot be extended to give the proprietor thereof an exclusive monopoly in the unpatented manufacture of such articles.<sup>21</sup> Thus the copyright of a catalogue which contained illustrations and engravings of furniture protected the drawings only. The copyright did not prohibit a person from manufacturing such furniture, and subsequently publishing a catalogue with illustrations of the furniture thus duplicated.<sup>22a</sup>

<sup>19</sup> *De Jonge v. Breukler & Kessler Co.*, 191 Fed 35 (3d Cir 1911).

<sup>20</sup> *De Jonge v. Breukler & Kessler Co.*, 235 US 33, 35 S Ct 6, 59 L Ed 113 (1914).

<sup>21</sup> *Op cit supra*, note 16. See also *Stein v. Expert Lamp Co.*, 188 F2d 611, 613 (7th Cir 1951): “We have been told that an object of practical use is subject to patent protection, *Baker v. Selden*, 101 US 99, 25 L Ed 841, and it has been held that copyrighting ‘works of art’ or ‘designs of works of art’ does not give a copyright owner a monopoly on the article itself if it is to be used for an article of manufacture.”

<sup>22a</sup> *National Cloak & Suit Co. v. Kaufman*, 189 Fed 215 (CC Pa 1911); *Lamb v. Grand Rapids School Furniture Co.*, 39 Fed 474 (CC Mich 1889). But in the *Spark Plug* case (*King Features Syndicate v. Fleisher*, 299 Fed 533 (2d Cir 1924)) it was held that the manufacture of a toy horse in the semblance of plaintiff’s copyrighted cartoons infringed the copyright. The *Spark-plug* case may be distinguished from the cases cited in this note on the theory that the form of the toy horse was the essence of the copyrighted cartoon. The manufactured toy horse and the cartoon employed the same concept of humor, however

A related problem and one which is of tremendous commercial significance is whether dresses, and textile designs, can be protected by the design patent and copyright laws.<sup>22b</sup>

Although dresses and textiles of novel design may be protected by the design patent statute, the latter is ineffective for the following reasons:

a) Originality from the patent standpoint has reference to pure originality as well as novelty from every standpoint. Thus the same rules are applicable to a design as apply to a mechanical invention.<sup>23</sup> "It is obvious to anyone that such a law (design patent) fails to cover what the artistic and business world needs most, namely, originality in the sense that by application of artistic and intellectual effort a design has been applied and embodied in a new or novel way to a manufactured product. Moreover, this need is further frustrated by the consideration of noncompetitive designs, as, the refusal of a textile design because of alleged similarity to wallpaper, etc. Because of the requirement for originality

the comic toy had no functional use nor did it serve any utilitarian purpose.

<sup>22b</sup> See the testimony of Miss Mary Bendelari and Sylvan Gotshal in the Hearings before the House Committee on Patents on Revision of the Copyright Laws, 74th Cong 2d Sess (1936) 699, 841, 920, 964. See also: Weikart, Design Piracy (1944) 19 IndLJ 235; Derenberg, Is Piracy of Dress Designs an Actionable Wrong (1936) 31 Bull. US Trade-Mark Ass'n 57; Callmann, Style and Design Piracy (1940) 22 JPatOffSoc 557.

<sup>23</sup> *In re Faustmann*, 155 F2d 388, 392 (CCPA): "Thus it is seen that the authority for granting a design patent is based upon four propositions—the design must be new, original, ornamental, and must be the product of invention. . . . The greatest difficulty encountered has been in determining the question of the existence of invention. . . . It has been a uniform holding of this court, following the settled law announced by other courts, that the production of a design patent must involve the element of invention and it is well-settled that no lesser degree of inventive skill is required in the production of designs than other kinds of patented articles (cases cited

and discussed *infra*)." For the attitude of the Patent Office, see opinion of former Commissioner Ooms in *Ex parte Norman*, 69 USPQ 553 (1946); *Nat Lewis Purses, Inc. v. Carole Bags, Inc.*, 83 F2d 475, 476 (2d Cir 1936): ". . . a design patent must be the product of 'invention,' by which we meant the same exceptional talent that is required for a mechanical patent. . . . True, the piracy of designs, especially in wearing apparel, has been often denounced as a serious evil and perhaps it is; perhaps new designs ought to be entitled to a limited copyright. Efforts have been made to induce Congress to change the law so as to give such protection, without success so far; and until it does, new designs are open to all, unless their production demands some salient ability." See also: *Verney Corporation v. Rose Fabric Converters Corporation*, 87 FSupp 802 (SD NY 1949); *White v. Leaneore Frocks, Inc.*, 120 F2d 113 (2d Cir 1941); *Roseweb Frocks, Inc. v. Moe Feinberg-Mor Wiesen, Inc.*, 40 FSupp 979 (SD NY 1941); *Belding Heminway Co. v. Future Fashions, Inc.*, 143 F2d 216 (2d Cir 1944).

in the 'inventive' sense, it is said that 90 per cent of the applications for design patents are refused upon the first search." <sup>24</sup>

b) The time consumed in obtaining a design patent generally renders it valueless. Textile designs "have only a short life, for the most part no more than a single season of eight or nine months. It is in practice impossible, and it would be very onerous if it were not, to secure design patents upon all of these; it would also be impossible to know what would sell well, and patent only those." <sup>25</sup>

<sup>24</sup> Hearings on Revision of the Copyright Law (1936) *op cit supra* note 22 at 844. See also Hearings before a Subcommittee on Patents, Trade-Marks and Copyrights of the Committee on the Judiciary on HR 2860, 80th Cong 1st Sess (1947) and particularly the statements of Sam B. Warner, former Register of Copyrights at pp. 29, 34 ff; Sylvan Gotshal at pp. 27 and 57 ff; and Karl Fenning at pp. 10 and 31 ff.

<sup>25</sup> Hearings on Revision of the Copyright Law (1936) *op cit supra* note 22 at 844-845:

"The method of the patent office in each design is to cause a thorough search to be made before action. This, together with the fact that the patent office is overloaded with work and lacking in man power, means that it has generally taken weeks before letters patent for a design are issued. Even though the Design Patent Office has been speeded up over the past couple of years, primarily due to the untiring and most helpful efforts of your chairman, it is simply not practical and cannot be because of the fleeting nature and popularity of designs and because of the inability to protect designs based solely on novelty. Protection afforded by the patent law is illusory, for by the time the patent has been issued, the design has been copied, and its term of value has expired. During the past years, the Commissioner of Patents has made every possible effort to cooperate with those interested in the protection of designs by hastening, so far as he was able, the granting of the patents. With all the good will in the world, however, he is subject to limitations of an antiquated law.

The Design Patent Law was conceived at a time when the evils of piracy had not yet forced themselves upon the country and was never meant to cover such commercial necessities as exist today.

Foremost authorities on this subject have always considered it of doubtful value and have condemned it as to its propriety, particularly in the light of present day commercial necessities. First of all, it is necessary to file three forms, petition, oath, and specification for each application for letters patent and each of these forms must bear the signature of the originator of the design, that is, the artist. The procuring of signatures for the necessary papers presents many practical difficulties. In addition to the three forms specified, the buyer of the design must also secure from the originator an assignment of rights in the patent. Further, there must be attached to the application a special drawing by special process in black and white of the design. Since in the majority of designs more than one color is used, this means that the original appearance of the drawing must be adapted to portray the various color values into black and white. It can readily be seen that adequate protection against a colorable imitation, a common basis of design piracy, is difficult.

Many people have the idea that once a patent is issued by the Patent Office, their rights are inviolate. Certainly the issuance of a patent affords certain very definite rights which enable the owner to give a great deal of trouble to a copier. But until a court has passed upon a patent, it is impossible to guarantee what effect the mere is-

c) The cost involved in securing letters patent for textile designs is prohibitive. It is estimated that the cost per design is from \$25 to \$100 depending upon the complicated nature of the same and the extent of interference. This cost is prohibitive to the individual manufacturer who may wish to register several hundred designs each season, and not knowing which will prove valuable.<sup>26</sup>

The present copyright law cannot protect designs for the following reasons:

a) Since the Copyright Code requires each reproduction of the design to bear the copyright notice, its constant repetition would destroy the merchantability and commercial use of the product.<sup>27</sup>

b) The administrative and judicial interpretation of the Copyright Code excludes dresses and textile designs from being classified as works of art. The copyright registration of a drawing of the dress or of a textile design does not give the proprietor thereof, the exclusive right to make and sell the dress. Copyright protection is limited to the exclusive right to make copies and reprints of the drawings. Any person may make and sell a dress or textile design based on a copyrighted drawing.<sup>28</sup>

Neither common-law copyright<sup>29</sup> nor the law of unfair competition<sup>30</sup> can be invoked to protect designs. Assuming

suance has. Broadly stated, the patent confers merely a prima facie right. It is most difficult to obtain injunctions, however, and damages are not easy to calculate; consequently the owner of the patent has little practical redress, particularly when it is realized that the issue will not come to trial until after the design has from a fashion standpoint become of little value.”

<sup>26</sup> *Id.* at 845.

<sup>27</sup> *De Jonge v. Breukler & Kessler Co.*, 235 US 33, 35 S Ct 6, 59 L Ed 113 (1914). See also *Verney Corporation v. Rose Fabric Converters Corporation*, 87 F Supp 802 (DC NY 1949); *Kemp & Beatley, Inc. v. Kirsch*, 34 F2d 291 (DC NY 1929).

<sup>28</sup> *Adelman v. Sonners & Gordon Inc.*, 21 USPQ 218 (DC NY 1934): “To give the author or designer an exclusive right to manufacture the article described in the certificate of

copyright registration, when no examination of its novelty has ever been made, would unjustly create a monopoly and moreover would usurp the functions of letter patent”; *Kemp & Beatley, Inc. v. Hirsch et al.*, 34 F2d 291 (ED NY 1929). *Cf.* *Burke v. Spicers Dress Designs*, [1936] 1 ALLER 99, plaintiffs brought an action under the English Copyright Act, 1911, 1 & 2 Geo 5, c. 46, to restrain infringement by copying a sketch of a design for a lady’s dress and the dress itself. The Court, per Clauson, J., held that the frock was not an “original work of artistic workmanship,” hence it was not protected by the Copyright Act. And see cases cited in *Verney Corporation v. Rose Fabric Converters Corporation et al.*, 87 F Supp 802 (SD NY 1949).

<sup>29</sup> *Passim*, § 217.

<sup>30</sup> *Passim*, § 217.

for the sake of argument that there is a common-law property right in an original design,<sup>31</sup> the publication of the design, i.e., the exhibition of the dress or design for the purposes of sale, results in a surrender of such common-law right.<sup>32</sup>

We shall discuss elsewhere the refusal of the courts to extend the doctrine of unfair competition to protect the piracy of designs.<sup>33</sup> But on this issue, Judge Learned Hand's opinion in *Cheney Bros. v. Doris Silk Corporation* is instructive:

“The piracy of styles or designs is a problem of much concern in many important industries, particularly the ladies garment industry. The formulation of a comprehensive policy with respect thereto is, generally speaking, for the legislature rather than the courts. Many elements enter into it of a practical, administrative, economic, and commercial character. The business conscience on this question, though troubled and at times stirred, is still somewhat flexible. The whole situation is in a state of transition and mutation. The problem is, how to retain for a man the benefits of his creative genius, without at the same time unduly restricting and hampering manufacture and trade.”<sup>34</sup>

Since 1920, the “design industry” has sought amendatory legislation whereby the copyright law would be extended to protect designs. Numerous bills have been introduced in Congress to close “the hiatus in completed justice.”<sup>35</sup> In 1930, the House passed the Vestal Bill<sup>36</sup> which furnished copyright protection to designs; this bill failed in the Senate “as a result of the shortness of time more than anything else.”<sup>37</sup>

<sup>31</sup> See *Burke v. Spicers Dress Designs* (1936) 1 ALLER 99 discussed in *op cit supra* note 28; *Kemp & Beatley Inc. v. Hirsch*, 34 F2d 291 (DC NY 1929); *Verney Corporation v. Rose Fabric Converters Corporation*, 87 FSupp 802 (DC NY 1949).

<sup>32</sup> *Fashion Originators Guild Inc. v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 Sct 703, 85 LEd 949 (1941); *Milinery Creators Guild, Inc. v. Federal Trade Commission*, 109 F2d 175 (2d Cir 1940), *aff'd*, 312 US 469, 61 Sct 708, 85 LEd 955 (1941).

<sup>33</sup> *Passim*, § 217.

<sup>34</sup> *Cheney Bros. v. Doris Silk Corp.*, 35 F2d 279 (2d Cir 1929), cert den, 261 US 728, 50 Sct 245, 74 LEd 1145 (1930).

<sup>35</sup> *Id.* Weikart, *Design Piracy* (1944) 19 IndLJ 235, 245-247 lists 32 bills before the House and Senate from 1914 to 1935.

<sup>36</sup> HR 11852, 71st Cong 2d Sess (1930). This bill is discussed in Note (1931) 31 CalLRev 477.

<sup>37</sup> *Hearings on Revision of Copyright Law* (1936), *op cit supra* note 22 at 841.

There have been repeated attempts since the Vestal bill to amend the statute and afford copyright protection to the "design" industry.<sup>38</sup> Relief via legislation appears unlikely because of the conflicting interests which seek and oppose such amendatory legislation and the administrative difficulties which would confront the Copyright Office or any other regulatory body in enforcing a statute which would protect designs.<sup>39</sup>

<sup>38</sup> Weikart, Design Piracy, (1944) 19 IndLRev 235, 245. The latest is HR 2860, 80th Cong 1st Sess (1947). Hearings were held on this bill before Subcommittee on Patents, Trade-Marks and Copyrights on the Judiciary.

<sup>39</sup> Hearings on HR 2860, 80th Cong 1st Sess (1947), *supra* note 38. The following from Weikart, Design Piracy (1944) 19 IndLJ 235, 256-257 sums up the problems tendered by "design piracy":

"In this writer's opinion, there is probably slightly more reason to protect non-patentable and non-copyrightable designs, in the style-merchandise industry, than to leave protection in the status quo. In the women's clothing and textile industry, style has become the dominant factor, wear and durability are de-emphasized—yet the patent and copyright statutes of the early nineteen hundreds protect functional, durability processes but give no protection whatever to style designs. Protection furnished emphasizes the functional, which, in this one industry, has become outmoded.

The demand is for dresses and textiles original in design, the manufacturer who tries to meet this demand, by retaining a design department and by closely analyzing fashion trends, finds small reward for his efforts. Copying manufacturers attach themselves to him like parasites—grab up the "hits" and proceed to wring the profit out of the originator's effort in a few weeks.

But of course this is only half the argument. In any sort of design protection, at some place along the line, someone is going to have to take the risk of the alleged copy turning out to be not a copy at all. In the no-search, registration type of design protection, this risk is thrown on the retailer.\* \* \*

It is true that generally under a registration-type statute, he will have to decide for himself whether the dress he is selling, made by Y Co., is a copy of X's registered original design. The risk will fall on him—this will require an added staff of experts and an additional increment added to the cost of distribution before the dress reaches the consumer. Under the search-type of legislation that risk is shifted from him—he has the assurance that, when X claims Y's dress, which he is selling, is a copy, X's contention is backed up by a search through a voluminous well of already registered designs. And yet the search-type law has its difficulties. Naturally there is the element of time. A government staff of searchers would have to operate quickly or the style-life of the design would be over long before production could be secured.

Likewise, where in the beginning would the search office secure a list of all the designs already 'in the public domain'? Could one get a patent, under this new law, on a polka-dot design if he got the application in before anyone else? Obviously not. But pick a design that has not had such general use—then who will say absolutely that it is in the public domain? These questions begin to hit at the real heart of the difficulty in search-statutes.

There seems to be no satisfactory solution to the problem. It can certainly be said, however, that a hundred years from now people will look back with amazement on the laws of the nineteen thirties and forties which refused protection to the non-functional designs of such great designers as Norma Bel Geddes, and yet gave protection to the creators of 'Superman' and 'Little Orphan Annie'."

## Chapter XII

### PERFORMING RIGHTS

#### § 120. Introduction.

- 121. Lectures, Sermons, Addresses or Similar Productions.
- 122. Radio and Television Broadcasts of Poems, Novels, Stories and Other Nondramatic Literary Works.
- 123. Public Performance of Dramatic Works.
- 124. Performance of Music in Public for Profit.

#### 120. INTRODUCTION.

From an historical point of view, the copyright laws both in England and in the United States first protected the printing and publishing rights. In England, it was not until 1833 that the Bulwer-Lytton Act recognized performing and representation rights in dramatic works.<sup>1</sup> In 1842, this right of performance was extended to musical compositions.<sup>2</sup>

In the United States, the performing rights in dramatic works were first granted by the Act of 1856.<sup>3</sup> In 1891, copyright protection was extended to include the exclusive right to translate and dramatize copyrighted works.<sup>4</sup> In 1897 Congress recognized performance rights in musical compositions.<sup>5</sup>

Today, the performing rights are the most significant and important rights conferred by the Copyright Code; they furnish the chief source of revenue to the copyright proprietor. Their significance and importance warrant illustration.<sup>6</sup>

John Doe has written a popular song, entitled "Jimmie and Bud." Although the song is not a dramatic composition per se, it is capable of dramatization.<sup>7</sup> Thus the copyright

<sup>1</sup> 3-4 Will IV c. 15 (1833). *Falcon v. Famous Players Ltd.* 1 KB 393 (1926) *aff'd* 2 KB 474 (1926).

<sup>2</sup> 5-6 Vie. c. 45 (1842). *Chappell v. Boosey*, 21 Ch Div 232 (1882).

<sup>3</sup> 11 STAT 138 (1856).

<sup>4</sup> 26 STAT 1107 (1891).

<sup>5</sup> 29 STAT 481 (1897).

<sup>6</sup> *Cf.* *Buck v. Swanson*, 33 FSupp 377 (DC Neb 1939) *reversed on other grounds and bill dismissed*, 313 US 406,

<sup>61</sup> Sct 969, 85 LEd 1426 (1941):

"The right of public performance in connection with the [musical composition] includes separate and distinct rights among them being (1) the right of publication, (2) the motion picture rights, (3) the stage right, (4) the recording rights, and (5), the radio reproduction rights."

<sup>7</sup> *Witmark & Sons v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924), *aff'd*, 2 F2d 1020 (4th Cir 1924).

proprietor may license "unlimited world rights including picture title" in the song to a major motion picture studio<sup>8</sup> or to a television film producer. The copyright proprietor may likewise license the synchronization or recording rights to another studio for distribution to motion picture exhibitors only.<sup>9</sup> The synchronization rights may also be licensed to a television film producer for distribution to television broadcast stations.

The mechanical reproduction rights may be licensed to a phonograph record manufacturer; they may also be licensed to a transcription company which furnishes a transcription service to broadcast stations.<sup>10</sup>

Since Doe is a member of the American Society of Composers, Authors and Publishers, he has licensed the "small performing" or non-dramatic rights in his song to that organization. ASCAP which licenses the use of music to such users as radio broadcast stations,<sup>11</sup> hotels,<sup>12</sup> dance-halls,<sup>13</sup> etc., exacts fees for the performing rights therein. Doe also licenses to ASCAP his "small performing rights" for television purposes ASCAP likewise exacts license fees for this use.<sup>14</sup>

A television broadcast station desires to feature "Jimmie and Bud" in a half hour show. Since the "grand performing" or dramatic rights are involved and since such rights have not been assigned ASCAP, the station secures a license from Doe for this category of performing rights.<sup>15</sup>

<sup>8</sup> Jerome v. Twentieth Century-Fox Film Corporation, 67 FSupp 736 (DC NY 1946). See also Re Hart, 79 USPQ 217 (NYSurCt 1948).

<sup>9</sup> See: Alden-Rochelle, Inc. v. ASCAP, 80 FSupp 888 (DC NY 1948); Witmark & Sons v. Jensen, 80 FSupp 843 (DC Minn 1948).

<sup>10</sup> The mechanical reproduction rights are discussed *passim*, § 131b ff. See Marks Music Corp. v. Foulton, 79 FSupp 664 (DC NY 1948), *aff'd*, 171 F2d 905 (2d Cir 1949); Waring v. Dunlea, 26 FSupp 338 (DC NC 1939).

<sup>11</sup> Associated Music Publishers v. Debs Memorial Radio Fund, 46 FSupp 829 (DC Neb 1942), *aff'd*, 141 F2d 852 (2d Cir 1944) cert den, 323 US 766, 65 Sct 120, 89 LEd 613 (1945); Buck v. Jewell-La Salle Realty Co., 283

US 191, 51 Sct 410, 75 LEd 971 (1931); Remick & Co. v. American Automobile Accessories Co., 298 Fed 628 (DC Ohio 1924) *reversed*, 5 F2d 411 (6th Cir 1925), cert den 269 US 556, 46 Sct 19, 70 LEd 409 (1925); Witmark v. Bamberger, 291 Fed 776 (DC NJ 1923); Law v. National Broadcasting Co., 51 FSupp 798 (DC NY 1943).

<sup>12</sup> Herbert v. Shanley Co., 242 US 591, 37 Sct 232, 61 LEd 511 (1917).

<sup>13</sup> Irving Berlin Inc. v. Daigle, 31 F2d 832 (5th Cir 1929).

<sup>14</sup> This is discussed *passim*, § 136 ff.

<sup>15</sup> Another "right" recognized by the industry are the "cavalcade rights" which are a species of the "grand rights." Re Hart, 79 USPQ 217 (NYSurCt 1948): "It is suffi-

The foregoing illustrates the variety of performing rights which can emanate from a single musical composition.

Another illustration which warrants discussion are the performing rights in a play. Thus the exclusive rights conferred by the Copyright Code permit the author to license the play for a stage production,<sup>16</sup> a radio adaptation,<sup>17</sup> for motion pictures,<sup>18</sup> television film<sup>19</sup> and a live television adaptation.<sup>20</sup>

### 121. LECTURES, SERMONS, ADDRESSES OR SIMILAR PRODUCTIONS.

On July 17, 1952, the President signed HR 3589 which recognized recording and performing rights in nondramatic literary works. The text of HR 3589 which amended § 1(c) of the Copyright Code is quoted in its entirety:

“(c) To deliver, authorize the delivery of, read, or present the copyrighted work in public for profit if it be a lecture, sermon, address or similar production, or other nondramatic literary work; to make or procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, delivered, presented, produced, or reproduced; and to play or perform it in public for profit, and to exhibit, represent, produce, or reproduce it in any manner or by any method whatsoever. The damages for the infringement by broadcast of any work referred to in this subsection shall not exceed the sum of \$100.00 where the infringing broadcaster shows that he was not aware that he was infring-

ciently shown that the trade recognizes that the [calvacade] rights so labeled still remain in the composers of lyrics and music despite assignments by them of copyrights to individual pieces. While the assignee of such a copyright has interests in the individual composition assigned which must be respected there still remains in the original composer a residual right to forbid or to control the combined use of his compositions such as the motion picture producing company desired here to exercise. Such combined use might involve the selection of a mere snatch from one composition, the use of the whole of another and a combined use of still others.’’

<sup>16</sup> *Underhill v. Schenck*, 114 Misc 520, 187 NYSupp 589 (1921); *O'Neill v. General Film Co.*, 171 AppDiv 854, 157 NYSupp 1028 (1916).

<sup>17</sup> *Hazard v. Columbia Broadcasting System*, 150 F2d 852 (9th Cir 1945). *Cf. Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>18</sup> *Underhill v. Schenck*, 114 Misc 520, 187 NYSupp 589 (1921); *Ricordi & Co. v. Paramount Pictures Inc.*, 92 FSupp 537 (DC NY 1950), *modified on other grounds*, 189 F2d 469 (2d Cir 1951).

<sup>19</sup> *Op cit supra*, note 17.

<sup>20</sup> *Id.*

ing and that such infringement could not have been reasonably foreseen; . . .”<sup>1</sup>

This Act will take effect on January 1, 1953.

The purpose and objectives of this amendment can best be explained by an examination of the prior law.

Section 1(c) of the old law conferred on the copyright proprietor, the exclusive right “to deliver or authorize the delivery of the copyrighted work in public for profit if it be a lecture, sermon, address or similar production.”<sup>2</sup>

This clause as construed in *Kreymborg v. Durante*<sup>3</sup> meant that a copyright proprietor of poems, novels, short stories or other nondramatic literary works could assert neither performing nor recording rights in such works. The *Durante* case involved the unauthorized recital over the radio of certain poems which were published in a copyrighted book of verse. The plaintiff first contended that the poems were dramatic compositions, hence he had the sale right of public performance. The court held that the poems were not dramatic works; that under the statute, protection against public performance of copyrighted works is afforded only in cases of a drama, musical composition, lecture, sermon, address or similar production. The court then stated that:

“other copyrighted works may be recited in public for profit without infringement . . . the point is of some moment, now that radio broadcasting of novels, poems, and so on is widespread. . . . Nevertheless, it is recognized that except as to the classes of copyrighted works referred to above, the author under the existing statute cannot complain of public performance of his copyrighted works.”<sup>4</sup>

On reargument, plaintiff contended that his poems were “similar productions” within the category of lectures, ser-

<sup>1</sup> Public Law 575—82d Cong Ch 923, 2d Sess, 66 STAT 752.

<sup>2</sup> Act of March 4, 1909, 35 STAT 1075.

<sup>3</sup> *Kreymborg v. Durante*, 21 USPQ 557 (DC NY 1934), *aff'd on reargument*, 22 USPQ 248 (1934).

<sup>4</sup> *Id.* Weil, Copyright Law (1917) 85: “Whether poems, which, while addressed to the eye, though their verbal music may also be intended for the ear have the rights conferred by this section is, in view of the inclusive rules

of instruction applicable, an open question. There appears to be no provisions of the Act which would prevent the public reading of novels, poems (unless dramatic works) or other works, not covered by this subdivision, or of the following one.” In *Connelly and Rivers Inc. v. Pichel* (DC Calif unreported 1934) J. Hollzer ruled that the Act did not prohibit the reading of a play before a paid audience with gestures and intonations of voice to distinguish the characters.

mons or addresses. The court disagreed with this contention, holding that a lecture, sermon or address was intended primarily for oral delivery to an audience. A poem is made public in printed form through books, magazines or newspapers. Plaintiff's poems were first published in book form, hence they did not correspond to or resemble a lecture, sermon or address. "The adoption of plaintiff's argument would broaden the scope of this subsection so as to comprehend almost every form of literary composition; instead of the narrower class of works specified by Congress. If changes in the Copyright Act were called for because of abuses which have sprung up since the enactment of the law in 1909, it is for Congress rather than the courts to make them."<sup>5</sup>

The foregoing decision meant that a limited class of copyrighted works, viz., poems, stories, novels and other non-dramatic literary works could be broadcast via radio or television without permission of the copyright proprietor. Similarly novels and other forms of nondramatic literary works could be preserved on long-playing records without payment of any fees or compensation to the copyright proprietor.<sup>6</sup>

These deficiencies in the statute prompted remedial legislation. HR 3589 as originally introduced extended the coverage of subsection (d) to literary works not enumerated in subsection (c) and would require the copyright proprietor's consent for the recording and public delivery, whether or not the delivery be for profit, of all literary works other than "lectures, sermons, addresses, or similar productions."<sup>7</sup>

This bill was the subject of hearings before the House

<sup>5</sup> *Id.* Socolow, *The Law of Radio Broadcasting* (1939) § 612: "The distinction in *Kreymborg v. Durante* carries over to modern copyright law unnecessary technicalities which contradict the spirit of the present statute. From a consideration of the facts in *Kreymborg v. Durante* it is submitted that the court might have found that the broadcast recital of a poem which introduced elements of dramatic structure, constituted a dramatization thereof and as such, was susceptible of protection against public performance. . . . Of course if a poem were created as an independent dramatic

work, having dramatic structure of plot, character and action, it might be copyrightable as a dramatic work, and would, therefore, indubitably include the exclusive right of public performance. Similarly, if a poem were copyrighted as the lyrics of a musical composition, it would fall within that classification and could not be publicly performed for profit without the consent of the copyright owner."

<sup>6</sup> See Statement of Herman Finkelstein, General Attorney for ASCAP, in support of HR 3589 (1951).

<sup>7</sup> HR 3589, 82d Cong 1st Sess, introduced by Mr. Bryson on April 6, 1951.

Judiciary Committee.<sup>8</sup> The latter in reporting out this bill, added the phrase "for profit" and it conferred performing and recording rights in lectures, sermons, addresses or similar productions or other nondramatic literary works by an extension of subsection (c) rather than by amendment to subsection (d).<sup>9</sup>

When the Senate passed the bill it inserted the word, "pecuniary." This was intended to absolve a broadcaster or other user of a copyrighted poem, speech or other nondramatic literary work from liability where no monetary compensation was received.<sup>10</sup>

The bill, as it emerged from the Conference Committee followed the House version. The bill limited the coverage of performing and recording rights in nondramatic literary works to those made "for profit."

Unfortunately, the Conference Report in attempting to justify the exclusion of the word, "pecuniary," rendered an erroneous interpretation to the phrase "for profit." The concept, "public performance for profit" does not, as the

<sup>8</sup> Hearings on HR 3589, 82d Cong 1st Sess (1951).

<sup>9</sup> IIRep't No 1160, 82d Cong 1st Sess (1951), which accompanied IIR 3589:

"HR 3589, in the form in which it was originally introduced would have extended the coverage of subsection (d) to literary works not enumerated in subsection (c) and this would have granted to such work public performance rights even if the performance was not 'for profit.' This might have the result that a teacher, reading excerpts from a copyrighted schoolbook in a schoolroom, a minister reading from text in a church or a speaker at a civic meeting would be held to have infringed the copyright. Accordingly, with respect to performance rights in literary works other than dramatic, it is believed that the limitation 'for profit' is a necessary addition and it can most appropriately be accomplished by an extension of subsection (c) rather than by amendment to subsection (d).

Although by extending subsection (d) to include literary works not enumerated in subsection (c), the un-

amended bill would have extended recording rights to such works, it would not thereby have extended recording rights to lectures, sermons, addresses, and similar works enumerated in subsection (c). This omission was not intended by the sponsors of the bill. The amendment of subsection (c) in the amended bill rectifies this oversight by including a provision as to recording rights in all nondramatic literary works.

It is intended that all recordation rights in nondramatic literary works will be protected and this protection includes any subsequent recordation or copying of the original record. The public performance of the works embodied in such recordations will be protected only if such performance is made for profit, so that such performances will be protected to the same extent as deliveries, readings, and performances in person.

Nothing in this provision is, of course, intended to modify or restrict the established doctrine of fair use."

<sup>10</sup> SRep't No 1778, 82d Cong 2d Sess (1952) which accompanied IIR 3589.

Committee Report states, "mean a material, tangible, commercial profit."<sup>11</sup> As we have discussed in greater detail elsewhere, the phrase "for profit" is not restricted to "a direct pecuniary charge for the performance, such as an admission charge."<sup>12</sup> The incidental use of a copyrighted work, although not paid for directly by the patron, is a performance for profit.<sup>13</sup>

It is believed that the courts will not adopt the Conference Committee's interpretation of the phrase "for profit" in dealing with recording and performing rights in nondramatic literary works. Obviously, the phrase "for profit" cannot have a dual meaning in the interpretation and application of the various rights secured by the Copyright Code. It is believed that the courts will give the same construction to the phrase "for profit" in the case of nondramatic literary works as has heretofore been given for musical compositions, viz., that the indirect or incidental use of copyrighted nondramatic works in a radio or television broadcast, and on a commercial or sustaining program, constitutes a public per-

<sup>11</sup> Conference Rep't No 2486, 82d Cong 2d Sess (1952) which accompanied HR 3589:

"The bill (HR 3589) as it passed the House, limited the coverage of performing and recording rights in nondramatic literary works to those made 'for profit.' The purpose of this limitation was to avoid a holding of infringement by 'a teacher reading excerpts from a copyrighted school book in a schoolroom, a minister reading from text in a church, or a speaker at a civic meeting.' Amendments Nos 1 and 2 of the bill (HR 3589) as it passed the Senate inserted the word 'pecuniary' after the word 'for' and before the word 'profit' to ensure that the quotation of a portion of a copyrighted poem or literary work or a speech for which no monetary compensation was received would not be deemed an infringement. This result appeared desirable to the House and was intended to be included in the bill passed by the House by means of the words 'for profit.'

The conferees believe that the objective of the first and second Senate amendments is obtained without the addition of the word "pecuniary" and

that the addition of such word may create uncertainties in the law. The concept of "public performance for profit" has been in the copyright law since 1909 and the courts have construed the phrase to mean a material, tangible, commercial profit. The inclusion of the word "pecuniary" might cast doubt about the phrase "public performance for profit" appearing elsewhere in the law. The use of different language to achieve the same result in the same law appears to be undesirable.

Accordingly, the conferees have agreed to strike out the Senate amendments Nos 1 and 2 with the understanding that the word 'profit' as used in the bill refers only to a pecuniary remuneration."

<sup>12</sup> *John Church Co. v. Hilliard Hotel Co.*, 221 Fed 229 (2d Cir 1915), reversed in *Herbert v. Shanley*, 242 US 591, 37 SCT 232, 61 LEd 511 (1917). *Fassim*, § 131e.

<sup>13</sup> *Id.* See also *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 SCT 410, 75 LEd 971 (1931); *Society of European Stage Authors and Composers v. Statler Hotel Co.*, 19 FSupp 1 (DC NY 1937).

formance for profit and requires the consent of the copyright proprietor.<sup>14</sup>

As stated previously, the 1952 Amendment to the Copyright Code creates new categories of recording and performing rights in lectures, sermons, addresses or similar productions and other nondramatic literary works. This tenders another issue: are the performing and recording rights as extensive as the printing and publishing rights? The inclusion of the phrase "other nondramatic literary work" in the 1952 amendment suggests that if a copyright proprietor may exercise his printing and publishing rights in a literary work, he may likewise assert performing and recording rights in the same.

The breadth of the language in § 1(c) as amended suggests that broadcasters should be extremely circumspect in the use of copyrighted nondramatic literary material. Under the old law, a broadcaster could read copyrighted poems, newspaper and magazine articles, books, "comics" and other nondramatic literary material over the radio without the consent of, or payment of fees to the author or copyright proprietor.

The new law prohibits this. A news commentator cannot quote in its entirety a copyrighted syndicated column. Similarly, disc jockeys who intersperse copyrighted poems or other copyrighted nondramatic literary material with recorded music can no longer do so.

Section 1(c) as amended does not absolutely prohibit one from referring to or commenting upon copyrighted nondramatic literary material. The legislative history of this bill explicitly recognizes the doctrine of fair use and that "nothing in this provision is, of course, intended to modify or restrict the established doctrines of fair use."<sup>15</sup>

The bill as originally introduced would have imposed minimum damages of \$250 for each unauthorized use of copyrighted literary nondramatic material.<sup>16</sup> Under the omnibus damage clause of the Copyright Code, a broadcaster is liable even though the infringement may be innocent and the former

<sup>14</sup> *Op cit supra*, note 12.

<sup>15</sup> HRep't No 1160, 82d Cong 1st Sess which accompanied HR 3589.

The doctrine of "fair use" is discussed in § 157 *passim*.

<sup>16</sup> *Op cit supra*, note 7.

had no knowledge whatsoever that the program contained copyrighted material.<sup>17</sup>

The 1952 Amendment is not as severe and as onerous on a broadcaster. The damages for an innocent infringement cannot exceed \$100 "where the infringing broadcaster shows that he was not aware that he was infringing and that such infringement could not have been reasonably foreseen."<sup>18</sup>

The implications and effect of this amendment on the radio and television industries will be discussed in the next section.

## 122. RADIO AND TELEVISION BROADCASTS OF POEMS, NOVELS, STORIES AND OTHER NONDRAMATIC LITERARY WORKS.

We have discussed elsewhere that the printing and publishing rights are inapplicable to radio and television broadcasts.<sup>1</sup>

Even under the old law as exemplified by *Kreymborg v. Durante*,<sup>2</sup> the radio and television performances of copyrighted poems, novels, stories and the like did not confer an absolute immunity against infringement actions. The careful and prudent station owner restricted the radio and television broadcast to a reading of the work and preferably by one person. If more than one person participated in the reading of a novel or story, the copyright proprietor could make a plausible argument that the broadcast infringed upon his right to convert a nondramatic work into a dramatic work.<sup>3</sup>

Although the prior law failed to recognize performing and recording rights in nondramatic literary works, the copyright proprietor was not entirely helpless. He may have been able to invoke the law of unfair competition under certain circumstances. Thus, suppose that the copyright proprietor had sold the motion picture rights of his novel to one of the motion picture studios. Although, under the prior law, the

<sup>17</sup> 61 STAT 652 (1947) as amended by 62 STAT 992 (1948), 17 USCA § 101 (Supp 1951). And see *passim*, § 163.

<sup>18</sup> *Op cit supra*, note 1.

<sup>1</sup> *Infra*, § 104.

<sup>2</sup> *Kreymborg v. Durante*, 21 USPQ 557 (DC NY 1934), *aff'd on rehearing*, 22 USPQ 248 (1934).

<sup>3</sup> 61 STAT 652 (1947), 17 USCA § 1(b) (Supp 1951).

And *cf.* *Connelly & Rivers Inc v. Pichel* (DC Calif 1934, unreported) wherein Judge Hollzer ruled that the statute does not prohibit the reading of a play before a paid audience with gestures and intonation of voice to distinguish the characters.

proprietor could not invoke the Copyright Code to enjoin the broadcasting of his novel, the licensee of the motion picture rights may have had a cause of action against the radio or television station. The motion picture licensee could contend that his contractual relations with the copyright proprietor precluded any third party from making any use of the novel which would impair, diminish or destroy his grant.<sup>4</sup> In other words, the licensee may have had a cause of action sounding in unfair competition on the theory that a radio or television broadcast appropriates the trade values and expectancies of the motion picture rights.<sup>5</sup>

A copyright proprietor or his licensee is no longer required to rely on the law of unfair competition to protect performing and recording rights in nondramatic literary material. These new categories of rights are explicitly recognized and protected by the 1952 Amendment to the Copyright Code.<sup>6</sup>

A prime factor prompting Congress to enact this legislation was the desire to prohibit the unauthorized broadcasts or telecasts of nondramatic literary works.<sup>7</sup> All of the witnesses who testified at the hearings on HR 3589 agreed that an author should be compensated for the planned commercial use that a broadcasting station makes of a copyrighted work.<sup>8</sup> But the effect of this new legislation *may* impose an onerous burden on broadcasters which was not foreseen by Congress when it enacted this law.

The wide scope of this amendment suggests that a vast body of writings, both important and inconsequential, falls within the classification of "nondramatic literary works." The latter term comprehends not only scholarly treatises of

<sup>4</sup> Cf. *Upoar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934) modified on appeal, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 S Ct 835, 80 LEd 1393 (1936): "There arose from the contractual relations between Wynn and the Texas Company, and between McNamee and the National Broadcasting Company, negative covenants which required the artists to refrain from making or authorizing any use of the production which would diminish the value of that which each had furnished under the contracts above referred to." See also: *Norman v. Century Athletic Club, Inc.*, 69 A2d 466 (Md 1950);

*Kirke La Shelle Co. v. Armstrong*, 263 NY 79, 188 NE 163 (1933); *Underhill v. Schenck*, 238 NY 7, 143 NE 773 (1924); *Manners v. Morosco*, 252 US 317, 40 S Ct 335, 64 LEd 590 (1920); *Harper Bros. v. Klaw*, 232 Fed 609 (DC NY 1916).

<sup>5</sup> For a discussion of the law of unfair competition, see Ch XXI, § 216.

<sup>6</sup> Public Law 575, 82d Cong 2d Sess, Ch 923, 66 STAT 752.

<sup>7</sup> See HRep't No 1160, 82d Cong 1st Sess (1951) and SRep't No 1778 and ConfRep't No 2486, 82d Cong 2d Sess (1952) which accompanied HR 3589.

<sup>8</sup> Hearings on HR 3589 (1951).

elevated thought, but it also includes such matters as the directions on how to play Canasta, advertisements, items in the newspaper columns, jokes in a cartoon strip, etc. In other words, any literary work susceptible of copyright protection is covered by this amendment.

This legislation may have the following consequences:

A broadcasting station is liable for infringement not only for those programs which it prepares and originates in its own studios, but for all programs which it broadcasts, regardless of the source of origination.<sup>9</sup> Thus if a member of Congress in a sustaining or commercial political broadcast utilizes a copyrighted poem, editorial or anecdote, the station, assuming it had no knowledge of the infringement and that such infringement could not have been reasonably foreseen, would have to respond in damages to the extent of \$100.

This legislation imposes an added burden on radio and television stations. Personnel of stations must scrutinize the text of all material to be broadcast over the facilities of the station to insure that the material is in the public domain. If such material is copyrighted, the station must obtain the consent of the copyright proprietor before it can safely broadcast the same.

As stated previously, this bill is directed primarily at the broadcasters. Another effect of this bill may be to put into the hands of the authors and book publishers a bargaining stick in the form of the \$100 infringement damages, whereby a small group of authors and publishers may form a licensing society and then go to every radio and television station in the country and negotiate with each for a license. If a station should refuse to sign a contract for that group's performing rights, it would be a simple matter for the group to monitor that station continuously;—and if the station innocently broadcasts a copyrighted “literary work”—even an advertisement—the station would be faced with a liability of \$100 damages at the minimum. Once the infringement has been proved, the judge has no discretion—he must award

<sup>9</sup> *Passim* § 124. See *Associated Music Publishers v. Debs Memorial Radio Fund*, 46 FSupp 829 (DC NY 1942), *aff'd*, 141 F2d 852 (2d Cir 1944) cert den, 323 US 766, 65 S Ct 120, 89 LEd 613 (1945); *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 S Ct 410, 75 LEd 971 (1931); *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

damages of at least \$100.<sup>10</sup> Consequently the station is for all practical purposes, coerced into taking the license, not as payment for something which it intends to utilize in its broadcasts, but more as an insurance policy.

The foregoing discussion indicates that the performing and recording rights in nondramatic literary works may be abused. The recourse for the broadcaster against such abuses, is amendatory legislation whereby a station would be absolved from liability in the case of an innocent infringement. Both the Senate and House committee reports suggested that the subject of damages be explored either as a separate problem or in relation to a complete revision of the Copyright Code.<sup>11</sup>

In the absence of amendatory legislation, the only recourse of the broadcasters and other users of nondramatic literary works is to rely on an expanded doctrine of fair use. We have discussed this judge-made concept in greater detail elsewhere.<sup>12</sup> Congress in enacting the 1952 Amendment stated that it did not intend to modify or restrict "the established doctrine of fair use."<sup>13</sup> An expanded development of the "fair use" doctrine, particularly in the case of an innocent infringement could ameliorate some of the potential abuses in this field.

### 123. PUBLIC PERFORMANCE OF DRAMATIC WORKS.

Section 1(d) of the Copyright Code confers the following exclusive rights:

"To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform represent, produce, or reproduce it in any manner or by any method whatsoever;"<sup>1</sup>

<sup>10</sup> *Passim*, § 163.

<sup>11</sup> *Op cit supra*, note 7.

<sup>12</sup> *Passim*, § 157.

<sup>13</sup> *Op cit supra*, note 7.

<sup>1</sup> 61 STAT 652 (1947) 17 USCA § 1(d) (Supp 1951).

This exclusive performing right is not limited to dramas or stage plays,<sup>2</sup> but applies to dramatico-musical works such as an opera,<sup>3</sup> operetta,<sup>4</sup> musical comedy,<sup>5</sup> etc.

A dramatic or dramatico-musical composition may be described as a "written or literary work invented and set in order. A dramatic composition is such a work in which the narrative is not related but is represented by dialogue and action. . . . A pantomime is a species of dramatic work consisting wholly of directions set in order for conveying the ideas of the author on a stage or public place by means of characters who represent the narrative wholly by actions and is as much a dramatic composition as if language or dialogue were used in it to convey some of the ideas."<sup>6</sup> Obviously radio and television versions of stage plays, musical comedies, operas and operettas are dramatic works.

A motion picture photoplay is another species of dramatic works protected by § 1(d). As was stated in *Tiffany Productions v. Dewing*, "the plaintiffs are entitled to invoke the protection of § 1(d) on the ground that a 'motion picture photoplay' is a 'dramatic work.' They are both cognate forms of production. It is no longer open to question that a moving picture presentation of an author's copyright-work is a dramatization of such work (although dramatic and motion picture rights may be made the subject of independent contract), and that the person producing the films for such pictures and offering them for sale or exhibition, without a license so to do, even if not himself exhibiting them, is liable for infringement."<sup>7</sup>

<sup>2</sup> *Sheldon v. Metro-Goldwyn-Mayer Pictures Corp.*, 81 F2d 49 (2d Cir 1936) cert den 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936). Cf. *Nichols v. Universal Pictures Corporation*, 45 F2d 119 (2d Cir 1930) cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931); *Select Theatres Corp. v. Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>3</sup> Cf. *Ricordi & Co. v. Mason*, 201 Fed 184 (DC NY 1912) *aff'd* 210 Fed 277 (2d Cir 1913).

<sup>4</sup> *Id.* Cf. *Shipman v. RKO Radio Pictures*, 100 F2d 533 (2d Cir 1938).

<sup>5</sup> *Id.*

<sup>6</sup> *Daly v. Palmer*, FCas No. 3,552,

6 FCas 1133, 1135 (DC NY 1868). See also *Kalem Co. v. Harper Bros.*, 222 US 55, 32 S Ct 20, 56 LEd 92 (1911): "Whether we consider the purpose of the clause of the statute, or the etymological history and present usages of language, drama may be achieved by action as well as by speech. Action can tell a story, display all the most vivid relations between men and depict every kind of human emotion without the aid of a word. It would be impossible to deny the title of a drama to a pantomime.

<sup>7</sup> *Tiffany Productions v. Dewing*, 9 USPQ 545 (DC Md 1931). To the same effect: *Universal Pictures Co. v.*

The next question tendered is whether a "motion picture other than a photoplay" may be protected by § 1(d). There is a paucity of case law on this issue. A lower court held that the registration of a film as a "motion picture other than a photoplay" precluded it from the protection of 1(d).<sup>8</sup> This decision was reversed on appeal. The appellate court noted "an increasing tendency to liberalize the construction of copyright statutes to meet new conditions. . . . Motion picture photoplays are distinct and separate classes of copyright; . . . they are motion pictures founded upon existing dramas or dramatizations of literary products." The court then suggested that the unauthorized performance of a motion picture photoplay might infringe that clause in § 1(d) which provides that the copyright proprietor has the exclusive right "to make or to procure the making of any transcription or record thereof . . . and to exhibit, perform, represent, produce or reproduce it in any manner or by any method whatsoever."<sup>9</sup>

The appellate court left open the question whether a motion picture other than a photoplay could invoke the protection of § 1(d). On rehearing of this case before the district court, it was held that a motion picture photoplay was a dramatic work protected by 1(d); in the case of a motion picture other than photoplay, the unauthorized exhibition of the same "constitutes a dramatization of a non-dramatic work" prohibited by § 1(b) of the statute.<sup>10</sup> The objection to this line of reasoning is that it obliterates the distinctions between dramatic and non-dramatic works prescribed by the statute. All literary compositions have certain features in common. Novels, short stories, and even newspaper articles are susceptible of dramatization. But the court's conclusion that the exhibition of a motion picture other than a photoplay is a dramatization of a non-dramatic work, "push[es] too far all

Harold Lloyd Corp., 162 F2d 354 (9th Cir 1947).

<sup>8</sup> Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatres, 50 F2d 908 (DC Mass 1931).

<sup>9</sup> 59 F2d 70 (1st Cir 1932). To the same effect that negatives of a motion picture photoplay are transcriptions or records thereof. Sheldon

v. Metro - Goldwyn - Mayer Pictures Corp., 106 F2d 45 (2d Cir 1939), *aff'd* 309 US 390, 60 S Ct 681, 84 LEd 825 (1940).

<sup>10</sup> 3 FSupp 66 (DC Mass 1933). *Cf.* Harper Bros. v. Kalem Co., 169 Fed 61 (2d Cir 1909), *aff'd*, 222 US 55, 32 S Ct 20, 56 LEd 92 (1911).

attempt at classification . . . and the copyright law is reduced to chaos."<sup>11</sup>

It may well be that the rights of representation and exhibition of non-dramatic motion pictures are non-existent just as was in the case of the radio and television broadcasts of poems, novels and stories before the statute was amended.<sup>12</sup> A court when confronted with this problem may find a sufficient continuity of action in a motion picture other than a photoplay and label it as a drama.<sup>13</sup> The disadvantage of this approach as stated above is to obliterate the distinction between dramatic and non-dramatic film.<sup>14</sup> Despite the gap in the statute, it is believed that the courts would adapt a liberal construction of the Copyright Code and hold that the unauthorized exhibition of a non-dramatic film would infringe either the transforming or performing rights.<sup>15a</sup>

It is believed that the 1952 Amendment to the Copyright Code recognizing recording and performing rights in non-dramatic works may be invoked to protect a motion picture other than a photoplay.<sup>15b</sup>

The foregoing discussion is obviously applicable to television film. The unauthorized exhibition of television film whether classified as motion picture photoplays or motion pictures other than photoplays would infringe the performing rights protected by § 1(d) and (c) or the right of transformation secured by § 1(b).

The exclusive rights conferred by § 1(d) are not restricted to "performance for profit" as in the case of a lecture, sermon, address or musical composition. In other words the gratuitous public performances of dramatic works would infringe the performing rights secured by § 1(d); however a private performance would not. The question ten-

<sup>11</sup> *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941) cert den, 314 US 687, 62 S Ct 300, 86 L Ed 550 (1942).

<sup>12</sup> *Infra* §§ 121 and 122.

<sup>13</sup> *Vitaphone Corporation v. Hutchinson Amusement Co.*, 19 FSupp 359 (DC Mass 1937), *remanded*, 93 F2d 176 (1st Cir 1937) *mandate conformed to*, 28 FSupp 526 (DC Mass 1939).

<sup>14</sup> *Op cit supra*, note 11.

<sup>15a</sup> *Metro-Goldwyn-Mayer Pictures Distributing Corp. v. Bijou Theatre*, 59 F2d 70 (1st Cir 1932); See also *Pathe Exchange v. International Alliance*, 3 FSupp 63 (DC NY 1932).

<sup>15b</sup> Public Law 575, 82d Cong 2d Sess 66 STAT 752 (1952) and discussed *infra*, §§ 121 and 122.

dered is where to draw the line between a public and a private performance.

A performance at home, restricted to members of the family and a few invited guests is clearly private. Similarly, a film exhibition limited to members of a yacht club and their guests was considered a private performance.<sup>16</sup> If, on the other hand, the general public may be admitted, the performance is public. "The general test laid down is that a performance is public when there is present a sufficient number of the public who would, presumptively, also go to a performance licensed by the author, as a commercial transaction, so that it may be said that, theoretically, at least, the author has sustained a monetary loss."<sup>17</sup>

A radio or television broadcast of a dramatic work would be a public performance,<sup>18</sup> hence any unauthorized performance, whether on a commercial or sustaining program would constitute an infringement.<sup>19</sup>

Section 1(d) likewise provides that in the case of dramatic works not reproduced in copies for sale, the owner may "vend any manuscript or any record whatsoever thereof." The purpose of this clause was to prevent a play, exhibited to the

<sup>16</sup> *Metro-Goldwyn-Mayer v. Wyatt and Md Yacht Club* (DC Md unreported 1932). In *Duck v. Bates* 12 QB 79 (1884) the presence of visitors at a domestic performance in a hospital was not considered a public performance. But in *Harms & Chappel v. Martan's Club, Ltd.*, 136 LTRep 362 [1927] 1 Ch 52 (CA) an exclusive night club with a membership of 1800 admitted 150 members to a performance and invited 50 guests who were not members. It was held that the performance was public since the club's proprietors had invited the public who were financially able to pay the annual subscription and entrance fee.

<sup>17</sup> Weil, *Copyright Law* (1917) 89.

<sup>18</sup> *Remick & Co. v. American Automobile Accessories Co.*, 5 F2d 411 (6th Cir 1925) reversing, 298 Fed 628 (DC Ohio 1924) cert den, 269 US 556, 46 SCT 19, 70 LEd 22 (1925): "A performance in our judgment, is no less public because the listeners are unable to communicate with one another, or are not assembled within an inclosure,

or gathered together in some open stadium or park or other public place. Nor can a performance, in our judgment, be deemed private because each listener may enjoy it alone in the privacy of his home. Radio broadcasting is intended to, and in fact does, reach a very much larger number of the public at the moment of rendition than any other medium of performance. The artist is consciously addressing a great, though unseen and widely scattered audience, and is therefore participating in a public performance."

<sup>19</sup> *Associated Music Publishers v. Debs Memorial Radio Fund* 46 FSupp 829 (DC NY 1942) *aff'd*, 141 F2d 852 (2d Cir 1943), cert den 323 US 766, 65 SCT 120, 89 LEd 613 (1944); *Remick & Co. v. American Automobile Accessories Co.*, 5 F2d 411 (6th Cir 1925) reversing 298 Fed 628 (DC Ohio 1924), cert den 269 US 556, 46 SCT 19, 70 LEd 22 (1925); *Witmark & Sons v. Bamberger & Sons*, 291 Fed 776 (DC NJ 1923).

public, from being reproduced via shorthand notes, and a manuscript copy then being sold to persons who would exhibit the play without authority from the copyright proprietor.<sup>20</sup> It is believed that the clause is superfluous since the right to vend copies is covered by § 1(a). In addition an unauthorized performance whether reproduced from memory or shorthand notes infringes the performing rights.<sup>21</sup>

We have previously suggested that the last clause of § 1(d) which authorized the copyright proprietor to make transcriptions and recordings and exhibit and perform the same, might possibly be invoked to protect non-dramatic works. This clause has been discussed in but two cases. In *Metro-Goldwyn-Mayer Distributing Corp. v. Yacht Club*, Judge Coleman stated that this clause must be read in conjunction with the first clause. In other words an exhibition or performance via a transcription or recording must still be public in order to constitute an infringement. Thus a private performance of a transcription or recording would not infringe the rights secured by this clause,<sup>22a</sup> or by § 1(e) as amended.<sup>22b</sup>

In *Corcoran v. Montgomery Ward & Co.*, plaintiff claimed

<sup>20</sup> H Rept No 2222, which accompanied HR 28192, 60th Cong 2d Sess (1909): "There has been a good deal of discussion regarding subsection (d) of section 1. This section is intended to give adequate protection to the proprietor of a dramatic work. It is usual for the author of a dramatic work to refrain from reproducing copies of the work for sale. He does not usually publish his work in the ordinary acceptance of the term, and hence in such cases never receives any royalty on copies sold. His compensation comes solely from public representation of the work. It has sometimes happened that upon the first production of a dramatic work a stenographer would be present and would take all the words down and would then turn the transcript over to some one who had hired him to do the work or sell it to outside parties. This manuscript would then be duplicated and sold to persons who, without authority whatever from the author, would give public performances of the work. It needs no argument to demonstrate how great the injustice of such a proceeding is, for under it

the author's rights are necessarily greatly impaired. If an author desires to keep to his dramatic work in unpublished form and give public representation thereof only, this right should be fully secured to him by law. We have endeavored to so frame this paragraph as to amply secure him in these rights."

<sup>21</sup> The early cases held that the reproduction of a play from memory did not infringe the performing rights. *Keene v. Wheatley*, 14 FCas 180, No 7,644 (CC Pa 1861); *Keene v. Kimball*, 82 Mass 545 (1860). This approach was repudiated in *Tompkins v. Halleck*, 133 Mass 32 (1882) and in *Ferris v. Frohman*, 223 US 424, 32 S Ct 263, 56 L Ed 492 (1912).

<sup>22a</sup> *Metro-Goldwyn-Mayer Distributing Corp. v. Wyatt*, (DC Md 1932, unreported) 21 Copyright Office Bulletins 203. Weil, *Copyright Law* (1917) 90 in discussing this clause questioned whether the right to mechanically reproduce dramatic works is "not, in terms, limited to public representations." Judge Coleman's opinion confirms Weil's forecast.

<sup>22b</sup> *Op cit supra*, note 15b.

that the reproduction on phonograph records of a copyrighted poem set to music infringed the last clause of § 1(d). The court rejected plaintiff's contention on the ground that the poem was not classifiable as a dramatic work.<sup>23</sup> This decision suggests that the rights conferred by this clause are restricted to dramatic works, hence non-dramatic works, including motion pictures other than photoplays cannot invoke this clause. As stated previously, it is believed the courts will read into the statute, that non-dramatic film is protected by transforming or performing rights.<sup>24</sup>

#### 124. PERFORMANCE OF MUSIC IN PUBLIC FOR PROFIT.

This subject will be discussed in greater detail in the next chapter. In this section we shall offer some general observations and discuss the exemptions of the right, "(e) To perform the copyrighted work publicly for profit if it be a musical composition."<sup>1</sup>

In the case of dramatic works, their public performance with or without profit constitutes an infringement thereof.<sup>2</sup> The statute imposes an added requirement for musical compositions; they must be performed publicly for profit.

The phrase "public performance," whether for dramatic

<sup>23</sup> *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941), cert den, 314 US 687, 62 Sct 300, 86 LEd 550 (1942). In *Sheldon v. Metro-Goldwyn-Mayer Distributing Corp.* 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 Sct 681, 84 LEd 825 (1940), it was held that negatives of a motion picture photoplay were records or transcriptions within § 1(d). To the same effect is *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre*, 59 F2d 70 (1st Cir 1932).

<sup>24</sup> The right to reproduce dramatic works mechanically, as the text states, has received hardly any judicial interpretation. Weil, *Copyright Law* (1917) 90 states "This right is conferred in language broad enough to cover reproductions in media, or by processes, not now known or discovered. There appears to be only one limit, that the records, or transcriptions, must under the Constitution, be in the form of 'writings.'" Weil leaves open the question whether a constitu-

tional prerequisite of a writing is that it be "in some form to be read or apprehended by the eye." He then states that *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 28 Sct 319, 52 LEd 655 (1908) "does not hold that it is not within the constitutional power of Congress to grant copyright in 'writings' which cannot be 'read' except through mechanical agencies. The contrary is established by the cases holding motion pictures subject to copyright, as these can only be 'read' satisfactorily by being thrown on screens by mechanical agencies." The last clause of § 1(d) will also be discussed *passim* § 131d in connection with dramatic works transcribed on records. The *Corcoran* case has been supplanted by the 1952 Amendment to the Copyright Code, *op cit supra*, note 15b.

<sup>1</sup> 61 STAT 652 (1947) 17 USCA § 1(e) (Supp 1951).

<sup>2</sup> *Infra* § 123.

works or musical compositions has the same meaning. The phrase "for profit" as discussed in greater detail in the next chapter, is not restricted to "a direct pecuniary charge for the performance, such as an admission charge."<sup>3</sup> The incidental use of music in a hotel,<sup>4</sup> restaurant,<sup>5</sup> or cabaret,<sup>6</sup> where the music is not paid for directly by the patron is a performance for profit.<sup>7</sup> We shall discuss elsewhere that musical compositions performed over radio and television stations, whether on a commercial or sustaining basis, constitutes a public performance for profit.

The Copyright Code contains two clauses exempting users of music from liability for the unauthorized performance thereof. The last paragraph of § 1 provides that "the reproduction or rendition of a musical composition by or upon coin-operated machines shall not be deemed a public performance for profit unless a fee is charged for admission to the place where such reproduction or rendition occurs."

This is the so-called "juke-box" clause, wherein restaurants, penny arcades, and other places of amusement feature these machines, charge no admission, and hence are not required to pay any fee for the use of music. It is estimated that there is a minimum of a half million establishments with "juke-boxes" which are exempt from the payment of license fees to the performing right societies such as ASCAP, Broadcast Music Inc. (BMI), SESAC Inc. etc.<sup>8</sup>

There has been but one case construing this exemption.<sup>9</sup>

<sup>3</sup> *John Church Co. v. Hilliard Hotel Co.*, 221 Fed 229 (2d Cir 1915), *reversed* in *Herbert v. Shanley*, 242 US 591, 37 Sct 232, 61 LEd 511 (1917).

<sup>4</sup> *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *Society of European Stage Authors and Composers v. Statler Co.*, 19 FSupp 1 (DC NY 1937).

<sup>5</sup> *Buck v. Savoia*, 27 FSupp 289 (DC NY 1939); *Buck v. Dacier*, 26 FSupp 37 (DC Mass 1938).

<sup>6</sup> *Buck v. Pettijohn*, 34 FSupp 968 (DC Tenn 1940); *Buck v. Coe*, 32 FSupp 829 (DC Pa 1940); *Buck v. Crescent Gardens Operating Co.*, 28 FSupp 576 (DC Mass 1939); *Buck v. Spanish Gables*, 26 FSupp 36 (DC Mass 1938); *Herbert v. Shanley*, 242 US 591, 37 Sct 232, 61 LEd 511 (1917).

<sup>7</sup> *Cf. Remick Music Corp. v. Inter-*

*state Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 154 F2d 744 (8th Cir 1945), cert den 329 US 809, 67 Sct 622, 91 LEd 691 (1945).

<sup>8</sup> *Shafter*, *Musical Copyright* (2d Ed 1939) 286.

<sup>9</sup> In *Irving Berlin Inc. v. Anziano*, 62 USPQ 146 (DC NY 1944), ASCAP instituted a series of test cases to test the "juke-box" exemption. Defendant in the *Anziano* case formerly employed a pianist to supply music to his patrons; he paid a license fee to ASCAP for the use of the latter's music. Defendant discontinued the employment of the piano-player and ceased payment of royalties to ASCAP by installing a coin-operated phonograph. ASCAP claimed that the exemption did not apply to defendant because the coin-operated phonograph

In *Buck v. Kelly*,<sup>10</sup> the defendant operated a pavilion which included a dance hall and eating tables. No admission fee was charged<sup>11</sup> and the music was supplied by an electrically-operated coin machine. An ASCAP investigator claimed that music was played without the deposit of any money in the coin boxes. The evidence adduced indicated that the machine could be operated without the use of coins by disconnecting certain wires. The court held that the statute requires that the machine be controlled by the deposit of the coin; if the "coin-operation" is dispensed with, the exemption does not apply and defendant would be considered an infringer. The court dismissed the complaint because the evidence was insufficient to support the charge that the machine was not operated via the deposit of coins.<sup>12</sup>

Howell, in discussing this case, concludes that "this exception is to be strictly construed in favor of the copyright proprietor."<sup>13</sup> It is doubtful whether the court's opinion warrants this conclusion. *Buck v. Kelly*, on the other hand must be considered in the light of ASCAP's activities to repeal the "juke-box" clause.<sup>14</sup> ASCAP can make a very plausible argument for the repeal of this provision.

In the first place the composer derives no revenues from the performances of his composition. The only revenue he receives is one-third of every two cents for each record manufactured.<sup>15</sup>

Secondly the "juke-box" clause discriminates against establishments which use music but do not employ "coin-operated" machines. These establishments pay ASCAP license fees for the use of such music.

differed from "juke-boxes," when the statute was passed exempting the latter. In addition ASCAP claimed the public did not have free and unrestricted access to the coin-operated machine, but could operate it only if food or beverage was purchased. "It is also alleged that the purchase of food or beverage is tantamount to an admission charge." This case and two which were similar, were concerned with technical issues of pleading. It is believed ASCAP abandoned this litigation.

<sup>10</sup> USPQ 164 (DC Mass 1930).

<sup>11</sup> *Id.*: "The defendant's only source

of revenue at that time was from sales of food and from the coin boxes controlling the music if they were in use." *Cf. Shafter's op cit supra*, note 8 comment on this case at p. 287. He states that the absence of an admission charge to the restaurant was in itself sufficient to dismiss the case.

<sup>12</sup> *Buck v. Kelly*, 7 USPQ 164 (DC Mass 1930).

<sup>13</sup> Howell, *The Copyright Law* (1948) 134.

<sup>14</sup> *Op. cit supra*, note 9.

<sup>15</sup> Shafter, *Musical Copyright* (2d Ed 1939) 287.

Thirdly, if the "juke-box" clause were repealed, ASCAP could obtain additional revenues for performing rights in music.

The interests which favor the retention of this clause claim that its repeal would impose hardship and an undue economic burden on the "beer parlor," "all-night coffee shop," etc.

There have been repeated attempts in Congress to repeal this clause. The latest is S 1553, quoted in the margin.<sup>16</sup> The bill requires the payment of royalty fees to the copyright proprietor even if his composition is not played. Although the basis of an ASCAP license to any of its users is the

<sup>16</sup>S 1553, 82d Cong 2d Sess (1951), introduced by Senator Kefauver:

"(f) The public reproduction or rendition of a musical composition by or upon a coin-operated machine shall be deemed a public performance for profit by the owner or operator thereof whether or not a fee is charged for admission to the place where such reproduction or rendition occurs, subject to the following conditions:

"(1) Whenever a disk of a copyrighted musical composition has been lawfully manufactured in accordance with the provisions of subsection (e), any natural person or business entity may publicly reproduce or render such musical composition by use of such disk in, by, or upon, a coin-operated machine at a place to which no admission fee is charged, upon payment by the owner or operator of such coin-operated machine to the proprietor of the copyrighted composition, of a royalty computed as follows: One cent per use of each copyrighted composition on a disk, per each four minutes or fraction thereof of playing time, per each week or fraction thereof that said disk shall remain in each such coin-operated machine. An owner or operator shall be entitled to the benefits of this subdivision (1) by furnishing, on or before the twentieth day of each month, a report under oath to the proprietor of the copyrighted composition, or his authorized agent, stating the amount of royalties due for performances during the previous month, and by paying the royalties so due on or before the twentieth day of the next succeeding month.

"(2) The obligation to pay royalties under this subsection as to reproductions or renditions specified in subdivision (1) of this subsection shall be limited to the owner or operator of two or more such coin-operated machines, except that this limitation shall not apply to any owner or operator if a fee is charged for admission to the place where such reproduction or rendition occurs.

"(3) As used in this subsection, the term 'owner or operator' shall include any natural person or business entity holding the legal or equitable title to, or having any interest in, any such coin-operated machine used in the reproduction or rendition of music (A) by reason of ownership, lease, conditional sale, pledge, or other similar security arrangement; (B) by reason of any arrangement to perform, over a period of time, the function of servicing, repairing, or maintaining such machine, or the function of supplying disks or other mechanical parts therefor; or (C) by reason of having an interest in or right to all or part of the receipts of such machine: *Provided*, That the proprietor of a copyrighted composition may not collect royalties from more than one owner or operator, as defined herein, of any such coin-operated machine for the reproduction or rendition of a particular recording of said composition on said machine during any particular period of time."

SEC. 2. This Act shall take effect as of July 1, 1951."

availability of ASCAP's complete repertoire, this principle is inapplicable to the lessee or owner of a "juke-box." A "juke-box" can hold only a limited number of records. The payment of license fees for music which is not used, renders the bill as drafted, objectionable.

The second exemption from liability for the use of music is § 104 of the Copyright Code:

"That nothing in this title shall be so construed as to prevent the performance of religious or secular works such as oratorios, cantatas, masses or octavo choruses by public schools, church choirs, or vocal societies, rented, borrowed or obtained from some public library, public school, church choir, school choir, or vocal society, provided the performance is given for charitable or educational purposes and not for profit."<sup>17</sup>

This clause requires the musical works enumerated to be obtained from libraries, schools, etc. It has been suggested that the performance of musical works from purchased copies, would be an infringement.<sup>18</sup> It is doubtful whether any court would render so literal an interpretation of this clause.

The judicial interpretation of this proviso permits an organization to charge an admission fee, provided the proceeds are used for charitable and education purposes.<sup>19</sup>

<sup>17</sup> 61 STAT 652 (1947), 17 USCA § 104 (Supp 1951).

<sup>18</sup> Bowker, Copyright, Its History and its Law (1912) 164-165.

<sup>19</sup> John Church Co. v. Hilliard Hotel

Co., 221 Fed 229 (2d Cir 1915) *reversed on other grounds*, in Herbert v. Shanley, 242 US 591, 37 S Ct 232, 61 LEd 511 (1917).

## Chapter XIII

### THE MUSIC INDUSTRY—THE ASCAP STORY

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#### 130. INTRODUCTION.

On February 13, 1914, a small group of composers, authors and publishers spearheaded by George Maxwell and Nathan Burkan organized the American Society of Composers, Au-

thors and Publishers, popularly referred to as ASCAP,<sup>1</sup> as a voluntary unincorporated non-profit association under the laws of the state of New York.<sup>2</sup> ASCAP, which may be described as a performing rights society, was formed for the following purposes:

(a) to license and collect royalties from users of music throughout the country, the right to publicly perform for profit the works of its members;

(b) to allot and distribute such royalties as may be collected from its members;

(c) and to detect infringements and institute suits for such infringements, etc.<sup>3</sup>

It is the purpose of this chapter to explain and chronicle the growth and development of the music industry in the United States. This will be discussed and analyzed against the background of the various performing rights societies and other organizations which are engaged in the marketing and performance of music.

The predominant performing rights society is of course ASCAP. The growth of the music industry and its customs and trade practices are mirrored in the ASCAP story; it is responsible to a great extent for the case law on performing rights of copyrighted musical compositions.

Other organizations engaged in the marketing and performance of music are:

Broadcast Music Inc., (BMI) which was organized in September 1939 to provide an independent source of music supply for radio and television stations and other users of music;

SESAC Inc., formerly the Society of European Stage Authors, and Composers, Inc., which was organized in 1930 and licenses standard as distinguished from popular music;

The Music Publishers Protective Association (MPPA), a trade association of music publishers;

The Song Writers Protective Association (SPA) which was organized for the “. . . improvement of Copyright Law, in

<sup>1</sup> Brochure published by ASCAP, entitled “The ASCAP Story” (1949). See also Witmark, “From Ragtime to Swingtime” (1939) 370 ff, 374.

<sup>2</sup> Cf. *Broadcast Music Inc. v. Taylor*, 65 USPQ 503 (NY Sup Ct 1945).

<sup>3</sup> Article 1, section 1, clause (g) of ASCAP's current Articles of Association, in effect June 1, 1950.

respect to the practical aspects of protecting the creative worker in full ownership and enjoyment of the rights which the theory of such laws intends him to have;"<sup>4</sup>

The American Federation of Musicians (AFM). This is not a performing rights society; it is a labor union whose primary objective is to increase the employment opportunities for musicians. The AFM is discussed in detail in the next chapter.

### 131. THE STATUTORY AND JUDICIAL BASIS FOR THE MUSIC INDUSTRY.

#### 131a. PERFORMING RIGHTS SOCIETIES.

The statutory foundation for the performing rights societies is the Copyright Code. The statute confers the following rights among others on the copyright proprietor of musical compositions:

1. The right to print, reprint, publish copy and vend<sup>1</sup> copyrighted musical compositions. This was the core of the statute and the most valuable right before the arrival of the phonograph, motion pictures, talking motion pictures, radio and now television.

2. The right of transformation and arrangement or adaptation.<sup>2</sup> Since the right of arrangement is an exclusive statutory right, an arranger must obtain the consent or a license from the copyright owner to work on the copyrighted material.<sup>3</sup> An arrangement can also be copyrighted provided the copyright owner consents. A copyright in an arrangement or transformation creates a property right in the work distinct from that of the first composer.<sup>4</sup>

3. The most valuable rights conferred by the Copyright Code are the various performing rights.

The right of public performance in a dramatic composition was protected for the first time by the Act of August 18,

<sup>4</sup> Prospectus of Song Writers' Protective Association (1947) 3.

<sup>1</sup> The printing and publishing rights are discussed *infra* in Ch X. "Printing and Publishing Rights, § 100 ff."

<sup>2</sup> See Chapter XI. "The Right of Transformation" § 71 ff.

<sup>3</sup> *Infra* § 114.

<sup>4</sup> See *Supreme Records v. Decca Records*, 90 FSupp 904 (DC Cal 1950); *Baron v. Leo Feist, Inc.*, 173 F2d 288 (2d Cir 1949); *Edmonds v. Stern*, 248 Fed 897 (2d Cir 1918).

1856.<sup>5</sup> This legislation did not protect music which was performed independently of the dramatic work.<sup>6</sup>

The Act of 1897 extended the public performance rights of authors and composers to “a musical composition for which a copyright has been obtained.” This right of public performance of musical compositions did not require that it be “for profit.”<sup>7</sup>

In 1909, Congress amended the statute by adding the phrase “for profit.” In *Herbert v. Shanley*, the Supreme Court interpreted the phrase “for profit,” and thereby furnished the judicial basis for the performing rights societies.<sup>8</sup>

### 131b. RIGHT OF MECHANICAL REPRODUCTION.

Section 1(e) of the Copyright Code spells out the mechanical reproduction rights of the copyright proprietor:

“. . . and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced: *Provided*, That the provisions of this title, so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after July 1, 1909, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights. And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work upon the payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by the manufacturer thereof; and the copyright proprietor may require, and

<sup>5</sup> 11 STAT 138 (1856).

<sup>6</sup> Kilroe, Lecture on Copyright Legislation (1944) before Practicing Law Institute, New York City at 42.

<sup>7</sup> Act of January 6, 1897, 29 STAT 481.

<sup>8</sup> *Herbert v. Shanley*, 242 US 591, 37 SCt 232, 61 LEd 511 (1917). This case is discussed in detail in § 131c.

if so the manufacturer shall furnish, a report under oath on the 20th day of each month on the number of parts of instruments manufactured during the previous month serving to reproduce mechanically said musical work, and royalties shall be due on the parts manufactured during any month upon the 20th of the next succeeding month. The payment of the royalty provided for by this section shall free the articles or devices for which such royalty has been paid from further contribution to the copyright except in case of public performance for profit. It shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office, and any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright.

In case of failure of such manufacturer to pay to the copyright proprietor within thirty days after demand in writing the full sum of royalties due at said rate at the date of such demand, the court may award taxable costs to the plaintiff and a reasonable counsel fee, and the court may, in its discretion, enter judgment therein for any sum in addition over the amount found to be due as royalty in accordance with the terms of this title, not exceeding three times such amount."<sup>1</sup>

There was no right of mechanical reproduction prior to the Copyright Act of 1909. Mechanical reproduction of musical works took on commercial significance about 1900 with the development of phonograph records, pianola rolls, etc. The statute then in force did not expressly reserve the right of mechanical reproduction to the copyright proprietor.<sup>2</sup> The latter contended that the sale, manufacture and use of mechanical reproductions were unauthorized reproductions of copyrighted musical compositions. The copyright proprietors claimed that "the rolls, disks, sheets, cylinders, etc., were substantial reproductions of the sheet music, since perforations, spikes or grooves in the former represented the notes between the staves on sheet music."<sup>3</sup> The manu-

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1(e) (Supp 1951).

<sup>2</sup> *Todamerica Musica Ltd. v. Radio Corporation of America*, 171 F2d 369 (2d Cir 1948).

<sup>3</sup> Ladas, *The International Protection of Literary and Artistic Property* (1938) 411.

facturers of phonograph records and rolls contended that they were accessory parts of mechanical instruments which did not come within the wording of the statute.

This question was tendered the Supreme Court in the famous case of *White-Smith Music Publishing Co. v. Apollo Company*.<sup>4</sup> In that case the assignee of the copyright sought to enjoin the infringement of two musical compositions. The defendant had mechanically reproduced these songs on pianola rolls. Plaintiff claimed that the pianola rolls infringed his printing and publishing rights since they copied his musical compositions. The Supreme Court rejected this argument stating that the reproductions of the musical compositions were not copies of the copyrighted works within the meaning of the then existing statute.

The extension of the copyright laws to mechanical reproductions was a compromise between the copyright proprietors and the record manufacturers. Congress feared that if the copyright proprietors were given the exclusive right to do as they pleased with mechanical reproductions, "the probable effect of this would be the establishment of a mechanical music trust."<sup>5</sup>

The 1909 Act effectuated the following changes:

It extended copyright protection to mechanical reproductions by giving to the copyright proprietor the right to control the manufacture and use of such devices. The right conferred by the statute does not extend to the mechanical reproduction itself; "it was the right to make such devices that was lacking and so Congress undertook to grant such right, but without intending to extend the right of copyright to the mechanical devices themselves. No court appears as yet to have deemed such devices as the 'writings' of an author."<sup>6</sup>

To forestall the development of monopoly in this field, Congress qualified the right of mechanical control. If a copyright proprietor permits his composition to be mechanically reproduced, any other person is free to do so by paying a royalty of two cents for each record or roll manufactured. This is known as the compulsory license provisions of the act or the

<sup>4</sup> 209 US 1, 28 S Ct 319, 52 L Ed 655 (1908), affirming 147 Fed 226 (2d Cir 1906).

<sup>5</sup> HRep't No. 2222 which accom-

panied HR 28192, 60th Cong 2d Sess (1909).

<sup>6</sup> Howell, *The Copyright Law* (1948) 137.

doctrine of accessibility.<sup>7</sup> The right conferred on manufacturers to make such records or rolls does not carry the right of public performance for profit by means of such records.<sup>8</sup>

Congress attached additional conditions to the mechanical reproduction right. It is applicable only to musical compositions copyrighted and published after the Act went into effect on July 1, 1909. This means that the Act is non-retroactive and manufacturers need not pay royalties nor secure the permission of the copyright owner on musical compositions published and copyrighted before the passage of the Act.<sup>9</sup>

The mechanical reproduction right is not granted to foreign composers unless their countries give corresponding rights to citizens of the United States. The extension of reproduction rights to foreign composers requires a Presidential proclamation for their enforcement.<sup>10</sup>

As stated above, the compulsory licensing provisions come into play when the copyright proprietor licenses his song for mechanical reproduction. Once the song is recorded, either by the copyright proprietor or by a licensed manufacturer, any other person or firm may mechanically reproduce the song by complying with certain statutory formalities and the payment of a two cent royalty fee for each record. On the other hand, the parties may substitute for the statutory formalities and the two-cent royalty fee "any other rights and obligations on which they agree."<sup>11</sup>

Section 1(e) provides in part that if the copyright proprietor uses or licenses others to mechanically reproduce his musical compositions, he must file a notice to that effect in the Copyright Office. The failure of the copyright proprietor to file such notice with the appropriate recording fee,<sup>12</sup> "shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright." In the event the copyright proprietor exercises his mechanical reproduction rights

<sup>7</sup> *Todamerica Musica Ltd. v. Radio Corporation of America*, 171 F2d 369 (2d Cir 1948).

<sup>8</sup> *Marks Music Corporation v. Foulton*, 79 FSupp 664, (DC NY 1948), *affirmed* 171 F2d 905 (2d Cir 1949).

<sup>9</sup> See *Witmark & Sons v. Standard Music Roll Co.*, 221 Fed 376 (2d Cir 1915).

<sup>10</sup> *Todamerica Musica Ltd. v. Radio Corporation of America*, 171 F2d 369 (2d Cir 1948).

<sup>11</sup> *Marks Music Corp. v. Foulton*, 171 F2d 905 (2d Cir 1949).

<sup>12</sup> The fee for recording a notice of use is \$2. 17 USCA § 215 (Supp 1951).

but fails to file the necessary notice, discussed above, any other person who manufactures phonograph records, pianola rolls, etc., would not be required to pay royalty fees. This clause would not absolve a manufacturer from liability in the event he infringed the performing or transformation rights. The phrase "such copyright" relates to the control exercised by the copyright proprietor to mechanically reproduce his composition; it does not free the song from the other rights secured by § 1 of the statute.<sup>13</sup>

The statute further provides that once the mechanical reproduction right has been released by the copyright proprietor, anyone who desires to reproduce the song, shall notify the copyright proprietor to that effect and shall furnish the copyright office with a duplicate of such notice.<sup>14</sup> The copyright proprietor in his discretion may require the manufacturer to furnish a sworn monthly report on the twentieth of each month, listing the number of songs which have been mechanically reproduced via phonograph records, pianola rolls, discs, etc. The royalties are also due and payable on the same day. Should the manufacturer fail to comply with any of the statutory formalities, viz., default in the payment of royalties or failure to give advance notice to the copyright proprietor of intended use, the court, in its discretion, in addition to the damages prescribed by § 101, may award treble royalties against such delinquent manufacturer.

The italicized phrase in the following clause from § 101(e): ". . . the court may, in its discretion, *in addition to sums hereinabove mentioned*, award the complainant a further sum, not to exceed three times the amount provided by section 1, subsection (e) of this title by way of damages, and not as a penalty," . . ., does not appear to have been judicially construed by the courts.<sup>15</sup> The text writers have not discussed this clause extensively.<sup>16</sup>

The italicized phrase suggests that a court in addition to levying treble royalties, may assess against a delinquent manufacturer:

<sup>13</sup> Standard Music Roll Co. v. Mills Co., 223 Fed 849 (DC NJ 1915), affirmed, 241 Fed 360 (3rd Cir 1917).

<sup>14</sup> 61 STAT 652 (1947), 17 USCA 101(e) (Supp 1951).

<sup>15</sup> Marks Music Corporation v. Foulon, 171 F2d 905 (2d Cir 1949).

<sup>16</sup> Weil, Copyright Law (1917) 488-489; Shafter, Musical Copyright (2d Ed 1939) 344.

- (a) actual damages, or
- (b) in lieu of actual damages, arbitrary and fixed damages prescribed by the statute.<sup>17</sup>

To return to the statutory royalty provision, it is applicable to all mechanical reproductions manufactured in this country.<sup>18</sup> The royalty must be paid whether the record is sold or is in stock.

### 131c. MECHANICAL REPRODUCTION CLAUSE: JUDICIAL INTERPRETATION AND DEFICIENCIES OF.

The compulsory license provisions of the Copyright Code authorize a manufacturer to reproduce a musical composition once the mechanical reproduction rights are released by the copyright proprietor. A subsequent manufacturer does not have a free and unrestricted hand in his reproduction of the composition. His adaptation must be "similar in use" to the first recording made or licensed by the copyright proprietor.<sup>1</sup> The courts have been liberal in their interpretation of the phrase, "similar use." As was stated in the *Foullon* case, "the reproduction need not be identical, but that some latitude must be allowed to each manufacturer to prepare an individual instrumental or vocal arrangement of the composition."<sup>2</sup> Thus a vocal record of a composition constitutes a similar use of a violin recording.<sup>3</sup>

But the phrase "similar use" does not authorize subsequent licensees to reproduce lyrics on perforated or pianola rolls.<sup>4</sup> On the other hand, a manufacturer of phonograph records may reproduce the lyrics without infringing the rights of the copyright proprietor since the very nature of the reproduction allows such use.<sup>5</sup>

The recent case of *Marks Music Corporation v. Foullon*<sup>6</sup> warrants discussion since it illustrates some of the prob-

<sup>17</sup> The actual damages, profits and the arbitrary and fixed damages prescribed by § 101(b) are discussed in Chapter XVI, § 160 ff.

<sup>18</sup> *Ricordi & Co. v. Columbia Graphophone Co.*, 270 Fed 882 (DC NY 1919).

<sup>1</sup> *Aeolian Co. v. Royal Music Roll Co.*, 196 Fed 926 (DC NY 1912).

<sup>2</sup> *Marks Music Corporation v. Foullon*, 79 FSupp 664 (DC NY 1948).

<sup>3</sup> *Ricordi & Co. v. Columbia Graphophone Co.*, 263 Fed 354 (2d Cir 1920).

<sup>4</sup> *Standard Music Roll Co. v. Mills Inc.*, 223 Fed 849 (DC NJ 1915), *affirmed*, 241 Fed 360 (2d Cir 1917).

<sup>5</sup> Cf. *Shafter, Musical Copyright* (2d Ed 1939) 334.

<sup>6</sup> 79 FSupp 664 (DC NY 1948), *affirmed*, 171 F2d 905 (2d Cir 1949).

lems and deficiencies of the mechanical reproduction clause. Plaintiff, the copyright proprietor of the song "Malaguena" had issued a license to the defendant, United Masters, to mechanically reproduce the song. The defendant Foullon had organized United Masters; he was its president and one of its shareholders. Under the terms of this licensing agreement, United Masters agreed to pay two cents for each record manufactured, and to make "statements of account" and payment of royalties as required by § 1(e) of the statute.

United Masters had already made an acetate or wax recording. This record was then sent to an electroplating plant which coated the record with copper. From this "matrix", two "stampers" were made. The "stampers" were sent to the Bard Record Company which "pressed out", i.e., produced shellac records for sale to the general public.

United Masters never paid the agreed royalty nor did it file any statements of account as it had agreed; it became insolvent.

Plaintiff brought an infringement action and suit for treble royalties and other damages against United Masters, Bard Record Company and Foullon.

Plaintiff's first contention was that the arrangement or version made by United Masters infringed its performing and transformation rights. The court rejected this contention because the licensing agreement released United Masters from the consequences of any existing infringement in composing the arrangement of "Malaguena". This consent also released the Bard Company which manufactured and delivered the finished product to United Masters for sale.

The second question tendered was whether the Bard Record Company or Foullon as an individual were liable for the royalties which United Masters agreed to pay. The Bard Record Company was not liable for royalties since it was not party to the "license." Similarly, Foullon in his own right was not liable upon the contract executed between plaintiff and United Masters.

The *Foullon* case illustrates one of the defects of the compulsory license clause. The copyright proprietor is required to make his music available to unknown or "fly-by-night" record manufacturers, once the mechanical repro-

duction rights have been released. If such record manufacturers fail to make the monthly reports required by the statute, or keep false books as to the number of records or rolls manufactured, the copyright proprietor may have no remedy.<sup>7</sup> Furthermore, and as in the *Foullon* case, a record manufacturer need not pay royalties by declaring himself a bankrupt. Copyright proprietors have urged Congress not to limit their recourse to the general manufacturer, i.e., United Masters, where sub-contracting manufacturers are involved, viz., Bard Record Company, and the general manufacturer is judgment-proof. Congress has taken no action to rectify this deficiency in the statute and the courts have refused to fill in this gap by judicial legislation.<sup>8</sup>

The compulsory license provisions have been attacked on several other grounds. As we have stated previously, § 1(e) is non-retroactive; it applies only to compositions published and copyrighted after the 1909 Act went into effect. This means that all music copyrighted before July 1, 1909 may be mechanically reproduced without the payment of any royalty fees to the copyright proprietor. The MPPA, which is primarily concerned with the mechanical rights, contends that they and the composers have been deprived of substantial revenues because of non-retroactivity. For example, the marches of John Philip Sousa, and much of the music of Victor Herbert were written and copyrighted prior to 1909. Record manufacturers may mechanically reproduce this music without paying any royalty fees.<sup>9</sup>

The fixed royalty provision of two cents per record has likewise been attacked. The composers contend that it is arbitrary and inadequate compensation. All composers, regardless of ability are put on the same footing. Thus Irving Berlin, Richard Rogers, Oscar Hammerstein, etc., receive the same flat royalty as does the unknown composer.<sup>10</sup>

The copyright proprietor does not always receive two cents per record. The record manufacturers deduct a fixed

<sup>7</sup> Testimony of Nathan Burkan in Hearings on S 2328 and HR 10353, Joint Hearings Before the Committees on Patents, 69th Cong 1st Sess (1926) 314 ff. These hearings will be hereinafter designated in this chapter as "1926 Hearings."

<sup>8</sup> *Marks Music Corp. v. Foullon*, 79 FSupp 664 (DC NY 1948).

<sup>9</sup> Evans, *The Law of Copyright and the Right of Mechanical Reproduction of Musical Compositions*, (1940). Third Copyright Law Symposium 113, 139.

<sup>10</sup> *Id.* at 147.

percentage, usually 10 per cent for breakage of records.<sup>11</sup>

Royalties are divided among the composer, lyricist and publisher. Thus each would receive one-third of the royalties or two-thirds of a cent.<sup>12</sup> It should be pointed out that the singer's compensation for each record is much greater than the royalty fee payable the copyright proprietor.<sup>13</sup>

The record manufacturers have also criticized the fixed royalty provision. Usually the first mechanical reproduction is accomplished pursuant to a private agreement between the copyright proprietor and the manufacturer, with the latter paying a royalty sum larger than the two cents fixed by the statute. The first licensee complains because, although he may have the privilege of recording the song first, he pays a larger sum than his competitors. For as soon as the song is mechanically reproduced, any other manufacturer may record the song. And a subsequent licensee may destroy the market of the first licensee by underselling him.

There have been persistent claims by representatives of the composers and publishers that the compulsory license and royalty provision of § 1(e) are unconstitutional. This contention was advanced at the hearings, was discussed in the committee reports<sup>14</sup> and has been urged by the textwriters.<sup>15</sup>

The argument that the compulsory license and royalty provisions of the statute are unconstitutional is premised on the following reasoning: the doctrine of accessibility, by making mechanical reproductions available to all on compliance with prescribed formalities, denies to the copyright proprietor, "the exclusive right to their respective writings"<sup>16</sup> secured to him by the Copyright Code. In other words, there is a taking of property without due process of law. In addition, it has been contended, the price-fixing is unconstitutional.<sup>17</sup>

<sup>11</sup> Burkan, 1926 Hearings at 315.

<sup>12</sup> Shafter, *Musical Copyright* (2d Ed 1939) 341. But cf. Diamond and Adler at 40.

<sup>13</sup> Shafter, *Musical Copyright* (2d Ed 1939) 341.

<sup>14</sup> HRep't No. 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>15</sup> Weil, *Copyright Law* (1917) 65

deemed the compulsory license clause as unconstitutional. Socolow, *The Law of Radio Broadcasting* (1939) § 657 implies that the compulsory license provisions are unconstitutional.

<sup>16</sup> Article I, Section 8, Clause of the Constitution of the United States.

<sup>17</sup> These arguments are expounded at length in the 1926 Hearings at 315 ff by Mr. Burkan.

A generation ago, perhaps two generations ago, these arguments would have had some validity. But the pragmatic reinterpretation of the Constitution and national legislation by the Supreme Court, as exemplified by *Nebbia v. New York*,<sup>18</sup> has completely destroyed these arguments.

The compulsory license clause has been under attack by publishers (MPPA) and composers (SPA) since its incorporation into legislation. The doctrine of accessibility is not restricted to the United States alone. Compulsory licensing for mechanical reproductions exist in the countries listed in the margin.<sup>19</sup> These countries have approximated the United States system with minor modifications and additions. For example, in Germany, prior to the war, the author could exercise the right of mechanical reproduction. This did not mean that others could reproduce his song. The doctrine of accessibility became applicable, only when third parties were licensed. Furthermore the statute did not prescribe the royalty. The licensee paid the author an "equitable indemnity." This was determined as follows: the terms granted to the first licensee, the importance or value of similar considerations, etc.<sup>20</sup> In Great Britain, the royalty fees are fixed; they are paid by the manufacturer to the composer.<sup>21</sup> In other countries prices are fixed by judicial or governmental mandate.<sup>22</sup>

### 131d. MECHANICAL REPRODUCTIONS OF DRAMATICO-MUSICAL WORKS.

The restrictions imposed by the compulsory license and price-fixing provisions of § 1(e) apply only to musical compositions; they are not applicable to dramatic or dramatico-musical works preserved on records.<sup>1</sup>

As stated elsewhere, the test for a dramatic work is that

<sup>18</sup> 291 US 502, 54 S Ct 505, 78 L Ed 940 (1934).

<sup>19</sup> II UNESCO Copyright Bulletin, No. 2-3 (1949) 88. Compulsory licenses for mechanical recordings are granted by Australia, Austria, Bulgaria, Canada, Germany, Great Britain, Ireland, Lebanon, New Zealand, Siam, Switzerland, Syria, Union of South Africa and the United States.

<sup>20</sup> Ladas, *The International Protec-*

*tion of Literary and Artistic Property* (1939) 430; Diamond and Adler at 35-36.

<sup>21</sup> *Id.* at 431; Diamond and Adler at 436. Canada has a compulsory licensing system similar to that of the United States.

<sup>22</sup> Shafter, *Musical Copyright* (2d Ed 1939) 356.

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 5(d) and (e) (Supp 1951).

it tell a story. The same standard would be applicable to dramatico-musical works, such as an opera, operetta, musical comedy, pantomimes, ballets, etc.<sup>2</sup>

Section 1(d) dealing with performing rights in dramatic works, gives an exclusive right to the copyright proprietor "to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method whatsoever."<sup>3</sup>

The foregoing clause indicates clearly that performing rights in mechanical reproductions of dramatic and dramatico-musical works are protected by the statute.<sup>4</sup> The compulsory license clause is inapplicable to such works.

The importance of classifying a work as a dramatico-musical, rather than a musical composition is rather obvious.

We shall discuss transcriptions and the compulsory license provisions of the Copyright Code in connection with the activities of the MPPA and the AFM.

### 131e. THE JUDICIAL BASIS OF THE PERFORMING RIGHTS SOCIETIES.

Although copyright legislation recognized performing rights in the public performance of musical compositions for hire, this right remained dormant for several years. This may be attributed to several factors. The copyright proprietors may not have appreciated the commercial value of their performing rights. The advent of the phonograph industry and other mechanical means for the reproduction of music emphasized the economic worth of performing rights. Finally the increasing use of music via performing rights reduced the sale of copies of sheet music and thus decreased the revenues of the copyright proprietor.<sup>1</sup>

Obviously performing rights would have no economic value unless copyright proprietors could be compensated

<sup>2</sup> *Infra* §§ 31d and 123.

<sup>3</sup> 61 STAT 652 (1947), 17 USCA § 1(d) (Supp 1951).

<sup>4</sup> *Infra* § 123.

<sup>1</sup> For a general discussion of this

subject see: Allen, *The Battle of Tin Pan Alley* (Oct. 1940) 181 *Harpers* 514; *Ken Magazine*, March 23, 1939; *Phonograph Records* (Sept. 1940) 20 *Fortune* 72.

for the indirect or secondary use made of their music. The great bulk of music performed in this country in hotels, theatres, etc., does not require the payment of a direct admission charge for the use of such music. The latter furnishes a background, is incidental to, or renders a secondary function in a restaurant or hotel. Before ASCAP or any other performing rights society could operate or function with sufficient revenues, a court adjudication was required to determine "whether the performance of a copyrighted musical composition in a restaurant or hotel without charge for admission to hear it infringes the exclusive right of the owner of the copyright to perform the work publicly for profit."<sup>2</sup> This was the issue tendered by the *Hilliard*<sup>3</sup> and *Shanley*<sup>4</sup> cases.

In *John Church Co. v. Hilliard Hotel Company*, the federal district court granted a preliminary injunction restraining the defendants, the lessee of the Vanderbilt Hotel and the leader of the orchestra from performing in the dining room of the hotel a copyrighted musical composition owned by the complainant, called "From Maine to Oregon". The district court held that the performance was public and that the hotel would not have paid for the playing of the piece unless it were to gain something thereby.<sup>5</sup> The court quoted from and relied expressly on an English case in point, *Sarpy v. Holland and Savage*.<sup>6</sup>

The appellate court in reversing this decision stated that the phrase "for profit" . . . "must contemplate the charge of an admission fee because if the performance is really 'not for profit', it would be perfectly lawful, both under § 1(e) and under the prior provision of § 28 itself." . . .<sup>7</sup>

In *Herbert v. Shanley Co.*, the defendant owned and operated a restaurant of the "cabaret type" in New York City. The restaurant charged no admission fee to its dining room and obtained its revenues from the food and drink sold to its guests. It furnished entertainment to its patrons while

<sup>2</sup> *Herbert v. Shanley*, 242 US 591, 37 S.Ct 232, 61 LEd 511 (1917), *reversing*, 221 Fed 229 (2d Cir 1916).

<sup>3</sup> *John Church Co. v. Hilliard Hotel Co.*, 221 Fed 229 (2d Cir 1915) *reversed* in *Herbert v. Shanley*, *supra* note 2.

<sup>4</sup> *Op cit* note 4.

<sup>5</sup> The opinion of the district court in this case is unreported.

<sup>6</sup> 2 Ch 198 (1908).

<sup>7</sup> *John Church Co. v. Hilliard Hotel Co.*, 221 Fed 229 (2d Cir 1915).

they were eating. Actors and singers appeared; they performed to the accompaniment of an orchestra and at times danced. Although the defendant advertised the "cabaret" features of its restaurant,<sup>8</sup> the latter's primary function was the serving of food and drink.

Defendant employed a singer who had purchased a copy of the song "Sweethearts" and "mangled" the song in performing it. This musical composition was derived from the comic opera "Sweethearts" of which Victor Herbert composed the music and Harry B. Smith, Robert B. Smith and Fred de Brisac Maurel wrote the lyrics. G. Schirmer, Incorporated was the publisher and had copyrighted the opera as a dramatico-musical composition. Harry B. Smith took out a copyright upon the libretto of the opera. In addition, the song "Sweethearts" was copyrighted by the publisher as a musical composition.

Plaintiffs moved for an injunction, claiming that the performance infringed the copyright of the dramatico-musical composition (the opera) and of the musical composition (the song).

Judge Hand's terse opinion set forth the following differences between a dramatico-musical composition and a musical composition.

The unauthorized performance of the opera, clearly a dramatico-musical composition, whether or not for profit, would result in an infringement thereof.

A musical composition, on the other hand, can only be infringed when the performance is public and is "for profit".

The mere performance of plaintiffs' song "without any unnecessary accessories" did not infringe the dramatic rights, which are inherent in a dramatico-musical composition. Singing the words to music on a stage "without procenium, wings or back drop" is a mere performing right since it does not involve or call for dramatic action.

Judge Hand then relied on the *Hilliard* case to support his conclusion that defendant's public performance was not for profit, hence the performance did not infringe.<sup>9</sup>

<sup>8</sup> The Record in *Herbert v. Shanley* at p. 12, 242 US 591, 37 Sct 232, 61 LEd 511 (1917) advertised "Cabaret Extraordinaire—Twenty Acts, Luncheon 75¢ (Music)."

<sup>9</sup> *Herbert v. Shanley*, 222 Fed 344, 345 (DC NY 1915).

The foregoing distinctions between the rights in musical and dramatico-musical compositions were implicit in Judge Hand's opinion; they became explicit in the affirming opinion of the appellate court. Judge Rogers held that "the distinction therefore, exists that in the case of the dramatico-musical composition the act secures to the author the sole right to publicly perform it without reference to whether it is performed for profit. But in the case of the musical composition, so far as performance is concerned, the act restricts the author's exclusive right to public performance for profit."

The second circuit was obviously bound by the *Hilliard* case which construed the phrase for profit "to be limited to performances where an admission fee or some direct pecuniary charge is made".<sup>10</sup>

ASCAP, which had financed this litigation for Victor Herbert applied for certiorari. The Supreme Court granted certiorari in both the *Shanley* and *Hilliard* cases. The Supreme Court per Mr. Justice Holmes, disposed of both cases in a single opinion. Mr. Justice Holmes' opinion which reversed the lower court, did not discuss the differences between dramatico-musical and musical rights; it was limited to the narrow issue of the meaning to be given the phrase "for profit".

"If the rights under the copyright are infringed only by a performance where money is taken at the door, they are very imperfectly protected. Performances not different in kind from those of the defendants could be given that might compete with and even destroy the success of the monopoly that the law intends the plaintiffs to have. It is enough to say that there is no need to construe the statute so narrowly. The defendant's performances are not eleemosynary. They are part of a total for which the public pays and the fact that the whole is attributed to a particular item which those present are expected to order is not important. It is true that the music is not the sole object, but neither is the food which probably could be got cheaper elsewhere.

<sup>10</sup> *Herbert v. Shanley*, 229 Fed 340 (2d Cir 1916).

The object is a repast in surroundings that to people having powers of limited conversation or disliking the rival noise give a luxurious pleasure not to be had from eating a silent meal. If music did not pay, it would be given up. If it pays, it pays out of the public pocket. Whether it pays or not, the purpose of employing it is profit and that is enough."<sup>11</sup>

The *Shanley* case was of tremendous significance to ASCAP and the music industry. It recognized separate and distinct performing rights in a musical composition derived from a dramatico-musical composition. Furthermore, the incidental or secondary use of music, whether in a restaurant,<sup>12</sup> dance hall,<sup>13</sup> motion picture theatre<sup>14</sup> or radio station<sup>15</sup> would require a license from the copyright proprietor.<sup>16</sup> Obviously, authors, composers and publishers could protect and exploit the economic worth of their performing rights by banding together in an organization which could deal effectively with the many users of music. This decision furnished the judicial prop for ASCAP's operations.

<sup>11</sup> *Herbert v. Shanley*, 242 US 591, 37 S Ct 232, 61 L Ed 511 (1917).

<sup>12</sup> *Id.*; *Buck v. Savoia Restaurant*, 27 F Supp 289 (DC NY 1939); *Buck v. Lisa*, 28 F Supp 379 (DC NY 1939).

<sup>13</sup> *Buck v. Pettijohn*, 34 F Supp 968 (DC Tenn 1940); *Buck v. Crescent Gardens*, 28 F Supp 576 (DC Mass 1939); *Buck v. Dacier*, 26 F Supp 37 (DC Mass 1938); *Buck v. Spanish Gables*, 26 F Supp 36 (DC Mass 1938); *Buck v. Russo*, 25 F Supp 317 (DC Mass 1938); *Buck v. Daigle*, 26 F 2d 149 (DC La 1928).

<sup>14</sup> *Irving Berlin Inc. v. Russo*, 31 F 2d 832 (5th Cir 1929) reversing 26 F 2d 150 (DC La 1928); *Witmark & Son v. Calloway*, 22 F 2d 412 (DC Tenn 1927); *Witmark & Sons v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924), *affirmed*, 2 F 2d 1020 (4th Cir 1924); *Harms v. Cohen*, 279 Fed 276 (DC Pa 1922); *Waterson v. Tollefson*, 253 Fed 859 (DC Calif 1918). But *cf Alden-Rochelle Inc. v. ASCAP*, 80 F Supp 888 (DC NY 1948); *Witmark & Sons v. Jensen*, 80 F Supp 843 (DC Minn 1948).

<sup>15</sup> *Associated Music Publishers v. Debs Memorial Radio Fund*, 46 F Supp 829 (DC NY 1942) *affirmed*, 141 F 2d 852 (2d Cir 1944) *cert denied* 323 US 766, 65 S Ct 120, 89 L Ed 613 (1945); *Society of European Stage Authors etc. v. Statler Co.*, 19 F Supp 1 (DC NY 1937); *Buck v. Jewell-La Salle Realty Co.*, 283 U.S. 191, 51 S Ct 410, 75 L Ed 971 (1931); *Buck v. De Baum*, 40 F 2d 734 (DC Calif 1929); *Remick & Co. v. American Automobile Accessories*, 298 Fed 628 (DC Ohio 1924), *reversed*, 5 F 2d 411 (6th Cir 1925), *cert denied*, 269 US 556, 46 S Ct 19, 70 L Ed 409 (1925); *Witmark & Sons v. Bamberger & Co.*, 291 Fed 776 (DC NJ 1923); *Law v. National Broadcasting Company*, 51 F Supp 798 (DC NY 1943); *Select Theatres Corporation v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>16</sup> *Cf Remick Music Corp. v. Interstate Hotel Co.*, 58 F Supp 523 (DC Neb 1944), *affirmed* 154 F 2d 744 (8th Cir 1946) *cert denied* 329 US 809, 67 S Ct 622, 91 L Ed 691 (1947).

## 132. MOTION PICTURES: GENERAL DISCUSSION.

With *Herbert v. Shanley*,<sup>1</sup> under its belt, ASCAP directed its efforts and activities to collecting public performing fees from motion picture exhibitors.<sup>2</sup>

ASCAP prescribed a schedule of license fees to exhibitors at various rates for their theatres, fluctuating from ten cents per year per seat down to seven cents per seat per year, depending on the number of seats in the respective theatres.<sup>3</sup> The license fees charged for in 1917 remained practically the same until 1923 when the annual license fees of such theatres were changed to ten cents per seat per annum in all theatres. This rate continued until 1934.<sup>4</sup>

Despite the reasonableness of the foregoing rates, the motion picture industry attacked ASCAP's license system which levied a "music seat tax." Thus in 1920, the Motion Picture Theatre Owners of America (MPTOA), a national organization made up of numerous state organizations with a membership of 13,000 motion picture theatre owners, controlling 16,000 theatres, took the following steps to combat the payment of license fees:

- (1) The creation of a fund with which to fight the Society;
- (2) The creation of a "free Music Bureau" for the use of motion picture theatre owners;
- (3) attempts to procure legislation to change the Copyright Law so as to withdraw from the copyright proprietor the right to charge for the performance of music in a motion picture theatre; and

<sup>1</sup> 242 US 591, 37 S Ct 232, 61 L Ed 511 (1917).

<sup>2</sup> ASCAP's activities in relationship to the motion picture exhibitors are detailed in the following: Hearings before the Committee on Patents, House of Representatives on HR 6250 and HR 9137, 68th Cong 1st Sess (1924), hereinafter designated as 1924 Hearings;" Joint Hearing before House and Senate Committees on Patents on S 2328 and HR 10353, 69th Cong 1st Sess (1926) hereinafter designated as "1926 Hearings;" Hearings before the Senate Committee on Patents on

HR 12549, 71st Cong 3rd Sess (1931), hereinafter designated as "1931 Hearings;" Hearings before the House Committee on Patents, Revision of Copyright Laws, 74th Cong 2d Sess (1936) hereinafter designated as "1936 Hearings;" Alden-Rochelle Findings; and Answer submitted by ASCAP to complaint in *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948), hereinafter designated as "ASCAP Answer."

<sup>3</sup> ASCAP Answer at 23.

<sup>4</sup> *Id.*; Burkan, 1926 Hearings at 364; Alden-Rochelle Findings at 4.

(4) bringing complaints against the Society before various departments of the Government and in the various states.<sup>5</sup>

### 132a. MOTION PICTURES: LITIGATION.

The funds collected by the MPTOA to fight ASCAP were employed primarily to defend exhibitors charged with infringement of the Society's music. Thus eleven infringement actions were brought against motion picture exhibitors in Western Missouri in 1923.<sup>1</sup> Sixty-five suits were commenced in the Eastern District of New York and all of them were defended by counsel for the exhibitors' association.<sup>2</sup>

ASCAP prosecuted two of these suits and secured a clear-cut holding that the use of music in motion picture theatres, exhibiting silent film, was a public performance for profit.<sup>3</sup> The advent of the "talkies" wherein copyrighted songs are synchronized and integrated into the film, did not release the motion picture exhibitor from payment of license fees for picture performing rights to ASCAP. In *Famous Music Corporation v. Melz*, defendant, a motion picture exhibitor leased copyrighted film from two motion picture producers. The film had synchronized thereon three musical compositions of which ASCAP controlled the public performing rights. Defendant who had not secured a license from ASCAP contended that the copyright secured by the motion picture producer extended to the music synchronized on the film; that for the copyright proprietor to permit such songs to be used in the film and then for ASCAP to claim that the motion picture producer could not license the public performing rights of the songs, was contrary, to fairness and customary business usage. The court held that the synchronization rights licensed the motion picture producers did not give them control of the public performing rights of the copyrighted musical compositions. That control was retained by ASCAP and defendant's reproduction in its

<sup>5</sup> ASCAP Answer at 11.

<sup>1</sup> ASCAP Answer at 12.

<sup>2</sup> *Id.*

<sup>3</sup> *Harms v. Cohen*, 279 Fed 276

(DC Pa 1922) *M. Witmark & Sons v. Pastime Music Co.*, 298 Fed 470 (DC SC 1924), aff'd 2 F2d 1020 (4th Cir 1924).

theatre of the copyrighted musical compositions was a public performance for profit which required an ASCAP license.<sup>4</sup>

### 132b. MOTION PICTURES: LEGISLATION TO AMEND THE COPYRIGHT LAWS.

The MPTOA and its affiliated organizations sought to avoid the payment of royalty fees to ASCAP by creating its own "tax-free music bureau." Thus efforts were made to publicize the non-ASCAP music which was available to theatres. In addition, the MPTOA organized the Associated Independent Music Publishers to supply tax-free music to theatre owners.

As stated previously, in 1923 the MPTOA and ASCAP negotiated a nation-wide agreement whereby the former agreed that the license fees payable ASCAP would be at the rate of 10 cents per seat per year. Despite this agreement, the activities of the music bureau continued. Thus on October 15, 1924 it was stated that "the Tax-Free Music Bureau (of the MPTOA) is in a sense a development from the Bureau of Musical Releases maintained by the National Association of Broadcasters for about a year and a half". And on February 1, 1925, the Bureau listed 152 American and foreign publishers whose music was free from license fees. In August of 1925 the compilation of such publishers, limited to the United States, was 92.<sup>1</sup>

The motion picture industry also resisted ASCAP by attempting to secure legislation which would change the Copyright Law. In 1921, the MPTOA sponsored the Lampert bill which provided that copyright control should not extend to public performance for profit of musical compositions where such performances were made from printed or written sheets or reproducing devices issued under the authority of the copyright proprietors.<sup>2</sup>

The MPTOA and the National Association of Broadcasters (NAB), participated in the hearings on copyright legislation before the House Committee on Patents. This legislation proposed to amend the public performance provision of the statute:

<sup>4</sup> 28 FSupp 767 (DC La 1939).

<sup>1</sup> ASCAP Answer at 15.

<sup>2</sup> HR 7301, 69th Cong 2d Sess (1921).

“That when any author or composer or his or her administrator, executor, or assign shall publish or cause to be published for sale the public copies of any copyrighted musical composition, the sale of any such copy shall free the same from further contribution by the holder thereof to the author or composer of his or her administrator, executor, or assign in case of public performance for profit.”<sup>3</sup>

The contentions of the MPTOA in supporting this legislation were well expressed by a Mr. Handy, attorney for the Kansas-Missouri Exhibitors Association:

“I contend when the present statute was enacted it was never the intention of Congress to give a publisher a double-barrel shotgun. If he copyrighted his music he published it and sold it across the counter at the music stores. That was the intention of Congress, to give him that protection and not to give him, after you have purchased the music, another haul by saying if you play that in a place of amusement where you charge admission, we expect you to pay for it.”<sup>4</sup>

The companion bill in the Senate in 1924, which also was the subject of hearings would amend the Copyright Act so as to enable motion picture exhibitors and radio broadcasters to play musical compositions without the payment of license fees.<sup>5</sup>

The MPTOA and the NAB appeared before Congressional committees at subsequent hearings in connection with proposed revisions of the Copyright Act, and in opposition to the Society.

### **132c. MOTION PICTURES: ATTACK ON LEGALITY AND OPERATIONS OF ASCAP.**

The MPTOA resisted the payment of license fees by challenging the legality and operations of ASCAP in the courts and before government agencies.

In 1917-1918 the Motion Picture Exhibitors League of America instituted a test case against ASCAP to restrain the Society from conducting its operations, from acting in concert to demand fees as a condition precedent to the playing of musical compositions, from using the funds of the Society in furtherance of its objects and enjoining its direc-

<sup>3</sup> HR 8734, 69th Cong 1st Sess (1924).

<sup>4</sup> 1924 Hearings at 63.

<sup>5</sup> S 2600, 69th Cong 1st Sess (1924).

tors and officers from meeting with any purpose to act in combination or concert, upon the ground that the Society was a monopoly in restraint of trade. The court in denying the request for injunction stated "that the defendant association is exercising only its lawful rights. . . . The association is formed for lawful purpose and I find no exercise of any coercion."<sup>1</sup>

In July of 1921, the MPTOA brought suit against the Society in the United States District Court of Pennsylvania, charging violation of the Sherman Anti-Trust Act.<sup>2</sup> This case was never brought to trial.

In 1922 the MPTOA filed a complaint with the Federal Trade Commission against the Society charging that ASCAP was engaged in unfair methods of competition in violation of the Federal Trade Commission Act. The Federal Trade Commission advised the MPTOA that the complaint did not warrant the exercise of the Commission's corrective powers. "The chief reason for this conclusion may be stated as the fact that the making of a claim for royalties, apparently in good faith, can not be said to constitute 'an unfair method of competition in commerce'; it can not be said to be unfair in the sense in which the word is used in the Commission's organic act, but is merely an assertion of a supposed legal right which is fully determinable by the courts; and it is not a 'method of competition' because the parties to the controversy are not in any way competing with each other."<sup>3</sup>

On July 26, 1926 the Department of Justice, in response to the many complaints received against ASCAP advised the Society that "the Department saw no reason for proceeding against it under the Antitrust laws on account of its operations in collecting licenses for the public performance of copyrighted music from the owners of motion picture houses, of hotels, of dance halls and of similar places where copyrighted music is publicly performed for profit."<sup>4</sup>

The legality and operations of ASCAP were attacked before Congress and in the courts. The courts rejected the defense of illegality of a combination in violation of the

<sup>1</sup> St. Nicholas Amusement Co. v. Maxwell, 169 NY Supp 395 (1918).

<sup>3</sup> Buck Affidavit, 1926 Hearings at 142.

<sup>2</sup> ASCAP Answer at 18.

<sup>4</sup> ASCAP Answer at 20-21.

anti-trust laws on the ground that the legality or illegality of ASCAP's operations could not be collaterally attacked via an infringement action.<sup>5</sup>

### 132d. MOTION PICTURES: "TALKIES."

The advent of the "talkies" in the late nineteen-twenties had a substantial effect upon ASCAP and the music industry in general.

Sound and music are synchronized on film by two methods—the Vitaphone and Movietone processes. The Vitaphone process operates by a record on a turntable synchronized with the film.<sup>1</sup> The Movietone or sound track method has superseded the Vitaphone process. This system records the sound and music on a strip of sound cells attached to the film itself; it is then projected in theatres with the aid of a photo-electrical cell. The music is thus automatically performed and recorded in timed relationship to the script when the picture is exhibited.<sup>2</sup> Music recorded on a sound track are designated as "synchronization rights";<sup>3</sup> as a general rule, the music cannot be removed from the sound track without destroying the dialogue and other sound effects of the picture.<sup>4</sup>

The synchronization rights are separate and distinct from the "small performing" or non-dramatic rights assigned ASCAP.<sup>5</sup> The former are retained by the copyright proprietor, usually the music publisher. As a matter of fact, prior to the 1950 Consent Decree, each member assigned to ASCAP the right of public performance for profit "by means

<sup>5</sup> *Buck v. Newsreel Inc.*, 25 FSupp 787 (DC Mass 1938); *Buck v. Spanish Gables*, 26 FSupp 36 (DC Mass 1938); *Witmark & Sons v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924), *affirmed*, 2 F2d 1020 (4th Cir 1924); *Harms v. Cohen*, 279 Fed 276 (DC Pa 1922); *Buck v. Hillsgrave Country Club Inc.*, 17 FSupp 643 (DC RI 1937); *Buck v. Del Papa*, 17 FSupp 645 (DC RI 1937); *Cf. Feist v. Young*, 138 F2d 972 (7th Cir 1943). *Contra Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948); *Witmark & Sons v. Jensen*, 80 FSupp 843 (DC Minn 1948).

<sup>1</sup> Shafter, *Musical Copyright* (2d Ed 1939) 349.

<sup>2</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948).

<sup>3</sup> The "synchronization" rights are also referred to as "recording" rights *Witmark & Sons v. Jensen*, 80 FSupp 843 (DC Minn 1948).

<sup>4</sup> *Alden-Rochelle Findings* at p 13.

<sup>5</sup> *Op cit supra* note 3. See also *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944) *affirmed*, 157 F2d 744 (7th Cir 1946) *cert denied*, 329 US 809, 67 Sct 622, 91 LEd 691 (1947); *Buck v. Swanson*, 33 FSupp 377 (DC Neb 1939) *reversed on other grounds*, 313 US 406, 61 Sct 969, 85 LEd 1426 (1941).

of devices for reproducing sound recorded in synchronism or timed relation with the taking of motion pictures.”<sup>6</sup> In other words ASCAP controlled the “picture performing” rights, i.e., when motion picture film was exhibited in theatres.

For the most part, motion picture producers secure synchronization rights from the copyright proprietors via the agency of Harry Fox.<sup>7</sup> Mr. Fox has the records and organization which enable him to bring together the motion picture producer seeking synchronization rights and the copyright proprietor. Mr. Fox participates as the agent or trustee of the copyright proprietor in negotiations with the motion picture producer.<sup>8</sup>

Prior to the 1950 Consent Decree, if the copyright owner was a member of ASCAP, Mr. Fox licensed only the synchronization rights.<sup>9</sup> The contract between Mr. Fox acting on behalf of ASCAP members and the motion picture producers specifically recited that “the right to record the musical composition(s) as covered by this agreement is conditioned upon the performance of the musical work in theatres having valid licenses from the American Society of Composers, Authors & Publishers. . . .”<sup>10</sup>

In the case of a copyright owned by a person, not a member of ASCAP, Harry Fox licensed both the synchronization and performing rights to the motion picture producer for a lump sum. “There is no separate figure fixed for the performance rights and another figure for the synchronization rights in making the deal. Fox tells the copyright owner that he has to include the right to perform with the synchronization rights; and the owner of the copyright usually takes that into consideration in fixing a lump sum price. In most cases the owners consider the performance rights as having some value.”<sup>11</sup>

<sup>6</sup> 1941-1965 ASCAP Contract with its members.

<sup>7</sup> Alden-Rochelle Transcript at 471. Mr. Fox, in addition to licensing the synchronization rights to motion picture producers in behalf of copyright proprietors, likewise licenses the mechanical reproduction rights for phonograph records & electrical transcriptions.

<sup>8</sup> Alden-Rochelle Inc. v. ASCAP, 80 FSupp 888 (DC NY 1948).

<sup>9</sup> Alden-Rochelle Findings at 14.

<sup>10</sup> *Id.*

<sup>11</sup> *Op cit supra* note 8. See also Alden-Rochelle Transcript at 475, testimony of Harry Fox.

Since the motion picture industry was and is one of the largest consumers of music, it was inevitable that they owned, controlled or became affiliated with music publishing houses. Economic considerations made it advisable that performing as well as synchronization rights be acquired by motion picture producers, since a motion picture film is economically valueless without the right to exhibit it "By withholding the right of public performance of their copyrighted musical compositions synchronized with motion pictures as the result of the common agreement by ASCAP members so to do, and by the assignment to ASCAP from its members of such reserved performing rights, ASCAP controls the public exhibition rights of motion pictures even though the contribution of its members thereto may be very small in relation to the other component parts thereof".<sup>12</sup>

Thus in the middle and late thirties, the motion picture industry began its acquisition and control of the music publishing houses.<sup>13</sup>

In 1934, and prior to the acquisition and control of the music publishing houses by the motion picture industry, the latter, after protracted negotiations with ASCAP agreed upon a new schedule of rates. This licensing agreement remained in effect until 1947 when ASCAP embarked upon a policy of terminating its license agreements with motion picture exhibitors.<sup>14</sup> This will be discussed in a subsequent section.

### 133. RADIO: GENERAL DISCUSSION.

In 1922 a neighbor of Gene Buck, composer of the Ziegfeld Follies and former president of ASCAP, invited Buck to his Long Island home to put on earphones and listen to the latest marvel of the age—a broadcast from station KDKA at Pittsburgh. Buck's admiration is reported to have dampened considerably when he heard his own songs, "Tulip Time" and "Neath the South Sea Moon", come over the ether, and he decided to take the matter up with ASCAP.<sup>1</sup>

It will be recalled that by the early nineteen-twenties profound changes had been effected in the music habits of this

<sup>12</sup> Alden-Rochelle Findings at 14-15.

<sup>13</sup> *Id.* at 14 ff.

<sup>14</sup> ASCAP Answer at 22.

<sup>1</sup> Emerson, *Public Performance for Profit: Past and Present* (1940) Third Copyright Law Symposium, 53, 69.

nation. In the early days of "Tin Pan Alley" the composer's primary problem was to get someone to play his music publicly. Songs had to be "plugged" until the public purchased them at the sheet-music counter and took home copies to play on the parlor piano. Motion pictures and radio changed all of this. Sheet music sales started to taper off and the incomes of composers, authors and publishers declined proportionately in spite of the fact that their songs were being played more and more. A "hit" song instead of selling copies for two or three years now lasted for a much shorter period of time.<sup>2</sup>

ASCAP's primary contention for the levying of license fees from broadcasters was that the radio industry "took the most popular musical hits of the day, and by constant grinding and repetition of songs, acted as a veritable inferno greatly shortening the life of a song and ruining the sale of sheet music and phonograph records from which the authors had previously derived the major part of their royalties."<sup>3</sup>

The opposition by the National Association of Broadcasters (NAB) in the early nineteen-twenties to the payment of license fees for the use of music must be considered against the background and development of the broadcasting industry.<sup>4</sup>

At the inception of the broadcast art there was a considerable difference of opinion within the industry as to the source of revenues for the maintenance and operation of broadcast stations. Some believed that the manufacturers and distributors of radio receiving sets should contribute to the costs of operating broadcast stations as a service to the public and to stimulate the sale of sets. Others were of the opinion that public-spirited citizens should insure the continued operation of stations through endowment funds. However, in the summer of 1922, station WEAJ (now WNBC) first employed the sponsored program. Thus the broadcast industry discovered a source of revenue for the main-

<sup>2</sup> Hynes, *Radio and Royalties* (1940) 15 Notre Dame Lawyer, 290, 306.

<sup>3</sup> Record in *Gibbs v. Buck*, 307 US 66, 59 S Ct 725, 83 L Ed 1111 (1939) and hereinafter designated as *Gibbs-Buck Affidavit*, R at 93.

<sup>4</sup> It was not until 1920 that the commercial possibilities of radio were indicated. Caldwell, *Copyright Problems of Broadcasters* (1932) 2 J Radio L 287.

tenance and operation of stations.<sup>5</sup> “The eventual success of the practice of selling radio time to advertisers and the development of network broadcasting are the foundation stones of the commercial structure of radio broadcasting today.”<sup>6</sup>

But the sponsored program did not achieve its status as the foundation stone of the American system of broadcasting until 1926. Prior to that date the great majority of radio stations operated stations primarily as an adjunct to their businesses and at a loss. Stations opposed the payment of license fees to ASCAP for the following reasons:

1. Since the great majority of stations in the early nineteen-twenties were operating at a loss, they were of the opinion that they should not be saddled with additional charges—ASCAP license fees.

2. Broadcasters were “dumbfounded” when ASCAP demanded that they pay for the privilege of playing music because the former were of the opinion that they were rendering a positive service to ASCAP by popularizing its music.

3. Since many stations were operated as eleemosynary institutions and at a loss, broadcasters were of the opinion that the statutory phrase, “public performance for profit”, was inapplicable to them, since they were rendering a public service.

4. Broadcasters were of the opinion that when they purchased sheet music for use over their stations, they should not be saddled with additional charges for the use of such music. They contended, for example, that much of their equipment was licensed from RCA. RCA did not charge a “use” tax because they were the patent owners and holders of the equipment.<sup>7</sup>

By 1926, with over 70 per cent of the broadcasters charging for the use of their facilities to advertisers, the foregoing arguments were inapplicable. The broadcast industry reluctantly concluded that they should pay for the use of copyrighted music.<sup>8</sup> This change of policy was presumably

<sup>5</sup> Warner, *Radio & Television Law* (1948) § 40; Archer, *History of Radio to 1926* (1938) 207-210.

<sup>6</sup> Report on Chain Broadcasting (FCC Order No. 37, Docket No. 5060, May 1941) at 5.

<sup>7</sup> Statement of Paul B. Klugh, Executive Chairman of NAB, 1924 Hearings at 74 ff.

<sup>8</sup> Statement of Paul B. Klugh, 1926 Hearings at 5.

achieved as a result of several adverse court decisions. These will be discussed in the next section.

### 133a. RADIO: LITIGATION.

In 1923, in the case of *M. Witmark & Sons v. L. Bamberger & Co.*,<sup>1</sup> ASCAP instituted its first case involving the broadcasting of copyrighted music. The defendant who at that time owned and operated a large department store in Newark, New Jersey, was the licensee of station WOR. The plaintiff, the copyright proprietor of "Mother Machree," alleged that the defendant performed this copyrighted musical composition publicly for profit and sought an injunction restraining the defendant from further performances. The defendant contended that the broadcast was not for profit since everything it broadcast was broadcast without charge to radio listeners, hence there was no performance publicly for profit within the meaning of the copyright act.

The court rejected this contention and concluded that a broadcast was a public performance for profit since an "indirect profit" accrued to the defendant in broadcasting the copyrighted musical composition.<sup>2</sup>

A year later, Judge Hickenlooper in *Remick & Co. v. American Automobile Accessories Co.*, reached a contrary conclusion.<sup>3</sup> This case was reversed on appeal.<sup>4</sup>

The *Bamberger* and *Remick* cases convinced the broadcast industry that it would have to pay for the use of music. Before detailing the license arrangements between ASCAP and the broadcast industry, there are several decisions which warrant comment since they spell out the liability of the broadcaster for copyright infringement.

In the *General Electric* case the question tendered was whether a station which picked up another's unauthorized performance of a copyrighted musical composition was liable for copyright infringement. At the outset the court attempted to distinguish between the broadcast of an authorized and an unauthorized performance. It held that the

<sup>1</sup> 291 Fed 776 (DC NJ 1923).

<sup>2</sup> The court cited with approval *Herbert v. Shanley*, 242 US 591, 37 S Ct 232, 61 LEd 511 (1917) and *Harms v. Cohen*, 279 Fed 276 (DC Pa 1922).

<sup>3</sup> 298 Fed 628 (DC Ohio 1924).

<sup>4</sup> *Remick & Co. v. American Automobile Accessories Co.*, 5 F2d 411 (6th Cir 1925) *cert. denied* 269 US 556, 46 S Ct 19, 70 LEd 409 (1925).

transmission of an authorized performance, picked up by a microphone, was not a separate and distinct performance by the broadcaster. The broadcast gave the authorized performer a larger audience. However, a broadcaster who transmitted an unauthorized performance to the public was an infringer. "It may also be that he becomes a contributory infringer in the event he broadcasts the unauthorized performance by another of a copyrighted musical composition." The court declined to commit itself on this point other than for the purpose of denying the defendant's motion to dismiss. The court further advised the plaintiff to amend his complaint before final disposition was made of the case.<sup>5</sup>

Accordingly, the plaintiff amended its complaint to show that it was the copyright proprietor and that the defendant broadcast an unauthorized performance by an orchestra from a hotel ballroom. On rehearing, the court held that the defendant, the licensee of a broadcast station, was liable as a contributory infringer, regardless of whether or not an audience was present at the place of performance.<sup>6</sup>

The foregoing cases established the proposition that a broadcast station is a direct or contributory infringer when it transmits a copyrighted musical composition without being licensed by ASCAP.

ASCAP then instituted litigation to determine whether the unauthorized reception and transmission of a copyrighted musical composition for profit was a performance within the scope of the copyright act.

The facts in *Buck v. Jewell-La Salle Realty Co.*<sup>7</sup> warrant full and detailed statement since this opinion is of tremendous significance to the radio and television industries in their relationships to the performing rights societies.

Wilson Duncan owned and operated a duly-licensed radio-broadcasting station in Kansas City, Missouri. The Jewell-La Salle Realty Company owned and operated the La Salle Hotel in the same city. The defendant installed and maintained in the hotel a large and powerful master receiving radio set; this set, controlled by the defendant "received

<sup>5</sup> *Remick Co. v. General Electric Co.*,  
4 F2d 160 (DC NY 1924).

<sup>7</sup> 32 F2d 366 (DC Mo 1929) reversed  
in part 283 US 191, 51 Sct 410, 75 LEd

<sup>6</sup> *Remick & Co. v. General Electric Co.*, 16 F2d 829 (DC NY 1926).  
971 (1931).

and converted radio waves transmitted from radio broadcasting stations into sound.” The receiving set was furnished with wires leading therefrom to all parts of the hotel, including the public rooms, parlor and lobby, as well as about 200 rooms. Loudspeakers were attached to wires leading from the master set so that any musical composition picked up by the receiver was heard simultaneously throughout the hotel.

Duncan broadcast certain copyrighted musical compositions without a license from ASCAP. The defendant picked up the radio waves so broadcast by Duncan, converted them into sound and thus “enabled and caused its guests in the La Salle Hotel to hear said musical production so performed and rendered” by Duncan. No pre-arrangement or contractual arrangements existed between Duncan and the hotel.

ASCAP brought suits against Duncan and the hotel, seeking an injunction and damages for copyright infringement. ASCAP contended that each defendant had separately given a public performance for profit of the copyrighted musical compositions within the meaning of § 1(e) of the copyright act.

In the first suit against Duncan, a decree pro confesso was entered against him and later a final decree was awarded granting an injunction and damages against him.<sup>8</sup> The district court denied relief against the defendant hotel company on the ground that its acts did not constitute a “performance”.<sup>9</sup> Plaintiff then appealed to the Circuit Court of Appeals which certified the following question to the Supreme Court:

“Do the acts of a hotel proprietor, in making available to his guests, through the instrumentality of a radio receiving set and loud speakers installed in his hotel and under his control and for the entertainment of his guests, the hearing of a copyrighted musical composition which has been broadcast from a radio transmitting station, constitute a performance of such composition within the meaning of 17 U.S.C.A., sec. 1(e) ?”

The Supreme Court, per Mr. Justice Brandeis, rendered an affirmative answer to the certified question.<sup>10</sup>

<sup>8</sup> *Buck v. Duncan*, 32 F2d 366 (DC Mo 1929).

<sup>9</sup> *Buck v. Jewell-La Salle Realty Co.*, 32 F2d 366 (DC Mo 1929).

<sup>10</sup> 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

At the outset Mr. Justice Brandeis rejected defendant's contention that the copyright act was not applicable to radio broadcasting. "Although the art of radio broadcasting was unknown at the time the Copyright Act of 1909 was passed, and the means of transmission and reception now employed is wholly unlike any then in use, it is not denied that such broadcasting may be within the scope of the act."

Defendant contended that the copyright proprietor's control of the initial radio rendition exhausted the monopoly conferred by the act. Defendant invoked the analogy whereby an author who permits copies of his writings to be made, cannot because of his copyright prevent or restrict the transfer of such copies.<sup>11</sup> Mr. Justice Brandeis rejected this argument, stating that the statute conferred a monopoly on the copyright proprietor of all public performances for profit, and that a single rendition of a copyrighted musical composition could result in a plurality of performances. "No reason is suggested why there may not be more than one liability. And since the public reception for profit in itself constitutes an infringement, we have no occasion to determine under what circumstances a broadcaster will be held to be a performer, or the effect upon others of his paying a license fee."

The Supreme Court rejected defendant's argument that its acts were not a performance since it had no control or choice over the programs broadcast. Mr. Justice Brandeis stated that just as the lack of control over an orchestra hired for public performance for profit, does not relieve the hotel or cafe owner from liability for infringement,<sup>12</sup> "similarly, when he tunes in on a broadcasting station, for his own commercial purposes, he necessarily assumes the risk that in so doing he may infringe the performing rights of another."

<sup>11</sup> Cf. *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 S Ct 722, 52 L Ed 1086 (1908).

<sup>12</sup> Cf. *Buck v. Crescent Gardens Operating Co.*, 28 F Supp 576 (DC Mass 1939); *Berlin Inc. v. Daigle*, 26 F2d 149 (DC La 1929) *reversed*, 31 F2d 832 (5th Cir 1929); *Buck v. Newsreel Inc.*, 25 F Supp 787 (DC Mass 1938); *Dreamland Ballroom Inc. v. Shapiro*, 36 F2d 354 (7th Cir 1929); *Harms v. Cohen*,

279 Fed 276 (DC Pa 1922). Cf. *Canadian Performing Right Society v. Canadian National Exhibition Ass'n*, OR 476 (1938); *Canadian Performing Right Society Ltd. v. Ming Yee*, 3 WRR 268 (1943); *Performing Right Society Ltd. v. Mitchell & Booker*, 1 KB 762 (1924); *Performing Right Society v. Cyril Theatrical Syndicate*, 1 KB 1 (1924); *Monaghan v. Taylor*, 2 TLR 685 (1885).

The Supreme Court affirmed the doctrine that intention to infringe is not essential under the statute.<sup>13</sup>

Mr. Justice Brandeis gave no countenance to defendant's argument that reception of a radio broadcast and its translation to audible sound was a mere audition of the original program. "It is essentially a reproduction." This conclusion was based on a scientific explanation of how radio works. Radio waves which carry music are per se not audible in the receiving set; they are rectified, converted and reproduced just as in the case of a phonograph record which requires another mechanism for the reproduction of the recorded composition. "In neither case [radio or phonograph] is the original program heard; and, in the former, complicated electrical instrumentalities are necessary for its adequate reception and distribution. Reproduction in both cases amounts to a performance." The Court further held that the defendant's affirmative conduct produced plural performances: the reproduction was brought about by the acts of the hotel in (1) installing, (2) supplying electric current to, and (3) operating the radio receiving set and loudspeakers. Thus the defendant produced music by instrumentalities under its control.

Mr. Justice Brandeis in commenting upon the liability of the defendant suggested in a footnote that if ASCAP licensed a station to use its music, a license for the commercial reception and distribution by the hotel and others might possibly have been implied. This conclusion was buttressed by the Court's citation to *Buck v. DeBaum*, wherein the California district court held that if the station was licensed by the copyright proprietor, the latter acquiesced "in the utilization of all forces of nature that are resultant from the licensed broadcast".<sup>14</sup> In order to forestall any implication of an implied license, ASCAP changed the terms of their licenses and forbid broadcast stations to grant performing licenses to others.<sup>15</sup> And a subsequent decision suggested that a

<sup>13</sup> Cf. *Khan v. Leo Feist Inc.*, 70 FSupp 450 (DC NY 1947) *affirmed*, 165 F2d 188 (2d Cir 1948); *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927); *Hun & Harris*, 175 Fed 875 (DC NY 1910), *affirmed*, 183 Fed 107 (2d Cir

1910); *Haas v. Leo Feist Inc.*, 234 Fed 105 (DC NY 1916).

<sup>14</sup> *Buck v. DeBaum*, 40 F2d 734 (DC Calif 1929).

<sup>15</sup> All of ASCAP's contracts with the radio & television industry, viz., local & network radio or television license agreements contain this clause or

license granted a broadcast station, excludes by implication, the station's right to license others.<sup>16</sup>

The *Jewell-La Salle* case has evoked a substantial amount of literature.<sup>17</sup> For our purposes, this decision means that a single broadcast may result in plural performances with multiple liability of not only the original broadcaster or network, but also of all of the affiliated stations broadcasting the copyrighted song. The Brandeis decision means that every station—including relay and pick-up—is independently guilty of infringement since each reception is a “reproduction” or performance.<sup>18</sup> Thus in *Law v. National Broadcasting Company*, plaintiff's composition was performed three times on the NBC network with “chain hook-ups” of 67, 68 and 85 stations. The court cited the *Jewell-La Salle* case to support its conclusion that “damages should be awarded on the theory that there were 218 performances, not three.”<sup>19</sup> The plural performance doctrine has been applied to the unauthorized broadcast of a play by two stations. The first station, which broadcast different episodes of the play serially at different times also “piped” the

one similarly worded; “Nothing herein contained shall be construed as authorizing Licensee to grant to others any right to reproduce or perform publicly for profit by any means, method or process whatsoever, any of the musical compositions licensed hereunder or as authorizing any receiver of any such broadcast rendition to perform publicly or reproduce the same for profit by any means, method or process whatsoever.”

<sup>16</sup> *SESAC v. Hotel Statler Co.*, 19 FSupp 1 (DC NY 1937).

<sup>17</sup> The English and Canadian Law is to the same effect: Canadian Performing Right Society v. Ford Hotel, 2 DLR 391 (1935); Performing Right Society v. Hammond's Bradford Brewery Co., 1 Ch 121; 49 TLR 410; 50 TLR 16 (1934); *Message v. British Broadcasting Co. Ltd.*, 2 KB 543 (1927), reversed on other grounds 1 KB 660 (1928), aff'd AC 151 (1929); *Performing Right Society v. Gillette Industries Ltd.*, 1 All ER 228 (1943). See also *Mellor v. Australian Broadcasting Commission*, 2 All ER 20

(1940). The law in France, Belgium, Denmark, Norway, Netherlands, Portugal & Switzerland is to the same effect. See, Strauss, *Unauthorized Recording of Radio Broadcasts*, 11 Fed Com Bar J (1950) 193, 194 W 7. Ladas, *International Protection of Literary and Artistic Property* (1939) § 226: “In all countries save Germany, the courts have taken the correct view that public diffusion of a radio broadcast by a radio receiver is a new communication of the work subject to a distinct authorization.”

<sup>18</sup> The *Jewell-La Salle* case is discussed in the following: Shafter, *Musical Copyright* (2d Ed 1939) 373 ff.; Sprague, *Copyright-Radio and the Jewell-La Salle Case*, (1932) 3 Air LRev 417; note 65 US LRev 241 (1931); Emerson, *Public Performance for Profit: Past and Present*, (1940) Third Copyright Law Symposium, 53, 77; Wiley, *Copyrights and TV—A New Use for the Multiple Performance Theory* (1951) 18 U of Chi LRev 757.

<sup>19</sup> *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943).

weekly episode via telephone lines to the second station. Both stations were separately and independently liable for infringement.<sup>20</sup>

In this connection, it should be pointed out, that a station is not absolved from liability because the broadcast of a copyrighted song is unavoidable and innocent. Thus in an English case, the innocent and unavoidable reproduction of twenty-eight bars of copyrighted music consuming twenty seconds playing time in a newsreel constituted an infringement.<sup>21</sup>

The practical consequences of the *Jewell-La Salle* case require every radio and television station to secure licenses not only from ASCAP but from every performing rights society which owns or controls a substantial catalogue of music. Operation without licenses would impose a heavy liability upon the broadcaster . . . minimum damages of two-hundred and fifty dollars for the first unauthorized performance,<sup>22</sup> and additional damages for successive infringing performances.<sup>23</sup>

Not only is a commercial program a public performance for profit, but a sustaining program which brings no direct profit to the station, infringes the copyright if performed without authority or license of the copyright proprietor. In the *Associated Music Publishers* case, the broadcaster was a non-profit corporation which operated a radio station for philanthropic and educational purposes. The station sold one-third of its time to advertisers to defray expenses; the other two-thirds of its time was devoted to sustaining programs and for free time to civic, religious, etc. institutions. The court held that the unlicensed broadcast of a copyrighted musical composition during a sustaining program by the non-profit broadcaster infringed the copyright.<sup>24</sup>

<sup>20</sup> *Select Theatres Corp. v. Ronzoni Macaroni Co.*, 59 US PQ 288 (DC NY 1943). The court also held that each broadcast of a different scene of the play on different occasions was an unauthorized performance.

<sup>21</sup> *Hawkes & Son Ltd. v. Paramount Film Service Ltd.* 1 Ch 593 (1934). See also *Canadian Performing Right Society Ltd. v. Canadian National Exhibition OR 610* (1934), where the infringement consisted of playing several

bars of the song, "Walking My Baby Back Home." Cf. *Marks v. Leo Feist Inc.*, 290 Fed 959 (DC NY 1923) wherein the use of six bars out of 450 bars was not considered an infringement.

<sup>22</sup> 61 STAT 652 (1947), 17 USCA § 101(b) (Supp 1951).

<sup>23</sup> *Id.* § 101(b) Fourth. The subject of damages is discussed in Ch XVI § 160 ff.

<sup>24</sup> *Associated Music Publishers v.*

There is an additional aspect of the multiple or plural performance doctrine which warrants discussion. As stated previously, a single broadcast on a network hook-up results in as many infringing performances as stations participating in the network broadcast. Each station is independently and separately liable for its affirmative action in reproducing the performance.<sup>25</sup> But not every broadcast or telecast received, even in public places is necessarily a performance. It is obvious that one who invites friends into his home to listen to the radio or to view a telecast is shielded from liability because his performance is neither "public" nor for "profit."<sup>26</sup> The *Hotel Statler* case contains language which suggests that an infringement does not necessarily take place merely because a musical composition is heard in a public place:

"The reception of a broadcast program by one who listens to it is not any part of the performance thereof. Indeed both physically and mentally it is about as far removed from performance as can well be imagined. . . . I find that when the owner of a hotel does as much as is done in the Hotel Pennsylvania to promote the reproduction within its walls of a broadcast program received by it, it must be considered as giving a performance within the principle laid down by the Supreme Court in the La Salle Hotel case . . . copyright infringement, depends, not on the broadcaster's rights, but on the receiver's acts."<sup>27</sup>

In other words the existence of a performance is to be determined by the effort employed in reaping commercial advantage from another's work and by the extent to which those efforts have expanded the audience witnessing the work.<sup>28</sup>

Debs Memorial Radio Fund, 46 FSupp 829 (DC NY 1942) *affirmed*, 141 F2d 852 (2d Cir 1944), *cert denied*, 323 US 766, 65 Sct 120, 89 LEd 613 (1945).

<sup>25</sup> *Law v. National Broadcasting Company*, 51 FSupp 798 (DC NY 1943).

<sup>26</sup> *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>27</sup> *SESAC v. Hotel Statler Co.*, 19 FSupp 1, 4 (DC NY 1937). *Remick*

*& Co. v. General Electric Co.*, 16 F2d 829 (DC NY 1926): "He who only hears the performance is not performing." In *Morris County Traction v. Hence*, 281 Fed 810 (3rd Cir 1922), it was held that one who receives infringing copies of a map, without knowledge of their infringing nature, is not liable for infringement even though he has made use of the copies.

<sup>28</sup> See *Wiley, Copyrights and TV—A New Use for the Multiple Performance Theory* (1951) 18 Chi LRev 757. But

There has been no clear-cut decision by any court on the foregoing issue. There are dicta in opinions in the United States,<sup>29</sup> Canada<sup>30</sup> and England<sup>31</sup> which support this approach. This much is at least clear. The "absoluistic"<sup>32</sup> principle of plural and multiple infringement calls for further clarification by the courts.

### 133b. THE ASCAP RADIO LICENSE.

Prior to the *Bamberger* and *Remick* decisions, ASCAP had issued licenses to but a handful of stations. ASCAP charged a flat rate per annum, e.g., the license fee for station WOR was \$750.00 per year; for station WEAFF (now WNBC) it was \$500.00 per year; and for station WCAP (now WTOP) it was \$500.00 per year.<sup>1</sup>

In 1926 with the *Bamberger* and *Remick* decisions under ASCAP's belt and the broadcast industry on a sound commercial basis, the latter reluctantly recognized that it had to enter into a license relationship with ASCAP. ASCAP proposed a blanket sustaining fee based on the wattage of the station plus a percentage of all commercial programs. This proposal as applied to station WNAC in Boston which paid a flat fee of \$500 per year would result in a sustaining fee of \$1,000 per year plus \$20 per hour on all sponsored programs. This formula would require WNAC to pay ASCAP \$25,000 per year, resulting in a 7,000 per cent increase in rates.<sup>2</sup>

The broadcast industry objected to any increase in license fees. But more importantly, broadcasters feared the absolute power which ASCAP could exercise in their relationships with the radio industry. Since ASCAP controlled more than 75 per

in *Performing Right Society v. Camelo*, 3 All ER 557 (1936) it was held that the defendant was liable for an infringing performance which occurred when copyrighted music from the receiving set in his private living room was heard by the patrons of an adjoining restaurant.

<sup>29</sup> Cases cited *op cit supra*, note 27.

<sup>30</sup> Canada amended its statute (2 Geo VI, c. 27 § 4 (Canada 1938)). For a construction of this statute, see: *Vigneux v. Canadian Performing Right*

*Society*, 1 All ER 432, 438 AC (1945). See *Fox*, *Canadian Copyright Law* (1944) 528 ff.

<sup>31</sup> *Performing Right Society v. Hammond's Bradford Brewery*, 1 Ch 121 (1934).

<sup>32</sup> *Op cit supra* note 28, Wiley.

<sup>1</sup> E. C. Mills, 1926 Hearings at 176-178. The thirty-six licensed stations in 1924 paid ASCAP a total of \$16,500.

<sup>2</sup> Testimony of John Shepard, III, 1926 Hearings at 14-15.

cent of the so-called popular music, stations had no alternative but to secure licenses from ASCAP.<sup>3</sup> The \$250.00 minimum damage clause of the Copyright Act was a persuasive deterrent against broadcasting without a license. Thus ASCAP was in an extremely favorable position in dictating rates. Broadcasters feared that in their future negotiations with ASCAP, the latter's rates would increase to the extent that it would be out of line with the broadcast revenues received.

By 1926, the National Association of Broadcasters (NAB), which carried the burden of the attack against ASCAP, changed its tactics in its relationships with ASCAP. The NAB conceded that stations should pay for the use of copyrighted music, but since it feared the potential power that ASCAP could exercise in the future, it attacked ASCAP on the following fronts:

- 1) the inequitable contractual provisions between ASCAP and stations as exemplified by the music license;
- 2) the attack on ASCAP's organization that it was dominated by publishers and that it was a monopoly;
- 3) legislation introduced in Congress which would curtail ASCAP's power and free the broadcast industry from the payment of license fees;
- 4) and the establishment of tax-free music sources.

### **133c. THE ASCAP RADIO LICENSE: INEQUITABLE CONTRACTUAL PROVISIONS OF.**

Although the contractual arrangements between ASCAP and broadcast stations are denominated as licenses, for all practical purposes they are indemnification agreements whereby ASCAP agrees to save and hold radio stations harmless from all suits based on musical compositions in the Society's repertoire. This provision which is still retained in the current contracts with broadcast stations, only protects the licensee as to musical compositions in ASCAP's repertoire and then only if copyrighted or composed by members of the Society. As a practical matter, if BMI should claim small performing rights in a song purportedly in ASCAP's repertoire, neither a network nor any station

<sup>3</sup> Alden-Rochelle Findings at 4.

would use the musical composition until the question of ownership of small performing rights was resolved.

The foregoing indemnification clause was, as a practical matter, of no value to a station. It was not until 1941 that ASCAP supplied a list of musical compositions in its repertoire. For over fifteen years the broadcast industry requested such a list so as to be able to tell affirmatively what music it could safely perform under an ASCAP license.

The justification for a list of musical compositions was the fact that not all of the music broadcast by stations in the nineteen-twenties and early nineteen-thirties was controlled by ASCAP.

Associated Music Publishers, Inc.<sup>1</sup> (AMP) formed in 1925 or 1926, to provide a source of music for Wired Radio, Inc., was one of the first of the performing rights societies to make its appearance. By arrangement with or purchase from 14 recognized foreign publishers, AMP claimed it controlled 600,000 foreign musical compositions, about ten per cent of which were registered in the United States and had copyright protection. From 1925 to 1930 or 1931, AMP did nothing to enforce its rights and broadcasters did not even know of the existence of this organization. In 1931 AMP began to make itself felt and advised the industry that it would insist upon being paid for use of its repertoire. By the end of 1934, approximately 150 stations had obtained licenses from AMP. The license fee per month was the station's advertising rate for a quarter-hour time in the daytime. In addition, the networks were licensees of AMP. NBC and CBS not only paid license fees to AMP for their owned and managed stations, but for all network programs on affiliated stations. An affiliate required an AMP license only if it desired to use or could not avoid using AMP music on its local programs.<sup>2</sup> In the early nineteen-forties, BMI acquired the AMP catalogue.<sup>3</sup>

An extremely significant performing rights organization which is active is SESAC Inc., formerly the Society of European Stage Authors and Composers, Inc.<sup>4</sup> SESAC is

<sup>1</sup> Testimony of Louis G. Caldwell, 1936 Hearings at 474: AMP was a subsidiary of the North American Company.

<sup>2</sup> *Id.* at 474-475; Testimony of Louis G. Caldwell at 1931 Hearings at 60.

<sup>3</sup> *Passim* § 138a.

<sup>4</sup> SESAC Inc. is discussed by Louis G. Caldwell in the 1936 Hearings at 475 ff.

a New York corporation founded in 1930 by Paul Heinecke. The basis of SESAC's catalogue was the American performing rights to European music viz., the music controlled by the Society of Spanish Authors and Composers, the Society of German Stage Authors, Polish Composers organization, etc.<sup>5</sup>

In 1932 SESAC commenced an intensive campaign to force broadcasters to take out licenses for its repertoire. In 1933 it filed a number of infringement suits against broadcasters and also a suit of \$250,000.00 damages against ASCAP, alleging that the latter had by false statements, caused a prospective licensee to refuse to take out a license. In 1934 SESAC made a concerted drive on broadcasters to take out music licenses; its selling point was the fact that two of the national networks, a regional network and a number of independent stations, had taken its licenses. It is believed that practically all broadcast stations have SESAC licenses.

The basis for SESAC's calculation of license fees is unknown. It is believed that they are fixed arbitrarily on a monthly basis, although they correspond in a general way with the size, importance and financial responsibility of the licensees.

It should be pointed out that SESAC obtains from the copyright proprietors not only the small performing rights, but the grand performing rights. SESAC's "Broadcasting Performance License" for AM stations is a "non-exclusive license and right to publicly perform by non-visual broadcasting only from the space radio station[s] mentioned hereinabove (excluding F.M., Television and/or any experimental station of any kind), such musical compositions as may during the period hereof be owned or controlled by Licensor [SESAC] and the public performance of which Licensor may authorize, license, prohibit, supervise and control." If a station desires to use the "grand rights" of a work controlled by SESAC, it must secure permission in advance and pay a stipulated broadcasting performance fee.

The chief complaint against SESAC (and it still persists), was the absence of any catalogue listing the musical com-

<sup>5</sup> Caldwell, *op cit supra* note 4 at 475.

positions in its repertoire. SESAC's "performance license" contract with stations in the thirties listed the publishing houses which had assigned to it the small and/or grand rights. It describes its repertoire in its current broadcast performance license by reference to "Schedule A", which contains a list of all publishers and organizations which have vested performing rights in SESAC. Schedule "A" advises all stations to "write direct to publishers for catalogs."

Although the current SESAC license does not contain an indemnification clause, it is believed that SESAC would indemnify and defend a station subject to litigation arising from the use of its music.

One further comment concerning SESAC's activities and operations is warranted. We have stated previously that practically all radio stations are SESAC licensees. How much of SESAC's music is played by stations is unknown. It has probably increased within recent years since SESAC now offers a "Program Builder", a transcribed library service and transcribed package shows. But a station at some time or another will play a SESAC composition or more likely a song which, although in the public domain, has been arranged and copyrighted by a SESAC affiliate. No station maintains a music department or files which would enable it to determine which organization controls the small performing rights to a musical composition.

Since SESAC music is not played as extensively as ASCAP or BMI music, it has been suggested that SESAC offer a per program in lieu of a blanket license. A per program license would require each station to have a list of all musical compositions in SESAC's repertoire. SESAC maintains no such list, but advises its licensees to obtain the catalogs from its publishers and organizations. Since there are a minimum of 200 publishers and organizations affiliated with SESAC, and with catalogs constantly changing, it is apparent that no station would have the personnel, space and time to properly use the catalogs. Furthermore, SESAC contends that catalogs listing musical titles are inadequate and dangerous for copyright clearing purposes. For example, there are original copyrighted musical compositions with the same title published by various organizations affiliated with different performing right societies. The poem

“Trees” has been set to music at least seven times; the various versions have been published and copyrighted by different publishers. There are likewise different copyrighted arrangements of compositions in the public domain. Thus the title of a composition is not as important as the name of the publisher whose copyrighted edition is being used in the performance. This can be obtained by examining the copyright notice appearing on the printed music.

SESAC also contends that catalogs and lists of titles become obsolete very rapidly. The output of new publications by several hundred publishers runs into the thousands of compositions. Publishers may switch from one performing rights society to another, hence any catalog issued is subject to constant major revisions. Reliance can only be had on the copyright notice appearing on the title page of the printed music. The name of the copyright proprietor must then be compared with the list of members of the performing right societies who have granted licenses to the station.

There may be some merit to SESAC’s reluctance to make its repertoire available and accessible to licensees and issue per program licenses. It may well be that a blanket license is more economical in the long run than a per program formula. On the other hand the comparatively small amount of SESAC music used suggests that a per program formula can and should be devised which would not impose too great an administrative burden on the average station.

SESAC’s activities and operations are both a threat and a warning to the music industry. Just as Mr. Heinecke secured performing rights in various catalogs of music, there is nothing in our copyright laws which would preclude others from doing the same. Today the average broadcast station cannot operate unless he has ASCAP, BMI and SESAC licenses. Would not the formation and operation of additional performing right societies require additional music licenses for a station?

To return to the performing right societies in the late nineteen-twenties and the early thirties, an important source of music was the publishing house of G. Ricordi & Co., of Milan, Italy. Its catalog contained more than 123,000 numbers in all branches of music, including the works of Puccini

and a substantial number of other important musical compositions, many of them protected by copyright in the United States and many available on phonograph records. Ricordi had previously been associated with ASCAP; it withdrew its affiliation and its music was unavailable for public performance for profit for several years. In 1933, the NAB through its Radio Program Foundation, discussed *passim*, made arrangements with Ricordi whereby licenses were granted at annual rates varying from \$300 down to \$30 a year, with considerably larger fees paid by the networks. The network licenses provided for clearance at the source, i.e., the license fees paid by the networks included the cost of Ricordi music in network programs over affiliated stations. With the dissolution of the Radio Program Foundation in 1934-35, Ricordi took over the licensing directly through its representative in New York.<sup>6</sup> In 1940 the Ricordi catalogue was acquired by BMI.<sup>7</sup>

AMP, SESAC, Ricordi and others<sup>8</sup> demonstrate that there were additional sources of music beside ASCAP. The catalogs controlled by the foregoing performing rights societies, organizations and publishers cast some doubt on ASCAP's repertoire, and the protection furnished by an ASCAP license.

Another provision in the ASCAP contract which was criticized by the broadcast industry was the clause permitting ASCAP to withdraw any of the compositions in its repertory. The only recourse that the radio industry had against this provision, was the illusory right to terminate the license upon the withdrawal by ASCAP of musical compositions. No station ever terminated its license when ASCAP withdrew music because the society was for all practical purposes the sole purveyor of popular music until BMI appeared

<sup>6</sup> Testimony of Louis G. Caldwell in 1936 Hearings 475-476.

<sup>7</sup> *Passim*, § 137a.

<sup>8</sup> *Op cit supra* note 6 at 476. The Elkan-Vogel Company of Philadelphia claims that it owns the "grand performing" rights in French music. The Alden-Rochelle Findings at 21 list the following performing rights societies in addition to ASCAP; SESAC Inc.; Associated Music Publishers Inc. (AMP); Broadcast Music Inc. (BMI); Ameri-

can Performance Rights Societies (APRS); Mechanical Copyright Protection Society, Ltd.; G. Ricordi of Milan. In *Kubik v. American Composers Alliance Inc.*, 65 USPQ 62 (NY SCt 1945) the defendant is described as a "membership corporation of composers & publishers of serious music," similar to ASCAP and BMI. There is also the Jewish Society of Authors, Composers & Publishers.

in 1940. ASCAP justified the withdrawal of certain music because songs from musical comedies, operas, etc., were being "played to death". The society issued lists every two months specifying those compositions which could not be played at all, and those which required special permission of the copyright proprietor. This clause annoyed stations, since each station to be safe, had to exercise a constant check on the lists published by ASCAP. This clause has been modified. The current ASCAP contracts limit the withdrawal of compositions "in good faith to restrict the broadcasting of compositions from musical comedies, operas, operettas and motion pictures, or any other composition being excessively broadcast, only for the purpose of preventing harmful effect upon such musical comedies, operas, operettas, motion pictures or compositions, in respect of other interests under the copyrights thereof;"<sup>9</sup> The maximum number of songs which may be restricted at any one time cannot exceed 500. The Society is authorized to issue limited licenses on restricted compositions if and when the copyright proprietors are able to show reasonable hazards to their major interests resulting from such broadcasts.<sup>10</sup>

Within recent years ASCAP has had little or no occasion to withdraw musical compositions from its repertoire.

### 133d. RADIO: ATTACKS ON ASCAP.

The broadcast industry pursued the same tactics as the motion picture industry in combatting ASCAP. It challenged the legality and operations of ASCAP, it sought legislation to amend the Copyright Law and it initiated and supported tax-free music bureaus and societies.

The NAB argued both in the courts and in Congress that ASCAP was dominated by the publishers who had self-perpetuating control of the society; that the great bulk of the revenues inured to them, and that the composers and authors received but a pittance for their creative work. The NAB further contended that the publisher control and domination of ASCAP constituted a monopoly and restraint of trade because the society controlled the performing rights to

<sup>9</sup> Standard Local Blanket Commercial Contract.

<sup>10</sup> *Passim* § 135a and § 135d.

over 90 per cent of the popular music and thus arbitrarily fixed the rates for music licenses.<sup>1</sup>

The broadcast industry cooperated with the motion picture industry in seeking amendatory legislation to restrict and control ASCAP's activities.

At the outset the broadcasters supported legislation which would free musical compositions from the payment of license fees for performing rights. Thus one bill recited that "when an author or composer . . . shall publish or cause to be published for sale to the public copies of any copyrighted musical composition, the sale of any such copy shall free the same from further contribution by the holder thereof to the author or composer . . . in case of public performance for profit".<sup>2</sup>

Senator Dill in 1924 introduced a bill which would accomplish the same result.<sup>3</sup> He introduced additional legislation which would give to broadcasters access to musical works at a minimum fee. This legislation was patterned after the compulsory license provisions of the Copyright Law.<sup>4</sup>

A substantial number of bills were introduced which would absolve stations from liability because of innocent infringement or which would restrict liability for copyright infringement to the originating station of a network or to the transcription manufacturer.<sup>5</sup>

None of the legislation sponsored by the broadcast industry became law since they were vigorously opposed by ASCAP. Congress was reluctant to enact any legislation which would destroy performing rights in copyrighted musical compositions. Congress was cognizant of the abuses in ASCAP's licensing system; it felt that the destruction of performing rights was too severe a penalty to impose on

<sup>1</sup> The foregoing contentions were advanced: in the 1924 Hearings by Messrs. Klugh and Tuttle, at pp. 74 and 231 respectively; in the 1926 Hearings by Mr. Klugh at 2, 410; by Powell Crosley, Jr. at 23; by William S. Hedges at 75; by John Shepard III at 14; by W. E. Harkness at 91, 110, 427, & by Charles H. Tuttle at 29, 189; in the 1931 Hearings by Louis G. Caldwell at 52, 74; by William S. Hedges at 42; by Oswald F. Schuette at 25; in the 1936 Hearings

by Louis G. Caldwell at 427 and 465; by Sidney M. Kaye at 369, 397.

<sup>2</sup> HR 8734, 68th Cong 1st Sess (1924).

<sup>3</sup> S 2600, 68th Cong 1st Sess (1924).

<sup>4</sup> Statement of Senator Dill in 1926 Hearings at 1-2; See also: S 2328 and HR 10353, 69th Cong 1st Sess (1926).

<sup>5</sup> Eg. S 2465, 74th Cong. 1st Sess. (1935) The McClure Bill; S 3047, 74th Cong 1st Sess (1935).

authors and composers, since in many instances this was their only source of income.

As discussed elsewhere the NAB cooperated with the MPTOA in establishing a "Tax Free Music Bureau." After the motion picture industry made its peace with ASCAP by effectuating music license agreements in 1923, the NAB supported a similar organization known as the Bureau of Musical Releases. There were other organizations which were supported by the broadcast industry, viz., the short-lived Independent Authors, Composers and Publishers.<sup>6</sup>

In due time, all of the stations became ASCAP licensees. The last holdout was RCA, now NBC. NBC knew that once it became an ASCAP licensee, it would become wedded to the society and dependent on it for popular music. To forestall this relationship, NBC on December 4, 1929, organized the Radio Music Company, Inc., as a performing rights society to supply popular music not only to itself, but to the broadcast industry. NBC employed Claude Mills, an executive of ASCAP, to head the Radio Music Company. This organization acquired all of the outstanding capital stock of Carl Fischer, Inc., and Leo Feist, Inc., both of which were and are important publishing houses with substantial music catalogs. Radio Music Company, Inc., also required stock control of two other publishing houses.<sup>7</sup>

NBC's venture in the music publishing business proved to be unprofitable. Radio Music Company, Inc., showed a deficit of \$376,064 in its operations by 1931. NBC thereupon transferred back to the shareholders of the Fischer and Feist companies, their stock; it disposed of the stock in the other two music publishing houses by sale and wrote off the loss of \$376,064. Radio Music Company, Inc., became inactive; it was subsequently dissolved.<sup>8</sup>

It is believed that Radio Music Company failed because it lacked industry-wide participation. The Fischer and Feist catalogs furnished the nucleus of a substantial pool of music. But no performing right society could be organized and successfully compete with ASCAP until and unless it was

<sup>6</sup> Buck Affidavit in 1926 Hearings at 148.

<sup>7</sup> See Digest and Analysis of Evidence Presented in Hearing on Com-

mission Order No. 37 (Docket No. 5060) (1940) at 305, 306.

<sup>8</sup> *Id.* at 313-314.

supported by all segments of the broadcast industry. BMI profited from the mistakes of the Radio Music Company.

### 133e. THE 1932 RADIO LICENSE CONTRACTS.

Prior to 1932, ASCAP levied flat annual fees on broadcast licensees. This system produced revenues of \$960,000 to ASCAP from the broadcast industry in 1931.<sup>1</sup>

In April of 1932, ASCAP advised the broadcast industry that its annual payment of approximately one million dollars would be increased to three or four million dollars, starting June 1, 1932.<sup>2</sup> This proposal had immediate repercussions within the broadcast industry. ASCAP advised the industry that unless the latter acceded to its contract proposals, the society would institute mass infringement suits against all stations which refused to execute contracts. The threat of infringement suits compelled the NAB to accept "under protest" the percentage formula of ASCAP.<sup>3</sup> The salient provisions of the 1932 contracts will be discussed briefly.

At the outset the 1932 contracts required the payment of the so-called "sustaining" fee. This was a flat sum equal to the license fees heretofore paid ASCAP by broadcasters.<sup>4</sup>

The new feature of the contract was the so-called "commercial fee". For the first year of the contract, the station paid ASCAP three per cent of its net receipts; the second year, the commercial fee was four per cent, and the third year, it was five per cent.

The contract defined net receipts as "the full amount charged by and actually paid to the licensee for the use of its broadcasting facilities (sometimes known as 'time on the air'), after deducting commissions not exceeding fifteen per cent (15%) if any, paid to the advertising agent or agency, not employed or owned in whole or in part by the Licensee".<sup>5</sup> Excluded from net receipts were all agency commissions, charges made for talent and revenues derived from political broadcasts.

<sup>1</sup> Broadcasting Magazine, April 5, 1932 at p 16.

<sup>2</sup> Broadcasting Magazine, April 15, 1932 at 5.

<sup>3</sup> Broadcasting Magazine, September 1, 1932 at 5.

<sup>4</sup> Broadcasting Magazine, October 1, 1932 at 11.

<sup>5</sup> *Id.*

ASCAP had proposed originally that the networks clear all music at the source, i.e., that the latter pay the requisite percentage on all income derived from network programs. This would relieve network affiliates from the payment of fees on revenues derived from network broadcasts. The principle of clearance at the source was not incorporated in the 1932 contracts. NBC and CBS persuaded both ASCAP and the broadcast industry that payment upon the entire revenue received by the networks for commercial programs would be ruinous and would make it impossible for them to continue the service they were now rendering. "They pointed out that as networks they were subjected to enormous expenses which individual stations were not compelled to incur. They said they were forced to keep on hand at all times large talent and executive staffs, pay heavy line costs, and keep in readiness for such broadcasts as symphony concerts, political conventions, world series, etc., all of which had contributed to the general advancement of broadcasting".<sup>6</sup>

Although the broadcast industry disliked the provision which permitted ASCAP's representatives to audit a station's books, broadcasters reluctantly accepted this clause. Under the present practice audits are conducted by men who are "carefully chosen" and are "of ample ability." This work is performed with due regard to the convenience of the station and in complete confidence.<sup>7</sup>

Another provision in the contract traceable to the *Jewell-La Salle* case was the clause which negated any implications that the license of a station permitted others to reproduce the musical compositions covered by the license agreement.

The contract was restricted to the small performing rights of musical composition controlled by ASCAP and the latter agreed to indemnify and defend the station against all litigation arising out of musical compositions contained in the society's repertoire.

The contract further recited that the station would furnish ASCAP with a list of all musical compositions broad-

<sup>6</sup> Broadcasting News Bulletin, April 27, 1932.

<sup>7</sup> Broadcasting Magazine, October 1, 1932 at 15.

cast for a period not to exceed three months in any one calendar year.

The society agreed to maintain its present catalogue but reserved the right to withdraw at any time and from time to time any musical composition or compositions.

The broadcast industry had no alternative other than to accept the royalty percentage contract on the terms dictated by ASCAP. What rankled the broadcast industry was the fact that it paid music royalties on programs which used no music or used music in the public domain, or which was controlled by other performing rights societies. ASCAP did not improve its relationships with the radio industry when it offered newspaper-owned stations a preferential contract. Under the terms of this contract the sustaining fee of newspaper-owned stations was reduced by fifty per cent; and the royalty percentage was levied only on those programs which used ASCAP music.

This contract was offered to newspaper-owned stations in recognition of the "substantial contributions to the promotion of the art and industry of music made by newspapers in the way of general propaganda continuously appearing in their columns in support of various and sundry musical activities."<sup>8</sup>

Despite the 1932 contract, the NAB continued its attack on ASCAP. On September 1, 1933, the NAB via station WIP of Philadelphia brought a "test case" in the New York district court seeking dissolution of ASCAP as an illegal combination in violation of the monopoly laws.<sup>9</sup> This suit was dropped when the Government filed its anti-trust suit against ASCAP, its officers, directors, publishing houses, etc., in August of 1934. The petition filed against ASCAP contained complaints of a great number of monopolistic and restraint of trade practices. There were in the main two restraints of trade complained of:

first, "all competition among members of [the] Society in the sole rights to perform publicly their respective musical compositions, which, but for the illegal combination and conspiracy . . . , would have existed, has been eliminated by said illegal combination and conspiracy;"

<sup>8</sup> Broadcasting Magazine, October 15, 1932 at 9.

<sup>9</sup> N.A.B. Reports, September 23, 1933.

second, "by the means described the . . . Society [has] destroyed the incentive of broadcasting stations to use the musical compositions of composers . . . who are not members of the . . . Society and have prevented non-members of defendant Society from receiving the compensation for the rights of public performance of their musical compositions, which they would otherwise receive and have limited and restricted the popular demand of the listening public to musical compositions controlled by the defendant Society."<sup>10</sup>

When the case came on for trial in July, 1935, the Government was not prepared since it had grave doubts that it would be successful in its suit. The Government advised the court that it was not seeking the dissolution of the society, but was asking that such abuses as blanket licensing be curbed and that ASCAP print a catalogue of the music it controlled. ASCAP replied that blanket licensing was the only feasible plan for the industry and that printing a catalogue was too expensive a burden.<sup>11</sup>

The trial lasted but nine days. It was evident that the Government had no case since one of the Government's witnesses testified that his station could not operate without ASCAP's catalogue. He stated that ASCAP controlled many orchestrations of songs in the public domain but that his station preferred to use ASCAP's products rather than pay the price for special arrangements.<sup>12</sup>

It is believed that the Government did not press the 1934 anti-trust suit, because immediately prior to the trial, the broadcast industry negotiated a new five year contract with ASCAP.

### 133f. THE 1935 RADIO LICENSE CONTRACTS.

Despite the pendency of the 1934 Government anti-trust suit, the broadcast industry commenced negotiations with ASCAP to revise their then current contracts. The NAB proposed the adoption of the so-called "per-piece plan" or "measured service plan" whereby broadcasters would pay for music on a use basis at a price fixed by the copyright

<sup>10</sup> United States v. ASCAP (DC NY E 78-388, 1934).

<sup>11</sup> N.A.B. Reports of July, 1935.

<sup>12</sup> *Id.*

proprietor competitively.<sup>1</sup> ASCAP rejected the NAB proposal on the ground that the plan was complicated and unworkable; it counter-offered with a five year extension of its then existing contracts with one modification. This was that each station would pay five per cent of its rate card on network programs as well as local programs irrespective of the amount paid to the station by the network for broadcasting chain programs. The broadcasters objected to this proposal since it would impose royalties on monies never received by a network affiliate.<sup>2</sup>

The broadcast industry capitulated to the ASCAP proposal and accepted a five year extension of their then current contracts. Undoubtedly, the extension of the contracts between ASCAP and the broadcast industry made the Government suit moot.

But all was not serene in the ASCAP camp. Warner Brothers Pictures Inc. which controlled from 38 to 40 per cent of ASCAP's music advised ASCAP that it was withdrawing from the society on January 1, 1936.<sup>3</sup> Warner Brothers contended that the royalties of \$340,000 which they had obtained from ASCAP in 1934 were too low; they claimed that their investment of \$10,000,000 in the music publishing business warranted a return of \$1,000,000 per annum.<sup>4</sup>

On January 1, 1936 ASCAP notified the broadcast industry that the Warner Bros. catalogues were withdrawn from its repertoire. Warner Bros. then offered to license its music on a flat rate basis for three months. During that period it was hoped that a "per piece" plan would be effectuated whereby stations would pay for each musical composition broadcast at a price fixed by the copyright proprietor.

The networks on receipt of the Warner Bros. proposal, advised their clients and the advertising agencies that no music controlled by the Warner publishing houses would be performed over their managed and owned stations or the networks. Approximately 250 broadcasters executed

<sup>1</sup> N.A.B. Report, May 3, 1935.

<sup>2</sup> N.A.B. Report, June 24, 1935.

<sup>3</sup> Broadcasting Magazine, July 1, 1935.

<sup>4</sup> *Id.*, November 15, 1935.

license agreements with Warner Bros. since they feared multiple infringement suits.<sup>5</sup>

Warner Bros. then instituted over 180 infringement suits<sup>6</sup> totaling over four million dollars against the networks,<sup>7</sup> stations and other consumers of music who had not obtained their music licenses.

On April 1, 1936 Warner Bros. advised the broadcast industry that they would not issue "per program" licenses since no formula had been found which would furnish them with sufficient revenues for the use of their music. In addition, the Warner publishing houses were reluctant to issue per program licenses in view of ASCAP's five-year blanket contract with broadcast stations. Warner Bros. then offered a five year blanket contract at a monthly rate based on four times a station's quarter-hour local rate card. The contract further provided that the license agreement would be cancelled "if 75 per cent of the copyright agencies and of the stations agree upon a per piece basis."<sup>8</sup>

It is believed that few if any stations executed five-year contracts with Warner Bros. The larger stations which employed personnel to check music performances estimated that only seven or eight per cent of the music used over their stations were from the Warner catalogues.<sup>9</sup>

On August 1, 1936 Warner Bros. dismissed their copyright infringement suits and rejoined ASCAP. The refusal of the networks, affiliates and independent stations to play their music was much more injurious to Warner Bros. than the absence of their music over radio stations. Without the radio to "plug" the songs from their musicals, the motion pictures produced by Warner Bros. were "box-office" failures. This plus the fact that their revenues were almost nil from the broadcast industry undoubtedly prompted Warner Bros. to rejoin ASCAP.<sup>10</sup>

<sup>5</sup> Broadcasting Magazine, February 1, 1936. See also Testimony of Louis G. Caldwell, in 1936 Hearings at 473-474.

<sup>6</sup> Broadcasting Magazine, May 1, 1936. Caldwell, *op cit supra* note 5 at 474.

<sup>7</sup> Broadcasting Magazine for February 15, 1936 reports that the suit filed

by the Music Publishers Holding Corporation against CBS was \$895,000; NBC was sued for \$995,000.

<sup>8</sup> N.A.B. Report of March 26, 1936.

<sup>9</sup> Broadcasting Magazine, April 1, 1936.

<sup>10</sup> Emerson, Public Performance for Profit: Past and Present (1940) Third Copyright Law Symposium, 53, 94.

## 134. STATE REGULATION OF ASCAP.

After Congress had failed to enact the Duffy bill which had for its primary purpose the abolition of the statutory minimum damage clause,<sup>1</sup> the broadcast industry began a series of comprehensive and systematic attacks on ASCAP through the medium of state legislatures. Approximately thirty-five statutes dealing with musical copyright and directed against ASCAP's activities and operations were introduced in state and territorial legislatures.<sup>2</sup>

State legislation may be divided roughly into four groups:<sup>3</sup>

The Nebraska type of legislation prohibits the society's activities entirely. An individual copyright proprietor may obtain the benefits of the federal copyright laws within the state by licensing his music on a per piece basis only. All copyrighted musical compositions offered for sale within the state had to have printed upon them a price to be paid for all uses of the work. If a price was not listed, anyone who purchased the sheet music acquired all rights in the music including performing rights.<sup>4</sup>

The Washington type of legislation prohibited ASCAP's operations under a blanket license. The society was permitted to operate if it issued "licenses on rates assessed on a per piece system of usage." Operations via a per piece system required the society to file once a year, a complete list of copyrighted compositions with monthly additions or revisions accompanied by a list of prices charged. The statute further provided that each musical composition listed contain the following additional information: the name and date of the copyrighted song, and the names of the publisher and present owner. An individual composer was permitted to issue blanket licenses.<sup>5</sup> The original Montana statute

<sup>1</sup> The Duffy Bill was S 3047, 74th Cong 1st Sess, and introduced in the Senate on August 12, 1935.

<sup>2</sup> Cohn, *Music, Radio Broadcasters and the Sherman Act* (1941) 29 *Geo LJ* 407, 417.

<sup>3</sup> See note, *Musical Monopolies and Legislative Control* (1940) 53 *Harv LRev* 458; note, *Anti-ASCAP Legislation & Its Judicial Interpretation*, 9 *Geo Wash LRev* 713.

<sup>4</sup> *Neb Rev Stat* §§ 59-1301 et seq. (1943); *Nebraska Laws 1937*, ch 138.

The Nebraska statute is discussed in *Buck v. Swanson*, 33 *FSupp* 377 (DC Neb 1939), *reversed on other grounds, sub nom Marsh v. Buck*, 313 US 406, 61 S Ct 969, 85 LEd 1426 (1941); *Remick Music Corp. v. Interstate Hotel Co.*, 58 *FSupp* 523 (DC Neb. 1944), *affirmed*, 157 F2d 744 (8th Cir 1946), *cert denied*, 329 US 809, 67 S Ct 622, 91 LEd 691 (1947); *Cf. Malce v. ASCAP* 146 *Neb* 358, 19 *NW* 2d 540 (1945).

<sup>5</sup> *Laws of Washington* (1937) c 218. The Washington statute is discussed

differed from this only in that a filing fee of two cents per composition was charged.<sup>6</sup>

Georgia,<sup>7</sup> Louisiana<sup>8</sup> and Mississippi<sup>9</sup> imposed a large lump-sum occupational or privilege tax upon the business of collecting license fees within the state. Individual copyright holders were exempt from paying the tax.

The Wisconsin-type statute required any person, firm, association or corporation, other than the original composer, which sought to issue licenses for the public rendition of such numbers, to first obtain a license from the state, file detailed information with the Secretary of State, and pay an annual tax based on the gross receipts received by it from such license within the state. Investigators employed by such person or firm were required to pay a license fee. Violations of these provisions were misdemeanors punishable by fine. The tax imposed by the state ranged from three to twenty-five per cent of the gross receipts collected in the state by the association.<sup>10</sup>

ASCAP was fully cognizant of the threat to its activities and operations; it attacked this legislation in the courts. Its first suit was in Washington wherein the society sought to enjoin the enforcement of the statute. The district court dismissed the suit on the ground that the subject matter of the controversy was less than \$3,000, hence the court could not take jurisdiction of the cause.<sup>11</sup> ASCAP's attempt to enjoin enforcement of the Montana statute was thwarted on the same grounds.<sup>12</sup>

ASCAP then attacked the Florida statute which was similar to the Nebraska type of legislation in that it prohibited the society's operations within the state. The federal court overruled the state's motion to dismiss for want of jurisdic-

in *Buck v. Case*, 24 FSupp 541 (DC Wash 1938), *reversed and remanded on jurisdictional issue, sub nom.* *Buck v. Gallagher*, 307 US 95, 59 Sct 740, 83 LEd 1128 (1939).

<sup>6</sup> *Laws of Montana* (1937) c 90. The Montana statute is discussed in *Carl Fischer Inc. v. Shannon*, 26 FSupp 727 (DC Mont 1938).

<sup>7</sup> *Laws of Georgia* (1935) No. 216.

<sup>8</sup> *La Gen Stat Ann* §§ 8674.1-8674.3 (Supp 1939).

<sup>9</sup> *Laws of Mississippi* (1944) c 137.

<sup>10</sup> *Wis Stat* § 17701 (*Brossard* 1937), amended in part, *Laws of Wisconsin* (1937), c 247, *Laws of Wisconsin* (1941), c 177.

<sup>11</sup> *Buck v. Case*, 24 FSupp 541 (DC Wash 1938).

<sup>12</sup> *Carl Fischer Inc. v. Shannon*, 26 FSupp 727 (DC Mont 1938). See *J. Baldwin's* dissenting opinion.

tional amount and granted ASCAP an interlocutory injunction prohibiting the enforcement of the state statute.<sup>13</sup>

The Attorney General of Florida then appealed the case to the Supreme Court. ASCAP likewise appealed the Washington case. The Supreme Court per Mr. Justice Reed handed down decisions in both cases on the same day.

The Washington case was reversed and remanded to the district court with instructions to permit the introduction of evidence to determine whether the subject matter and the cost of compliance with the statute would exceed \$3,000.<sup>14</sup>

Although the Supreme Court affirmed the grant of an interlocutory injunction against the Florida statute, the majority opinion was concerned with procedural issues. The case was returned to the district court to rule on the constitutionality of the Florida statute.<sup>15</sup>

Mr. Justice Black had noted a dissent in the Washington case; he wrote an extremely significant dissenting opinion in the Florida litigation. His opinion foreshadowed ASCAP's amenability to not only the state but more importantly the federal anti-trust laws. Mr. Justice Black branded ASCAP as a monopoly which flagrantly violated the Florida law by combining to fix prices.

ASCAP continued its attack on unfavorable state legislation and secured temporary injunctions which enjoined the enforcement of the Tennessee<sup>16</sup> and Nebraska statutes.<sup>17</sup> The three-judge court which passed upon the validity of the Nebraska statute made its injunction permanent and declared the statute unconstitutional in its entirety despite a separability clause which recited that "if any section, subdivision, sentence or clause in this Act shall, for any reason, be held void or non-enforceable, such decision shall in no way affect the validity or enforceability of any other part or parts of this Act." The basis of the court's decision were those provisions of the Nebraska act which compelled the copyright proprietor to offer his song for sale

<sup>13</sup> The three-judge court published no formal opinion in granting ASCAP the interlocutory injunction it requested. See record in *Gibbs v. Buck*, 307 US 66, 59 Sct 725, 83 LEd 1111 (1939).

<sup>14</sup> *Buck v. Gallagher*, 307 US 95, 59 Sct 740, 83 LEd 1128 (1939).

<sup>15</sup> *Gibbs v. Buck*, 307 US 66, 59 Sct 725, 83 LEd 1111 (1939).

<sup>16</sup> *Buck v. Harton*, 33 FSupp 1014 (DC Tenn 1940).

<sup>17</sup> *Buck v. Swanson*, 33 FSupp 377 (DC Neb 1933).

under prescribed conditions; if he failed to comply with the statutory provisions, purchasers of music could use it without compensating him for the performing rights. This the court said violated the due process and equal protection clauses of the Constitution and deprived the copyright proprietor of rights to which he was entitled under the copyright act.

After the Supreme Court had remanded the Florida case to the district court to determine the constitutionality of the statute, the latter was amended in 1939. This amendment was similar to the Montana type of legislation in that it permitted ASCAP to operate within the state only on a per piece basis, that blanket licenses could be issued only by an individual copyright proprietor, required a list of all copyrighted musical compositions with detailed information to be filed with the Comptroller, and imposed a three per cent tax on ASCAP's gross receipts within the state.<sup>18</sup> ASCAP challenged the constitutionality of the original (1937) statute and the amendatory legislation. The court held that the 1937 act was unconstitutional in its entirety despite a separability clause; it advanced the same reasons to strike down the Florida statute as did the Nebraska federal court. With reference to the 1939 legislation, the court held invalid but two sections of that act. It stated that the provision which permitted ASCAP to operate on a per piece basis at a fixed price established in advance and available to all users on the same terms violated the due process clause. Similarly the provision which prohibited the sale or license of performing rights to any musical composition for a compensation based "in whole or in part on any program not containing any such composition" and made illegal any charge for compensation so based, was declared unconstitutional. This clause, said the court, restricted the sale of music to the per piece method and prohibited contracts arrived at on any other basis.<sup>19</sup>

Both the Florida and the Nebraska cases were appealed to the Supreme Court which per Mr. Justice Black handed down unanimous opinions in both cases reversing the lower

<sup>18</sup> Laws of Florida (1939), c 19653.

<sup>19</sup> Buck v. Gibbs, 34 FSupp 510 (DC Fla 1940).

courts and dissolving the injunctions.<sup>20</sup> Mr. Justice Black held that the lower courts erred in declaring both statutes unconstitutional in their entirety. The separability clauses in both statutes spelled out a legislative intent that the acts should stand and be enforced after the exclusion of such part or parts as might be held invalid.

Mr. Justice Black then stated that section 1 of the 1937 Florida Act was constitutional:

“Under the findings of fact of the court below, ASCAP comes squarely within the definition of the combinations prohibited by section 1 of the 1937 Act. Section 1 defines as an unlawful combination an aggregation of authors, composers, publishers, and owners of copyrighted vocal or instrumental musical compositions who form any society, association, or the like and the members of which constitute a substantial number of the persons, firms or corporations within the United States who own or control such musical compositions and ‘when one of the objects of such combination is the determination and fixation of license fees or other exactions required by such combination for itself or its members or other interested parties.’ ”<sup>21</sup>

How far and to what extent the states may regulate ASCAP’s activities is a moot question since ASCAP by executing consent decrees with the Department of Justice concedes that its activities and operations come within the ambit of the federal anti-trust laws. But state legislation has this significance; it demonstrates that the broadcast industry used every weapon in its arsenal to combat ASCAP; more importantly, it paved the way for the 1941 Consent Decree.

After ASCAP had executed the 1941 Consent Decree, a counter-trend developed in the states. In 1941, Montana repealed its 1937 act which had declared copyright combinations operating under blanket licenses as unlawful.<sup>22</sup> Two years later the Tennessee Act which had been declared unconstitutional,<sup>23</sup> was repealed.<sup>24</sup> In 1941, the Florida

<sup>20</sup> *Watson v. Buck*, 313 US 387, 61 S Ct 962, 85 L Ed 962 (1941) reversing *Buck v. Gibbs*, 34 F Supp 510 (DC Fla 1940); *Marsh v. Buck*, 313 US 406, 61 S Ct 969, 85 L Ed 1426 (1941) reversing *Buck v. Swanson*, 33 F Supp 377 (DC Neb 1939).

<sup>21</sup> *Supra* note 20.

<sup>22</sup> *Laws of Montana* (1941) c 40.

<sup>23</sup> *Buck v. Harton*, 33 F Supp 1014 (DC Tenn 1940).

<sup>24</sup> *Laws of Tennessee* (1943) c 12 p 67.

statute was amended, permitting combinations of copyright proprietors to contract with motion picture exhibitors and other users of music for the performance of copyrighted music. This statute imposed a three per cent tax on ASCAP's gross receipts.<sup>25</sup> Subsequently when a music user employed the declaratory judgment procedure to test the validity of the amended Florida statute, the Supreme Court of Florida held that ASCAP's blanket licensing contract did not violate the 1941 act.<sup>26</sup>

It will be recalled that in *Marsh v. Buck*, the Supreme Court of the United States held that the first section of the Nebraska statute was valid, hence ASCAP's activities within the state were prohibited because it was an illegal combination engaged in price-fixing. Since ASCAP was no longer permitted to operate in Nebraska, by virtue of the Supreme Court's decision, it reassigned to its publisher members, "the rights held by the Society at the time of the passage of the Nebraska Act to license for public performance for profit in Nebraska copyrighted musical compositions of appellees and other members of the Society."<sup>27</sup> Thus Remick Music Corporation, as an individual brought eleven infringement suits against Nebraskan users of music, claiming that the latter had used its music without paying any fees. The court carefully scrutinized the Nebraska statute and concluded that it did not prohibit the plaintiff from enforcing its public performing rights in musical compositions secured by § 1(e) of the Copyright Code.<sup>28</sup> In 1945, the Nebraska legislature repealed the entire act and substituted "a rather tame measure,"<sup>29</sup> permitting ASCAP to operate within the state. The 1945 act imposes a 3 per cent tax on the gross sales of performing licenses within the state; it also requires registration of copyrighted material licensed in the state.<sup>30</sup>

<sup>25</sup> Laws of Florida (1941) c 20991.

<sup>26</sup> *Palm Tavern Inc. v. ASCAP* (Fla 1943), 15 So 2d 191.

<sup>27</sup> *Remick Music Corp. v. Interstate Hotel Co.*, 154 F2d 744 (8th Cir 1946).

<sup>28</sup> *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *affirmed*, 157 F2d 744 (8th Cir

1946), *cert denied* 329 US 809, 67 SCt 622, 91 LEd 691 (1947).

<sup>29</sup> *White, Musical Copyrights v. The Anti-Trust Laws* (1950) 30 Neb LRev 50, 61.

<sup>30</sup> Nebraska Laws (1945) ch 139, now Neb Rev Stat §§ 59-1401 to 1406 (1949 Cum Supp).

**135. THE 1941 AND 1950 CONSENT DECREES.****135a. THE 1941 CONSENT DECREE.**

In the spring of 1939 the broadcast industry via the NAB Copyright Committee commenced negotiations with ASCAP to supplant its existing contracts which would expire on December 31, 1940.<sup>1</sup>

Over a period of months the broadcast industry, including the networks were committed to the following principles:

The industry repudiated the then-existing practice whereby ASCAP levied a royalty based on a station's gross income. ASCAP was advised that the broadcast industry was committed to "the principle of paying royalties on only that revenue derived from the sale of time for programs involving the use of the ASCAP catalogs."<sup>2</sup>

Secondarily, the networks finally approved the principle of clearance of music at the source. This meant that the networks would compensate ASCAP or any other performing rights society for music used not only on its managed and owned stations but for all of its affiliated stations. This did not mean that an affiliated station would not pay for performing rights. The network would make the necessary adjustments each month when its affiliate would be compensated for carrying network programs.<sup>3</sup>

The negotiations between the broadcast industry and ASCAP terminated abruptly in the summer of 1939 when ASCAP advised the industry it had no proposals or comments to the principles heretofore advanced by NAB. A factor which may have prompted this policy on the part of ASCAP was the announcement that the broadcast industry would build its own sources of music.<sup>4</sup> This eventually led to the formation of BMI.<sup>5</sup>

On March 21, 1940, ASCAP finally announced the terms of its proposed new contracts. These were rejected by the broadcast industry since it would result in an over-all boost of 70 per cent for music license fees.<sup>6</sup>

<sup>1</sup> Broadcasting Magazine, April 1, 1939 at 28.

<sup>2</sup> *Id.*

<sup>3</sup> Broadcasting Magazine, November 15, 1939 at p 1.

<sup>4</sup> Broadcasting Magazine, August 15, 1939 at 11.

<sup>5</sup> *Passim* § 137a.

<sup>6</sup> Broadcasting Magazine, April 1, 1940.

As discussed elsewhere, the broadcast industry fully subscribed to and supported BMI. During 1940, the networks and independent stations "plugged" BMI tunes on every occasion. When the ASCAP contracts terminated on December 31, 1940, the broadcast industry had built up a small reservoir of music. Although the absence of ASCAP music from the air in the early part of 1941 is within the realm of memory,<sup>7</sup> it has this added significance: ASCAP discovered, as Warner Bros. learned in 1935-1936, that the exploitation of songs via radio was as important to ASCAP as ASCAP was to the broadcast industry. When BMI music was played almost exclusively over the air, ASCAP soon discovered that not only was it losing revenues of approximately \$100,000 per week, but that the public became adjusted to the absence of ASCAP music from the air.<sup>8</sup>

But the turning point in the ASCAP-NAB controversy was the consent decree executed by ASCAP. This decree effected sweeping revisions in ASCAP's organization and operations. It, with BMI, removed the potential stranglehold which the broadcast industry feared ASCAP would exercise.

On December 26, 1940, the Department of Justice announced that criminal proceedings under the Sherman Anti-trust Act would be brought against ASCAP, BMI, NBC, and CBS.<sup>9</sup> The above representatives of the broadcast industry were joined as defendants in order that any remedial action taken would operate equally and effectively against the broadcast industry as well as against ASCAP. As a matter of fact BMI signed a civil consent decree in which it agreed not to engage in certain practices which the Department of Justice alleged would constitute violations of the Sherman Act. BMI signed this decree prior to the institution of criminal proceedings against ASCAP with the proviso that the decree would take effect only when similar restraints had been imposed on ASCAP. In the light of

<sup>7</sup> *White Musical Copyrights v. The Anti-Trust Laws* (1950) 30 Neb LRev 50, 54: "Armed with 5000 songs, [including Stephen Foster's *Jeannie with the Light Brown Hair*'] the networks at midnight, December 31, 1940 ceased

using ASCAP music. See also, Allen, *The Battle of Tin Pan Alley* (October 1940) 181 *Harpers* 514

<sup>8</sup> *Broadcasting Magazine*, February 17, 1941 at 13.

<sup>9</sup> N.A.B. Reports, January 3, 1941.

this voluntary action by BMI, the Department of Justice withdrew its suits against the networks.<sup>10</sup>

On February 5, 1941 the Department of Justice filed an all-inclusive criminal anti-trust suit against ASCAP in Milwaukee, Wisconsin, its 25 board members and 19 of its more important publishing houses. The "criminal information" was 70 pages in length; 22 pages were devoted to the actual allegations of violations of the anti-trust laws; the remainder consisted of various contracts which ASCAP had negotiated with its members, broadcasters, newspaper-controlled stations, etc.<sup>11</sup>

The filing of this suit forced ASCAP's hand and the society signed a consent decree on February 26, 1941 in New York.<sup>12</sup> This consent decree, which had been in the negotiation stage for some time, abrogated and modified the monopolistic practices set forth in the criminal information. The "criminal information" was subsequently dismissed since ASCAP had executed the consent decree.<sup>13</sup>

The 1941 consent decree warrants detailed analysis.

At the outset, the provision in the ASCAP contracts with its members, whereby the society was the exclusive agent or trustee of the copyright owner in licensing the small performing rights in a song was modified. Members were free to license performing rights to anyone except BMI. This proviso clause which in substance authorized "quasi-exclusive" contracts between the society and its members was allowed in order to avoid the complete dissolution and collapse of ASCAP. If the society's members could contract with BMI as well as ASCAP, it was felt that the latter would be economically aggrieved in the long run. This provision did not interfere with ASCAP's activities as an enforcing or collecting agency.

The society agreed not to discriminate either in price or terms among users of copyrighted music. All of ASCAP's

<sup>10</sup> N.A.B. Reports, January 31, 1941. The text of the BMI Consent Decree is published in full, *Id.* pp 96-98.

<sup>11</sup> N.A.B. Reports, February 7, 1941; Broadcasting Magazine, February 10, 1941 at 9.

<sup>12</sup> United States v. ASCAP (DC NY Civil Action No. 13-95), entered on March 4, 1941).

<sup>13</sup> Broadcasting Magazine, February 24, 1941. ASCAP & the other named defendants in the "criminal information" filed a plea of *nolo contendere*. The federal court imposed fines totaling \$35,250 upon ASCAP & forty-five of its officers, directors & members.

copyrighted compositions was offered for performance to all users of the same class on equal terms and conditions. The purpose of this provision was to prohibit preferential contracts such as ASCAP had executed with newspaper-owned or controlled stations.

The consent decree outlawed the practice whereby the society had levied a percentage royalty on programs which did not use its music. The society agreed to license its music to broadcasters or other consumers of music on a use basis if the latter so desired. Thus the broadcaster was given the option of paying a royalty percentage on programs which used ASCAP music or of buying ASCAP music on a per program basis, i.e., "paying a stipulated amount for each program in which the musical compositions licensed by said defendant for performance shall be performed." The decree further provided that there had to be a reasonable relationship between the royalty percentage and the per program basis of prescribing fees. The latter provision was required to effectuate the licensing of music on a per program basis. If the Society was permitted to levy arbitrary and unreasonable rates on a per program basis, it would defeat this method of assessing fees. Broadcasters would have no alternative but to accept the royalty percentage method of assessing license fees. This accounts for the provision in the decree which requires a reasonable relationship between the per program and the royalty percentage methods of assessing license fees.

The Society also agreed not to require a license for more than one station in connection with any network broadcast. Thus a license would be issued only to the originating station of a network. The practical effect of this provision meant that all music would be cleared at the source by the network.

Manufacturers of electrical transcriptions, sponsors or advertising agencies on whose behalf such transcriptions were made, were authorized to obtain licenses from the society for broadcast purposes. This provision terminated the practice whereby stations had to obtain individual licenses from ASCAP for broadcasting separate and different transcriptions.

The society agreed that all users of music, viz., motion picture exhibitors, restaurants, hotels, radio stations, etc.,

should not be compelled to take the entire ASCAP catalogue via a blanket license: ASCAP was compelled to make its music available on a per piece basis, if so desired by the consumer.

ASCAP agreed that it would not withdraw a song from its catalogue in order to exact additional consideration for its performance. The society was likewise prohibited from restricting a song for the purpose of regulating the price of recording its music on electrical transcriptions. The decree contained an escape clause permitting ASCAP or its members to restrict performances of a musical composition to protect the work against indiscriminate performances.

The Society abrogated the provision in its charter and by-laws whereby the Board of Directors perpetuated themselves in office. Directors were to be elected by a general membership vote whereby all author, composer and publisher members "shall have the right to vote for their respective representatives to serve on the board of directors."

The society agreed to modify its membership requirements so as to make eligible any composer who had had published one musical composition. Prior to the consent decree, a composer was not eligible for membership in the society, unless five songs were published.

### **135b. CURRENT RADIO LICENSES.**

The execution of the 1941 consent decree paved the way for renewal of negotiations between ASCAP and the broadcast industry. The contracts which were signed in the fall of 1941 terminated on December 31, 1949. The contracts provided that if ASCAP did not demand increased fees before the end of 1948, the contracts would be automatically renewed without action on the part of the broadcaster or ASCAP for an additional term, ending on December 31, 1958.

The broadcast industry is currently operating under the 1941 contracts, which were renewed in 1950.

The networks have always operated under a blanket license with not only ASCAP but with all performing rights societies. The advantages of a blanket license to a network are obvious. A network uses a substantial amount of music in various ways. For example fragments of a song may

be employed as "mood" music or as a "bridge" in a dramatic program. A blanket license obviates the detailed records required for a per program operation.

Accordingly all of the national networks operate under blanket contracts.

At the outset each network pays ASCAP a sustaining fee of \$200.00 each year for each station affiliated with the network.<sup>1</sup> The network assumes all clearance costs on network sustaining programs.

The networks also pay a commercial fee to ASCAP equal to 2¾ per cent of the network's "net receipts from sponsors after deductions".<sup>2</sup> From the net receipts from sponsors, the following items are deducted before the percentage figure is applied:

1. advertising commission not to exceed 15 per cent actually allowed to a recognized advertising agency neither owned nor controlled by the network;
2. line charges paid by the network to the AT&T for network programs;
3. a 15 per cent sales commission on the net receipts from sponsors.
4. all revenues derived from political network programs;
5. no revenues are required from network transcription programs, previously cleared at the source.<sup>3</sup>

The commercial fee of 2.75 per cent is not an exclusive network charge. By virtue of a side letter agreement, affiliates reimburse the networks for their proportionate charge of the network commercial fee.<sup>4</sup>

Prior to the consent decree an affiliate was required to have an ASCAP license to receive any network programs. Under the current contracts, a station does not need an ASCAP license to receive network programs since all network programs are cleared at the source.

Affiliates and independent stations, have entered into ASCAP contracts because the society's music is used on

<sup>1</sup> ASCAP Network Blanket License, par 5 A.

<sup>2</sup> *Id.*, par 5 B.

<sup>3</sup> *Id.*, par 5.

<sup>4</sup> The sample side-letter agreements

executed by NBC & CBS & their affiliates is published in Special Bulletin of NAB, dated September 30, 1941, Documents 12 A & 12 B.

local programs. It is believed that every commercial broadcast station in the United States has an ASCAP license.

Pursuant to the consent decree, ASCAP offers a per program as well as a blanket license for both commercial and sustaining programs.

On the commercial blanket license, the rate is 2¼ per cent on all income from the sale of facilities of all kinds of programs including spot announcements and stationbreaks. The following deductions are permitted: frequency discounts, advertising agency discounts and a special sales discount of fifteen per cent. Income received from political broadcasts and transcriptions cleared at the source are excluded from net receipts.<sup>5</sup>

Under the commercial per program license, the society levies a rate of 8 per cent on income received from the sale of facilities for programs containing ASCAP music. The same deductions are allowed as in the case of the blanket commercial license before applying the percentage. If the use of music is incidental to a program, viz., as bridge or background music, themes, or signatures, arrangements of works in the public domain, or incidental to the broadcast of a public or sports event, the rate is 2 per cent.<sup>6</sup>

A per program license (whether commercial or sustaining) required the following "paper" work:

A station must furnish ASCAP with a complete daily musical log listing all musical compositions (regardless of the copyright licensing agency) performed on all commercial or sustaining programs of local origination. This form which is supplied by ASCAP requires a station to list the title of each selection, the composer and author, publisher and copyright owner; if the selection is recorded, the make and number of the record. If the selection is transcribed, the make, number and cut of the platter.<sup>7</sup>

A per-program operation requires the maintenance of records, usually the employment of additional personnel in the music library and listings of all of ASCAP, BMI and SESAC compositions. It is believed that over 90 per cent

<sup>5</sup> Local Station Blanket Commercial License, par 5. <sup>7</sup> *Id.*

<sup>6</sup> Local Station Program Commercial License.

of all broadcasting stations, including network affiliates prefer to operate via blanket licenses. Undoubtedly a per program operation is more economical. But the simplicity of operation via a blanket license contract and the absence of detailed records and reports have prompted the great majority of station owners to prefer this type of contract.

ASCAP likewise offers a per program or a blanket license for sustaining programs. Under the blanket sustaining license, a station with net receipts under \$50,000 a year pays a flat rate of \$12.00 per annum; for stations with an income between \$50,000 and \$150,000, the fee is twelve times the highest quarter hour rate; and if the net receipts from sponsors is in excess of \$150,000, the yearly rate is twelve times the highest half-hour card rate for the station.<sup>8</sup>

The per program sustaining license provides that each station pay the society for each sustaining program using ASCAP music, an amount equal to one per cent of the station's published full rate card applicable to a single local commercial program for the time when the sustaining program is broadcast, subject to rate card discounts normally allowed sponsors, advertising agency commission and the 15 per cent sales commission. The contract recites that under a per program sustaining license, the fee payable the society cannot exceed the fee payable under the blanket sustaining agreement.<sup>9</sup>

The contracts executed between ASCAP and the broadcast industry contained the following additional provisions:

The previous contracts between ASCAP and the industry permitted ASCAP to reduce its repertory during the period of the agreement. Under the present contracts a station has the option of canceling the contract or arbitrating for a reduced fee if there is a substantial diminution of the repertory.<sup>10</sup>

As we have discussed elsewhere, ASCAP has the right in good faith, to restrict a song from being excessively broadcast, only for the purpose of preventing harmful effect upon the song. The maximum number of compositions which

<sup>8</sup> Local Station Blanket Sustaining License, par 5.

<sup>9</sup> Local Station Program Sustaining License, par 4.

<sup>10</sup> E.g. pars 10 and 11 of Local Station Blanket Commercial License.

may be restricted at any one time shall not exceed 500. Limited licenses of restricted songs will be granted free upon application in special cases. The right to restrict shall not be exercised for the purpose of permitting the fixing of fees for recording or transcribing. After an initial broadcast, no song shall be restricted to a particular artist, station, network or program.<sup>11</sup>

The network contracts contained a clause which recited that if a state statute either makes the operation of ASCAP illegal or compels affiliates to withhold the fee, or in the alternative, prevents the network from obtaining reimbursements from their affiliates, ASCAP will indemnify the networks in an amount equal to that which the network might have received from the stations in the states which have such statutes if they had not had such statutes. This clause constitutes a waiver of payment on the station's share of network clearance at the source in those states where passing on the payment is rendered impossible by law.<sup>12</sup>

ASCAP's local station contracts permit the society to terminate on thirty days' notice in the event of "any major interference with the operation of the Society," by reason of any state or local law in the station's state or community.<sup>13</sup>

The indemnity clause of the new contracts was extended and enlarged. The indemnification clause applies not only to ASCAP's domestic repertory, but includes "cleared compositions" which are numbers not listed in the society's index and not in its domestic repertory; "cleared compositions" are songs from its foreign repertory which ASCAP has permitted the station to use, but is limited to the specific broadcast in question. The indemnity clause extends not only to stations but also to the advertising agency and the sponsor.<sup>14</sup>

Revenues from political broadcasts are not taxed; however the amount received is included in the total receipts for the purpose of determining a station's classification for sustaining blanket license fees.<sup>15</sup>

<sup>11</sup> *Id.* par 4.

<sup>12</sup> Network Blanket License, par 7.

<sup>13</sup> Local Station Blanket Commercial License, par 14.

<sup>14</sup> E.g. Local Station Program Commercial License.

<sup>15</sup> Local Station Blanket Commercial License, par 5.

Where a station receives merchandise or services in lieu of cash an accounting is made based upon the reasonable value, which in no event may exceed a station's rate for the use of broadcast facilities.<sup>16</sup>

The original term of the contracts permitted local stations to switch at the end of the year from blanket commercial to per program commercial and vice versa. Stations could likewise elect to operate on blanket sustaining or per program sustaining licenses. This so-called right of "switch-over" has been excluded from the renewal contracts, which expire on December 31, 1958.

As stated previously, all contracts exempt stations from copyright fees where transcriptions have been cleared at the source.<sup>17</sup>

There are other provisions in the contracts which warrant brief discussion:

The contracts call for percentage payments being made by a station on a billing basis rather than on a cash (collection) basis. Stations are permitted to pay on a cash basis if they keep books on this basis.<sup>18</sup>

Accounting statements are required to be rendered under oath.<sup>19</sup>

Although there is no definition of the term "broadcasting facilities", a side letter agreement recites that it means the basis upon which payment has mutually been agreed upon in the past.<sup>20</sup>

There are miscellaneous definitions, viz., network program, "delayed" and "repeat" broadcasts which are deemed part of a network program, "affiliated station", "occasional affiliated station," etc.

The broadcast industry accepted the ASCAP contracts in 1941 and renewed them in 1949 because the terms offered were reasonable, fair and equitable. Under the new contracts and the BMI licenses, it was estimated that the cost of music to the average station decreased by 40 per cent.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Op cit supra* note 4, Document 5 at p 25: ". . . it is agreed that the term 'broadcasting facilities (sometimes known as time on the air)'" as

used in the contracts between us which expired December 31, 1940 & the interpretations mutually placed upon such term by both of us under the prior contracts shall be deemed to be applicable to the use of the term "broadcasting facilities" as used in said agreement of even date.

The cost of music to the networks increased by approximately 50 per cent. Whereas the industry paid ASCAP \$5,000,000 in 1940, their payment in 1941 was estimated at \$3,139,065.<sup>21</sup>

In short, the industry accepted and renewed ASCAP contracts because the society offered substantial economies in its license fees.

### 135c. THE ALDEN-ROCHELLE CASE.

To return to the motion picture industry in 1934, exhibitors were operating under blanket licenses renewable each year.<sup>1</sup> The license fee was based on the seating capacity of the theatre, and "the charge per theatre per annum was very reasonable."<sup>2</sup>

It will be recalled that under the 1941 Consent Decree, ASCAP was directed to issue "per piece" licenses if requested by "prospective licensees", including motion picture exhibitors.<sup>3</sup> ASCAP purportedly complied with this provision. The society offered the following formula for its "per piece" licensing system:

"Note: Owing to cost of servicing, inspection and checking, a charge of \$10 will be made for each license granted by the Society for the public performance for profit of the specific compositions licensed for any given date, in addition to the applicable license fee shown below.

	License Fee for Each Performance of a Specific Composition
Motion picture theatres having a seating capacity of 800 seats or less	\$ .50 *
Motion picture theatres having a seating capacity from 800 to 1599 seats	\$ .75 *
Motion picture theatres having a seating capacity in excess of 1599 seats	\$1.00 *

\* No additional fee is charged when the composition is performed only once in a particular picture even

<sup>21</sup> *Op cit supra* note 4 at 3.

<sup>1</sup> Alden-Rochelle Findings at 25.

<sup>2</sup> Alden-Rochelle Inc. v. ASCAP, 80

FSupp 888, 892 (DC NY 1948).

<sup>3</sup> Par 6 of 1941 Consent Decree.

though such performance is repeated during a given day by reason of the repeated exhibition of such motion picture in licensee's theatre during such day."<sup>4</sup>

The "per piece" license was commercially impracticable. "Exhibitors frequently contract for films before they are produced. The 'cue sheets' for the film are made available when the picture is released for public exhibition. They list the musical compositions included in the picture. The extra labor and expense of getting 'per piece' licenses for the musical compositions on a film is evident when we consider the film needs of an average neighborhood house, which exhibits two double feature shows weekly. Each feature contains parts or selections from about 20 musical compositions. 80% of the musical compositions on film is ASCAP music. That would require 64 'per piece' licenses a week, not including licenses for music which is used on newsreels and short subjects."<sup>5</sup> It was estimated that the cost of operating under the "per piece" formula would vary from \$3,000 to \$50,000 per annum.<sup>6</sup>

Exhibitors obviously preferred a blanket license since the cost to the average neighborhood theatre was \$100 per annum. The "per piece" licensing system was never requested by a single theatre.<sup>7</sup>

Thus the 1941 consent decree effected no changes or revisions in ASCAP's relationships with motion picture exhibitors. As long as the music license fees were reasonable, and they were, the exhibitors had no complaints.

But in 1947, when ASCAP announced a new method of computing license fees resulting in substantially increased rates, a chain of events was initiated which culminated in the 1950 Consent Decree. On August 18, 1947 the society advised the exhibitors that its 1934 formula for licensing theatres was outdated and failed to reflect the increased

<sup>4</sup> Alden-Rochelle Findings, 26-27: *Id.* at 27:

"123. The directors and employees of ASCAP are uncertain of the precise meaning and application of such formula for licensing compositions on a "per piece" basis. It is ambiguous. The cost to an exhibitor operating an ordinary neighborhood motion picture theatre of obtaining "per piece" per-

forming rights to ASCAP music would be a sum varying from \$3,000 per annum to \$50,000 per annum, depending on how the "per piece" formula is interpreted and applied."

<sup>5</sup> Alden-Rochelle Inc. v. ASCAP, 80 FSupp 888, 893 (DC NY 1948).

<sup>6</sup> *Op cit supra* note 4.

<sup>7</sup> *Op cit supra* note 5.

attendance and increased admission charges, all of which resulted in increased revenues to movie houses. ASCAP was of the opinion that a portion of such profits should be passed on to its members.<sup>8</sup> Accordingly it offered a new formula based on the scale of admission prices instead of seating capacity. It was estimated that this formula would have resulted in increases ranging between 200 and 1500 per cent over the then current rates.<sup>9</sup>

Thereafter there were protracted negotiations between ASCAP and the representatives of motion picture theatres and their trade organizations. ASCAP withdrew its proposal to license theatres on the basis of admission charges. In February 1948 the society and the motion picture exhibitors agreed upon the following revised formula which was based on seating capacity:

Theatres having 1 to 499 seats except there will be a higher rate for de luxe theatres in this class	10¢
Theatres having 500 to 799 seats	12½¢
Theatres having 800 to 1599 seats	19¢
Theatres having over 1600 seats	25¢

The foregoing rates were for motion pictures. Additional charges were made for theatres using live talent:

Under 800 seats	50¢
800 to 1599 seats	75¢
Over 1599 seats	\$1.00

This formula which has been described as "not unfair or burdensome,"<sup>10</sup> was accepted by a very substantial majority of exhibitors. However, one group, the Independent Theatre Owners Association (ITOA), located in the metropolitan area of New York was not a party to this agreement. The ITOA which had been at odds with ASCAP for some time, reactivated *Alden-Rochelle v. ASCAP*, a case which had been dormant for five years.<sup>11</sup>

<sup>8</sup> Alden-Rochelle Findings at 29-30.

<sup>9</sup> Alden-Rochelle Findings at 31.

<sup>10</sup> *Id.* at 31.

<sup>11</sup> This litigation was initiated in 1942, viz., *Alden-Rochelle Inc. v. ASCAP*, 56 US PQ 28 (DC NY 1942). This decision was concerned with procedural matters. Judge Conger denied ASCAP's motion to dismiss; he granted

the motion for a bill of particulars requested by ASCAP, which directed plaintiffs to furnish defendants with the dates upon which it was claimed payments of license fees were made to the various theatres named in the complaint. Judge Conger likewise ordered that all references in the complaint to the plea of *nolo contendere*

The plaintiffs in the *Alden-Rochelle* case were 164 theatre owners operating 200 motion picture houses; they sought treble damages and injunctive relief for violations of the federal anti-trust laws by ASCAP, its officers and members. Despite the reasonableness of the 1948 rates, this suit was prosecuted because "ASCAP may again attempt as it did in August 1947, to increase its rates to an unreasonable extent and may exercise the power it possesses to charge plaintiffs such prices for performing rights to music as it may determine; and plaintiffs will be compelled to pay the same in order to continue in business."<sup>12</sup>

The case was tried early in 1948. The district court per Judge Leibell on July 19, 1948 announced its opinion implemented by detailed findings of fact and conclusions of law which held that ASCAP's activities violated the anti-trust laws. Although this opinion was subsequently withdrawn because of the 1950 consent decree, it initiated significant changes in the structure and organization of ASCAP. The 1950 consent decree relies heavily on this opinion. As a matter of fact the provisions of the *Alden-Rochelle* decree are substantially incorporated into the new consent decree.

The heart of this opinion and what proved to have the greatest impact is the following:

"Almost every part of the ASCAP structure, almost all of ASCAP's activities in licensing motion picture theatres, involve a violation of the anti-trust laws. Although each member of ASCAP is granted by the copyright law a monopoly in the copyrighted work, it is unlawful for the owners of a number of copyrighted works to combine their copyrights by any agreement or arrangement, even if it is for the purpose of thereby better preserving their property rights. . . . The result of such a combination 'is to add to the monopoly of the copyright in violation of the principle of the patent cases involving tying clauses.'"<sup>12a</sup>

The basic premise of the court's opinion was that ASCAP must be tested as any monopoly, or as any other combination, contract or conspiracy to determine if it restrains

filed in the criminal suit in Milwaukee, Wisconsin, as well as the 1941 consent decree be stricken.

<sup>12</sup> *Alden-Rochelle Findings* at 31.

<sup>12a</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888, 893 (DC NY 1948).

trade.<sup>13</sup> Judge Leibell relied on the *Aluminum*<sup>14</sup> case to support his conclusion that “ASCAP is a monopoly, within the language of Section 2 of the anti-trust laws.”<sup>15</sup> In the *Aluminum* case Chief Judge Learned Hand held that mere size without any other factor is sufficient to violate Section 2 unless the monopoly is thrust upon the defendant. The second circuit concluded that ALCOA’s 90 per cent control of the virgin ingot market was enough to constitute a monopoly and that this “monopoly” was not thrust upon it. Similarly, ASCAP’s monopoly was not thrust upon it. Over a period of 34 years the society via its exclusive contracts with its members and motion picture producers built up a monopoly. This was evidenced by ASCAP’s control of 80 per cent of the music played in motion picture theatres and 90 per cent of the popular music played in this country. These statistics were sufficient to meet the “size” requirement of the *Aluminum* case.<sup>16</sup>

Judge Leibell also concluded that ASCAP violated Section 1 of the Sherman Act. He found that the exclusive contracts whereby the members assigned their small performing rights to the society eliminated the incentive of the members to compete among themselves in marketing their performing rights.<sup>17</sup>

The findings of fact amplify this conclusion:

“It was the purpose, intention and effect of said Article III, section 6, of the 1935 Articles and the identical agreements entered into between ASCAP and its members pursuant thereto, that ASCAP should be exclusively vested with the performing rights to works of each member which might be synchronized with or integrated into motion picture films and that each member should be divested of any power to confer performing rights of musical compositions upon producers or exhibitors of motion pictures; and with the further purpose, intention and effect that ASCAP should have the

<sup>13</sup> *Watson v. Buck*, 313 US 387, 61 S Ct 962, 85 L Ed 962 (1941): The copyright law does not give ASCAP “the privilege of combining in violation of otherwise valid state or federal laws.”

<sup>14</sup> *United States v. Aluminum Co. of America*, 148 F2d 416 (2d Cir 1945).

<sup>15</sup> 26 STAT 209 (1890), as amend, 15 US CA § 2 (1946).

<sup>16</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888, 893-894 (DC NY 1948).

<sup>17</sup> *Op cit supra*, note 15, § 1.

exclusive power and right to license exhibitors with performing rights of such compositions.”<sup>18</sup>

ASCAP presumably challenged these findings and conclusions by referring to the 1941 consent decree which permitted its members to individually license the performing rights of their respective compositions. This, the court said, was an illusory power since the “rights reserved to ASCAP to regulate the activities of each of its members who might desire to engage in individual licensing are so constricting as to effectively prevent such members from individually granting licenses for the performances of their works.”<sup>19</sup> This is illustrated by the following clauses from the society’s articles of association:<sup>20</sup>

All monies derived from the issuance of licenses by individual members had to be paid by the licensee to ASCAP and distributed in the same manner as ASCAP’s other revenues are distributed. This destroyed all pecuniary incentive of any individual members to grant licenses for the performing rights of his works.<sup>21</sup>

No member of ASCAP was permitted to grant exclusive licenses to commercial users of music for the public performance of his work. This “unreasonably limits the right granted to a copyright proprietor under the Copyright Act of 1909.”<sup>22</sup>

Before an individual license could be granted, the member was required to notify the society in advance and secure the approval and consent of the author, composer and publisher. This was considered as an unreasonable burden upon the copyright proprietor and unreasonably limited his rights under the Copyright Act of 1909.<sup>23</sup>

A member was prohibited from granting or assigning to persons, firms, corporations or enterprises, other than ASCAP, the right to license or to assign to others the small performing rights owned or controlled by him. This “completely bars and precludes a member of ASCAP from granting a motion picture producer the right to license an exhibi-

<sup>18</sup> Alden-Rochelle Findings at 7.

<sup>19</sup> *Id.* at 9.

<sup>20</sup> Alden-Rochelle Findings at 7-8:

“48. Article III, Section 6, of the 1935 Articles (Ex 3) as amended by the 1941 Articles (Ex 4).”

<sup>21</sup> Alden-Rochelle Findings at 9.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

tor to publicly perform the writer's works integrated in the motion picture."<sup>24</sup>

The illusory status of the individual license is further evidenced by the detailed paper work and the financial burden imposed on commercial users of music who request a "per-piece" or per-program license. In the case of the broadcast industry, very few radio stations operate on "per program" licenses. No motion picture exhibitor had ever requested an individual license because the cost is prohibitive.<sup>25</sup>

Judge Leibell likewise condemned the splitting of the small performing and the synchronization or recording rights. It will be recalled that the synchronization rights were controlled by the copyright proprietor and licensed via the agency of Harry Fox to the motion picture producers.<sup>26</sup> Since the members were barred from assigning their small performing rights to motion picture producers when the recording rights were assigned,<sup>27</sup> "the channels in which the films may be marketed is narrowed to those exhibitors who have a license from ASCAP covering the performing rights of the ASCAP music synchronized on the film."<sup>28</sup> The court also held that ASCAP had entered into an unlawful combination with the motion picture producers. This was effectuated by that clause in the contracts executed by Harry Fox as agent for ASCAP members and the motion picture producers which provided that the film would only be shown in theatres having an ASCAP license.<sup>29</sup> "The producers and ASCAP's members thus combine the monopoly of the copyright of the motion picture with the monopoly of the copyright of the musical compositions, which constitutes an

<sup>24</sup> *Id.*

<sup>25</sup> *Op cit supra*, note 4.

<sup>26</sup> Alden-Rochelle Transcript at 128: The various motion picture studios who secure synchronization rights via Mr. Fox, send their "cue sheets" to Mr. Fox. The so-called "cue sheets" show the author, publisher, copyright proprietor, title of music, etc., recorded on the film. Mr. Fox sends copies of these cue sheets to ASCAP, *Id.* 611.

<sup>27</sup> Alden-Rochelle Findings 19-20.

<sup>28</sup> Alden-Rochelle Inc. v. ASCAP, 80 FSupp 888, 894 (DC NY 1948).

<sup>29</sup> Alden-Rochelle Findings at 14:

"5. The right to record the musical composition(s) as covered by this agreement is conditioned upon the performance of the musical work in theatres having valid licenses from the American Society of Composers, Authors & Publishers, or any other performing rights society having jurisdiction in the territory which the said musical composition(s) are performed (Ex 41, 42)."

unlawful extension of the statutory monopoly of each and violates the anti-trust laws, as a combination in restraint of trade.”<sup>30</sup>

To support his finding that ASCAP violated the anti-trust laws, Judge Leibell relied on the anti-trust cases involving patent licensing agreements.<sup>31</sup> The Supreme Court has condemned as illegal, patent pools wherein the royalties charged for the use of the patents was fixed by agreement and were divided among the members of the pool.<sup>32</sup> Despite the analogy between the ASCAP and patent pools,<sup>33</sup> it has been suggested that under the society’s licensing agreements there is no price-fixing clause requiring the maintenance of minimum or fixed prices when utilizing licensed music.<sup>34</sup> This argument is illusory since ASCAP not only has the power but has exercised that power to fix the prices at which performing rights are sold to commercial users of music.<sup>35</sup>

The court described ASCAP’s blanket license as possessing “all of the evils of ‘block booking’” of motion pictures, which was condemned in *United States v. Paramount Pictures*.<sup>36</sup> The Supreme Court held that exhibitors could not

<sup>30</sup> Alden-Rochelle Inc. v. ASCAP, 80 FSupp 888, 894 (DC NY 1948).

<sup>31</sup> The literature on relationship between the anti-trust laws & patent licensing agreements is voluminous. Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) § 15.6(b) has a detailed listing of such articles & books. See the following: Callmann, *Patent License Agreements Between Competitors and the Monopoly Issue* (1940) 28 Geo LJ 871; Chaffee, *Equitable Servitudes on Chattels* (1928) 41 Harv LRev 945; Folk, *The Relation of Patents to the Antitrust Laws* (1948) 13 Law and Contemporary Problems 278; Wood, *Patent Combinations and the Anti-Trust Laws* (1948) 17 Geo Wash LRev 59.

<sup>32</sup> Judge Leibell in the Alden-Rochelle case at 894 relied on *United States v. Line Material Co.*, 333 US 287, 68 Sct 550, 92 LEd 701 (1948); *Mercoid Corporation v. Mid-Continent Co.*, 320 US 661, 64 Sct 268, 88 LEd 376 (1944).

<sup>33</sup> The Alden-Rochelle case borrowed another principle from patent law viz., that “control over the supply of such

unpatented material is beyond the scope of the patentee’s monopoly; and this limitation, inherent in the patent grant, is not dependent upon the peculiar functions or character of the unpatented material or on the way it is used.” *Carbice Corp. of America v. American Patents Development Corp.*, 283 US 27, 51 Sct 334, 75 LEd 819 (1931); *Morton Salt Co. v. Suppiger Co.*, 314 US 488, 62 Sct 402, 86 LEd 363 (1942); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 US 502, 37 Sct 416, 61 LEd 871 (1917).

<sup>34</sup> Goodman, *Music Copyright Associations and the Antitrust Laws* (1950) 25 Ind LJ 168, 181.

<sup>35</sup> Comment, *ASCAP Monopoly Violates Sherman Act* (1949) 1 Stanford LRev 538, 543 offers another approach to the analogy of copyright pools and patent pools.

<sup>36</sup> 334 US 131, 68 Sct 915, 92 LEd 1260 (1948). See also *Interstate Circuit v. United States*, 306 US 208, 59 Sct 467, 83 LEd 610 (1939). See also *Alfred Bell & Co. v. Catalda Fine Arts*, 74 FSupp 973 (DC NY 1947).

be required to take a group of films—"block-booking"—in order to obtain one desired production. This requirement was an illegal enlargement of the copyright monopoly for each film and in restraint of trade. Under block-booking, the purchaser could not buy an individual film.<sup>37</sup> ASCAP's reply to this argument was that the blanket license was not exclusive. The 1941 consent decree gave music users the option to license music on a per-piece basis. But the court's findings of fact and conclusions of law destroyed this argument. ASCAP had not only restricted the power of its members to individually license musical compositions, but as a practical matter the option was not available to exhibitors because of the mechanics of film production and its prohibitive costs. Exhibitors had no alternative but to accept blanket licenses even though it included the right to perform compositions they did not need. Thus the individual composer's copyright was enlarged by the addition of the copyrights of other composers.<sup>38</sup>

ASCAP's final contention was that its blanket licenses to theatre owners was reasonable. Judge Leibell summarily disposed of this contention:

"Where the power to fix prices is created by an agreement among those who control a substantial part of an industry and who should do business on a competitive basis in a free market, the reasonableness of the prices or the good intentions of the combining units would not absolve them from the charge that they have violated the anti-trust laws."<sup>39</sup>

One phase of the court's opinion warrants additional comment. Judge Leibell stated that the exclusive contracts between ASCAP and its members restrained competition among the members of the society in marketing the performing rights of their copyrighted works. Whether competition actually exists among the members is difficult to determine. The first question tendered is whether individual composers would have access to the market to offer their works for sale at competitive prices. A composer could

<sup>37</sup> "Block-booking" is discussed in detail by McDonough, Jr. and Winslow, *The Motion Picture Industry: United States v. Oligopoly*, (1949) 1 Stanford LRev 385, 391.

<sup>38</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888, 895 (DC NY 1948)

<sup>39</sup> *Id.*

bargain directly with the large commercial users of music, viz., motion picture producers and radio and television networks. But direct marketing to establishments such as hotels, night clubs, individual theatres and non-network stations would be extremely difficult. It is apparent that some type of agency would be required if music were licensed at competitive prices by the composers.

The second question tendered is whether competition actually exists in the music industry. Each musical composition does not necessarily compete with every other one. A price or quality differential would not induce a night club desiring dance music to purchase folk songs. The same applies to the motion picture producer who pays a substantial fee for the use of Irving Berlin's music, although the cost for cowboy or folk music would be nominal. As a practical matter the low cost of the performing right, compared to the price charged the public for its entertainment permits the public to demand whatever music it wishes. Even as to music in the same class, price differential is not a great competitive factor. The two large commercial users of music—the radio-television and the motion picture industries—must have available a large number of currently popular compositions. Radio certainly requires nearly all the music that is currently played. The advantages of blanket licensing and of the pooling of performing rights to the large commercial users of music suggests that a unique competitive situation exists which may render any restraint of trade present as reasonable.<sup>40</sup>

It is believed that the court considered these arguments and rejected them because ASCAP flagrantly repudiated

<sup>40</sup> On the other hand, the Supreme Court has ruled that combinations to fix prices are *per se* illegal. See *United States v. Paramount Pictures Inc.*, 334 US 131, 68 S Ct 915, 92 L Ed 1260 (1948); *United States v. Line Material Co.*, 333 US 287, 68 S Ct 550, 92 L Ed 701 (1948); *United States v. United States Gypsum Co.*, 333 US 364, 68 S Ct 525, 92 L Ed 746 (1948); *United States v. Trenton Potteries Co.*, 273 US 392, 47 S Ct 377, 71 L Ed 700 (1927). An analogous case is *Ring v. Spina* 148 F2d 647 (2d Cir 1945),

wherein the "Dramatists Guild" of the "Authors League of America," an organization consisting of substantially all the playwrights in the country required producers to sign an agreement setting minimum prices before buying or licensing the work of any Guild member. The court held that this was a restraint of trade within the Sherman Act. The analogy to ASCAP's activities wherein they prescribe the price which motion picture exhibitors pay for a license is obvious.

that provision in 1941 consent decree which gave motion picture exhibitors the option to license music on a per-piece basis. The various restrictions imposed by ASCAP in licensing music on a per-piece basis precluded any competition, if it ever existed, in the marketing of performing rights. This, coupled with clause in the motion picture producer's contract restricting the exhibition of the film to theatres having an ASCAP license, spelled out an unreasonable restraint of trade.<sup>41</sup>

Plaintiffs in the *Alden-Rochelle* case requested treble damages and injunctive relief. Money damages were denied the exhibitors because they failed to prove any damages. The injunction was granted because ASCAP's power to demand unfair and exorbitant fees threatened the existence and operation of motion picture theatres. In the original injunction ASCAP was required to divest itself of the picture performing rights of musical compositions which were synchronized with the film and to assign these performing rights to the copyright proprietors. Thus the picture performing and synchronization rights would be under the ownership and control of the copyright proprietor and the latter was required to assign both performing and recording rights to motion picture producers.<sup>42</sup> Settlement of the decree was delayed.

The court at a subsequent hearing to determine the form and scope of injunctive relief announced that divestiture would be difficult to enforce and productive of further litigation. For example if divestiture was enforced, there would be disputes and litigation between copyright owners and others to determine who was the lawful proprietor of the small performing rights. "Prolonged and detailed court supervision might be required to see that such provision in the decree was properly executed."<sup>43</sup> The court likewise expressed some doubt whether in a private suit under the anti-trust laws, it could direct a divestiture. Another factor which prompted the court to withdraw the divestiture provision was the Government suits against ASCAP which culminated in the 1950 consent decree.

<sup>41</sup> This phase of the case is emphasized in the *Alden-Rochelle* Findings.

<sup>42</sup> *Alden-Rochelle Inc. v. ASCAP* 80 FSupp 888, 898 (DC NY 1948).

<sup>43</sup> *Id.* at 903.

In lieu of divestiture the court restrained ASCAP so long as it remained an illegal combination from enforcing motion picture performance rights in any musical compositions. The members of ASCAP were also restrained from enforcing such performing rights.<sup>44</sup>

### 135d. THE 1950 CONSENT DECREE: ITS EFFECT ON MOTION PICTURES, RADIO, TELEVISION AND ASCAP'S ORGANIZATION AND OPERATIONS.

Undoubtedly the *Alden-La Rochelle* case prompted the Department of Justice to reopen the 1941 consent decree. The 1950 consent judgment effectuated substantial and far-reaching changes in ASCAP's internal organization and its operations. The decree thus warrants detailed analysis.

At the outset the 1950 consent judgment supersedes the 1941 decree.<sup>1</sup>

Section II contains a list of definitions quoted in the margin.<sup>2</sup> The definition of "right of public performance" indicates that the consent decree deals exclusively with non-dramatic or small performing rights. By defining "motion picture performance right" as the public performance of music recorded on film the decree preserves the separate identities of picture performing and synchronization rights. The following definition of "users" of music is quoted in its entirety in ASCAP's current Articles of Association:

<sup>44</sup> *Id.* at 901 ff.

<sup>1</sup> Amended Final Judgment in *United States v. ASCAP* (DC NY No. 13-95, filed March 14, 1950), hereinafter referred to as *Consent Decree*, § XVIII.

<sup>2</sup> *Id.*:

#### "II

As used in this Judgment:

(A) "ASCAP" means the defendant American Society of Composers, Authors and Publishers;

(B) "Right of public performance" means the right to perform a copyrighted musical composition publicly for profit in a non-dramatic manner, sometimes referred to as "small performing right";

(C) "Motion picture performance right" means the right of public performance of music which is recorded in

order to be performed in synchronism or timed relation to the exhibition of motion pictures;

(D) "ASCAP repertory" means those compositions the right of public performance of which ASCAP has or hereafter shall have the right to license or sublicense;

(E) "User" means any person, firm or corporation who or which (1) owns or operates an establishment or enterprise where copyrighted musical compositions are performed publicly for profit, or (2) is otherwise directly engaged in giving public performance of copyrighted musical compositions for profit, or (3) is entitled to obtain a license from ASCAP under Section V of this Judgment."

“ ‘User’ means any person, firm or corporation who or which

1. owns or operates an establishment or enterprise where copyrighted musical compositions are performed publicly for profit, or

2. is otherwise directly engaged in giving public performance of copyrighted musical compositions for profit, or

3. is entitled to obtain a license from ASCAP under Section V of this Judgment.”<sup>3</sup>

The foregoing definition may affect a small phase of ASCAP’s operations. Note that “user” is described in terms of “public performance for profit.” The latter term has been judicially construed. Briefly, it means that the user operates a commercial enterprise and employs music for profit either directly or indirectly.<sup>4</sup>

In 1945, ASCAP which had been concerned for some time over the plight of the “serious” composer embarked on a plan which not only offered brighter prospects of earnings for the serious composer, but incidentally enlarged its licensing activities. Under the new plan ASCAP issued blanket licenses to orchestras which gave the latter access to the society’s entire repertoire. The license fee was based on the size and importance of the orchestra, the number of concerts it presented, the number of ASCAP works included in the average season, etc. This system was subsequently extended to individual solo and recital artists.<sup>5</sup>

As long as this system was limited in its application to the public concert stages and symphony halls, there was no objection to it. But when ASCAP proposed in 1946 to extend it to colleges and universities, it met extended opposition and of such a character that the society’s public relations and goodwill which had been so assiduously cultivated over an extended period of time, was seriously impaired. Several of the eastern universities reluctantly subscribed to this plan; they paid a very reasonable annual fee. Princeton was very frank as to why they paid an annual license fee of \$140.:

<sup>3</sup> 1950 ASCAP Articles of Association, section 6.

<sup>4</sup> *Herbert v. Shanley*, 242 US 591, 37 SCt 232, 61 LEd 511 (1917).

<sup>5</sup> *Carpenter, Music an Art and a Business* (1950) 127.

“The trouble and inconvenience Princeton would have experienced if they had not signed the contract probably has been worth more than the fee. If we still feel this way at the end of this contract (Princeton had signed for one year), it will probably be renewed.”<sup>6</sup>

The universities in the middle west were not so amenable. They circulated among themselves a document entitled “Memorandum of Authorities Defining ‘Public Performance for Profit’” which concluded with the statement that “no non-profit institution need consider itself obliged to accede to a demand for a license from this organization.” The University of Michigan refused to enter into a license agreement with ASCAP because “in addition to being a tax-supported educational institution, (it) is in fact a department of State Government, and as such does not perform recitals or concerts for profit.”<sup>7</sup> It is believed that the other middle western colleges followed Michigan’s lead.

To return to the consent decree, the restriction, that users be directly engaged in a public performance for profit, suggests that any eleemosynary institution or organization which does not engage in a public performance for profit, is outside the scope of ASCAP’s licensing activities. Thus this definition of the term “user” would appear to preclude ASCAP from levying license fees on non-commercial users of music. As a matter of fact ASCAP since its inception permitted all eleemosynary institutions to perform its music without charge; its ill-fated attempt to license the midwestern colleges can only be described as an unexplained mental aberration which the society presumably regrets, and which did it incalculable harm.<sup>8</sup>

Section III provides that the decree is applicable not only to ASCAP but to any organization which may succeed to the rights and privileges of the society. The restrictions imposed by this consent decree relate only to the domestic licensing of music.

<sup>6</sup> *Id.* at 130.

<sup>7</sup> *Id.* at 131.

<sup>8</sup> How much and to what extent this injured the society’s goodwill which it has assiduously cultivated since its inception cannot be determined. But if the late Dean Carpenter’s book, *op cit*

*supra* note 5 is any criterion, ASCAP did itself incalculable harm. Dean Carpenter’s Ch. VI, entitled “ASCAP’s Golden Legend” furnishes a devastating and ruthless criticism of the society.

Section IV is intended to strike down the exclusive contractual relationships between ASCAP and its members. Thus the society may only acquire small performing rights from its members on a non-exclusive basis; and it is precluded from interfering with the members' right to issue such licenses.<sup>9</sup>

Subsection C was similar to a provision in the 1941 consent decree. The society agrees not to discriminate either in price or terms among the users of copyrighted music. All ASCAP compositions will be offered for performance to all users of the same class on equal terms and conditions.<sup>10</sup>

Subsection D is significant. It prohibits the society from entering into blanket or per-program contracts in excess of five years. ASCAP's current blanket contracts with the radio networks is for nine years. This provision imposes a five year limitation on all future ASCAP contracts with commercial users. This provision will facilitate the resignation of members from the society since the latter by other provisions in the decree is precluded from tying up members' rights for a prolonged period.<sup>11</sup>

Subsections E and F are derived from the Alden-Rochelle litigation. The society is precluded from levying license fees against exhibitors for motion picture performing rights. ASCAP is likewise directed to discontinue all litigation against exhibitors for infringement of motion picture performing rights.<sup>12</sup>

<sup>9</sup> Consent Decree, III:

"Defendant ASCAP is hereby enjoined and restrained from:

(A) Holding, acquiring, licensing, enforcing, or negotiating concerning any rights in copyrighted musical compositions other than rights of public performance on a non-exclusive basis;

(B) Limiting, restricting, or interfering with the right of any member to issue to a user non-exclusive licenses for rights of public performance;"

<sup>10</sup> *Id.*:

"(C) Entering into, recognizing, enforcing or claiming any rights under any license for rights of public performance which discriminates in license fees or other terms and conditions between licensees similarly situated;"

<sup>11</sup> *Id.*:

"(D) Hereafter granting any license for rights of public performance in excess of five years' duration, except for motion picture performance rights which are licensed pursuant to Section V (C) of this Judgment;"

<sup>12</sup> *Id.*:

"(E) Granting to, enforcing against, collecting any monies from, or negotiating with any motion picture theatre exhibitor concerning any motion picture performance rights;"

"(F) Instituting or threatening to institute, or maintaining or continuing any suit or proceeding against (1) any motion picture theatre exhibitor for copyright infringement relating to motion picture performance rights or against (2) any user for copyright infringement of any musical

To further competition among performing rights societies and improve the lot of writers, a member may withdraw from ASCAP at the end of any fiscal year by giving three months' advance written notice to the society. The withdrawal from the society is subject to any rights or obligations existing between ASCAP and its licensees. A member who resigns cannot withdraw his catalogue from ASCAP's repertoire, if the member's catalogue is included in the blanket five year contract executed by the networks with the society.<sup>13</sup> Thus the resigning member cannot negotiate a contract with NBC until the blanket contract terminates; however he may sell the synchronization and picture performing rights of his catalogue to a motion picture producer, provided there is no previous commitment of such rights to another producer.

Subsection H is similar to a provision which ASCAP had incorporated in their license agreements with broadcast stations. The society is precluded from restricting any composition in its catalogue for the purpose of exacting additional consideration for its performance, or "for the purpose of permitting the fixing or regulating of fees for the recording or transcribing of such composition." However ASCAP, when directed by a member may restrict the performances of a song to protect the small and grand rights from indiscriminate performances, or if the composition is involved in litigation.<sup>14</sup>

composition not contained in the ASCAP repertory. After the preparation of the list required to be maintained by Section XIV herein, the repertory shall be deemed to consist of only those compositions appearing on such list;"

<sup>13</sup> *Id.*:

"(G) Restricting the right of any member to withdraw from membership in ASCAP at the end of any fiscal year upon (1) giving three months' advance written notice to ASCAP, and (2) agreeing that his resignation shall be subject to any rights or obligations existing between ASCAP and its licensees under then existing licenses and to the rights of the withdrawing member accruing under such licenses;"

<sup>14</sup> Consent Decree, section IV:

"(H) Asserting or exercising any right or power to restrict from public performance for profit by any licensee of ASCAP any composition in order to exact additional consideration for the performance thereof, or for the purpose of permitting the fixing or regulating of fees for the recording or transcribing of such composition. Nothing in this Subsection shall be construed to prevent ASCAP, when so directed by the member in interest in respect of a musical composition, from restricting performances of a composition in order reasonably to protect the composition against indiscriminate performances, or the value of the public performance for profit rights therein, or the dramatic performing rights therein, or to prevent ASCAP from restricting performances

Section V confirms and amplifies the principle of clearance at the source for radio and television networks, or wired music services, such as "Muzak." ASCAP is prohibited from requiring separate licenses for affiliated stations carrying network programs or from subscribers to a wired music service.<sup>15</sup> It is believed that the principle of clearance at the source applies to "transit radio," i.e., the originating station would clear all music heard in street cars or busses. ASCAP is likewise precluded from charging different rates for simultaneous and delayed broadcasts or telecasts. In addition a kinescope show supplied a network affiliate does not require a separate license by the station.<sup>16</sup>

The principle of clearance at the source has been extended to manufacturers and distributors of electrical transcriptions or sponsors or advertisers on whose behalf such transcriptions are made. This clause which is derived from the 1941 consent decree applies to television programs preserved on film. Thus the producer or distributor of a series of television film programs may secure a single license from ASCAP to cover the picture performing rights. This single license will list the stations telecasting the programs and such stations are not required to secure separate licenses from ASCAP.<sup>17</sup>

of a composition so far as may be reasonably necessary in connection with any claim or litigation involving the performing rights in any such composition."

<sup>15</sup> *Id.*, section 5:

"Defendant ASCAP is hereby ordered and directed to issue, upon request, licenses for rights of public performance of compositions in the ASCAP repertory as follows:

(A) To a radio broadcasting network, telecasting network or wired music service (as illustrated by the organization known as "Muzak"), on terms which authorize the simultaneous and so-called "delayed" performance by broadcasting or telecasting, or simultaneous performance by wired music service, as the case may be, of the ASCAP repertory by any, some or all of the stations in the United States affiliated with such radio network or television network or by all subscriber outlets in the United States affiliated

with any wired music service and do not require a separate license for each station or subscriber for such performances;"

<sup>16</sup> *Op cit supra*, note 15.

<sup>17</sup> Consent Decree, section V:

"(B) To a manufacturer, producer or distributor of a transcription or re-ordation of a composition in ASCAP's repertory which is or shall be recorded for performance on specified commercially sponsored radio programs or television programs, as the case may be, on an electrical transcription or on other specially prepared re-ordation intended for radio broadcasting or for television broadcasting purposes (or to any advertiser or advertising agency on whose behalf such transcription or re-ordation shall have been made) of the right to authorize the broadcasting, by radio or by television, as the case may be, of the recorded composition by means of such transcription or re-ordation by all radio stations or tele-

Subsection C of section V effectuates sweeping changes in the relationship between ASCAP and the motion picture industry. This is derived from the decree in the *Alden-Rochelle* case. Previously, motion picture producers secured synchronization rights from the copyright proprietor via the agency of Harry Fox. ASCAP licensed the picture performing rights directly to the exhibitors. The 1950 consent decree prohibits ASCAP or its members from levying license fees against the exhibitors. The society or its members are likewise precluded from splitting the synchronization and picture performing rights. Both rights must be licensed to motion picture producers either by the society or its members.<sup>18</sup> The consent judgment extends the principle of clearance at the source to motion picture film by requiring producers to negotiate with ASCAP or its members for picture performing rights. A producer is given the option of licensing ASCAP's music on a "per film" or blanket basis. If music is licensed on a "per film" basis, the producer is charged for such compositions as are recorded on the film. The society is precluded from demanding payment on its complete catalogue. To protect the society against those producers who may secure an exclusive license to a composition and then hold up production of a picture indefinitely, the decree recites that the license is good for one year after the effective date of the license for pictures produced or in production.<sup>19</sup>

vision stations in the United States enumerated by the licensee, without requiring separate licenses for such enumerated stations for such performance;"

<sup>18</sup> Consent Decree, section V:

"(C) To any person engaged in producing motion pictures (herein referred to as a "motion picture producer"), so long as ASCAP shall not have divested itself of such rights, a single license of motion picture performance rights covering the United States, its territories and possessions, without requiring further licenses. Such single license shall be issued in accordance with the following requirements and in accordance with all other provisions of this Judgment not inconsistent therewith;"

<sup>19</sup> *Id.*:

"(1) Such license shall be limited to pictures produced or in production not later than one year after the effective date of the license, and shall not make any charge for any performance occurring prior to the date of this Judgment;

(2) Upon written request of any motion picture producer such licenses shall be issued on a "per film" basis for the compositions in such film which are in the ASCAP repertory;

(3) All licenses of motion picture performance rights under this Subsection (C) shall be negotiated with and issued to individual motion picture producers, and not on an "industry-wide" basis;"

It is believed that the major motion picture producers will and have requested blanket licenses from ASCAP because the studios have and will use a substantial amount of the society's catalogue. The decree provides that producers must negotiate with ASCAP individually and not on an industry-wide basis.<sup>20</sup> This is to prevent ASCAP from requesting a fixed amount from the film industry with the intention that it be "split up" among the film producers. Members of ASCAP's board of directors who have a pecuniary interest with any producer or the publishing houses owned or controlled by such producer are precluded from participating in the negotiations for picture performing rights with such producer. The purpose of this provision is to prevent studios controlling publishing houses from receiving more favorable rates.<sup>21</sup>

The decree in the *Alden-Rochelle* case which barred ASCAP from collecting license fees from exhibitors was in effect for 19 months. Several of the producers secured picture performing rights directly from the copyright proprietors during this 19 month period. Since the picture performing rights are still retained by ASCAP, the decree precludes the society from seeking payment from those producers who contracted for and paid for such picture performing rights from the copyright proprietor.<sup>22</sup>

Section VI, quoted in the margin requires no comment.<sup>23</sup>

<sup>20</sup> *Id.* (2).

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

"(5) No writer or publisher member of the Board of Directors of ASCAP shall participate in or vote on any question relating to the negotiation, execution, performance or enforcement of any such license where such member at the time, directly or indirectly, has any pecuniary interest in any motion picture producer, in any subsidiary or affiliate or any motion picture producer, or in any contractual relationship with any such producer."

<sup>22</sup> *Id.*:

"(4) Where within a period of nineteen (19) months prior to the entry of this Judgment a motion picture producer has obtained a license for motion picture performance rights directly from members of ASCAP and has paid a separately stated amount

therefor, such licenses issued by ASCAP covering motion picture performance rights shall, at the request of such producer, include the rights conveyed by the previous license, in which event ASCAP shall allow the motion picture producer a credit against the amount otherwise payable, equal to the amount paid under the previous license;"

<sup>23</sup> *Id.*, section VI:

"Defendant ASCAP is hereby ordered and directed to grant to any user making written application therefor a non-exclusive license to perform all of the compositions in the ASCAP repertory. Defendant ASCAP shall not grant to any user a license to perform one or more specified compositions in the ASCAP repertory, unless both the user and member or members in interest shall have requested ASCAP in writing so to do, or unless ASCAP, at the

Section VII spells out the restrictions imposed on ASCAP in its relationships with the radio and television industries. This is in amplification of the 1941 consent decree. The percentage royalty or blanket commercial license is applied only to income received from programs using ASCAP music. This provision has a duofold significance. It prohibits ASCAP from levying a percentage royalty on programs using music from other performing rights societies. And ASCAP is precluded from demanding compensation on programs preceding or following those programs using the society's music.<sup>24</sup> This clause is susceptible of further interpretation. May ASCAP apply the percentage royalty to the income from a time signal viz., the Bulova watch commercial and a spot commercial announcement which precedes the program using the society's music? The question tendered is whether the time signal and the spot commercial announcement are distinct and separate from the program or are part of the quarter or half-hour program. ASCAP contends that its music enhances the value of the commercial announcements, hence the royalty percentage should be applied. It is believed that the customs and practices of the radio and television industries consider such commercial announcements as separate and distinct from the program which follows.

The decree authorizes three types of blanket sustaining licenses:

1. the fee may be based on the number of performances of the society's composition during the term of the license;
2. the fee may be based on the number of programs using ASCAP music; or
3. the broadcaster at his option may request a fixed fee blanket license.<sup>25</sup>

written request of the prospective user shall have sent a written notice of the prospective user's request for a license to each such member at his last known address, and such member shall have failed to reply within thirty (30) days thereafter."

<sup>24</sup> *Id.*, section VI:

"Defendant ASCAP, in licensing rights for public performance for radio broadcasting and telecasting, is hereby:

(A) Enjoined and restrained from issuing any license, the fee for which

(1) in the case of commercial programs, is based upon a percentage of the income received by the licensee from programs which include no compositions in the ASCAP repertory, or"

<sup>25</sup> *Id.*:

"(2) in the case of sustaining programs, does not vary in proportion

It is believed most broadcasters will prefer a fixed fee license since it will permit them to use all of the society's music and does not require the maintenance of records and reports to ASCAP. The first two methods require the maintenance of detailed records.

The decree provides that a radio or television broadcaster upon written request may obtain per program licenses. To insure that the broadcaster has a free choice in negotiating for a per program license, the society is "enjoined and restrained from requiring or influencing the prospective licensee to negotiate for a blanket license prior to negotiating for a per program license."

ASCAP has the option of issuing two types of per program commercial licenses:

1. a flat sum for each program using ASCAP music; or
2. a percentage of the sum paid by the sponsor for the use of the facilities of the station.<sup>26</sup>

The decree permits ASCAP at its option to issue two types of per program sustaining licenses:

1. a flat sum for each program using ASCAP music;
2. a percentage based on the station's card rate if the program had been commercial.<sup>27</sup>

either (a) to the performance of compositions in the ASCAP repertory during the term of the license, or (b) to the number of programs on which such compositions or any of them are performed, unless the radio broadcaster or telecaster to whom such license shall be issued shall desire a license on either or both of such bases;"

<sup>26</sup> *Id.* section V:

"(B) Ordered and directed to issue to any licensed radio or television broadcaster, upon written request, per program licenses, the fee for which

(1) in the case of commercial programs, is, at the option of ASCAP, either (a) expressed in terms of dollars, requiring the payment of a specified amount for each program in which compositions in the ASCAP

repertory shall be performed, or (b) based upon the payment of a percentage of the sum paid by the sponsor of such program for the use of the broadcasting or telecasting facilities of such radio or television broadcaster," . . .

<sup>27</sup> *Id.*:

"(2) in the case of sustaining programs, is at the option of ASCAP, either (a) expressed in terms of dollars, requiring the payment of a specified amount for each program in which compositions in the ASCAP repertory shall be performed, or (b) based upon the payment of a percentage of the card rate which would have been applicable for the use of its broadcasting facilities in connection with such program if it had been commercial."

The decree further requires the society to take "into consideration the economic requirements and situation of those stations having relatively few commercial announcements and a relatively greater percentage of sustaining programs, with the objective that such stations shall have a genuine economic choice between per program and blanket licenses."<sup>28</sup>

A basic objective of the 1950 consent decree is to make per program licenses more favorable to the broadcaster. The formulae outlined in the decree for per program licenses suggest that the detailed records previously required for this type of license may be reduced to some extent. Despite these provisions it is believed that a very substantial majority of both radio and television broadcasters will prefer blanket licenses for both sustaining and commercial programs. A blanket license gives the broadcaster access and indemnity to ASCAP's complete repertoire. More importantly, it obviates the maintenance of records and monthly reports to the society.

Section IX has far-reaching implications which will be discussed in greater detail elsewhere. Any user dissatisfied with the fee charged by ASCAP for any type of license may apply to the district court to determine whether the fee is reasonable. The burden of proof is on ASCAP to establish the reasonableness of the fee requested by it. Pending a final judicial determination, the prospective licensee may use any or all of the society's music and the court will fix an interim fee. If the court prescribes an interim fee, the society "shall then issue and the applicant shall accept a license providing for the payment of a fee at such interim rate from the date of the filing of such application for an interim fee."<sup>29</sup> When a reasonable fee has been finally

<sup>28</sup> *Id.*, section V (B) (3). *Id.*, section VIII:

"Defendant ASCAP, in fixing its fees for the licensing of compositions in the ASCAP repertory, is hereby ordered and directed to use its best efforts to avoid any discrimination among the respective fees fixed for the various types of licenses which would deprive the licensees or prospective licensees of a genuine choice from among such various types of licenses."

<sup>29</sup> *Id.*, section IX:

"(A) Defendant ASCAP shall, upon receipt of a written application for a license for the right of public performance of any, some or all of the compositions in the ASCAP repertory, advise the applicant in writing of the fee which it deems reasonable for the license requested. If the parties are unable to agree upon a reasonable fee within sixty (60) days from the date when such application is received by

determined by the court, it is retroactive to the date the applicant began using the society's music. This fee governs the society in its relationships to all other applicants similarly situated who shall thereafter request a license. The judicial determination of a fee does not alter or affect licenses previously negotiated.<sup>30</sup>

The foregoing provision means that ASCAP no longer has the exclusive power to fix rates. Whether judicial prescription of rates will increase or reduce ASCAP's revenues cannot be determined at this time since no user as yet has invoked this remedy.<sup>31</sup>

Section X amplifies a previous clause in the 1950 decree.<sup>32</sup> "No officer or director of ASCAP, or any person acting

ASCAP, the applicant therefor may forthwith apply to this Court for the determination of a reasonable fee and ASCAP shall, upon receipt of notice of the filing of such application, promptly give notice thereof to the Attorney General. In any such proceeding the burden of proof shall be on ASCAP to establish the reasonableness of the fee requested by it. Pending the completion of any such negotiations or proceedings, the applicant shall have the right to use any, some or all of the compositions in the ASCAP repertory to which its application pertains, without payment of any fee or other compensation, but subject to the provisions of Subsection (B) hereof, and to the final order or judgment entered by this Court in such proceeding;

"(B) When an applicant has the right to perform any compositions in the ASCAP repertory pending the completion of any negotiations or proceedings provided for in Subsection (A) hereof, either the applicant or ASCAP may apply to this Court to fix an interim fee pending final determination of what constitutes a reasonable fee. If the Court fixes such interim fee, ASCAP shall then issue and the applicant shall accept a license providing for the payment of a fee at such interim rate from the date of the filing of such application for an interim fee. If the applicant fails to accept such license or fails to pay the interim fee in accordance therewith, such failure

shall be ground for the dismissal of his application. Where an interim license has been issued pursuant to this Subsection (B), the reasonable fee finally determined by this Court shall be retroactive to the date the applicant acquired the right to use any, some or all of the compositions in the ASCAP repertory pursuant to the provisions of this Section IX;"

<sup>30</sup> *Id.*:

"(C) When a reasonable fee has been finally determined by this Court, defendant ASCAP shall be required to offer a license at a comparable fee to all other applicants similarly situated who shall thereafter request a license of ASCAP, but any license agreement which has been executed without any Court intervention between ASCAP and another user similarly situated prior to such determination by the Court shall not be deemed to be in any way affected or altered by such determination for the term of such license agreement;

(D) Nothing in this Section IX shall prevent any applicant or licensee from attacking in the aforesaid proceedings or in any other controversy the validity of the copyright of any of the compositions in the ASCAP repertory nor shall this Judgment be construed as importing any validity or value to any of said copyrights."

<sup>31</sup> But see § 136b.

<sup>32</sup> Consent Decree, section V(C)(5), quoted in *op cit supra*, note 28.

on its behalf, shall participate in or vote on any question relating to any transaction or negotiation involving ASCAP and a licensee, or prospective licensee, where such officer, director, or other person has any pecuniary interest in such licensee or prospective licensee, or in any subsidiary or affiliate thereof, or in any contractual relationship with such licensee or prospective licensee.”<sup>33</sup>

Prior to the 1950 consent decree, ASCAP in distributing royalties among its writer and publisher members, considered such intangible factors as the nature, character and prestige of compositions, length of membership in the society, etc.<sup>34</sup> Section XI of the consent decree orders ASCAP in allocating its revenues to give primary consideration to the number of times members' compositions are performed as indicated by objective surveys.<sup>35</sup> This has been referred to as the “IBM” method of calculating royalties. This means that such intangible factors as prestige, seniority and availability will not play as important a role in the allocation of royalties. This provision will undoubtedly require clarification by the Department of Justice.

Section XIII is intended to “democratize” ASCAP's internal organization.<sup>36</sup> This has been effectuated in the 1950 Articles of Association.

<sup>33</sup> *Id.*, section X.

<sup>34</sup> *Cf.* Carpenter, Music, An Art and a Business (1950) 119: “In September, 1944, Deems Taylor, then president of ASCAP, delivered an address before the general membership meeting of the society, held in Beverly Hills, California. Later his address was published as a pamphlet called, *Writer Classification and Its Problems*. Mr. Taylor explained at elaborate length the problems and methods of classification. A reader can only wish that someone would explain his explanation.”

<sup>35</sup> Consent Decree, section XI:

“Defendant ASCAP is hereby ordered and directed to distribute to its members the monies received by licensing rights of public performance on a basis which gives primary consideration to the performance of the compositions of the members as indicated by objective surveys of performances (excluding

those licensed by the member directly) periodically made by or for ASCAP.”

<sup>36</sup> Consent Decree, section XIII:

“In order to insure a democratic administration of the affairs of defendant ASCAP, and to assure its members an opportunity to protect their rights through fair and impartial hearings based on adequate information, defendant ASCAP is hereby ordered and directed to provide in its Articles of Association:

(A) That the members of the Board of Directors shall be elected by a membership vote in which all author, composer and publisher members shall have the right to vote for their respective representatives to serve on the Board of Directors. Due weight may be given to the classification of the member within ASCAP in determining the number of votes each member may cast for the election of directors. Elections for the entire membership

Section XIV of the decree requires ASCAP to make available to prospective users and to keep current a list of all musical compositions in its repertory. This list, which must be prepared in two years, will show the title, date of copyright and the author, composer and current publisher of each composition.<sup>37</sup>

Section XV liberalizes membership eligibility requirements for admission to ASCAP. Any composer or author of a copyrighted musical composition is eligible for membership if at least one work of his composition or writing has been regularly published. A music publisher is eligible if his or its "musical publications have been used or distributed on a commercial scale for at least one year and who assumes the financial risk involved in the normal publication of musical works."<sup>38</sup>

Section XVI is a standard clause in consent decrees which gives the Department of Justice surveillance of the society's books and affairs to insure enforcement of the decree.

Under section XVII, the court retains jurisdiction of the suit for the purpose of enabling any of the parties to have the decree modified, construed or to enforce compliance therewith. In addition, the Government may within five years from the date of entry of the consent judgment, request that ASCAP be dissolved. Since the decree effectuates new and revolutionary relationships between ASCAP

of the Board of Directors shall take place annually or every two years. The Board of Directors shall, as far as practicable, give representation to writer members and publisher members with different participations in ASCAP's revenue distribution;"

<sup>37</sup> Consent Decree, section XIV:

"Immediately following entry of this Judgment, defendant ASCAP shall upon written request from any prospective user inform such user whether any compositions specified in such request are in the ASCAP repertory, and make available for public inspection such information as to the ASCAP repertory as it has. Defendant ASCAP is furthermore ordered and directed to prepare within two years, and to maintain and keep current and make available for inspection during regular office hours, a list of all musical compositions in the

ASCAP repertory, which list will show the title, date of copyright and the author, composer and current publisher of each composition."

<sup>38</sup> Consent Decree, section XV:

"Defendant ASCAP is hereby ordered and directed to admit to membership, non-participating or otherwise,

(A) Any composer or author of a copyrighted musical composition who shall have had at least one work of his composition or writing regularly published;

(B) Any person, firm, corporation or partnership actively engaged in the music publishing business, whose musical publications have been used or distributed on a commercial scale for at least one year, and who assumes the financial risk involved in the normal publication of musical works.

and the motion picture industry, the Department of Justice may request vacation or modification of those provisions within two years.

This much is clear from the 1950 consent decree. Not only must it be put into practice, but it will require interpretation and clarification by the Department of Justice and the district court.

### 136. TELEVISION: "GRAND" OR DRAMATIC PERFORMING RIGHTS AND "SMALL" OR NON-DRAMATIC PERFORMING RIGHTS.

Statutory copyright may be viewed from the perspective of a bundle of rights conferred upon the copyright proprietor. Included in these rights are:

1. the printing and publishing rights;
2. the right of transformation;
3. the performing rights;
4. and the mechanical reproduction rights.<sup>1</sup>

The performing rights are further subdivided into "grand" or dramatic as distinguished from small performing or non-dramatic rights.

It is believed that there is a statutory basis, augmented by the customs and practices of the industry, to support this distinction between "grand" and "small" rights.

The Copyright Code confers performing rights in a dramatico-musical composition and in a musical composition.<sup>2</sup> As was pointed out in *Herbert v. Shanley*, in a dramatico-musical composition, the author has the sole right to publicly perform it without reference to whether it is performed for profit.<sup>3</sup> In the case of musical compositions, the statute restricts the author's exclusive rights to a public performance for profit.<sup>4</sup> Thus different performing rights may be asserted in a dramatico-musical composition and in a musical composition derived from the former.<sup>5</sup>

<sup>1</sup> See *infra* § 90, "Summary of Rights Secured by Copyright."

<sup>2</sup> Section 5 of the Copyright Code, (61 STAT 652 (1947), 17 USCA §§ 5(d) and (e) (Supp 1951)).

<sup>3</sup> *Herbert v. Shanley Co.*, 221 Fed 229 (DC NY 1915), *affirmed* 229 Fed 340 (2d Cir 1916), *reversed on other grounds*, 242 US 591, 37 S Ct 232, 61

L.Ed 511 (1917). This case is discussed in detail in § 131e with particular emphasis on the differences between dramatic and non-dramatic rights.

<sup>4</sup> *Id.*

<sup>5</sup> The Copyright Code, *op cit supra* note 2, § 101(b) Fourth prescribes different statutory damages for the

The next question tendered is what criteria are employed to differentiate a dramatico-musical composition from a musical composition. A dramatico-musical composition consists of a combination of music and drama which tells a story.<sup>6</sup> Operas, operettas, oratorios and musical comedies are the most usual form of dramatico-musical compositions.<sup>7</sup>

The Copyright Code contains no definition of the phrase "musical compositions". Mr. Justice Holmes has described it as a "rational collocation of sounds apart from concepts reduced to a tangible expression from which the collocation can be reproduced either with or without conscious human intervention."<sup>8</sup> This category includes all musical compositions (other than dramatico-musical compositions) with or without words, as well as new versions of musical compositions such as adaptations, arrangements and editing.<sup>9</sup>

May a song or musical composition be considered a dramatic work? This issue has been discussed in several English cases. In *Russel v. Smith*, a song called "The Ship on Fire" which described the burning of a ship at sea and the escape of those on board, was considered a dramatic work although sung by a person sitting at a piano without scenery or costume.<sup>10</sup> In another case, it was held that the song "Come to Peckham Rye", sung by the plaintiff to a well-known air, at music halls, the plaintiff dressed in character, accompanying his singing with gesture and expression, was a dramatic piece. The court held that the plaintiff "by his powers of singing, acting and characterization had made the song a thing of value, not as a song merely, but as acted by him in character, and so a dramatic piece."<sup>11</sup>

In *Fuller v. Blackpool Winter Gardens & Pavilion Co.*, it was held that the delivery of a song in costume did not necessarily make it a dramatic piece.

infringement of dramatic or dramatico-musical compositions and musical compositions. For the former (which includes choral or orchestral compositions), "\$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions \$10 for every infringing performance."<sup>6</sup>

<sup>6</sup> Cf. *Kalem Co. v. Harper Bros.*, 222 US 55, 32 Sct 20, 56 LEd 92 (1911); *Daly v. Palmer*, FedCas #3,

522, 6 FedCas 1133, 1135 (DC NY 1868).

<sup>7</sup> *Infra*, § 123.

<sup>8</sup> *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 28 Sct 319, 52 LEd 655 (1908).

<sup>9</sup> 37 FR § 202.6 (1948).

<sup>10</sup> *Russel v. Smith*, 12 QB 217 (1848). See also, *Roberts v. Beggell*, 3 TLR 552 (1887).

<sup>11</sup> *Clark v. Bishop*, 25 LT 908 (1872).

“Every case must depend upon its own attendant circumstances. In each case it is a question of fact. I think that to constitute a song a dramatic piece it must be such a song as for its proper representation, acting and possibly scenery, formed a necessary ingredient, and that if neither of these be a requisite to the efficient representation of the song, it is not a dramatic piece. It is an entire misnomer to call a mere common, ordinary music-hall song, which required neither acting nor scenery for its production, a dramatic piece.”<sup>12</sup>

The American courts have been reluctant to classify songs as dramatico-musical compositions. An early case suggested that the mimicry of a song from a musical comedy was not a dramatico-musical work since there was “nothing dramatic about the words or the music.”<sup>13</sup> In a later case it was held that the performance of a song (“Kiss Me Again”) from the comic opera (“Mlle. Modiste”) was not a dramatico-musical composition.<sup>14</sup>

“If the song ‘Kiss Me Again’ is a dramatic composition, then such songs as ‘After the Ball’, ‘Sweet Violets’, ‘White Wings’, ‘Two Little Girls in Blue’, ‘Wait Till the Clouds Roll By’, and scores of others that might be mentioned which in the not remote past have caught the popular fancy and have been hummed, whistled, and sung, in season and out of season, on the stage and nearly everywhere else, and have soon faded from the popular mind and passed almost into oblivion, would be deemed dramatic compositions, to say nothing of such modern productions as ‘Yes, We Have No Bananas Today’, and the like. I do not think anyone would class any of these songs as dramatic compositions, but they are as much entitled to that classification as the song ‘Kiss Me Again.’”<sup>15</sup>

<sup>12</sup> Fuller v. Blackpool Winter Gardens & Pavilion Co., 2 QB 429 (1895). In Tubb v. Laidler, (1911) Macg. Cop. Cas. 1, it was held that a song sung in pantomime could be protected as a dramatic piece. See also Lee v. Simpson, 3 CB 871 (1847) wherein it was held that the introduction to a pantomime that was the only written part of a production was entitled to protection.

<sup>13</sup> Bloom & Hamlin v. Nixon, 125 Fed 977 (DC Pa 1903). Cf. Green v. Luby, 177 Fed 287, (DC NY 1909).

<sup>14</sup> Witmark & Sons v. Pastime Amusement Co., 298 Fed 470 (DC SC 1924), *affirmed*, 2 F2d 1020 (2d Cir 1924).

<sup>15</sup> *Id.*

This opinion suggested that if a musical composition possesses dramatic features, it might be considered a dramatic work.<sup>16</sup>

Although a song is not a dramatic composition, the Copyright Code gives the copyright owner the right "to dramatize it if it be a non-dramatic work." Thus if a song such as "Rosie O'Grady" or "Margie" is employed as the basic idea of a motion picture, the registration of the motion picture as a dramatico-musical composition results in the song being classified as a dramatic work since it is integrated into the story.<sup>17</sup>

The registration of a song in the Copyright Office as a dramatico-musical composition does not result in the former being classified as a dramatic work. The nature and subject matter of the work determines its classification.<sup>18</sup> The class in which registration is made may indicate the category desired by the author. The decisions are not too clear as to whether the Register of Copyrights must accept the classification requested by the author.<sup>19</sup> But this much is clear. Whether a work is a musical composition or a dramatico-musical composition is a question of law to be determined by the courts. The latter will examine the work and prescribe its classification.<sup>20</sup>

ASCAP's contracts with its members provides that it has assigned to it the public performance rights "of the separate numbers, songs, fragments or arrangements, melodies or selections forming part or parts of musical plays and dramatico-musical compositions, the Owner reserving and excepting from this assignment the right of performance of musical plays and dramatico-musical compositions in their entirety, or any part of such plays or dramatico-musical compositions on the legitimate stage."<sup>21</sup> ASCAP's standard blanket commercial contract with a radio station

<sup>16</sup> *Id.*

<sup>17</sup> Cf. *Jerome v. Twentieth Century-Fox Film Corporation*, 67 FSupp 736 (DC NY 1946).

<sup>18</sup> Cf. *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941), *cert denied*, 314 US 687, 62 Sct 300, 86 LEd 550 (1941); *Kreymborg v. Durante*, 21 US PQ 557 (DC NY 1934) rehearing denied 22 US PQ 248 (1934).

<sup>19</sup> Cf. *Bouvé v. Twentieth Century-Fox Film Corporation*, 33 FSupp 462 (DC DC 1949), *affirmed*, 74 US App DC 271, 122 F2d 51 (1941).

<sup>20</sup> *Id.* See also cases cited in *op cit supra*, note 18.

<sup>21</sup> Agreement between ASCAP and its members executed in 1941 and expiring in 1965.

licenses the "non-dramatic renditions of the separate musical compositions" in the society's repertoire.

The foregoing contractual provisions augmented by the customs and practices of the industry spell out the following:

The grand performing rights under the ASCAP contracts are retained by the copyright proprietor and comprehend musical plays, operas, operettas and oratorios. In addition, the music integrated on the sound track of motion picture film is likewise classified as a "grand" right since synchronization rights are retained by the copyright proprietor. The small performing rights which are assigned ASCAP deal with non-dramatic rights. The music played over radio broadcasting stations illustrates the small performing or non-dramatic rights.

But there is a nebulous area where the differences or distinctions between the "small" and "grand" rights become troublesome. Television accentuates this problem. Thus, what rights are involved, when, for example, Mary Martin or Ezio Pinza sing several songs from the musical drama "South Pacific" with appropriate dramatic gestures and action against a simulated South Seas background in the Milton Berle show?

The first question tendered is whether ASCAP has any television rights in the standard agreement between ASCAP and its members. In the current membership agreements which cover the 25 year period, ending December 31, 1965, the composer, author or publisher, as the case may be, assigns to ASCAP the exclusive right of public performance in each musical work of which the member is the proprietor or which he may become the proprietor during the life of the agreement.

An analysis of the pertinent provisions of the membership agreement discloses that the members did not assign their television rights to ASCAP.<sup>22</sup> This is confirmed by

<sup>22</sup> *Id.*:

"(b) The exclusive right of public performance of the separate numbers, songs, fragments or arrangements, melodies or selections forming part or parts of musical plays and dramatico-musical compositions, the *Owner* reserving and excepting from this assignment the right of performance of musi-

cal plays and dramatico-musical compositions in their entirety, or any part of such plays or dramatico-musical compositions on the legitimate stage.

(c) The right of public performance by means of radio broadcasting, telephony, "wired wireless," all forms of synchronism with motion pictures, and/or any method of transmitting sound;

the customs and practices of the music industry. With the advent of commercial television after the war, ASCAP secured from some of its members a side letter agreement which expired on December 31, 1948. This provided in part that ASCAP received the same rights with respect to television in each musical work that it has heretofore been granted with respect to radio rights.<sup>23</sup> The licensing by ASCAP of the foregoing television rights were subject to the following limitations:

“A. Any member of the Society having an interest in such work may restrict the performance of a production number or any other number (which may qualify under Subdivision ‘C’ hereof), where such performance is in costume or with scenery or with dialogue content.

B. The rights granted by this agreement shall be for a period commencing with the date of this agreement and shall end on December 31, 1948;

C. Any number (other than a production number) will qualify under Subdivision ‘A’ from and after the date when it shall become a part of a stage show including a revue or shall be used in a motion picture, unless such use in such show or picture, shall be incidental or shall be in the nature of background music, in the latter of which events such number shall not qualify.”<sup>24</sup>

Provided, however, that the *Owner* shall have the right, in good faith, by written notice to the *Society*, to restrict, limit or prohibit the public performance by radio broadcasting of works the copyright of which is vested in the *Owner*, and the *Society* agrees that all licenses by it issued shall contain a provision reserving its right to restrict or limit, or to prohibit entirely, the performance by broadcasting of any works in its repertory; and Provided further, that if the *Owner* notify the *Society* in writing to restrict, limit or prohibit the public performance of such copyrighted work, the *Owner* shall not, by the service of such notice, become repossessed of any of the rights transferred to the *Society* by this assignment.” McDonald, *Legal Problems in Television*, address delivered at Second Television Conference and Exhibition, Television Broadcasters Association, Inc., October 10, 1946.

<sup>23</sup> Side-Letter Agreement Between ASCAP and its Members, which expired on December 31, 1948: “The undersigned grants to you and you hereby accept, with respect to television rights in each musical work of the undersigned, the same rights which the undersigned has granted to you with respect to radio rights in each such work, by becoming a member of this Society and also under the confirmatory agreement, as amended, between you and the undersigned now in effect, with the same full force as if such television rights had been granted by the undersigned to you upon becoming a member and as if such television rights had been expressly included in the said confirmatory agreement; subject, however, to the following limitations.”

<sup>24</sup> *Id.*

Since a production number or any composition becoming part of a stage show, revue or motion picture, other than as incidental or background music, may be restricted whenever its performance is "in costume or with scenery or with dialogue content", the "grand performing rights" are involved. Note that the side letter agreement does not say what scenery or what costume makes the performance subject to restriction.

The foregoing side-letter agreement was supplanted by the so-called Television Agreement, which will expire on December 31, 1953. This agreement spells out in greater detail the television rights granted ASCAP by its members. Thus the following television rights may be licensed on a blanket or per program basis to networks and stations:

- A. Use by a single instrumentalist or by a group of instrumentalists.
- B. Use by a single vocalist or by a group of vocalists, not exceeding five.
- B(1). Use by a group of vocalists exceeding five, such as a choral group or vocalists accompanied by a chorus, where such group is not in costume and such vocal rendition is not accompanied by either scenery, dialogue content or dancing routine.
- C. Any combination of "A" and "B" or "A" and "B(1)".
- D. In the case of dramatico-musical numbers, the use of not more than two numbers from the same work in the same program (subject to the further limitations contained in Subdivision "E"). By dramatico-musical numbers are meant numbers originally written for and used for the first time in dramatico-musical works including musical plays, operettas, revues and motion picture photoplays; but incidental or background music shall not be included in this definition.
- E. In the case of dramatico-musical numbers, the use of not more than one number from the same work in the same program, where such performance is in costume and with scenery or with dialogue content or dancing routine. The rights granted do not include the right to use or to license the use in television of any dramatico-

musical number in the same way or in a way substantially similar to the way in which it was used in the play or other production of which it forms a part.

The foregoing television rights would be classified as small performing rights and would be covered by the ASCAP blanket or program license, subject to the following amplification and limitation:

Such performances may be by vocalists (not exceeding five) in costume provided there is no accompanying dialogue, dancing routine (where the dancing dramatizes the title or the lyric) or scenery beyond a back-drop or curtain.

(a) If a number (1) is performed by costumed vocalists (not exceeding five) and such vocal rendition is accompanied by any built scene or set which spells out the idea of the title or lyric of the song (or, in the case of a dramatico-musical number, the idea of the production of which the number forms a part), or (2) is performed by costumed vocalists (not exceeding five) and such vocal rendition is accompanied by dancing routine (where the dancing dramatizes the title or the lyric) or dialogue content, or (3) is performed by more than five vocalists, in costume, such performances shall be excluded from such general license and shall be licensed by the Society separately under special licenses and at special rates.

(b) If one dramatico-musical number is used under general license, no special license shall be granted for the use in the same television program of a second number from the same dramatico-musical work, and if one dramatico-musical number is used under special license, a second number from the same dramatico-musical work may not be used in the same program under general license.

(c) Any performances of dramatico-musical numbers coming under Subdivision "E" of Article "First" shall be excluded from such general license and shall be licensed by the Society separately under special licenses and at special rates.

(d) In no event shall a special license be granted for the use of a dramatico-musical number in the same way or in a way substantially similar to the way in which it was per-

formed in the original production of which the number forms a part.

This agreement further provided that the members could in good faith and by written notice to ASCAP restrict the performance of any number by television. Restrictions on the performances of a musical composition are warranted to protect the number against indiscriminate performances, and to protect the value of the public performing and dramatic performing rights. Restrictions on performances are invalid if their objectives are to exact additional consideration for such performance, or for the purpose of permitting the fixing or regulating of fees for the recording or transcribing of a number.

Finally, the contract spells out the musical works of the owner or member covered by the agreement.

This Television Agreement sets forth the television rights which ASCAP secured from its members. This agreement governs ASCAP's blanket and per program licenses with television networks and stations which will be discussed in the following sections.

### **136a. ASCAP'S TELEVISION BLANKET LICENSES.**

In the fall of 1949 ASCAP and the television industry executed network and local blanket license agreements.<sup>1</sup> These license agreements were retroactive to January 1, 1949 and will terminate on December 31, 1953. A side letter agreement recites that these license agreements would become effective only if a substantial percentage of ASCAP's publisher and writer members assigned non-dramatic television rights to the society as exemplified by the Television Agreement set forth in the previous section. A sufficient number of writers and publishers executed the Television Agreement.<sup>2</sup>

The core of these license agreements was the negative description of the "non-dramatic performances of the separate musical compositions" assigned to the networks and independent stations. Excluded from the licenses are the

<sup>1</sup> The television networks and stations operated under gratuitous licenses from ASCAP to January 1, 1949.

<sup>2</sup> Eighty-five per cent of the writers and publishers executed the so-called Television Agreement.

performing rights in any opera, operetta, musical comedy, play or like production in whole or in part. The customs and practices of the music industry regard the foregoing as "grand" rights. But the license agreements amplify "grand" rights. The performance or rendition of any composition from any opera, operetta, musical comedy, play or like production in a manner which recreates the performance of such composition with substantially such distinctive scenery or costume as was used in the foregoing works is prohibited. This means that NBC cannot recreate Rogers and Hammerstein's "One Enchanted Evening" with scenery and costumes as it is performed in "South Pacific" in a live television show. But if this sequence has been incorporated into a motion picture film, licensed for television broadcasting, it may be exhibited over the network or a station without the separate special permission of the copyright proprietor.

The license agreements then furnish a negative description of non-dramatic rights which are licensed, by defining dramatic performances which are excluded:<sup>3</sup>

"For the purposes of this agreement, a dramatic performance shall mean a performance of a musical composition on a television program in which there is a definite plot depicted by action and where the performance of the musical composition is woven into and carries forward the plot and its accompanying action. The use of dialogue to establish a mere program format or the use of any non-dramatic device merely to introduce a performance of a composition shall not be deemed to make such performance dramatic."

For the most part these definitions confirm the generally established customs and practices of the industry in distinguishing between "grand" and "small" rights. A safe rule of thumb to apply is that no musical composition should be performed which by reason of scenery and costumes effectuates the dramatic action of a story. Needless to say, the quoted definitions will require clarification. This

<sup>3</sup> Blanket Network Television License, par 1 C: "Nothing herein contained shall be deemed to license the public performance by television broadcasting of dramatic performances. Any

performance of a separate musical composition, which is not a dramatic performance, as defined herein, shall be deemed to be a non-dramatic performance."

is furnished in part by the Television Agreement between ASCAP and its members.

The license agreements contain a savings clause which indicates that the definitions of dramatic and non-dramatic performances were the subject of considerable negotiation and compromise between ASCAP and the television industry. The definitions of the foregoing terms "are purely for the purposes of this agreement and for the term thereof and shall not be binding upon or prejudicial to any position taken by either of the parties subsequent to the expiration thereof or for any purpose other than this agreement."<sup>4</sup>

The agreements contain various definitions, viz., network television program, local television program, affiliated stations, etc.

Networks and individual stations are required to furnish ASCAP with a list of all musical compositions performed showing the title of each composition the name of the composer and author and a brief notation of the scenery and costumes used. Appended to the agreements are sample forms of the information requested by the society. This data is to be furnished for only three months during any calendar year. In addition, ASCAP may obtain or examine the dialogue of specified programs "where it is reasonably necessary for its purposes." With reference to motion pictures telecast over a network or individual station, the latter are required to furnish the society with the title of the picture, name of the producer, the copyright notice and music cue sheets if unavailable to ASCAP and if the licensees have such music cue sheets.

The maximum number of compositions which may be restricted and only if they have been excessively broadcast are 750.

All network programs are cleared at the source.

Network sustaining fees are computed on the following basis:

The network pays a monthly sustaining fee of \$16.67 for each station exclusively affiliated with it. If the station is affiliated with two networks, the monthly fee is \$12.50; and if the station is affiliated with more than two networks, the

<sup>4</sup> *Id.*

fee is \$8.33. The networks pay an additional ten per cent charge on the aggregate of the sustaining and commercial fees due ASCAP.

The monthly sustaining fee for individual stations is "the highest half-hour rate card of the Station for a single half-hour of television broadcasting if it has net receipts from sponsors in excess of \$150,000 per year for such year." If the station's net receipts fall between \$50,000 and \$150,000, the monthly fee is based on the quarter-hour card rate. Stations are likewise assessed a ten per cent charge on its total sustaining and commercial fees.

The commercial fee for networks is 2.75 per cent of its "net receipts from sponsors after deductions"; the commercial fee for individual stations is 2.25 per cent.

The following deductions from the gross amount paid to the networks and individual stations by sponsors are spelled out in both license agreements:

1. any advertising agency commission not to exceed 15 per cent;
2. a fifteen per cent sales commission on the net receipts from sponsors;
3. rate card, quantity and/or frequency discounts actually allowed;
4. income received from political programs; and
5. income received from the telecast of motion pictures previously cleared.

The networks are allowed a percentage deduction of the line charges paid to the AT&T for the use of the coaxial or high frequency radio relays interconnecting affiliated stations. If the networks were permitted to deduct the full cost for the use of the coaxial cable which is very substantial, there would be an appreciable diminution of the revenues received by ASCAP. Accordingly the license agreement provides that the networks may deduct for coaxial line charges during 1949 and 1950, 25 per cent of the net receipts from sponsors less the 15 per cent sales commission. This percentage deduction is reduced to 20 per cent for 1951 and 1952; and in 1953 it is lowered to 15 per cent.

Co-operative television programs are defined in both agreements as "programs which are furnished by LICENSEE

(network) to its affiliated stations under an arrangement permitting an affiliate to broadcast such programs on a sustaining basis or on a commercial basis under the sponsorship of a local regional or national advertiser contracting directly with such affiliated station or its representative for the incorporation of the commercial credits of such advertiser into the program as broadcast by such affiliated station." Co-operative television programs are considered network television programs and the network includes in the gross amount paid for the use of its facilities the aggregate of the affiliated stations' card rates for sponsored programs. Affiliated stations may deduct from commercially sponsored co-operative programs quantity and/or frequency rate card discounts actually allowed; in the case of package sales of time and talent combined, quantity and/or frequency rate cards actually allowed may also be deducted from an affiliate's rate card.

The license agreements provide that the commercial fee applies only to the use of the network's or station's facilities viz., time on the air. Excluded from the "gross amounts paid for the use of television broadcasting facilities" are talent fees paid by the sponsor, the network or station supervisory or production fee or such charges which are itemized separately when billed to the sponsors or their advertising agencies and which are in addition to the network's or station's applicable rate card. The quid pro quo for the inclusion of this clause in the license agreements is the option given ASCAP to terminate the license agreements on December 31, 1951 upon giving an advance minimum notice of three months.

ASCAP agrees to indemnify and hold harmless not only the networks and individual licensees, but their sponsors, advertising agencies and artists from any claim, demand or suit arising out of the use of the society's music. The indemnification clause applies to musical compositions of which the society is or will be the assignee of the small performing rights during the life of these agreements. The indemnification clause is extended to a new category—"cleared compositions." This is defined as any composition in ASCAP's repertoire which has not been copyrighted, composed or written by a member of the society. ASCAP

will indemnify a network or station which requests specific permission to use a "cleared" composition provided clearance can be obtained. In the event ASCAP notifies a network or station in writing that it is willing to clear such a composition without limitation to a specific program, such composition shall thereafter be regarded as a "cleared composition" until such time as the society shall rescind such clearance.

The agreements provide that ASCAP will supply its licensees with an "ASCAP Index" (previously furnished) and will make reasonable revisions in the same to keep it current.

If there is a substantial reduction in the society's repertoire which is not cured within thirty days after notice to ASCAP, the network and the station licensees have the following remedies available to them:

1. they may terminate the license agreements; or
2. obtain a reduction in fees proportionate to such substantial diminution of the society's repertoire. If the society and its licensees cannot agree as to the existence of a substantial diminution or as to the appropriate reduction of fees, the controversy shall be determined by arbitration conducted under and pursuant to the laws of the state of New York.

The license agreements spell out a detailed procedure for the appointment of a three-man arbitration board which shall hold a hearing and "give opportunity to each party hereto to present his case in the presence of the other." The award of the majority of arbitrators on either or both issues is binding and conclusive upon the parties. Both agreements impose restrictions on the award of the arbitrators when the payments of the licenses to ASCAP are reduced. The reduction in fees cannot exceed the proportionate percentage payments from the society's distribution of royalties due a publisher member who by the withdrawal of his catalogue caused the substantial diminution in ASCAP's repertoire.

In section 14 of both agreements ASCAP releases and discharges the network and stations, their sponsors, advertising agencies and affiliated stations from any and all liability

and claims resulting from the broadcast of television programs prior to the date these contracts became effective.

### 136b. ASCAP'S PER PROGRAM TELEVISION LICENSE.

On July 18, 1951, approximately 54 television broadcasting stations petitioned the United States District Court for the Southern District of New York to prescribe "reasonable fees" for "per program television licenses."<sup>1</sup>

Section IX of the 1950 Consent Decree provides that ASCAP upon receipt of a written application for a blanket or per program license shall advise the applicant in writing of the fee which it deems reasonable. Pursuant to this procedure, 54 television stations requested a per program license. Since ASCAP and the television stations were unable to agree upon a reasonable fee after lengthy and protracted negotiations, the latter petitioned the court, pursuant to section IX as follows:

- a. to fix an interim fee for per program licenses pending final determination of what constitutes a reasonable fee;
- b. to prescribe a reasonable fee for such per program licenses; and
- c. "for such other and further relief as to the Court may seem proper and just."

ASCAP filed its answer or responsive pleading to this petition. The Department of Justice has been advised of this proceeding and will undoubtedly participate therein.

The matter is now under consideration by the court.

### 137. OTHER PERFORMING RIGHTS SOCIETIES AND ORGANIZATIONS.

#### 137a. BROADCAST MUSIC INC. (BMI).\*

It will be recalled that in the spring and summer of 1939 the NAB and the networks were unsuccessful in their attempts to open negotiations with ASCAP for new licensing agreements to replace the contracts which expired on

<sup>1</sup> Re Voice of Alabama Inc. for the Determination of Reasonable License Fees (DC SD NY CA No 13-95, August 18, 1951).

\* The following sources were consulted for the "BMI Story"; Broad-

casting Magazine; 51 Radio Daily No. 11, April 17, 1950. This issue of Radio Daily, is a progress and historical report on BMI; material furnished by BMI, hereinafter referred to as "BMI Material."

December 31, 1940.<sup>1</sup> At the July 1939 NAB convention in Atlantic City, the NAB instructed its copyright committee to secure a proposal from ASCAP that it could recommend to the industry, or failing that, to call a special copyright convention not later than September 15, 1939.<sup>2</sup>

When the copyright committee arrived at ASCAP headquarters on August 2, 1939 for a scheduled conference, they were advised that the society had no proposals to offer. Convinced that ASCAP would not announce the terms of its new contracts until the last minute, thus compelling the radio industry to accept the society's proposals, the copyright committee called a special convention of the broadcasters on September 15, 1939 for the purpose of authorizing the creation of an independent source of music supply. The committee likewise appointed Sidney Kaye as special counsel and coordinator.<sup>3</sup>

At the copyright convention in Chicago, Mr. Kaye assisted by others outlined a plan for establishing a new organization to be owned by the broadcasters as individual stockholders, which would compete with ASCAP as a source of music for radio, building its own catalogue of new music, acquiring existing publishers and developing sources of non-copyrighted music.<sup>4</sup>

The suggestion that the broadcast industry own and control the equivalent of a performing rights society was not new. Since its inception the NAB had sponsored one or another of such organizations. Its last attempt was the Radio Program Foundation which ended its existence and activities in 1936 with but ten hours of recorded music. NBC had likewise sponsored a performing rights society, Radio Music Company, Inc., which proved to be unprofitable and became inactive in 1932. It is believed that the foregoing organizations failed because they lacked industry-wide support.<sup>5</sup>

BMI which received its corporate charter from the state of New York on October 14, 1939 profited from the mistakes of its predecessor organizations. It secured industry-wide participation by making its stock available to NAB mem-

<sup>1</sup> *Infra* § 135a.

<sup>2</sup> BMI Material 1; Radio Daily 14. 15, 1939.

<sup>3</sup> Radio Daily at 29.

<sup>4</sup> Broadcasting Magazine, September

<sup>5</sup> *Infra* §§ 133d.

bers and by making its broadcaster-stockholders licensees of its music.

BMI secured experienced executives from the music publishing business to head its operations; its board of directors consisted of representatives from the networks and station owners or operators.<sup>6</sup>

On February 15, 1940, BMI was declared operative.

To insure a supply of non-ASCAP music, BMI enlisted the aid of various transcription companies. Lang-Worth Program Service, which had acquired NAB's public domain transcription service promised 300 hours of such recorded music and was well along towards its goal by the summer of 1940.

On April 1, 1940 BMI began licensing its first music—six popular songs. Both the networks and stations began experimenting with BMI's product.<sup>7</sup>

It will be recalled that in March 1940, ASCAP announced its new contract terms which would bring the total annual payments of the radio industry to approximately \$9,000,000—a jump of 100 percent over the amount paid by the broadcasters to the society in 1938.<sup>8</sup> This prompted BMI to redouble its efforts to secure non-ASCAP sources of music. BMI approached various publishing houses affiliated with ASCAP to purchase or license their catalogues. The price demanded by the publishing houses controlled by Loew's Incorporated was prohibitive. Other publishing houses decided to remain with ASCAP. However, the E. B. Marks Music Corporation, an ASCAP affiliate, joined the BMI camp with a guarantee of \$200,000 annually for five years with an option granted BMI to purchase or renew at a given figure. The acquisition of the Marks catalogue and of other publishing houses gave BMI performing rights to approximately 250,000 compositions of all types of music. Thus BMI secured an adequate supply of music which enabled the broadcast industry to operate without using ASCAP's music.<sup>9</sup>

In the interim, "The only real criticism of the BMI project had come from Ed Craney, KGIR, Butte, Montana, who charged the industry with setting up an ASCAP of

<sup>6</sup> BMI Material at 2.

<sup>7</sup> *Id.* at 3.

<sup>8</sup> *Infra* § 135a.

<sup>9</sup> BMI Material at 4.

its own which preserved all of the inequities of the ASCAP licenses, noting that to base BMI fees on ASCAP payments instead of station revenues was to perpetuate the preferential deals given the networks and the newspaper stations at the expense of other broadcasters".<sup>10</sup> To obviate this criticism, BMI effectuated a new licensing system which became effective when its initial one-year licenses expired. This plan called for royalty payments of from 1½ to 2½% of a station's net income. The networks paid the maximum percentage for their owned and operated stations plus fees of one half of one percent on their net income from the sale of network time viz., gross income less payments to affiliates. The 1939 revenues received by stations and networks were employed as a base for BMI's 1941 licenses.<sup>11</sup>

BMI employed a performance basis to compensate its writers. A writer whose tune was broadcast once over one station would earn one cent in royalties; 20 performances over 50-station networks would bring him \$10.00. To account for the total number of performances of BMI music, an elaborate logging formula was devised by Dr. Lazarsfeld, director of Columbia University's office of Radio Research. It is believed that this formula is still in effect.<sup>12</sup>

When ASCAP music went off the air on December 31, 1940, BMI was ready and supplied the broadcast industry with its music. BMI and the broadcast industry survived the first few weeks with but a handful of complaints from the general public. More importantly BMI had feared an avalanche of copyright infringement suits from ASCAP. Surprisingly, neither ASCAP nor its members filed a single complaint. BMI was prepared for this eventuality since it had contracted for a million dollar insurance policy against infringement suits.<sup>13</sup>

BMI's growth in 1941 was phenomenal. By the end of 1942, it had 804 station subscribers and licenses. Various publishing houses and top band leaders affiliated with BMI. Its operations for the fiscal year ending July 31, 1941 resulted in a net profit of \$2,177; its balance sheet revealed substantial cash reserves.<sup>14</sup>

<sup>10</sup> Broadcasting Magazine, October 16, 1950 at 120.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*; BMI Material at 6.

<sup>13</sup> BMI Material 5-6.

<sup>14</sup> *Id.* at 8.

We have discussed elsewhere BMI's role as a party to the 1941 consent decree. This consent judgment effected no changes in BMI's organization and operations since it had always committed itself to offer music to broadcasters on a "per piece" or "per program" basis and to clear music at the source.<sup>15</sup>

The return of ASCAP music to the air in the fall of 1941 meant that BMI had to solidify its professional foundation and actively compete with ASCAP in selling its wares. Today BMI has achieved the stature of a substantial competitive organization in the field of American performing rights.

BMI, unlike ASCAP, is engaged in the publishing of music; however, only a small percentage of the works licensed by it are published by BMI, proper. The great bulk of BMI's music is obtained from affiliated publishers. Unlike ASCAP, BMI has no author-composer members. For the most part, BMI's royalties are paid direct to its affiliated publishers who compensate the contributing authors and composers. Of the small percentage of music published by BMI proper, authors are compensated directly.

BMI's contracts with affiliated publishers are for a five year term, renewable at the end of each term, unless cancelled by either party upon three months' advance written notice.

BMI secures much more from its publishers than ASCAP does. This performing rights organization obtains "grand" and "small" rights for both radio and television in all musical compositions, "including individual compositions embraced within a dramatico-musical composition." The foregoing rights sold, assigned or transferred to BMI include the following:

- a. the performing rights;
- b. the right of transformation;
- c. and the mechanical reproduction rights exclusive of the motion picture synchronization rights.

Publishers are compensated on a performance basis. They receive two cents per performance from each AM station for each song in sheet music form. If the song is

<sup>15</sup> *Infra* § 136a.

recorded on phonograph records, the publisher receives a royalty of one cent for each performance by an AM station. If the song is a copyrighted arrangement of a work in the public domain, the royalty is one cent per performance.<sup>16</sup>

A performance is defined as “not less than a full chorus of a work.”<sup>17</sup>

In the so-called popular composer’s contract with BMI as the publisher, the latter acquires all rights in the musical composition viz., “the title, words and music thereof, and the right to secure copyright therein.” BMI pays the writer a royalty of one cent for each performance per AM station. The writer receives one-half of all royalties derived from the mechanical reproducing rights, including motion picture synchronization rights.<sup>18</sup>

BMI’s blanket network and single station licenses are premised on royalty payments of a network’s or station’s net income. A network pays a license fee of 1.2 per cent of “net receipts from advertisers after deductions”. Single stations pay a royalty percentage of from .75 per cent to 1.2 per cent depending on their station income. The royalty percentage is also applied to “net receipts from advertisers after deductions.”<sup>19</sup> Broadcasters obtain both “grand” and “small” rights in all musical compositions in BMI’s repertoire for both radio and television. As a matter of fact, the network license specifically recites that “the rights granted hereby shall include the right to broadcast dramatic performances of each such musical work unless BMI at any time shall have given notice to Network that it does not own the dramatic performing rights thereof.”<sup>20</sup>

The contracts contain standard indemnification clauses, that BMI will supply its licensees with a list of all compositions in its repertoire and keep the same current and that the licensees will furnish BMI with weekly lists of the musical works performed under these licenses, etc.<sup>21</sup>

The per program license is premised on a royalty percentage depending on a station’s income applied to the income from commercial programs less deductions and the

<sup>16</sup> Standard Form Contract between BMI and Publisher.

<sup>17</sup> *Id.*

<sup>18</sup> BMI’s Popular Composer’s Contract.

<sup>19</sup> BMI Network License.

<sup>20</sup> *Id.*

<sup>21</sup> BMI Single Station License and Network License.

station card rate less deductions for sustaining programs. Thus the fee for a commercial program is the applicable percentage of "net receipts from advertisers after deductions".<sup>22</sup> In the case of sustaining programs, the percentage is applied to net receipts from sustaining programs after deductions.<sup>23</sup>

The per program license requires the broadcaster to furnish monthly reports to BMI on forms prescribed and furnished by BMI.

The BMI music license is a simple clear-cut operation compared to the not too clear distinctions and differences between "grand" and "small" rights contained in the ASCAP licenses. Our previous discussion indicates the complexities of the ASCAP television license. The latter can only be understood in the light of the Television Agreement between ASCAP and its members. Even then, both agreements will be the subject of further negotiation and clarification. The BMI license does not rely on side letters or the like to explain the terms of its license agreements. This simplicity of operation is in sharp contrast to the complex and abstruse nature of the ASCAP license.

### 137b. MUSIC PUBLISHERS PROTECTIVE ASSOCIATION (MPPA)

The MPPA is an unincorporated membership association of music publishers, organized in or about 1918 by certain publisher members of ASCAP.<sup>1</sup> Its present membership includes approximately sixty-five of the leading publishers who control approximately 80 per cent of the copyrighted popular musical compositions published in the United States.<sup>2</sup>

The management of the MPPA is vested in a board of governors, consisting of the members and a chairman of the board. The officers of the MPPA are elected by its board of governors.<sup>3</sup> There were and still are close ties between ASCAP and the MPPA, because of the interlocking directorships of the publishers in both organizations.<sup>4</sup>

<sup>22</sup> BMI Per Program License.

<sup>23</sup> *Id.*

<sup>1</sup> Complaint in United States v. ASCAP (DC SD NY E 78-388, 1934).

<sup>2</sup> Carpenter, Music, An Art and a Business (1950) 110.

<sup>3</sup> *Op cit supra*, note 1.

<sup>4</sup> *Id.*: "The management of defendant Association [MPPA] is vested in its board of governors, consisting of ten members and a chairman of the board. All officers of defendant As-

The MPPA is primarily concerned with guarding and exploiting the mechanical reproduction rights conferred by the Copyright Code. The mechanical reproduction rights refer to the music recorded on phonograph records, discs, tape, transcriptions, motion picture and television film; they are vested in the copyright proprietor, who is usually the publisher.

It will be recalled that the Copyright Act of 1909 extended statutory protection to mechanical reproductions by giving to the copyright proprietor the right to control the manufacture and use of such devices. The statute further provides that if the copyright proprietor permits his composition to be mechanically reproduced on phonograph records, discs, cylinders, pianola rolls, etc., other manufacturers may mechanically reproduce the song by the payment of a two cent license fee per record. This is known as the "compulsory license" provision of the act or the doctrine of accessibility.<sup>5</sup>

When the "talkies" appeared in 1927, motion picture producers contended that synchronization rights should be considered as phonograph records and charged on the statutory basis of two cents. The MPPA rejected this argument stating that the compulsory license provisions applied only to mechanical devices for home use. When the MPPA threatened to withdraw the performing rights of compositions controlled by it, a compromise was effected with the music publishers who permitted the producers to use their song and music on films for \$100,000.<sup>6</sup>

sociation are elected by the board of governors. A majority of the members of the board of governors of defendant Association are also directors of defendant Society [ASCAP]. The president of defendant Association is also a director and vice president of defendant Society; the vice president of defendant Association is also a director and treasurer of defendant Society; the treasurer of defendant Association is also a director and assistant secretary of defendant Society; and the assistant treasurer of defendant Association is also a director of defendant Society. Close cooperation exists between defendant Society and defendant Association to enforce the

royalty demands of the members of the Association, acting through John G. Laine as aforesaid." ASCAP in its answer to the government's complaint denied the foregoing allegations. ASCAP alleges as of today that it has no ties or associations with the MPPA. But it is significant that in the 1924 Hearings E. C. Mills testified as chairman of the administrative committee of ASCAP and as chairman of the executive committee of the MPPA at pp 139 ff and 357 ff. Mrs. Mills likewise testified in the same dual capacity in the 1926 Hearings at p 225 ff.

<sup>5</sup> *Infra*, §§ 131b and 131c.

<sup>6</sup> Shafter, *Musical Copyright* (2d Ed 1939) 349-351.

The motion picture producers did not contest the issue of whether a sound track was a mechanical reproduction of music until 1946; they paid substantial fees for synchronization rights. In 1946 in *Jerome v. Twentieth Century Fox Film Corporation*, one of the issues before the court was whether the sound track in a motion picture film was a mechanical reproduction akin to a phonograph record or player piano roll, requiring the defendant to pay a two-cent royalty fee for the use of a copyrighted musical composition. The Court held that the sound on film was not the type of "mechanical reproductions" to which the Copyright Act applies. The compulsory license provisions were intended by Congress to be limited to the mechanical reproductions in use in 1909—phonographs and player pianos. Since "talkies are but a species of the genus motion pictures," the sound track is not only a mechanical instrument for the reproduction of sound, but also for the picture. The two constitute a whole which cannot be separated.<sup>7</sup>

To return to 1927, the Electrical Research Products Co. (ERPI), a subsidiary of the A.T.&T., which controlled 90 percent of the sound recording patents, instituted a vigorous campaign to license its devices for synchronizing music on film. ERPI also acquired the synchronization rights from the publishers via E. C. Mills, their agent and trustee.<sup>8a</sup> ERPI secured a blanket five year contract from the publishers, which expired in 1932. The publishers were compensated on a sliding scale of from two and a half to five cents a year for every seat in the theatres where the apparatus was installed by ERPI; they also received a minimum guarantee of \$100,000 and \$125,000 for the first two years respectively.<sup>8b</sup>

For one reason or another the blanket contracts between the publishers and ERPI proved unsatisfactory. When the five year contracts expired, the MPPA adopted an "individual and variable per use fee for each song recorded on film."<sup>9</sup>

As we have discussed elsewhere, Hary Fox acts as agent

<sup>7</sup> *Jerome v. Twentieth Century-Fox Film Corporation*, 67 FSupp 736 (DC NY 1946).

<sup>8a</sup> E. C. Mills was succeeded by John

G. Paine as agent and trustee in 1927, *op cit supra* note 6 at 352.

<sup>8b</sup> *Id.*

<sup>9</sup> *Id.* at 352-353.

and trustee of the music publishers in licensing mechanical reproduction rights. Mr. Fox, who has served as agent and trustee since 1937, not only licenses synchronization rights to motion picture producers, but also phonograph records and electrical transcriptions to the manufacturers thereof. Mr. Fox has the necessary organization and records to determine who is the owner of the mechanical reproducing rights.<sup>10</sup> In the case of synchronization rights, he negotiates with the motion picture producer for the price to be charged for the same. The cost for synchronization rights depends upon the popularity of the song, who the composer is, etc. Obviously, the cost of a popular song is higher than the use of background or incidental music synchronized on film.<sup>11</sup>

To return to the radio industry and the MPPA, the former has always made extensive use of recorded music in programming a station.<sup>12</sup> In 1930, the electrical transcription was developed and licensed for production. This service which can record a fifteen-minute program on a single sixteen-inch disc, opened new vistas for the use of recorded music. As the uses of the transcription came later to be classified in the jargon of the trade, the most important are:

1. "Tailor made" transcriptions which record an entire program complete with the sponsor's plugs. Such transcriptions may be made in advance of broadcast time, or the initial broadcast may be transcribed at the time of performance for subsequent rebroadcast.

2. "Open-end" transcriptions which record a complete program with blank spots for later insertion of commercial announcements.

3. "Spot-commercials" which record a commercial plug for re-use.

4. "Library" transcriptions which are used on sustaining programs since they are made without commercial plugs or blanks.

<sup>10</sup> Testimony of Harry Fox at 471 ff in Alden-Rochelle Transcript. Mr. Fox does not act as agent and trustee for the Warner Bros. group of publishing houses.

<sup>11</sup> Testimony of Herman Starr in Alden-Rochelle Transcript at 282:

Synchronization rights range from \$300 to \$15,000. Warner Bros. paid \$15,000 for the synchronization rights for Victor Herbert's "A Kiss in the Dark."

<sup>12</sup> Warner, Radio & Television Law (1948). § 34 f. 13.

The question tendered is whether an electrical transcription is a mechanical reproduction within the compulsory license provisions of the Copyright Code. This would mean that the transcription companies would only be charged on the statutory basis of two cents.

It has been contended that the compulsory license provisions of the statute are limited to the two distinct types of mechanical reproductions—phonograph records and pianola rolls which were in existence when the Copyright Act of 1909 was passed.<sup>13</sup> Congress further intended that such mechanical reproducing devices be restricted to private non-commercial performances or for home use. Furthermore, it is contended that electrical transcriptions are not mere reproductions of musical compositions; they “embody a completely unified entertainment or advertising vehicle. Each transcription is an individual production entity and the contents should be regarded as constituent elements of the production.”<sup>14</sup> In other words, a transcription is a dramatic work which is outside the scope of the compulsory licensing provisions of the Copyright Code.<sup>15</sup>

It is believed that the broadcast industry could have made a persuasive argument in 1930 that non-dramatic transcriptions, viz., library transcriptions, consisting solely of recorded music, were akin to phonograph records and hence within the compulsory licensing provisions of the Copyright Act. The broadcast industry refused to litigate this issue. On the contrary, broadcasters acquiesced in the customs and usages of the related entertainment industries which regard electrical transcriptions as outside the scope of the compulsory license provisions. Accordingly, the transcription industry pays a special fee to the MPPA for the use of music recorded on transcriptions.

The following license fees are payable to Harry Fox as agent or trustee of the publishers:

- 1) on library transcriptions, the fee is \$10 per selection per year;
- 2) an additional fee of 25 cents for popular tunes and

<sup>13</sup> *Op cit supra*, note 13.

<sup>14</sup> Socolow, *The Law of Radio Broadcasting* (1939) § 663.

<sup>15</sup> Cf. *Metro-Goldwyn-Mayer Dis-*

*tributing Corp. v. Bijou Theatre*, 59 F2d 70 (1st Cir 1932), *on remand*, 3 FSupp 66 (DC Mass 1933).

50 cents for production numbers are assessed where the library selection is used in a sponsored program. These fees are payable for each use of the library selection;

3) on "tailor-made" and "open-end" transcriptions, the 25 and 50 cent assessment applies for each use.

The compulsory license provisions of the Copyright Code preclude the MPPA from levying special license fees on broadcasters who use phonograph records. The restrictive legend on phonograph records which recites that the latter is not licensed for radio broadcasting, imposes no legal barrier on a station owner in the use of such records.<sup>16</sup>

The development of the long-playing records, wire-recordings, discs, tapes, etc., intensify the problems which are tendered by the mechanical reproduction clause of the Copyright Code. As stated previously, the MPPA contends that the compulsory license provisions apply only to mechanical devices which were in existence in 1909—phonograph records and pianola rolls. The long-playing record which is akin to a transcription, wire-recordings, tapes and discs are new mechanical devices which were developed subsequent to the 1909 Act. It is doubtful whether the MPPA would attempt to assess special license fees on music employed on new devices used in the home. The MPPA takes the position that if such mechanical devices are employed for commercial purposes, they are outside the scope of the compulsory licensing provisions of the Copyright Code.<sup>17</sup> It would appear that the broadcast industry has acquiesced in this construction of the statute. Networks and stations pay special license fees outlined above, not only for electrical transcriptions, but for such new mechanical reproducing devices as "discs, transcriptions, tapes, wires, film or any other similar device."<sup>18</sup>

The MPPA has recently tapped a new source of revenue from the "pre-broadcast recordings" made by the networks and stations. A "pre-broadcast recording" as defined in the contracts between Harry Fox and the networks, imposes

<sup>16</sup> Cf. *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940) *cert denied*, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>17</sup> Cf. *Jerome v. Twentieth Century-*

*Fox Film Corporation*, 67 FSupp 736 (DC NY 1946).

<sup>18</sup> Contract between Harry Fox and the Networks, dated January 1, 1950 and discussed in text.

special license fees for “recordings . . . manufactured solely as a substitute for the presentation of said programs by live talent, that is solely for the purpose of enabling you [the network] to present radio programs by means of recordings to eliminate the necessity of having the live talent present such programs from your studios at the time of broadcast.”<sup>19</sup> In other words, if the program is “live,” the MPPA obtains no special license fees; but because it is a “pre-broadcast recording,” the networks are assessed additional charges. A “pre-broadcast recording” includes the following mechanical reproducing devices: “records, discs, transcriptions, tapes, wires, film or any other similar device.” This means that the networks must pay special license fees for kinescope recordings.

The license granted the networks by Mr. Fox is restricted only to the manufacture of recordings. The networks secure no other right, license or privilege from Mr. Fox.

A “pre-broadcast recording” may be used only for one broadcast and one “repeat” broadcast within thirty days over any one radio station or network.

Paragraph 4 of the contract spells out the license fees payable Mr. Fox:

“4. In consideration of the license hereinabove granted you hereby agree to pay me as Agent and Trustee for each recording of each musical composition the sum of 25¢ per station per composition in the case of non-production numbers and 50¢ per composition per station in the case of production numbers, but in no event in excess of \$7.50 per composition regardless of the number of stations over which the same are to be broadcast by means of such recording.”

Additional provisions in the contract require the networks to submit quarterly reports of the musical compositions recorded, the name of the radio program recorded, and the name and address of each station broadcasting “pre-broadcast recordings.”

The acquiescence by the networks in paying license fees for “pre-broadcast recordings” suggests that the MPPA may be within its rights in enforcing these demands.<sup>20</sup> The

<sup>19</sup> *Id.*

<sup>20</sup> Socolow, *The Law of Radio*

Broadcasting (1939) § 671 classifies recordings in the following categories:

networks may have refused to litigate this issue because the license fees are reasonable. But the reasonableness of the license fees is not the issue.

It is doubtful whether there is any statutory basis for "pre-broadcast recordings".<sup>21</sup> Congress never intended that the Copyright Code should be employed so as to exact additional license fees from the networks and stations because a program is recorded instead of being "live." If the Copyright Code authorizes the device of "pre-broadcast recordings," then the statute warrants revision.<sup>22</sup> In any event, "pre-broadcast recordings" and the new mechanical repro-

1) An "off-the-air" recording refers to all recordings manufactured directly and simultaneously with the actual "live" performance.

2) A line recording refers to the direct manufacture of a program transmitted to the device from the place or origin over the telephone wires and other point-to-point communication.

3) A "studio" recording are "programs achieved by assembling the performing artists and other program personnel in a specially equipped recording studio or laboratory expressly and purposely to manufacture electrical transcriptions." With reference to the foregoing Socolow, § 672 states

"In all types of recording whereby mechanical reproductions are manufactured for public performance for profit, the voluntary license fee must be paid to the copyright owners of the musical works so mechanically reproduced.

"It frequently occurs, however, that such off-the-air recordings are manufactured for private, non-commercial purposes. The station, the advertiser or the producer of the program may desire a recording of a broadcast performance for their respective files. These recordings may also be required for personal private purposes, without any intention of reproducing same for public performance.

"Performers and conductors of orchestras frequently desire such recordings for the sole purpose of evaluating the quality of the respective efforts of the persons contributing to the performance. Orchestra conductors have been known to "play back" transcrip-

tions of broadcast programs for the purpose of pointing out to their musicians and vocalists errors in interpretation and rendition, so that the defects might be avoided in future programs.

"Irrespective of the limited use made of mechanical reproductions so recorded, the copyrights on works included therein are thereby infringed unless license therefor has been obtained. Liability exists by reason of the unauthorized manufacture of mechanical reproduction despite the fact that they are not offered for sale. The compulsory license provisions do not appear to be applicable to such devices."

<sup>21</sup> Socolow's contention, *op cit supra*, note 20 that the manufacture of any electrical transcription requires the payment of special license fees must be considered in the light of §§ 1(d) and (c) of the Copyright Code. Assuming that the electrical transcription is a dramatico-musical composition, it is difficult to see how an audition record has been performed or represented publicly. Section 1(d) imposes liability only if the mechanical reproduction is *publicly* performed; an audition record may reproduce a drama, but it is not a *public* performance thereof. The same argument applies to § 1(e) which recites that the musical composition must be performed "publicly for profit." An audition recording of a song reproduced on an electrical transcription is not a public performance for profit. See *infra* § 123.

<sup>22</sup> *Id.*

ducing devices now in use suggest that Congress re-examine the mechanical reproduction clause, and if need be, amend the statute.

### 137c. THE SONG WRITERS' PROTECTIVE ASSOCIATION (SPA).\*

The SPA which was organized in 1931 is a "voluntary unincorporated association of composers and authors of musical works, having for its principal purposes the improvement of the working conditions of its members their protection against unjust practices, or imposition upon their fair rights, by those with whom they have business relationships; the adoption by all publishers of standard uniform contracts and issuance thereof (without amendments or changes) to our members, and in general the improvement of Copyright Law, in respect to the practical aspects of protecting the creative worker in full ownership and enjoyment of the rights which the theory of such laws intends him to have."<sup>1</sup>

The SPA's membership includes some 1400 established authors and composers and its affairs are administered by a Council elected annually by the membership.<sup>2</sup>

The SPA's primary function is to protect and safeguard the rights of authors and composers in their relationships with music publishers and with ASCAP. The SPA has been instrumental in having the music publishers adopt the "Uniform Popular Song Writers' Contract"; it has also effected a standard Basic Agreement with the publishers which has improved the terms and conditions under which writers place popular songs for publication.<sup>3</sup>

The impetus to the formation and organization of the SPA were the inequitable provisions in the publishers' contracts with authors and composers. Prior to 1932 there were as many different forms of contracts with writers as there were publishers. These contracts vested in the publisher the following:

\* The following sources have been made available through John Schulman, general counsel for SPA: Prospectus of SPA (1947); Articles of Agreement, Constitution and By-Laws of SPA,

hereinafter designated as "SPA Constitution;" SPA Material.

<sup>1</sup> Prospectus at p 3.

<sup>2</sup> *Id.* SPA Constitution.

<sup>3</sup> Prospectus at 3.

1) The sole and exclusive right to have, hold and own outright throughout the world, the copyright and all rights thereunder, including strings upon rights of renewal of the copyright for an extended term;<sup>4</sup>

2) the sole right to determine if, as and when, how or if ever and in what forms the composition would be published. Thus the publisher was not obliged to publish the song since the "contract" contained no clause to that effect, or there was no definite time limit for publication. Occasionally the appearance of a song with a similar title warranted a delay of a year or two in publishing a song. But the writer under the terms of the "contract" had no legal recourse or remedy; he could not sue for breach of contract nor demand an accounting from the purchaser since no sales had been made. Since he had assigned the copyright, the writer was precluded from seeking another publisher elsewhere.<sup>5</sup>

3) the sole right to determine the extent, if any, to which the song, if published, should be exploited, recorded or promoted, along with the right to dispose of all rights in foreign countries. Thus the publisher under the "contract" was not obligated to publish the song. He could transfer the song to a larger publisher in order to give the composition wider exploitation. The sale of the entire copyright to a second publisher fulfilled the letter of the contract;<sup>6</sup>

4) the right to make free use of the work in folios, orchestrations and various other forms; to solely determine what rate should be charged for the mechanical reproduction rights. The latter ranged from 10 to 25 percent;<sup>7</sup>

5) the right to pay royalties only if, as and when the publisher might elect to do so and without any right vested in the writer to examine the accounts of the publisher for the purpose of verifying the correctness of the royalty statements. Unless the writer was a member of ASCAP, he received no royalties from performing rights. "Another clause in the usual contract, likely to be overlooked by the composer, states that if within any six months' royalty period, not more than fifty regular copies of a song are sold,

<sup>4</sup> SPA Material.

<sup>5</sup> *Id.* Shafter, Musical Copyright (2d Ed 1939) 147.

<sup>6</sup> *Id.* Shafter at 149.

<sup>7</sup> *Id.*

the publisher may sell his copies on hand at any price obtainable, free from the payment of all royalties to the composer. While in such a situation the publisher's investment and financial loss must be considered as an important factor, a more equitable arrangement is for the composer to share, in some measure, in the profits of such sale after the publisher is reimbursed for the original outlay; or the composer should have the option of purchasing the original plates and copies on hand at the original cost to the publisher."<sup>8</sup>

6) the right to pass title to the composition in any proceeding involving insolvency, bankruptcy, etc.<sup>9</sup>

In December of 1932, SPA, MPPA and ASCAP approved the "Standard Uniform Popular Songwriters' Contract". This contract imposed definite limitations upon the rights of the publishers and clearly recognized the rights of ASCAP in relation to its functions. This contract not only provided royalties for rights previously royalty free, viz., electrical transcriptions, synchronization, foreign rights and folios, but established a minimum royalty of 33½ percent for all mechanical reproduction rights.<sup>10</sup> This agreement required the publisher to publish the song in saleable form within a specified period of time. If the publisher failed to do so, he was obliged to return the song, together with all rights therein, to the writer. This contract introduced regular accounting periods; gave the writer the right to have an accountant examine the publisher's books; protected the writer in connection with infringement suits and provided for arbitration of disputes.<sup>11</sup>

In 1939, a new contract was approved by the SPA, MPPA and ASCAP. This agreement increased the writer's minimum royalties from foreign, mechanical reproduction and synchronization rights to 50 percent. The writer was also given a direct voice in exploiting certain rights in his song. Bulk or block deals were prohibited without the consent of the writer. The publisher was precluded from licensing

<sup>8</sup> Shafter at 146-147.

<sup>9</sup> SPA Material. See also *Re Water-son, Berlin & Snyder Co.*, 36 F2d 94 (DC NY 1929) *reversed* 48 F2d 704 (2d Cir 1931).

<sup>10</sup> The 1932 SPA contract also included a catch-all clause which required

a 33½ per cent royalty for "any and all receipts of the Publisher from any other source or right now known or which may hereafter come into existence."

<sup>11</sup> SPA Material.

music for television or other new uses without the writer's consent. A composer's or author's consent was required before the publisher could license uses of the title, dramatic representations or dramatization of the plot, and vocal-visual synchronization uses. The 1939 contract broadened the right of the writer to inspect the publisher's books. If the publisher failed to render statements or pay royalties, the writer had the option to cancel the contract. Upon cancellation, all rights reverted to the writer.<sup>12</sup>

In 1947 a third contract was effectuated between the SPA and the MPPA. This contract contained new features. Thus minimum sheet music and folio royalties were prescribed.<sup>13</sup> A minimum of 10 percent royalty was established for all domestic printed copies other than sheet music. The agreement spells out the obligation of the publisher to exploit the writer's song. It provides that the publisher must publish within one year not only piano copies, but a dance orchestration as well, or he must secure a commercial phonograph recording. If he fails to put out a dance orchestration or obtain a phonograph record (in addition to the sheet music publication), he must pay the writer a minimum of \$250. If the publisher fails to comply with these provisions within one year, he must return the song to the writer and revert the latter with all rights, including foreign rights. The publisher's interest in the song is limited to the first term of copyright—28 years. At the termination of this period, all rights, including foreign rights are returned to the writer. All new contracts and modifications become valid, only when countersigned by SPA.

This discussion of the SPA and its contracts with the publishers is warranted for several reasons. Although the users of music may have no direct or immediate relationships

<sup>12</sup> *Id.*

<sup>13</sup> SPA Material: "The 1947 contract provides for minimum sheet music royalties subject to agreement between Publisher and Writer. They may choose a straight minimum of three cents per copy. As an alternative, there has been established the principle of a sliding-scale starting with a minimum of 2½¢ per copy for the first hundred thousand copies, and increasing proportionately

to a minimum of five cents per copy for all copies in excess of five hundred thousand. In addition, folio royalties are not only established, but the Publisher is now obligated to pay royalties for many types of printed material which had previously been royalty-free. Moreover, a minimum of 10% royalty is established for all domestic printed copies other than sheet music."

with writers, the SPA contracts impose limitations and restrictions on publishers which in turn impose limitations on ASCAP. Thus ASCAP could not grant television rights to the television industry until it had obtained them from the publishers.<sup>14</sup> The publishers were precluded from assigning television rights to ASCAP until they had obtained the consent of the writers.

The SPA contracts illustrate the complex nature and character of the music industry. A song is not a ready-to-wear item which can be purchased in a department store; it is a statutory concept consisting of diverse rights. In the main these rights are owned or controlled by the publisher (the copyright proprietor) and a performing rights society such as ASCAP. The writer shares in the revenues derived from the exploitation of such rights; in addition he retains certain residual rights in the statutory concept. The various rights asserted by the writer, publisher and performing rights society are divided and subdivided by the various consumers of music. The development of new industries has resulted in the establishment of new rights. The motion picture industry established picture performing and synchronization rights. The radio industry had its counterpart in radio performing rights. Television establishes a complete new category of rights which are separate and distinct from either radio and motion picture rights. Television rights may be further subdivided into theatre television and broadcast television rights.

Thus, the starting point for any inquiry to determine what

<sup>14</sup> SPA 1947 Contract:

“Television and New Uses.

(k) Except to the extent that the Publisher and Writer have heretofore or may hereafter assign to or vest in the American Society of Composers, Authors and Publishers the said rights or the right to grant licenses therefor, it is agreed that no licenses shall be granted without the written consent, in each instance, of the Writer for the use of the composition by means of television, or by any means, or for any purposes not commercially established, or for which licenses were not granted by the Publisher on musical compositions prior to June 1, 1937.”

“Negotiations for New or Unspecified Uses.

9 If the Publisher desires to exercise a right in and to the composition now known or which may hereafter become known, but for which no specific provision has been made herein, the Publisher shall give written notice to the Writer thereof. Negotiations respecting all the terms and conditions of any such disposition shall thereupon be entered into between the Publisher (and/or the Music Publishers' Protective Association Inc.) and the Songwriters' Protective Association; and no such right shall be exercised until specific agreement has been made.”

rights are licensed by a performing rights society is the initial contract between the writer and the publisher.

### 138. THE MUSIC INDUSTRY—ASCAP STORY—CONCLUSION.

This study of the music industry convincingly demonstrates the need for amendatory legislation to the Copyright Code.<sup>1</sup> The music industry is operating under a statute enacted in 1909. Neither Congress nor the music industry ever considered the problems tendered by the motion picture, radio and television industries when the statute was passed.<sup>2</sup> Thus music is being marketed under a statute which was drafted for the "horse-and-buggy era".

Abuses and inequitable trade practices have been developed by the agencies engaged in the marketing of music. The "pre-broadcast recording" is one illustration.<sup>3</sup> But the greatest danger appears to lie in the subdivision of rights to the various users of copyrighted material. The entertainment industries must recognize that radio, television and motion pictures have created separate and distinct rights and that the copyright proprietor should be compensated for their uses. But absent a central clearing house which would advise the users not only where to look for the rights they desire to purchase, but more importantly, what they obtain when they purchase those rights, the motion picture, radio and television industries are vulnerable to litigation.<sup>4</sup>

It is believed that Congress should re-consider and evaluate the minimum-maximum statutory damage clause and

<sup>1</sup> A substantial number of bills have been introduced in Congress to amend the Copyright Act of 1909. See Ladas, *International Protection of Literary and Artistic Property* (1939) p 859. The most important are the Vestal Bill, H.R. 12549, 71st Cong 2d Sess (1930). This bill was adopted by the House in December 1930, but failed to pass the Senate when Congress recessed in March 1931. The Duffy Bill, S 3047, which was the subject of extensive hearings before the House Committee on Patents, 74th Cong 2d Sess (1936) was intended to effectuate important amendments and revisions to the copyright laws. The Duffy and Vestal bills also had as their objectives,

the accession of the United States to the Berne Convention Ladas, at p 856. For a detailed discussion of the Duffy Bill and the reasons and factors which precluded the passage of this legislation, see Ladas at p 862 ff.

<sup>2</sup> Report of Senate Committee on Foreign Relations, No. 4, 74th Cong 1st Sess (1935).

<sup>3</sup> *Infra*, § 137b.

<sup>4</sup> The solution to this problem is for Congress to legislate out of existence the indivisibility doctrine and require that all licenses and assignments be registered with the Copyright Office. This is discussed in Ch V "Assignments and Licenses," §§ 50 to 55 *infra*.

perhaps absolve innocent infringers from statutory liability.<sup>5</sup> Consideration should be given to the question of whether as a policy matter, copyright should be extended to phonograph records<sup>6</sup> and other mechanical reproducing devices.<sup>7</sup>

To return to ASCAP, which is the most important organization engaged in the marketing of music, this study is incomplete, since it does not discuss the personalities and the roles they played, in and for the music industry and users thereof. Such men as Burkan, Buck, Paine and others gave color and vitality to the records, briefs and decisions, and the lengthy Congressional hearings. We, of course, can only be guided by the cold printed pages of those records, briefs, decisions and lengthy Congressional hearings.

ASCAP was conceived and given vitality by litigation; and it has been engaged in such litigation and conflict with the consumers of music since its inception.

The basic principle underlying ASCAP is that the society should be compensated for the performances of music of its members. But it has taken ASCAP a long time to educate the users of music to accept this principle. The idea that users who purchased sheet music or phonograph records should pay an additional fee for performing rights was incomprehensible and outrageous to them. For the most part our economy is predicated on the principle that an individual who purchases a commodity may use it as he sees fit and the seller is precluded from attaching restrictive conditions on its use.<sup>8</sup> Thus the owner of an automobile may convert the same into a commercial enterprise viz., taxicab without the payment of an additional fee to the Ford Motor Company, etc. It has been ASCAP's task to explain to music users, Congress and the courts that the Constitution and the Copyright Code confer performing rights in a musical composition and that users are required to pay for each performance.

<sup>5</sup> *Passim* § 163.

<sup>6</sup> A substantial number of countries extend copyright protection to records. See II UNESCO Copyright Bulletin (1949) No. 2-3 at 22, 28. See also Pforzheimer, Copyright Protection for the Performing Artist in his Interpretive Rendition (1938) I Copyright Law Symposium 9, 31.

<sup>7</sup> *Passim*, § 192.

<sup>8</sup> Chafee, Equitable Servitudes on Chattels (1928) 41 Harv LRev 945; Wade, Restrictions on User (1928) 44 LQuart Rev 51; Stone, Equitable Rights and Liabilities of Strangers to a Contract (1918) 18 Col LRev. 291.

ASCAP, with the aid of the courts, has convinced the various users of music of the validity of this principle. But the idea of paying a "seat tax" or performance fee for music previously purchased is a "brooding omnipresence" which has been reluctantly accepted by the music users. This psychological factor—if it may be called such—is slowly disappearing. When the broadcast industry organized BMI, it presumably purged itself of this psychological factor and accepted without reservation the principle of reasonable performing fees.

As this study indicates, ASCAP has been primarily engaged in controversy with the motion picture and radio industries. Although ASCAP had modest origins, today it must be reckoned as a potent economic force exerting its influence on all phases of show business. Needless to say, the motion picture and radio industries are likewise large and powerful economic interests who were and are directly affected by ASCAP's operations. The "showdown" between these interests was inevitable.

The motion picture industry resolved this conflict by "buying out" ASCAP. This was effectuated by the motion picture industry's purchase and control of the major music publishing houses in New York. The advent of the "talkies" in 1927 or 1928 prompted the industry to acquire control of the publishing houses in order to protect their production facilities and distribution outlets.

It was obvious that the motion picture industry through its acquisition and control of publishing houses would play an important role in ASCAP's affairs. Thus the industry improved its economic position both as members of ASCAP and as motion picture producers by requiring all theatres exhibiting their film to become ASCAP licensees.

The *Alden-Rochelle*<sup>9</sup> case and the 1950 Consent Decree are but pieces in a larger mosaic—the curtailment of the powers of the motion picture industry. It is believed that the Alden-Rochelle litigation was a camouflaged attack against ASCAP but aimed primarily against the motion picture producers. The independent motion picture exhibi-

<sup>9</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948).

tors employed this tactic to strike at the control exercised by the major studios in the production and distribution of motion pictures. Although the *Alden-Rochelle* case and the 1950 consent decree abolished the "seat" tax, they were and are part of a larger plan to curtail the alleged monopolistic powers of the motion picture industry. The various decisions of the Supreme Court which have branded certain phases of the distribution system as a monopoly and required that production be divorced from distribution are the heart of this plan.<sup>10</sup> There can be no doubt that the restrictive conditions imposed on ASCAP and its control by the motion picture industry was a persuasive factor in prompting Judge Leibell to brand ASCAP a monopoly. And the Department of Justice in reopening the 1941 consent judgment, effected sweeping revisions in ASCAP's organization, operations and activities with the object in mind of curtailing the power of the motion picture producers.

The developments described above are parts of a larger pattern directed at breaking up the monopolistic powers exercised by the motion picture industry. ASCAP, whether willingly or not, is a part of that larger pattern.

ASCAP has likewise been engaged in controversy with the radio industry. The broadcasters did not follow the pattern of the motion picture industry; they established a competitive performing rights society whose primary function has been to keep ASCAP's rates reasonable. BMI has effectively performed that function.

At first blush, it would appear that the only issue between ASCAP and the broadcasters was an economic one—the cost of the license fees. But the feature of ASCAP's operations which the broadcast industry really feared was the potential power ASCAP could exercise in levying license fees. That power, if fully exercised, could result in ASCAP's domination of the broadcast industry. As this study indicates, the Department of Justice and BMI have curbed ASCAP's control of the music market.

<sup>10</sup> *United States v. Paramount Pictures Inc.*, 334 US 131, 68 S Ct 915, 92 L Ed 1260 (1948); *Schine Chain Theatres v. United States*, 334 US 110, 68 S Ct 947, 92 L Ed 1245 (1948); *United States v. Griffith*, 334 US 100,

68 S Ct 941, 92 L Ed 1236 (1948). See also: *McDonough and Winslow, The Motion Picture Industry: United States v. Aligopoly* (1949) 1 *Stanford LRev* 385.

ASCAP has always pursued an aggressive policy in its relationships with the radio and motion picture industries; it has had to in order to survive. In pursuing an aggressive policy, the society committed errors of business and political judgment which paved the way for the 1941 consent decree. ASCAP's dictatorial tactics in prescribing license fees for the broadcast industry so aroused the ire of the latter that the broadcasters resorted to every means available to them to strike at the society. Thus the broadcast industry invoked the aid of the courts and administrative agencies, appealed to Congress, etc. But the radio industry's resort to state legislation to curb ASCAP's power and activities "paid off". The cumulative effect of this legislation hurt ASCAP; more importantly, it paved the way for the 1941 consent decree. Since 1941 the relations between ASCAP and the radio industry have been cordial and amicable.

But what of the future?

At the outset, not only the consumers of music, viz., "show business" in all its phases, but the Department of Justice and Congress recognize the need of an ASCAP type of organization.<sup>11</sup> The dissolution of ASCAP would be equally injurious to the radio industry as it would be to the society's members who would be deprived of their revenues from performance fees.<sup>12</sup> The radio and television industries cannot operate without substantial catalogues of music pooled together and licensed preferably on a blanket basis. Any other method of operation would entail detailed bookkeeping records and substantial costs. As long as music is marketed via performing rights societies, ASCAP is needed. As a matter of fact, ASCAP is as essential to BMI as BMI

<sup>11</sup> Hearings on HR 5014, before the House Committee on the Judiciary, Subcommittee on Patents, Trade-Marks and Copyrights, 80th Cong 2d Sess (1948), Statement of Congressman Lewis: ". . . I think ASCAP performs a useful function. It is not my idea in introducing this bill [which provided that picture performing rights would be cleared at the source by producers rather than exhibitors] to put ASCAP out of business. At the same time I realize that they have tremendous powers and that those powers

perhaps might have to be curbed, but certainly I would be the last person to try to put ASCAP out of business."

<sup>12</sup> ASCAP since its inception has provided for the indigent musician and his family. The various Congressional hearings are replete with statements to the effect that no member of ASCAP or his family will ever want for the necessities of life. See Testimony of Rudy Vallee in 1936 Hearings at 142; Testimony of Helen Boardman Knox, *Id.* at 169.

is to the broadcast industry. As long as ASCAP remains the predominant performing rights society, there is less likelihood that BMI, because of its relationships with the broadcast industry, will be branded a monopoly.

ASCAP has been described by its worst critics as a "necessary evil" for the entertainment industry. We would describe as a necessary and useful institution for all phases of show business. Its evil proclivities, if they ever existed (which we doubt) have been effectively curbed.

The 1950 consent decree furnishes a clue as to the future of not only ASCAP but of all other performing rights societies operating in this country. It will be recalled that any user who is dissatisfied with the rates charged by ASCAP may invoke the jurisdiction of the federal district court which will prescribe reasonable license fees. This means of course that the court will be the final arbiter of all music license fees. But more importantly, if the court is flooded with a substantial number of complaints from dissatisfied music users, the government will intervene and establish some sort of an agency or commission whose primary task will be the prescription of rates.

Federal prescription of license fees is inevitable. Whether the development of new entertainment industries viz., television which will further subdivide performing rights, will accelerate federal regulation cannot be determined at this time. But the pattern for federal regulatory control which is employed successfully in Canada<sup>13</sup> and other foreign countries<sup>14</sup> has been initiated in this country. For good

<sup>13</sup> The Canadian system for the regulation of performing rights societies requires each such society to file with the Minister at the Copyright Office a list of all dramatico-musical and musical works in current use. The society must likewise file its license fees for the next calendar year; failure to file a statement of license fees precludes the society from enforcing any civil or summary remedies for infringement of performing rights in dramatico-musical works or musical works. The statement of license fees is required to be published in the "Canada Gazette." Any user of music dissatisfied with the rates charged may appeal to the Copyright Appeals Board which

will determine reasonable license fees. The functions, purposes and objectives of the Canadian system are set forth in Fox, Canadian Copyright Law (1944) 528 ff.

<sup>14</sup> Shafter, Musical Copyright (2d Ed 1939) 325: "Compulsory arbitration of fees and royalties governing public and radio performance conducted by a governmental department is part of the copyright laws of Canada, Australia, Czechoslovakia, Norway, Latvia, and the Soviet Republic, and provided by special laws passed in Italy, Japan and New Zealand. Many of these laws treat exclusively with regulation of broadcasting which, in most European countries, is either owned or

or for bad, the future of all performing rights societies has been charted toward the road of federal regulation.

controlled by the respective governments. These laws were indirectly aimed at possible abuses of performing rights societies, although the copyright law of the Netherlands adroitly, refers

to them as 'intermediaries,' requiring contracts for public performances to be authorized by the Minister of Justice —otherwise running the risk of being declared void."

## Chapter XIV

### THE AMERICAN FEDERATION OF MUSICIANS

- § 140. The American Federation of Musicians (AFM): Origins of.
- 141. The American Federation of Musicians: Structure and Powers.
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#### 140. THE AMERICAN FEDERATION OF MUSICIANS (AFM): ORIGINS OF.

The AFM is not a performing rights society; it is a labor union whose primary objectives are to secure higher wages and more employment for musicians.<sup>1</sup> The president of the

This and the following sections which discuss the AFM have been reproduced almost verbatim from Professor Vern Countryman's admirable article, "The Organized Musicians" published in 16 U of Chi LRev 56-85, 239-297 (1948-1949). This article has been brought up to-date. Other than a small amount of editing the text and footnotes are Professor Countryman's. The opinions and conclusions expressed herein, particularly those set forth in § 149 are not attributable to Professor Countryman. The author expresses his acknowledgment and appreciation to Professor Countryman and to the University of Chicago Press for permission to reprint this article. The article will be referred to as "The Organized Musicians."

<sup>1</sup> The Organized Musicians 71-72:

"Since his occupation is almost completely free from physical hazards, the musician has little interest in workmen's compensation laws and safety legislation. In most cases his employment is too transitory for him to be greatly concerned about such matters as working conditions, seniority arrangements, and vacations. Since it is a rare engagement which calls for more than

four hours of performance, he has no need of maximum-hours legislation. For the same reason, minimum wage legislation geared to the eight-hour day is of no value to him. And his union was so strong and so well organized by 1935 that it has had no occasion to invoke the certification machinery or the protection for collective bargaining activity provided by the Wagner Act.

In short, the Federation's primary concern has been with only two objectives: higher wages and more employment. Generally, the first of these has been pursued at the local level, and even in those instances in which the national organization has intervened, its activities have not raised any special problems nor provoked any serious complaint from employers. It is to the second objective that the Federation has always addressed its principal efforts. And, in its constant endeavor to secure more work for its members, no possible threat to their employment opportunities has been regarded as either too large or too small to be attacked. It is this singleminded devotion to the employment problem which characterizes nearly all AFM activity and which has involved the union in its most serious difficulties."

AFM is James Caesar Petrillo; his activities in seeking these objectives, have had and will have a profound impact and effect on the motion picture, radio and television industries.

The AFM traces its origins to the Aschenbroedel Club in New York City in 1860. At its inception it was a social organization; it was subsequently incorporated as the Musical Mutual Protective Union (MMPU).<sup>2</sup>

The MMPU soon discovered that its interests extended beyond cultivation of art and of good fellowship; it included problems of employment. Accordingly, it obtained an amendment of its charter,<sup>3</sup> which authorized "the establishment of a uniform rate of prices to be charged by said members of said society, and the enforcement of good faith and fair dealing between its members."<sup>4</sup> The MMPU prescribed the prices to be charged by its members for all professional engagements. To encourage non-affiliated musicians to join the society and bring themselves under the price schedules, rules were adopted making it a "breach of good faith and fair dealing," punishable by fine or expulsion for a member to perform in any band or orchestra where non-members were also performing.<sup>5</sup>

The MMPU spread to other cities. By 1886 some of the societies joined in the National League of Musicians, and within ten years the membership of the League included 101 local societies. The National League of Musicians subsequently became affiliated with the American Federation of Labor (AFL) and adopted the name of the American Federation of Labor.<sup>6</sup>

#### 141. THE AMERICAN FEDERATION OF MUSICIANS (AFM): STRUCTURE AND POWERS.

The AFM as the name implies is a federation of various local unions located throughout the United States and

<sup>2</sup> Commons, *Types of American Labor Unions—The Musicians of St. Louis and New York* (1906) 20 Q. J. Econ. 419, 424 n. 1, revised and reprinted in Commons, *Labor and Administration* (1913) 217.

<sup>3</sup> N.Y.L. (1864) c. 168, § 1.

<sup>4</sup> NYL (1878) c. 321, § 1. The amendment expressly provided: "It shall be lawful for said society . . . to fix and prescribe uniform rates of

prices to be charged by members of said society for their professional services. . . . And any member of said society violating any . . . by-law may be expelled from said society. . . ."

<sup>5</sup> For an unsuccessful attempt to enjoin enforcement of these rules, see *Thomas v. MMPU*, 121 NY 45, 24 NE 24 (1890).

<sup>6</sup> *The Organized Musicians*, 57-59.

Canada.<sup>1</sup> The Constitution and By-Laws of the AFM reflect an attempt to strike a compromise between adequate national authority and effective local representation.

The AFM has a national convention which meets annually; its national officers<sup>2</sup> are elected for one-year terms by the national convention. In the convention each local has one vote for each 100 members, subject originally, to a maximum of ten votes for any one local. The ten vote rule was modified in 1906 and is still in effect; it is retained for the election of officers but may be lifted on demand of ten delegates or five Locals in the enactment of laws. All laws so enacted are subject to veto by a committee consisting of the Executive Board and the chairmen of all national committees.<sup>3</sup>

In the interim between conventions, the powers of the Federation are exercised by the national officers plus an Executive Board.<sup>4</sup> There has been an increasing tendency over the years to increase the powers of the national organization, with the result that for all practical purposes, the President and the Executive Board determines the policies of the AFM.

The original By-Laws provided that the Federation should not "enact any law or measure of a general and universal death benefit or insurance assessment nature,"<sup>5</sup> and control over all benefit plans is still left with the Locals. Originally, too, no power to negotiate wage scales was given to the national officers, and, with some rather large exceptions to be noted later that is still the practice.

It is with respect to qualifications for membership that the Federation imposes the greatest limitations upon local autonomy. At the outset, the Federation sought to organize all who worked professionally as instrumental musicians; subsequently, it extended its jurisdiction to include those working as copyists, arrangers, music librarians,<sup>6</sup> and conductors.<sup>7</sup> Since anyone who performs in any of these capaci-

<sup>1</sup> In 1900 the AFM expanded its jurisdiction to include Canadian musicians.

<sup>2</sup> A President, Vice-President, Secretary, and Secretary-Treasurer, plus an Executive Board made up of these officers together with five members elected at large, at least one of whom must be a resident of Canada. AFM Const. Art. VIII (1947).

<sup>3</sup> AFM Constitution, Art V (1947).

<sup>4</sup> *Op cit supra*, note 2.

<sup>5</sup> International Musician 6 (July 1903).

<sup>6</sup> AFM Constitution, Art. III § 1 (1947).

<sup>7</sup> AFM By-Laws, Art. X Preamble A (1947).

ties for hire is a potential threat to the wage standards which the AFM sets for its members, and since the power of the Federation to set those standards depends upon the extent to which it represents such performers, the AFM is interested in bringing all of them into its Locals. For trade-union purposes, their skill as musicians is not nearly as important as their ability to secure employment as musicians—if they are skilful enough to do that, protection of the AFM's other members demands that they become members also. Consequently, while it was the artist who inserted in the original By-Laws a rule that all applicants for membership should be tested by an Examining Board appointed in each Local,<sup>8</sup> it was the trade-unionist who inserted another providing that “[p]erformers on musical instruments of any kind who render musical services for pay are classed as professional musicians and are eligible for membership, subject to the laws and jurisdiction of the A.F. of M.”<sup>9</sup> and backed it up with a provision that “[a]ny Local law prohibiting the admission of any competent musician, male or female” over the age of 16, should be void.<sup>10</sup> While the Examining Boards have some discretion in passing on the “competence” of the applicant, as a matter of practice any musician who has demonstrated that he is competent to secure a paid engagement is eligible for membership.<sup>11</sup>

The initiation fees and dues payable by members are calculated to encourage union affiliation. Thus the Federation has prescribed a \$50 maximum for local initiation fees.<sup>12</sup> Although the Federation has never found it necessary to impose a similar limitation on Local dues, those charges average only \$8 to \$10 a year and do not exceed \$20 in any instance. National dues consist of a per capita tax of \$1.25 per year paid by the Local.<sup>13</sup> These charges, however, constitute a minor source of revenue. The principal income of

<sup>8</sup> *Id.*, Art IX, § 6.

<sup>9</sup> *Id.*, Art XV, § I.

<sup>10</sup> *Id.*, Art IX, § 15.

<sup>11</sup> Still accurate is President Weber's 1904 description of the membership policy: “The A. F. of M. is a unique organization; it does not only represent those that follow Music exclusively for a livelihood, but it represents also those who do not even in a major part depend upon Music for their main-

tenance. It follows, therefore, that every Instrumental Performer receiving remuneration for his services is eligible for membership.” International Musician I (June 1904).

<sup>12</sup> AFM By-Laws, Art. IX, Preamble A (1947).

<sup>13</sup> AFM By-Laws Art. III, §§ 6, 7 (1947). Thirty cents of this tax represents the subscription price for the International Musician.

both the Locals and the Federation is derived from taxes upon the earnings of employed members. The musician employed in making sound pictures pays a 1% tax into the National Theater Defense Fund.<sup>14</sup> Traveling bands and orchestras pay a 10% tax, of which 40% goes to the Local in whose jurisdiction the engagement is played, 30% goes to the Federation, and 30% is returned to the members who played the engagement,<sup>15</sup> except when such traveling bands play radio engagements, in which case the tax is 15% and is allocated 80% to the Federation and 20% to the Local in whose jurisdiction the engagement is played.<sup>16</sup> In addition to these taxes, all of which are imposed by national rules, the Locals are authorized to assess additional taxes, not to exceed 4%, on any engagements for which the national rules prescribe no tax.<sup>17</sup>

The Federation also exercises appellate supervision over Locals in expelling members for nonpayment of dues and assessments or for violation of union rules. The national organization likewise handles traveling bands. Each Local wanted its own members protected against underbidding by such bands but had no authority to discipline traveling musicians who belonged to other Locals. On the other hand, the traveling bands frequently were not content with the wage scale prevailing in the various communities in which they appeared, but their own Locals could not aid them in their dealings with employers in other jurisdictions. Accordingly, the 1904 convention adopted an elaborate schedule of prices to be charged by traveling bands for various types of engagements (subject in all instances to a higher Local scale in the jurisdiction where the engagement was performed), and control over such prices has been exercised by the national convention since that time.<sup>18</sup>

<sup>14</sup> AFM By-Laws Art. III, § 11-A (1947).

<sup>15</sup> *Ibid.*, Art. XIII, Preambles A, H.

<sup>16</sup> *Ibid.*, Art. X, § 2-D.

<sup>17</sup> Except that Locals are forbidden to tax recording engagements played by traveling orchestras. AFM By-Laws Art. IX, § 38 (1947).

<sup>18</sup> Current prices for traveling bands and orchestras are set out in AFM By-Laws Arts. XIII and XIV (1947). Members who violate these price sched-

ules may be tried by the Local in whose jurisdiction the violation occurred, or by the national Executive Board, or by a Traveling Committee consisting of three members of the Executive Board. If the penalty imposed is a fine of \$500 or more, or expulsion from the union, an appeal may be carried to the national convention. *Ibid.*, Art. XI, § 3-A. See *Fales v. Musicians' Protective Union*, 40 RI 34, 99 Atl. 823 (1917).

Further national supervision of the engagements of individual members was secured in 1936 when the convention adopted a system of licensing for booking agencies. Since 1913 the By-Laws have forbidden AFM members to enter employment relations except through "contractors,"<sup>19</sup> who are also AFM members, but the contractor is merely one of the musicians—usually the orchestra leader—who represents the orchestra in all dealings with the employer after an engagement is secured.<sup>20</sup> At least in the case of the "name bands" the contractor does not secure the engagements. That function is discharged by the same booking agencies who handle engagements for others in the entertainment field. Because some of these agencies had been guilty of abuses common to private employment offices, and because the Supreme Court had decided that such agencies were not subject to state regulation,<sup>21</sup> Actors' Equity Association had in 1928 adopted a plan requiring booking agencies representing its members to operate under a license issued by the Association, the license providing for more favorable terms for the actors than had previously prevailed in contracts between actor and agency. After this plan had been tested in practice and in court,<sup>22</sup> the AFM adopted it also. Under the AFM version, members are forbidden to do business with an agent not licensed by the national Executive Board, and the license is terminable at will by the Board. Under the terms of the license, the agent agrees to act for no musician not affiliated with the AFM, to secure engagements on terms conforming to AFM rules and wage scales, to receive no payment for his services until the musicians have been paid, and to guarantee their payment.<sup>23</sup>

<sup>19</sup> AFM By-Laws Art. X, § 29 (1947).

<sup>20</sup> For social security tax purposes the leader-contractor rather than the proprietor of the establishment where the engagement is played may be the "employer"—despite the best efforts of the AFM to avoid that result by contract. *Bartels v. Birmingham*, 332 US 126, 67 S Ct 1547, 91 L Ed 1947; *Establishment of Employment Relationships by Collective Agreement*, 15 Univ. Chi. L Rev 716 (1948).

<sup>21</sup> *Ribnik v. McBride*, 277 US 350, 48 S Ct 545, 72 L Ed 913 (1928).

<sup>22</sup> *Edelstein v. Gilmore*, 35 F2d 723 (CCA2d 1929), cert den 280 US 607, 50 S Ct 153, 74 L Ed 650 (1930).

<sup>23</sup> AFM Standing Resolution No. 51 (1947). The requirement that the agent guarantee payment on all engagements was added last year. Previously the agent had been required to guarantee the price of all single engagements booked with an employer "not regularly engaged in the business of employing musicians." The 1947 change produced such strong protests from the booking agencies that the AFM Executive Board recently

Moreover, any contract he may make with AFM members must provide for cancellation if he fails to secure for them at least forty weeks' employment per year.<sup>24</sup>

#### 142. THE AMERICAN FEDERATION OF MUSICIANS: EXTENT OF UNIONIZATION.

The AFM has been able to enforce its booking agency license requirements and its price scales on traveling bands for the same reason that it has been able to maintain closed shop conditions in practically all situations (with or without written agreements) for the last thirty years.<sup>1</sup> Virtually all musicians in the United States who play for hire are members of the AFM.

This situation did not follow immediately upon the creation of the Federation. That event presaged the end of organized opposition to affiliation with a trade-union, but it did not at once determine that the AFL should be the trade-union with which all musicians' organizations would affiliate. Shortly after dissolution of the National League, the near-defunct American Labor Union launched a campaign to organize musicians through its International Musical Union, and the expiring Knights of Labor set out to muster new support for its cause in the musical field. At the same time, an independent American Musicians' Union, aided by an Illinois court's injunction against AFM interference,<sup>2</sup> was giving AFM Local 10 a stiff battle in Chicago.

These competing organizations achieved their greatest strength in 1909 when, claiming an aggregate membership of 20,000, they joined forces to form the American International Musicial and Theatrical Association.<sup>3</sup> This Association lasted about six years, but the AFM's supremacy was never seriously jeopardized. It entered the contest with 56,000 members, Locals in 500 cities and towns, and a strong national organization. In 1913 it gained additional strength by forming a mutual assistance pact with the stage-

agreed to enforce it only where the Board finds that the agent was "negligent" in booking the engagement. *Variety*, p. 26 (Feb. 4, 1948).

<sup>24</sup> AFM By-Laws Art. X § 54 (1947).

<sup>1</sup> For an early example of closed shop conditions secured by organization rather than by contract, see

*Rhodes Bros. Co. v. Musicians' Protective Union*, 37 RI 281, 92 Atl 641 (1915).

<sup>2</sup> See *American Musicians' Union v. Chicago Federation of Musicians*, 184 IllApp 444 (1913).

<sup>3</sup> *New York Times*, p. 3 (April 13, 1909).

hands' International Alliance of Theatrical Stage Employees, whereby either union could, if involved in a dispute with an employer, require the other to call its members out on sympathy strike.<sup>4</sup> A year later the AFM adopted a policy of enforcing "closed shop conditions when and wherever consistent" and by 1915 the opposition was sufficiently reduced so that that policy could be "consistently" enforced almost everywhere. The American Musicians' Union retained some strength in Chicago for a few years thereafter but subsided into inactivity shortly after the former President of its Chicago Local, one James C. Petrillo, left its ranks in 1917 to join AFM Local 10, and the AMU was finally absorbed by Local 10 in 1937.

The Federation's only other battle for control of musicians took place within the AFL family. Although the AFM had always claimed jurisdiction over grand opera and symphony orchestras,<sup>5</sup> it had not attempted, prior to 1940, to organize solo instrumentalists, accompanists, and conductors performing with such orchestras. Such performers were not easily converted to trade-unionism and even if unaffiliated they constituted no serious threat to union standards. But in 1936 Lawrence Tibbett and others formed the American Guild of Musical Artists, with membership open to singers, ballet dancers, choreographers, solo instrumentalists, conductors and accompanists in grand opera and concert work. The Guild succeeded in enlisting a considerable number of instrumentalists and conductors, and in 1937 it affiliated with Associated Actors and Artists of America, the parent body to which all AFL entertainers' organizations other than the AFM and the recently chartered Radio Directors' Guild belong. While the Federation was willing to leave these performers unorganized, it was not willing to have them represented by another union. Accordingly, in 1940 it notified the Guild, the booking agencies, and the employers of such performers that AFM members would not perform with any accompanist, instrumental soloist, or conductor who was not an AFM member. But when the Department of Justice threatened

<sup>4</sup> Baker, *The Theatrical Stage Employees and Motion Picture Machine Operators Union* 78 (1933).

<sup>5</sup> For some indication of the achievements of AFM Locals in attempting

to secure higher wages for members of such orchestras, see Grant and Hettlinger, *American Symphony Orchestras* 101-9 (1940).

an anti-trust investigation<sup>6</sup> and the Guild persuaded the New York Court of Appeals that its complaint, setting out the above facts, stated a proper case for injunction despite the provisions of New York's anti-injunction statute,<sup>7</sup> a compromise was reached whereby the Guild relinquished all claim to jurisdiction over conductors and accompanists, and the AFM agreed that the Guild should be the exclusive bargaining representative for instrumental soloists in the concert and opera fields—although soloists were required to hold membership in the AFM as well as in the Guild.

The effect of this settlement was to bring into the AFM the only substantial body of instrumental musicians not previously organized. There remained only one obstacle to virtually complete coverage—the Boston Symphony Orchestra still adhered to its traditional open-shop policy. But the AFM had addressed itself to that problem in 1940 by threatening to call its members out of any recording or broadcasting studio where the Orchestra was engaged, and after two years without broadcasting and recording fees the Boston organization capitulated.

Thus, by 1943 the AFM had practically every professional instrumental performer and conductor in the United States enrolled as a member. According to the Federation's count, its membership now totals 232,000. With adjustments to eliminate 10,000 Canadian members and to allow for duplicate memberships, there are probably about 200,000 members in the United States, 25% of whom are in three of the 730 Locals—28,000 in New York, 13,500 in Los Angeles, and 11,000 in Chicago.<sup>8</sup>

#### 143. THE AMERICAN FEDERATION OF MUSICIANS: "UNFAIR COMPETITION".

*Military bands.*—One problem which the AFM inherited from the National League was that of competition from musicians in the military service. Since such musicians could not be subjected to union discipline, the Federation made no attempt to organize them. Instead, it sought to confine them

<sup>6</sup> New York Times, p. 7 (March 1, 1941).

<sup>7</sup> American Guild of Musical Artists v. Petrillo, 286 NY 226, 36 NE2d 123 (1941).

<sup>8</sup> International Musician (June 1948) 9; Hearings before Special Subcommittee of Committee on Education and Labor pursuant to HRes 111, 80th Cong 1st Sess (1947) 191, 292, 381-82.

to the military duties for which they were paid, and to keep them entirely out of the civilian market.

But the enlisted musicians, whose pay then as now was not munificent, persisted in seeking paid engagements during their free time. Moreover, many operators of theaters and many sponsors of parades and fairs found that the music of military bands was frequently preferable, aesthetically and/or economically, to that of civilian musicians—particularly was this true of the United States Marine Band. Seven years of indignant protest from the AFM about this “unfair” competition resulted in orders by the War and Navy Departments forbidding enlisted musicians to accept private engagements for less than prevailing union scales. But such orders were almost impossible to enforce and in any event did not satisfy the Federation’s objection that enlisted musicians who were fed, housed, and paid to provide music for the military services should not be allowed to seek private engagements in competition with the civilian musician who depended on such engagements for his livelihood.

Accordingly, the union carried the battle to new fronts. It forbade its members to play paid engagements with enlisted musicians or to participate in any function where military bands were performing, “except when such bands are escorting the President of the United States or any officer or foreign guest thereof, or a military or naval commander.”<sup>1</sup> And it began a campaign to secure legislation restricting enlisted musicians to their military duties.

To make its legislative proposals more palatable, the AFM coupled them with a demand for an increase in pay for all enlisted musicians. This strategy culminated in provisions in the Army and Navy Appropriation Acts of 1908 giving enlisted musicians a pay increase, with provisos that the “bands or members thereof shall not receive remuneration for furnishing music outside the limits of military posts when the furnishing of such music places them in competition with local civilian musicians.”<sup>2</sup>

The AFM had hardly had time to celebrate this victory when the Attorney-General ruled that the statute applicable to Navy bands did not apply to the biggest competitor of all

<sup>1</sup> International Musician 6-7 (August 1903). <sup>2</sup> 35 STAT 110, 153 (1908), 10 USCA § 905 (1927).

—the Marine Band.<sup>3</sup> Eight more years of lobbying were necessary to bring the Marine Band within the statutory prohibition against military competition and to widen that prohibition to include gratuitous performances by military musicians.<sup>4</sup>

Since the enactment of these statutes, AFM musicians have suffered little from military competition. Both the Army and the Navy have made conscientious efforts to enforce the statutory provisions,<sup>5</sup> and the AFM stands alert to call to their attention any possible instance of violation.

*Foreign musicians.*—The second, and more difficult, problem inherited from the National League was that of competition from foreign bands on tour in the United States. American managers found these bands much cheaper to employ than the native musicians, and in the days when pomp and circumstance was still a part of the show, such bands were popular as much because of their intriguing trappings and titles as because of the quality of their performances. Consequently, at the turn of the century American audiences were being offered such imported delicacies as “Ellery’s Royal Italian Band,” “Creatore’s Royal Italian Band,” “Jovine’s Royal Italian Band,” “Victor’s Royal Venetian Band,” the “Royal Hungarian Band,” the “Royal Hawaiian Band,” the “Royal English Red Hussar Band,” and the “Royal Imperial Band of Wilna, Russia, Special Favorite of the Czar.”

Because most of these bands were brought to the United States by American promoters, the AFM sought to invoke

<sup>3</sup> 27 Ops Atty Gen 90 (1908).

<sup>4</sup> A provision in the National Defense Act of 1916 requires that no enlisted man “in the Army, Navy and Marine Corps . . . shall . . . leave his post to engage in any . . . performance in civil life, for emolument, hire, or otherwise, when the same shall interfere with the customary employment and regular engagement of local civilians. . . .” 39 STAT 188 (1916), 10 USCA § 609 (1927), 34 USCA § 449 (1928). And the Navy Appropriation Act of the same year provides that a member of the Marine Band “shall not, as an individual, furnish music . . . when such furnishing of music places him in competition with any civilian musician. . . .” 39 STAT

612 (1916), 34 USCA § 702 (1928).

Although these provisions seem to apply only to the individual musicians and not to military bands, they are not so construed by military authorities responsible for their enforcement. Hearings before Committee on Interstate and Foreign Commerce on S 63 and IIR 1648, 79th Cong 1st Sess, at 28–29 (1945).

<sup>5</sup> Lapses by the Navy in allowing the Marine Band to perform for radio broadcasts were corrected after Representative LaGuardia had introduced IIR 5647, 72d Cong 1st Sess (1931) to restate the prohibition against military competition in more emphatic terms and the AFM had filed a protest with Congress. 75 Cong Rec 11038 (1932).

the protection of the contract labor laws. But those laws have always contained an exception for "artists,"<sup>6</sup> and, though the Federation's constant contention before immigration officials that musicians were "laborers" rather than "artists" had a considerable effect upon the terminology with which the union musician came to speak and think of his position in society, it had no effect upon the interpretation of the contract labor laws.

The Federation undertook, therefore, to secure appropriate amendments to those laws, and in the interim adopted a contract labor policy of its own whereby membership was denied to, and all members were forbidden to perform with, immigrant musicians who had secured a promise of employment in this country either before entering or before applying for AFM membership after entry.<sup>7</sup> Despite continuing pressure from the New York Local—recipient of most of the immigrants' membership applications—the Federation refused to expand this policy into one including all immigrants.

The legislative campaign against imported competition proved more arduous than the one against military competition, however, and it was not until the last depression had made Congress particularly sensitive to problems of employment that it could be persuaded to adopt a plan designed to meet the Federation's objections without at the same time depriving American music of the benefit of all foreign stimulation. The 1932 Act<sup>8</sup> provides that "no alien instrumental musician shall, as such, be considered an 'artist' . . . within the meaning of . . ." the contract labor laws "unless—(1) he is of distinguished merit and ability . . ." and "(2) his professional engagements . . . within the United States are of a character requiring superior talent." While this Act must pose some nice problems for immigration authorities, it is not

<sup>6</sup> 23 STAT 332 (1885); 34 STAT 899 (1907); 39 STAT 876 (1917), 8 USCA § 136(h) (1942).

<sup>7</sup> AFM By-Laws Art. IX, § 10 (1947); *Ibid.*, Art. X, § 2-E. The principal reason for the AFM's refusal in 1909 of an invitation to join musicians' unions of England, France, Germany, Holland, Belgium, Denmark, Hungary, Switzerland, Spain, and Italy in the International Confederation of Musicians was that the laws of the Confederation provided that members

of all affiliated organizations should have unrestricted opportunity to accept engagements in all countries. International Musician 8 (August 1909). The Federation still entertains similar fears about international affiliation. See Hearings before Special Subcommittee of Committee on Education and Labor pursuant to H Res 111, 80th Cong 1st Sess (1947) at 342.

<sup>8</sup> 47 STAT 67 (1932), 8 USCA §§ 137b-137d (1942).

likely to deprive us of any real foreign talent, and it seems to have satisfied the Federation's concern over imported musicians.<sup>9</sup>

With the advent of radio broadcasting, however, foreign musicians became a source of competition even though not physically imported, and in December 1945 the AFM served demands on the broadcasting industry that it cease all broadcastings of foreign musical performances. This action was taken just in time to allow Congressman Lea to add an additional paragraph to a bill which he introduced in Congress the following January, and when finally passed three months later the Lea Act<sup>10</sup> provided:

“(a) It shall be unlawful, by the use or express or implied use of force, violence, intimidation, or duress, or by the use of express or implied threat of the use of other means, to coerce, compel, or constrain a licensee. . . .”<sup>11</sup>

(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

Apparently this provision has served its purpose—no instance of AFM interference with foreign broadcasts has been raised by the broadcasters since its enactment.

*Amateurs.*—The AFM, like any other labor union, represents only those of its craft who perform for hire. But, unlike most other labor unions, the nature of its craft is such that there are always a number of amateurs who are willing to perform without compensation. Proceeding on its usual premise that any musical performance represents a possible source of employment for union musicians, the Federation draws no distinction between a non-union musician who performs for pay and one who performs gratis. Both are performing where union musicians might otherwise be employed.

<sup>9</sup> HR 9045 and HR 8927, 74th Cong 1st Sess (1935); HR 12325, 74th Cong 2d Sess (1936); HR 30, 75th Cong 1st Sess (1937); and HR 1651, 76th Cong 1st Sess (1939), all of which would have put the admission of alien actors and musicians on a reciprocity basis, were opposed by the AFM, which considers itself better protected by the 1932 statute. See 80 Cong Rec

9989 (1936); International Musician 9 (June 1937).

<sup>10</sup> 60 STAT 89 (1946), 47 USCA § 506 (Supp 1947).

<sup>11</sup> “As used in this section the term ‘license’ includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted.” 47 USCA § 506(e) (Supp 1947).

Since many of these amateur musicians are minors, the AFM has championed child labor laws broad enough to cover the theater as well as the factory and the mine, has provided in its By-Laws for the disciplining of a member whose child "after being duly notified, and requested to refrain from so doing, persists and continues to compete with members of the Local,"<sup>12</sup> has directed its members who are teachers of school bands not to appear in public with those bands "if such bands compete with members of the American Federation of Musicians," and has decided that in cases where school bands "make serious inroads upon the employment opportunities of members, a Local may prohibit its members from teaching such bands."<sup>13</sup> It has fulminated against the public appearances of Indian bands, police bands,<sup>14</sup> letter-carriers' bands, and bands organized by fraternal organizations. It has amended its By-Laws to make students of "colleges, music schools, universities or similar institutions . . . eligible for membership in the jurisdiction wherein the institute which they attend is located"<sup>15</sup> and to authorize its Executive Board to grant membership to musicians under 16 years of age where the Board "finds it advisable."<sup>16</sup>

Because of its strength and, in the case of school bands, because it commands the allegiance of many of the teachers,<sup>17</sup> the AFM has been able to stop most of the amateur performances which it has found objectionable—thereby preventing a probably infinitesimal reduction of employment opportunities for its members and, at the same time, provoking an inestimable amount of ill-will toward itself.

The climax in this ill-conceived policy toward amateurs came in 1942 when the AFM forced the NBC network to

<sup>12</sup> AFM By-Laws Art. IX, § 37 (1947).

<sup>13</sup> International Musician 14 (Supp June 1909). The By-Laws now provide that: "The right of a member of the Federation to teach a non-union band or orchestra (amateur or otherwise) or to conduct or perform with it at any time or place, is always subject to the orders of the Executive Board of the Local." AFM By-Laws Art. X, § 7-G (1947).

<sup>14</sup> One enthusiastic but ill-advised member of the New York Local brought a taxpayer's suit to restrain the New

York City Police Band from performing in competition with professional musicians. *Goebel v. Bolan*, 150 NY Misc 574, 268 NYSupp 501 (1933).

<sup>15</sup> AFM By-Laws Art. X § 7-d (1947). Other applicants must apply to the Local in whose jurisdiction they reside. *Ibid.*, Art IX, § 3.

<sup>16</sup> *Ibid.*, Art IX, § 15.

<sup>17</sup> The AFM does not claim jurisdiction over music teachers as such, but many teachers seek to supplement their income by outside engagements as instrumentalists and have therefor become union members.

discontinue its annual sustaining broadcasts of a series of concerts by the University of Michigan's National Music Camp. Congressional hearings on bills introduced to prohibit such interference with student broadcasts<sup>18</sup> ran far afield to consider a number of other AFM practices in the broadcasting industry, and finally culminated in the Lea Act outlawing most of those other practices in addition to providing:

“(a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use of express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee . . .

(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program.”

Despite this statute, the National Music Camp has not been able to secure another network broadcast.<sup>19</sup> Although no charges have been filed against the AFM on this point, the Camp has found the networks reluctant to resume the student programs.<sup>20</sup>

Apart from the statute, and as a result of hearings conducted last year before a House Subcommittee,<sup>21</sup> the AFM has entered an agreement with the Music Educators National Conference and the American Association of School Administrators wherein the union has waived objections to student performances at school functions, on educational broadcasts, and on certain other occasions where the performances do

<sup>18</sup> Hearings before Subcommittee of Committee on Interstate Commerce on S 1957, 78th Cong 2d Sess (1944) (unpublished); Hearings, *op cit supra* note 4.

<sup>19</sup> The Camp has also been deprived of the teaching services of all AFM members. The Federation placed it on the unfair list soon after its director, Joseph E. Maddy, appeared to testify before a Senate committee. When

Maddy continued to teach at the Camp, he was expelled from the union.

<sup>20</sup> Hearings before Committee on Education and Labor on Restrictive Practices of the American Federation of Musicians, 80th Cong 2d Sess, at 242, 251 (1948); Letter from Joseph E. Maddy, February 2, 1948.

<sup>21</sup> Hearings, *op cit supra* note 7, at 246.

not bring students into competition with local professional musicians.<sup>22</sup>

#### 144. THE AMERICAN FEDERATION OF MUSICIANS : FEATHERBEDDING PRACTICES.

*Quota rules.*—The 1903 convention of the AFM, casting about for new means of providing employment, added to the national By-Laws a provision authorizing each Local to “place in its constitution or by-laws a clause specifying the minimum number of men who shall be allowed to play in the theater orchestras within the jurisdiction of said Local,” and a number of the Locals immediately exercised this authority. But the Locals which have enforced such rules do so solely by virtue of their strength and not by means of persuasion. No union practice is more strongly opposed by the employers, and in several instances the Locals’ insistence upon observance of such rules has resulted in prolonged strikes and lockouts.

Even the President of the AFM was not sure that this practice was a wise one, and in 1911 he urged the national convention to abandon it.<sup>1</sup> But the convention refused to follow this advice, and the best President Weber could get was an additional provision that if any Local was, in the opinion of the national Executive Board, unable to enforce its minimum-orchestra rule, the Board could step in and “adjust the matter.” With that modification, and with a subsequent amendment to make it applicable not only to theaters but to “engagements of any kind,” the minimum-orchestra provision remains in the national By-Laws<sup>2</sup> and minimum-orchestra rules are maintained by all Locals strong enough to enforce them.<sup>3</sup>

<sup>22</sup> Hearings, *op cit supra* note 7, at 363-65. This agreement was engineered by Representative Carroll D. Kearns, chairman of the Subcommittee, former music teacher, and AFM member. In a second agreement secured by Representative Kearns, the Federation waived objections to the making of recordings solely for educational use by military bands. HR Rep 1162, 80th Cong 1st Sess (1947).

<sup>1</sup> International Musician 2 (Supp, June 1911).

<sup>2</sup> AFM By-Laws Art. IX, § 4 (1947).

<sup>3</sup> Thus, the Chicago Local requires

a minimum of 8 men for orchestras in legitimate theaters and 18 men for musical shows, Hearings before Special Subcommittee of Committee on Education and Labor pursuant to H Res 111, 80th Cong 1st Sess (1947) at 25-28; the New York Local requires from 8 to 10 men for orchestras in each of the ballrooms in the city, AFM Local 802, Price List Governing Single and Steady Engagements 7-8 (1947); the Los Angeles Local fixes a separate minimum for each theater and restaurant in its jurisdiction, Hearings, *Id.* at 25-28; and many of the Locals have

Moreover, the Federation itself has in recent years adopted similar quota requirements in those areas where negotiation of the details of employment is conducted on a national level. During the period 1938-40 when the employment of staff musicians at radio stations was covered by national agreements, those agreements specified a minimum amount of money which the stations were required to spend annually for the employment of musicians. And the current contracts between the Federation and the movie producers specify minimum numbers of musicians to be employed in studio orchestras.<sup>4</sup>

Attempts to enforce quota rules have several times involved the Locals in litigation, with varying results. One factor militating against acceptance of President Weber's 1911 recommendation was the decision of a Minnesota trial court dismissing an action brought by theater operators to enjoin the Minneapolis Local from striking to enforce its minimum-orchestra rule. That decision was affirmed by the Minnesota Supreme Court the following year, the court being unable to find anything illegal in the refusal of the musicians to work for anyone, at least where that refusal was motivated not by "malice" but by an attempt to advance their own interests.<sup>5</sup> A few years later, the Massachusetts court granted an injunction in a similar situation. It was willing to concede that the theatre operator's "right to the free flow of labor to which every member of the community is entitled for the purpose of carrying on business" was limited by "the right of employees to combine for purposes which in the eye of the law justify interference with" the operator's right. But the Massa-

minimum requirements as to the number of staff musicians to be employed in radio stations. *Ibid.*, at 193.

<sup>4</sup> Each of the 8 major producers is to employ from 36 to 50 musicians, the Society of Independent Motion Picture Producers (comprising some 25 smaller companies) is to employ 104 musicians, and the Independent Motion Picture Producers' Association (comprising some 33 producers of westerns and "action" pictures) is to employ 20 musicians. *New York Times*, p. 1 (April 27, 1946); Hearings, *op cit supra* note 3, at 76-77, 190, 234.

Carpenter, *Music, An Art and a Business* (1950) 141: "In the spring

of 1946, Petrillo wrote a new contract with the motion picture industry. Under the terms of this contract, the minimum scale for musicians was reportedly set at \$20 an hour, with the work week set at a maximum of ten hours. Under the old contract, the minimum scale was \$10 an hour and no stringent restrictions governed the number of working hours per week. Music costs are more than doubled under the new contract, and they were previously the highest music costs in the world."

<sup>5</sup> *Scott-Stafford Opera House Co. v. Minneapolis Musicians' Ass'n*, 118 Minn 410, 136 NW 1092 (1912).

chusetts court could detect no justification where the purpose of the interference was to compel the operator to give the musicians "work which the plaintiff does not want done" even though that interference was also for the "indirect purpose of enabling the union musicians to earn more money."<sup>6</sup> When a Butte motion picture operator sought an injunction against picketing conducted to enforce quota rules it provided the Montana Court with an opportunity to anticipate the Supreme Court of the United States by twenty-three years<sup>7</sup> in holding picketing a form of free speech protected by the state constitution.<sup>8</sup> Seattle operators were more successful; the Washington court was committed to the doctrine that all picketing was illegal, regardless of its purpose, when carried on within 100 feet of the employer's place of business.<sup>9</sup> More recently, an attempt by a radio station operator to invoke wartime measures failed when the New York Regional War Labor Board ruled that, regardless of the merits of the quota device, it had no authority to set aside "rules which are firmly rooted in collective bargaining relations."<sup>10</sup>

That there are not more instances of litigation of this matter may be explained by the ultimate outcome of the dispute considered in *Lafayette Dramatic Productions, Inc v. Ferentz*.<sup>11</sup> There, the plaintiff had in 1941 opened a theater in Detroit for the presentation of dramas and comedies. Several weeks prior to the opening, the plaintiff's manager had been advised by AFM Local 5 that its rules required him to employ a six-man orchestra, but had refused to comply with the rule, informing the Local that he would not need an orchestra at all. However, when officials of Local 5 and of the stagehands' Local had confronted him two hours before curtain time on the opening night and informed him that if he did not sign a season contract for a six-man orchestra the stagehands would strike, he had signed the contract. On this showing, the Michigan court concluded that the attempt to compel

<sup>6</sup> *Haverhill Strand Theater, Inc. v. Gillen*, 229 Mass 413, 118 NE 671 (1918).

<sup>7</sup> *Thornhill v. Alabama*, 310 US 88, 60 S Ct 736, 84 L Ed 1093 (1940).

<sup>8</sup> *Empire Theater Co. v. Cloke*, 53 Mont 183, 163 Pac 107 (1917).

<sup>9</sup> *Danz v. AFM Local 76*, 133 Wash

186, 233 Pac 630 (1925); *Sterling Chain Theaters v. Central Labor Council of Seattle*, 155 Wash 217, 283 Pac 1081 (1930).

<sup>10</sup> *In re Radio Station WOV*, 22 War Lab Rep 744 (1945).

<sup>11</sup> 305 Mich 193, 9 NW2d 57 (1943).

plaintiff to employ musicians it did not want was not a legitimate labor objective, hence that interference with the plaintiff's operations was not justified, had issued an injunction against both unions, and had ordered cancellation of the contract with the musicians—a clear legal victory for the theater operator. But, according to the manager's subsequent testimony before a congressional committee, that decision is rather misleading. He told the committee that soon after the decision came down he received a call from United Booking Office informing him that it would be unable to book shows for his theater unless he rehired the musicians, and that he is currently employing a six-man orchestra.<sup>12</sup>

It may still be true that these quota requirements in some instances "give evidence rather of the musician's longing to produce artistic music than of his policy to make work" and that they are enforced "to counteract the managers' view that the American musician, like the American mechanic, should turn out more work than his European competitors."<sup>13</sup> But it is even more clearly true that in most cases they are make-work devices and nothing more. Certainly there is no other explanation for a quota rule which is applied, as in the *Lafayette* case, not merely to require the employer to augment his orchestra, but to require him to hire an orchestra where he had none before.

*Standby demands.*—The "standby" technique—which has been more extensively used by the musicians than by any other group of organized labor outside of the construction and transportation industries—is a creature of many forms. Originally, as used by the AFM, it meant that the employer, in order to placate union objections to performances by non-union musicians, actually hired a certain number of union members to do nothing but stand by while the performance went on. But since the union musicians performed no services, the employer was not disposed to complain if they departed before the end of the performance, or if they failed to appear at all. And when the custom had developed to this extent, it was frequently arranged to have the employer pay the

<sup>12</sup> Hearings before Special Subcommittee of Committee on Education and Labor pursuant to H Res 111, 80th Cong 1st Sess (1947) at 220-21.

<sup>13</sup> Commons, *Types of American Labor Unions—The Musicians of St. Louis and New York* (1906) 20 QJ Econ 419, 442.

agreed number of salaries directly into the Local's unemployment fund rather than to the individual musicians. Thus the "standby" has gradually been transformed from a live musician to a bookkeeping device used to calculate the amount of payment to be made by the employer to the union.

True, the process of evolution is not complete, and some of the Locals still designate specific members to do the standing by, or at least to receive the employer's payments. Moreover, the standby practiced in its most sophisticated form had to be dressed up a bit to take advantage of the Supreme Court's decision that it did not fall within the prohibitions of the Copeland Anti-Racketeering Act of 1934 as long as there was a bona fide offer of services.<sup>14</sup>

In any event, the Federation has scrupulously avoided any public declaration of policy on the matter. While many of its Locals have traditionally demanded standby arrangements whenever amateur musicians perform, or mechanical music is used, or traveling bands are engaged, or motion pictures are shown in theaters where an orchestra is customarily employed, there is no provision in the national Constitution or By-Laws either forbidding or authorizing such practices. Although the national officers are reported to disapprove the Locals' standby demands but to feel themselves powerless to interfere,<sup>15</sup> the practice is defended in the Federation's official journal<sup>16</sup> while the Federation's President is assuring a Congressional Committee that there will be "no more standby."<sup>17</sup> And the national organization has only recently abandoned its demand that standbys be employed whenever a musical performance is broadcast simultaneously over AM and FM stations.

Obviously, no clear line of demarcation can be drawn between those cases where the union demands standby payments and those where, under quota rules, it demands that the employer hire musicians he does not want. In the latter case the surplus musicians may also become standbys if the

<sup>14</sup> U.S. v. Local 807 of International Brotherhood of Teamsters, 315 US 521, 62 S Ct 642, 86 L Ed 1004 (1942).

<sup>15</sup> Variety, p. 53 (October 29, 1947).

<sup>16</sup> International Musician 6 (January 1948).

<sup>17</sup> Hearings before Committee on Education and Labor on Restrictive Practices of the American Federation of Musicians, 80th Cong 2d Sess (1948) at 353.

employer decides to pay their salaries but to dispense with their services. In either form, the standby technique reveals a considerable degree of ineptitude on the part of the union leadership. Whatever may be their ultimate purpose, demands couched in "standby" terminology reach the public simply as demands that musicians be paid for doing nothing—extortionate claims which cannot be justified. In a different context, however, many of the union's objectives could be made more palatable. Thus, there is nothing indefensible about the position that members of a theater house orchestra hired by the season should not lose a day's pay every time the theater manager decides to run a motion picture or to bring in a traveling band. Nor is it completely unreasonable to take the position that an orchestra which supplies music for both AM and FM outlets should receive more pay than the orchestra which performs only for an AM broadcast. Even if the union contends that the manager who reduces his expenditures for music by using mechanical devices or amateur performers should make some contribution to the union's unemployment fund, that contention is not nearly as outrageous as a demand that the employer pay salaries to musicians who never unpack their instruments.

But the union has persisted in its standby demands, and congressmen have been outraged. As a consequence, the Lea Act provides:

"(a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee—

(1) To employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number needed by such licensee to perform actual services; or

(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed. . . .”

These statutory provisions are broad enough to cover not only a flat standby demand but also many of the AFM's quota requirements, and the union selected one of the latter to test the constitutionality of the statute, in a dispute avowedly created for that purpose. Chicago radio station WAAF, which devotes 90% of its musical time to recorded and transcribed music, employed three members of AFM Local 10, the individual employment contracts specifying that one was a “platter-turner,”<sup>18</sup> another a platter-turner and pianist, and the third a record librarian, although all three actually performed services only as record librarians. As President of Local 10, Petrillo served written demand on WAAF that it employ three staff musicians and that the platter-turners be confined exclusively to such work. When the station failed to comply with this demand, the three members already employed were called out on strike and a picket was placed in front of the station.

An information outlining the above facts, alleging that Petrillo had acted “knowing that [WAAF] had no need for the services of additional employees,” and charging him with a violation of subsection (a)(1) of the Lea Act was filed in the Federal District Court in Chicago.<sup>19</sup> But when the defendant moved to dismiss the information, District Judge LaBuy granted the motion on the ground that the statute was unconstitutional in four respects: 1) The phrase “in excess of the number of employees needed” was too vague to satisfy due process requirements for criminal statutes; 2) in limiting the Act to employees of radio stations, Congress had set up an arbitrary classification which violated due process; 3) insofar as the Act limited the right to strike it

<sup>18</sup> A “platter-turner” is not a disc jockey. In distinct contrast to the disc jockey, he is a silent performer. He operates the transcription - playing equipment and in the larger studios he also operates the record-playing equipment on the disc jockey's program. Disc jockeys, whether they turn their own records or not, are classified as

announcers and come within the jurisdiction of the American Federation of Radio Artists (AFRA).

<sup>19</sup> Criminal penalties are prescribed in subsection (d) of the Lea Act for “Whoever willfully violates any provision of subsection (a) or (b) of this section. . . .” 47 USCA § 506(d) (Supp, 1947).

violated the Fifth and Thirteenth Amendments; and 4) in so far as the Act imposed limitations on peaceful picketing it violated the First Amendment.

The Supreme Court, considering the case on direct appeal,<sup>20</sup> found points 3) and 4) of the District Court's decision not properly before it<sup>21</sup> and point 2) of little substance.<sup>22</sup> As for point 1), a majority of the Court<sup>23</sup> did not share Judge LaBuy's view that the Act imposed upon the defendant an unconstitutional burden of knowledge which only the employer could possess: "The language . . . conveys sufficiently definite warning as to the proscribed conduct when measured by common understanding and practice." Accordingly, the case was remanded for trial, leaving for later decision questions as to whether the Act could constitutionally be applied to limit the right to strike or to picket.

One of these questions dropped from the case when the government filed an amended information omitting any reference to picketing. And after trial on the amended information, wherein defendant waived jury, the second question also disappeared when Judge LaBuy delivered a judgment of acquittal on the ground that the government had failed to prove an essential element of its case. Although the Judge found that station WAAF did not need the three additional musicians whose employment the defendant demanded, he also found that there was no "evidence whatever in the record to show that defendant had knowledge of or was informed of the lack of need for additional employees prior to the trial of this case."<sup>24</sup>

This decision has been widely described by the press as marking the "death of the Lea Act," but it hardly has that much significance. True, it is not clear just what the government could do to strengthen its proof of defendant's knowledge except to have the station operator expressly inform him

<sup>20</sup> U.S. v. Petrillo, 332 US 1, 67 Sct 1538, 91 LEd 1877 (1947).

<sup>21</sup> Both because the motion to dismiss was based solely on the ground that the statute was unconstitutional on its face and because review of cases appealed under the Criminal Appeals Act is limited to questions presented on the face of the statute.

<sup>22</sup> "[I]t is not within our province to say that, because Congress has pro-

hibited some practices within its power to prohibit, it must prohibit all within its power." United States v. Petrillo, 332 US 1, 8, 67 Sct 1538, 91 LEd 1877 (1947).

<sup>23</sup> Justices Reed, Murphy, and Rutledge dissented on this point. Justice Douglas did not participate in the decision.

<sup>24</sup> United States v. Petrillo, 75 FSupp 176, 181 (DC Ill 1948)

that the station does not need more employees, and that would merely make explicit what was implicit in the refusal to hire in the WAAF case, but a jury or a different judge might well reach a contrary conclusion on the evidence presented in that case. The maximum significance of Judge LaBuy's decision, then, is that the provision of the Lea Act involved is dead where Judge LaBuy sits, at least until the Seventh Circuit Court of Appeals or the Supreme Court gets an opportunity to rule on a similar question in another case, and that it may discourage the bringing of similar cases under the Lea Act.

More likely to discourage resort to the Lea Act in such cases, however, is the fact that Congress has now made available another procedure, not confined to the broadcasting industry, wherein the government does not carry as great a burden of proof as in a criminal case.<sup>25</sup> Section 8(b)(6) of the Taft-Hartley Act<sup>26</sup> makes it an unfair labor practice, subject to cease and desist order of the National Labor Relations Board, for a union:

“to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value in the nature of an exaction for services which are not performed or not to be performed.”

Obviously, the interpretation of this statute will not be free from difficulty either. In applying it to a situation like that presented in the WAAF case, will it be necessary to prove that the union knew that services were “not to be performed” by additional employees whose hiring it demanded? If the employer seeks to circumvent that problem by agreeing to accept the employees, but then gives them no work to do and refuses to pay them, can the union take action to compel him to pay the employees for services which “are not performed” and rely upon the employment agreements as a defense to an unfair labor practice charge? There is

<sup>25</sup> The Congress which passed the Lea Act also created another possible avenue of criminal prosecution by amending the Anti-Racketeering Act to eliminate the exceptions for bona fide wage claims and for labor union activities upon which the decision in *United States v. Local 807 of Interna-*

*tional Brotherhood of Teamsters*, 315 US 521 (1942), discussed in text at note 14 *supra*, was based. 60 STAT 420 (1946), 18 USCA § 420(a) *et seq.* (Supp., 1947).

<sup>26</sup> 61 STAT 140 (1947), 29 USCA § 158(b)(6) (Supp., 1947).

little profit in speculating about the answers to such questions: these issues should be tendered the courts in the foreseeable future. In the recent case of *Gamble Enterprises v. NLRB*, it was held the union demand that a theater hire a local orchestra to play overtures and intermissions every time the theatre featured a name band, was an "exaction" within § 8(b)(6) of the Taft-Hartley Act and was an "unfair labor practice."<sup>27</sup>

#### 145. THE AMERICAN FEDERATION OF MUSICIANS: MECHANICAL COMPETITION.

The AFM has persistently battled the threat of technological unemployment. The Federation has resisted all forms of mechanical devices which preserve music and give it a wider dissemination than the employment of musicians would.

Mechanical devices do not make music; they provide a means for reproducing musical performances and make wider dissemination of those performances possible. But mechanical devices are still dependent on the musician for the original performance—a fact which serves to dramatize the musician's plight and to aid him in his struggle against mechanization.

The AFM did not resist the development of the phonograph record industry in 1896.<sup>1</sup> This was because the phonograph did not compete with the musician. Since phonograph records were used in the home, they did not reduce the musician's employment opportunities which was then limited to public performances. In addition the phonograph record offered a new labor market to the musician. He could supplement his earnings from public performances with the income from recording engagements.

But the development of the motion picture, radio and television industries resulted in a complete reversal of policy by the AFM. The fight against mechanization will be detailed in the following sections.

<sup>27</sup> 196 F2d 61 (6th Cir 1952).

<sup>1</sup> For accounts of the early history of the phonograph industry, see Taubman, 165,000 Discs a Year, *New York Times Magazine* 20 (Dec 8, 1946); *Phonograph Records*, 20 *Fortune*, No 3, at 72 (1939); Maraniss, *A Dog Has*

*Nine Lives: The Story of the Phonograph*, 193 *Annals Amer Acad Pol Sci* 8 (1937); Yorke, *The Rise and Fall of the Phonograph*, 27 *Amer Mercury* 1 (1932); *Expiration of the Berliner Talking Machine Patent*, 106 *Scientific American* 52 (1912).

### 146. THE AMERICAN FEDERATION OF MUSICIANS: MOTION PICTURES.

In the era of "silent pictures," motion picture exhibitors used player-pianos and "automatic" phonographs for accompanying music in their theaters. To meet this threat, the AFM authorized its locals to demand that their members be employed to "operate any mechanical instrument which replaces all or part of an orchestra."<sup>1</sup> The Locals were successful in enforcing this policy.<sup>2</sup> By 1916, the AFM expanded its demands to require that "the introduction of a music machine shall not interfere with the minimum number of men rule of the Local."<sup>3</sup> Within a few years thereafter the Locals had succeeded in placing union musicians, in numbers varying from a single pianist or organist to a full orchestra in practically every movie theatre in the country.

This result was achieved without any recorded instance of litigation on the merits of the Federation's campaign against mechanical competition. That question was first judicially examined at a much later day (but in a similar setting) when the AFM invoked the assistance of the stagehands to prevent a traveling opera company from using phonograph records to supply the orchestral accompaniment for its performances. In that case, the New York Court of Appeals approved the issuance of an injunction, taking the occasion to announce the doctrine, which it later was to apply against the AFM again,<sup>4</sup> that any labor activity taken to achieve an objective which the court by some sort of intuitive inspiration should determine to be "unlawful" was both enjoined at common law and outside the coverage of New York's "little Norris-La Guardia Act."<sup>5</sup>

But the advent of the "talkies" in 1927 drastically affected the employment opportunities of musicians in theaters. Motion picture exhibitors equipped their theaters with sound, with the result that 18,000 AFM members formerly employed

<sup>1</sup> International Musician 10 (Supp, June 1912).

<sup>2</sup> The Locals were aided by the Stagehands' Union which had extended its jurisdiction to include motion picture projectionists.

<sup>3</sup> AFM By-Laws Art. IX § 19 (1947).

<sup>4</sup> American Guild of Musical Artists

v. Petrillo, 286 NY 226, 36 NE2d 123 (1941).

<sup>5</sup> Opera on Tour, Inc. v. Weber, 285 NY 348, 34 NE2d 349 (1941), motion to amend remittitur denied 286 NY 565, 35 NE2d 920 (1941), cert den 314 US 615, 62 Sct 96, 86 LEd 495 (1941), rehearing den 314 US 716, 62 Sct 477, 86 LEd 570 (1942).

to provide music for vaudeville and silent films were out of work.<sup>6</sup> The "talkies" caught the Federation completely unprepared. In 1927 President Weber had assured the membership that "a general danger to employment will not develop, as from present observation it appears that the public accepts the Vitaphone merely as a novelty."<sup>7</sup> When this prediction proved wrong, he essayed another: "It is the opinion of the Federation leadership, based upon exhaustive study, that mechanical music . . . will fail eventually to give satisfaction in any theater as a substitute for the appearance of artists in person."<sup>8</sup> And to accelerate public dissatisfaction with mechanical sound he persuaded the 1929 convention to authorize a nation-wide advertising campaign to expose the sound movie as an "anti-cultural development."<sup>9</sup>

Although the Federation's advertisements featuring robot musicians won commendation from experts,<sup>10</sup> the sound movie continued to thrive. And by the time it had become apparent that propaganda would not win the battle, the AFM was in a poor position to resort to anything else. A musicians' strike could not be called in the theaters—men must be employed before they can strike. While the supply of mechanical music could have been stopped at its source by calling a strike in the studios where sound pictures were made, the Supreme Court had held similar boycotts by the machinists' and stonecutters' unions enjoined under the Sherman Act by limiting the union-exempting provisions of the Clayton Act to disputes between the striking employees and the struck employer,<sup>11</sup> and the Federation was unwilling to risk a federal injunc-

<sup>6</sup> *Mersey, The Vanishing Fiddler*, 227 No Amer Rev 301 (1929); Hearings before Committee on Education and Labor on Restrictive Practices of AFM, 80th Cong 2d Sess (1948) at 356, 405.

<sup>7</sup> *International Musician* 23 (Oct 1927).

<sup>8</sup> *Ibid.*, at 1 (Feb 1929).

<sup>9</sup> *Ibid.*, at 18 (May 1929); *ibid.*, at 1 (June 1929). And see Slichter, *Union Policies and Industrial Management* (211-13 (1941)).

<sup>10</sup> "We have seen no more striking or convincing copy in any advertisement. . . ." Editor & Publisher 54 (Oct 26, 1929).

<sup>11</sup> *Duplex Printing Press Co. v. Deering*, 254 US 443, 41 SCt 172, 65 LEd 349 (1921); *Bedford Cut Stone Co. v. Journeymen Stone Cutters's Ass'n*, 274 US 37, 47 SCt 522, 71 LEd 916 (1927). The boycotts involved in these cases were at the opposite end of the distribution process—the machinists and the stonecutters refused to work on printing presses and cut stone purchased from non-union producers—but the rationale of the Duplex and Bedford decisions would be equally applicable to a strike against a producer who sold his product to non-union customers.

tion.<sup>12</sup> When the stagehands, already preoccupied with the problem of extending their jurisdiction over projection machines to include sound equipment, refused to call their members out of the theaters under the 1913 AFM-IASTE agreement, the AFM was without any effective means of combating the new mechanical competition.

Of course, while the advent of sound movies meant unemployment for many musicians throughout the country, it also meant that there would be some augmentation of the 200-odd musicians employed by the producing studios to supply "mood music" for the inspiration of the actors. And on this relatively minor phase of the matter, the AFM was in a better position to represent its members. A few years earlier it had come to the aid of the stagehands, carpenters, electricians, and painters in their campaign to unionize the studios. It had also joined with them in the 1926 Studio Basic Agreement with the major producers, the chief feature of which is to provide for negotiation of studio contracts at an annual New York meeting between officers of the unions and representatives of the producers.<sup>13</sup> Through its negotiations at the national level under this agreement, the Federation has been able to initiate the quota system previously mentioned under which about 500 musicians are employed at annual salaries of not less than \$6,900<sup>14</sup> to provide the music for pictures which play in more than 18,000 theaters with an aggregate weekly attendance exceeding 60,000,000.<sup>15</sup> And since 1938 it has sought to protect these musicians by requiring the producers to agree that sound tracks will be used only "to accompany the picture for which the music was performed" and will not be "disposed of, sold leased, or used for any picture or purpose except to accompany a revival of the picture for which recordings were originally made."<sup>16</sup>

When the development of television suggested a new method for the use of sound films, additional provisions were inserted in the studio contracts to forbid the use of musical sound

<sup>12</sup> International Musician 10, 14 (June 1930).

<sup>13</sup> Ross, Stars and Stripes 13-21 (1941).

<sup>14</sup> See *infra* § 144, n 4.

<sup>15</sup> Variety, p 9 (Apr. 28, 1948); Lindey Motion Picture Agreements Annotated vii (1947).

<sup>16</sup> Ross, *op cit supra* note 13, at 206; Hearings before Special Subcommittee of Committee on Education and Labor pursuant to HRes 111, 80th Cong 1st Sess (1947) at 506.

track for television broadcast without prior consent of the Federation.<sup>17</sup> This will be discussed in a subsequent section.<sup>18</sup>

#### 147. THE AMERICAN FEDERATION OF MUSICIANS: RADIO.

The advent and development of the broadcasting industry in the nineteen-twenties were welcomed by the AFM because the latter envisioned this new media of mass communications as offering increased employment opportunities for its musicians. But radio stations in lieu of hiring musicians discovered that recorded music was much cheaper; more importantly, it was and still is an excellent source of program material.

In the early days of radio, the programs of a majority of stations consisted almost entirely of phonograph records.<sup>1</sup> The then Secretary of Commerce, Herbert Hoover, feared that radio would be retarded unless a change was effectuated in the programming of stations. Accordingly, he opened up a new frequency to broadcasters who would meet certain prescribed standards.<sup>2</sup> One of the conditions imposed was that the licensee would not use mechanically operated instruments.<sup>3</sup> When the regulatory control exercised by the Secretary of Commerce broke down in 1926,<sup>4</sup> the foregoing restriction was no longer applicable, and all broadcasting stations started to use recorded music.

The development of network broadcasting in the mid-nineteen-twenties was another factor which decreased the employment opportunities of musicians.<sup>5</sup> Although radio originally carried greater promise than the phonograph for the instrumental musician—because it provided a means for

<sup>17</sup> Hearings, *op cit supra* note 17 at 199, 207, 232.

<sup>18</sup> *Passim*, § 148.

<sup>1</sup> Annual Report, Chief of Radio Division, Dep't of Commerce 8 (1929): "During the early days the programs of a majority of the stations consisted almost entirely of phonograph records. The announcers usually had favorite records which they repeated numerous times during a program. The Secretary of Commerce foresaw the danger of stations losing public interest if a change was not made in the programs."

<sup>2</sup> Prior to 1922, broadcasting was restricted to the 833 kc frequency.

The new frequency opened up was 750 kc.

<sup>3</sup> The original regulation provided that "mechanically operated musical instruments may be used only in an emergency and during intermission periods in regular programs." Bureau of Navigation, Radio Service Bulletin No. 65, at 11 (Sept. 1, 1922). One month later the regulation was amended to prohibit mechanical music entirely. *Ibid.*, No 66, at 8 (Oct. 2, 1922).

<sup>4</sup> Warner, Radio & Television Law, (1948), § 91.

<sup>5</sup> For the development of network broadcasting, see *Id.* § 40.

him to reach the family home with his performance without putting that performance in such form that it could be repeated mechanically—much of what radio offered it soon took away with the development of chain broadcasting. Although the AFM is acutely aware of the restrictive effect of the network device upon the employment opportunities of its members, it has not yet devised a strategy to combat that effect. After the networks had made a new bid for local patronage by introducing the “co-op show”<sup>6</sup>—a network program with cued blanks for the insertion of local advertisers’ blurbs—the Federation in September 1940 ordered its members not to participate in such shows. But that ban was lifted in December 1947 (perhaps because the producer of “Information Please” had filed unfair labor practice charges under the Taft-Hartley Act<sup>7</sup>); and the 1948<sup>8</sup> and 1951<sup>9</sup> contracts concluded between the network originating stations and the AFM Locals in New York, Chicago and Los Angeles provide that musicians will perform on co-operative programs. The networks pay the musicians the same compensation as in the case of programs which are sponsored by a single advertiser.<sup>10</sup>

To return to the use of recorded music by radio stations, the Federal Radio Commission which succeeded the Secretary of Commerce in 1927, did not prohibit the use of phonograph records; it admonished the industry against the use of records particularly in the larger cities where there were other sources of program material. For the smaller communities with limited sources of program material and talent, the use of phonograph records was not as objectionable.<sup>11</sup>

The Federal Communications Commission which succeeded the Federal Radio Commission in 1934 has likewise cautioned against the use of excessive phonograph records, and on occasion has denied applications for new facilities on this ground in conjunction with other circumstances. In this connection, the various application forms of the F.C.C. inquire as to the

<sup>6</sup> The co-op show was introduced in 1937 by Mutual Broadcasting System. The four national networks offer a very substantial number of such shows. *Sec Newsweek* 68 (Oct. 20, 1947).

<sup>7</sup> On the theory that the AFM ban on such broadcasts constituted an illegal boycott under § 8(b)(4) of the Act. 21 Lab Rel Rep 17 (1947).

<sup>8</sup> *Variety Magazine*, March 24, 1948 at 38.

<sup>9</sup> *Broadcasting Magazine*, March 19, 1951 at 27, 40.

<sup>10</sup> *Id.*

<sup>11</sup> *Warner, Radio & Television Law* (1948) § 34f 13.

amount of time to be devoted to phonograph records and electrical transcriptions. The Commission's original attitude which disapproved recorded programs has been relaxed. With the development of mechanical devices, viz., transcriptions, discs, tapes, wire-recording, etc., manufactured exclusively for radio, it is believed that the administrative disapproval of recorded programs has been further relaxed.<sup>12</sup>

From 1927 to 1937, the AFM's policy toward the use of recorded music was vacillating and indecisive. The Federation opposed the use of recorded music but it took no affirmative action against the broadcasting industry and the phonograph and transcription companies.

Two developments occurred during this decade which warrant brief comment. As we have discussed elsewhere, the electrical transcription was developed in 1930.<sup>13</sup> This new mechanical device, plus the phonograph record substantially increased the use of recorded music by radio stations.

The AFM attacked the increased use of recorded music by joining forces with performers (National Association of Performing Artists, NAPA) who claimed that they should be compensated by radio stations for their interpretive performances preserved on phonograph records and other mechanical reproducing devices.<sup>14</sup> We have discussed elsewhere the refusal of the courts to extend the law of unfair competition, right of privacy and common-law copyright for the protection of interpretive performing rights.<sup>15</sup> The AFM at first supported NAPA,<sup>16</sup> even to the extent of making a financial contribution to its activities.<sup>17</sup> It is believed that the Federation subsequently withdrew its support. This was because NAPA's program was in conflict with the Federation's policy on recorded music. The AFM as representative of all the musicians, is opposed to their displacement by mechanical reproduction, despite the fact that a few of its members are able to find employment in the making of such reproductions.<sup>18</sup> Any action which it may take in opposition

<sup>12</sup> *Id.*

<sup>13</sup> *Infra* § 138b.

<sup>14</sup> NAPA's activities are discussed in detail in § 215, *passim*.

<sup>15</sup> *Id.*

<sup>16</sup> Hearings before the Committee on Patents for Revision of the Copy-

right Laws, 74th Cong 2d Sess (1936) at 662-664, 668-72.

<sup>17</sup> Hearings before Subcommittee of Committee on Judiciary on HR 1269, HR 1270, and HR 2570, 80th Cong 1st Sess (1947) at 664.

<sup>18</sup> According to trade estimates,

to the use of mechanical music will be contrary to the interests of those few members, and the only effect of NAPA's campaign to increase the value of those interests must be to lessen the enthusiasm of such members for the Federation's policy.

In 1937, the AFM launched its own campaign against the use of recorded music. The initiative came from Chicago Local 10, which announced early in 1937 that after February 1 of that year it would not permit its members to make recordings or transcriptions except under such conditions as the Local's executive board should deem best calculated to "end for all time the menacing threat of canned music competition."<sup>19</sup> And in June of the same year a number of resolutions calling for similar action by the Federation were referred by the national convention to the Executive Board with full power to act on the matter.<sup>20</sup>

Armed with this authority, the national officers entered into negotiations with the broadcasters and emerged with agreements requiring radio stations approximately to double their expenditures for staff musicians during the next two-year period.<sup>21</sup> Shortly thereafter, the AFM required each of the

only about 5,000 AFM members derive any substantial amount of income from recording and transcribing work. Of this number, 500 in New York and another 500 in Hollywood supplement such employment with performances on live radio shows, and their combined income runs from \$12,000 to \$20,000 annually. The remaining 4,000 are the musicians in "name bands" who earn about \$1,000 annually from recording and transcribing engagements. About fifteen or twenty of the leaders of these bands have been able to get provisions in their recording contracts giving them royalties. *Variety*, p 1 (Oct. 22, 1947), *ibid.*, p 43 (Oct. 29, 1947). The AFM corroborates the 5,000 figure, but claims that the average musician, excluding orchestra leaders, earns less than \$400 per year from recording engagements. Hearings before Committee on Education and Labor on Restrictive Practices of AFM, 80th Cong 2d Sess (1948) at 335, 390.

<sup>19</sup> International Musician 3 (Jan. 1937). Cessation of the use of all mechanical music had been one of the demands accompanying a strike called by Local 10 against Chicago radio sta-

tions in 1931, but the strike was settled without any concession from the broadcasters on that point. Hearings before Subcommittee of Committee on Interstate Commerce, pursuant to S Res 286, 77th Cong 2d Sess (1942) at 16.

<sup>20</sup> International Musician 1 (Aug. 1937).

<sup>21</sup> Each of the national network originating stations in New York, Chicago, and Los Angeles was required to increase its expenditures by \$60,000 annually. All other stations affiliated with networks undertook an annual aggregate increase of \$1,500,000. Unaffiliated stations whose gross income for 1937 exceeded \$20,000 agreed to spend an annual sum equal to 5½ per cent of the amount by which that gross income exceeded \$15,000. None of these agreements fixed wage scales for the staff musicians—that was left to negotiations between the stations and the various AFM Locals. Hearings before Committee on Interstate and Foreign Commerce on S 63 and HR 1648, 79th Cong 1st Sess (1945) at 91-101; Hearings, *op cit supra* note 19, at 16; NAB Reports 3807 (Nov. 3, 1939).

recording and transcription companies, as a condition to further performance by AFM members, to operate under a yearly "license" issued by the Federation. The terms of this license required the licensee to label every transcription with a legend restricting its use to the specific purpose for which it was made, and to label every phonograph record with a statement that it was "only for non-commercial use on phonograph in home."<sup>22</sup>

These arrangements settled the AFM's relations with the recording industry and the broadcasters for a time, but while negotiations with the broadcasters for renewal of the quota agreements were pending in 1939, Assistant Attorney General Thurman Arnold published a statement listing the trade-union practices which the Department of Justice considered "unquestionable violations of the Sherman Act." Included in the list were "unreasonable restraints designed to compel the hiring of useless and unnecessary labor."<sup>23</sup> As will later appear, that advice proved poor prophecy,<sup>24</sup> but it was enough at the time to arouse doubts in AFM councils as to the wisdom of negotiating another quota agreement on a national scale, and President Weber advised the Locals early in 1940 to seek their own terms with the broadcasters.

Since that time, negotiations for staff musicians have been conducted between the Locals and the individual stations,<sup>25</sup> with the Locals attempting not only to secure wage increases commensurate with rising living costs but also to obtain their own quota agreements in order to prevent reduction in employment. Data collected by the FCC indicate that they have not been completely successful. In 1940 the four national networks and 765 standard stations employed 2,237 staff musicians at average weekly salaries of \$60.<sup>26</sup> In 1945 nine net-

<sup>22</sup> AFM Standing Resolutions 52 (1938). Although no wage scales were specified in the license, most of the recording bands are traveling bands, and for that reason the Federation has fixed recording and transcribing rates at the national level since 1929.

<sup>23</sup> Department of Justice Press Release, Nov. 20, 1939, reprinted in Hearings, *op cit supra* note 19, at 62-64 and in Arnold, *The Bottle-necks of Business* 249-53 (1940).

<sup>24</sup> See *United States v. International*

*Hod Carriers and Common Laborers District Council*, 313 US 539, 61 S Ct 839, 85 LEd 1508 (1941).

<sup>25</sup> But the national officers of the AFM participate in negotiations between Locals and network originating stations in New York, Chicago, and Los Angeles.

<sup>26</sup> FCC, *Statistics of the Communications Industry in the United States for the Year Ended December 31, 1940*, at 140 (1942).

works and 876 standard stations employed 2,220 staff musicians at average weekly salaries of \$81.<sup>27</sup> In 1947 seven networks and 924 standard stations employed 1,939 staff musicians at average salaries of \$87.<sup>28</sup> The 1948 contracts concluded between the AFM locals and networks originating stations did not increase the quotas of musicians or their compensation.<sup>29</sup> The 1951 contract which expires on February 1, 1954, does not require the networks or local stations to increase the number of musicians employed. However, the union secured a 15 per cent wage increase for staff musicians, arrangers, orchestrators, copyists etc.<sup>30</sup> It is estimated that "the increases will bring salaries of staff musicians in New York to \$220.17 for a 25 hour week and to \$132.25 in Los Angeles."<sup>31</sup>

While the Locals were dealing with the problem of employment in the broadcasting station, new vigor was brought to the AFM's national leadership with the retirement in 1940 of 74-year-old President Joseph Weber and the election of James C. Petrillo as his successor. Petrillo immediately imposed the ban on cooperative radio programs and initiated the boycotts which resulted in the unionization of the Boston Symphony Orchestra and the bringing of all American Guild of Musical Artists instrumental and conductor members into the AFM.<sup>32</sup> Then he addressed himself to the problem of the phonograph record and the transcription.

From the 1941 national convention he secured authority to take action against mechanical music,<sup>33</sup> and in June 1942 he notified the recording and transcription companies that their AFM licenses, which expired August 1, would not be renewed. Although he subsequently offered to permit AFM members to make records for home use only, the recording

<sup>27</sup> NAB Reports 63 (Jan. 28, 1946).

<sup>28</sup> FCC, Public Notice 8304 (June 23, 1947). On the basis of an FCC survey for the week beginning February 1, 1947, it appears that the broadcasters paid about \$8,767,000 to their 1,939 staff musicians last year, and paid another \$2,777,000 to employ 1,423 part-time musicians. See FCC Public Notice 8304 (June 23, 1947).

<sup>29</sup> Variety Magazine, March 24, 1948 at 38.

<sup>30</sup> Broadcasting Magazine, March 19, 1951 at 27, 40.

<sup>31</sup> *Ibid.*, at 27.

<sup>32</sup> See Countryman, The Organized Musicians: I, 16 UnivChiLRev 56, 70-71 (1948). Petrillo also initiated negotiations resulting in 1942 in the termination of the AFM-IASTE agreement, which had been of little value to the AFM for the past twenty years and which operated to restrict the employment opportunities of AFM members because of IASTE's lengthy unfair list. International Musician 1 (Apr. 1942).

<sup>33</sup> *Ibid.*, at 1 (Aug. 1941).

companies disclaimed any power so to limit their use, and on August 1 the musicians stopped making records.<sup>34</sup>

Reaction to this move was cataclysmic. The Federation and its President became, almost overnight, subjects of nationwide interest. Editorial writers and columnists throughout the land labored their readers with impassioned dissertations on "dictatorship," "labor czars," and "musical Hitlers." Elmer Davis, as Director of the Office of War Information, fanned the flames by injecting patriotism into the controversy. He announced that "the elimination of records . . . for use in restaurants, canteens and soda parlors where members of the armed forces go for recreation, and for use in factories where war workers use juke boxes for organized relaxation" would seriously jeopardize morale "in the critical months ahead—months which may well decide the fate of this country's war effort," and that elimination of transcriptions would jeopardize the existence of "several hundred" small radio stations and thus "seriously interfere with the communication of war information and messages vital to the public security." Consequently, he called upon Petrillo "on behalf of the people of the United States and on behalf of the War Department, the Navy Department, the Marine Corps, the Coast Guard, the Treasury Department, the Office of Civilian Defense, and the Office of War Information," to end the recording ban.<sup>35</sup>

The fact that the AFM's recording ban did not have the effect of "eliminating," or even diminishing, the production of phonograph records,<sup>36</sup> but operated only to prevent the recording of new musical compositions after August 1, in no way diminished the effectiveness of the Davis letter or the indignation occasioned by the Federation's refusal to comply with the Davis request.

<sup>34</sup> Although the musicians continued for a time to make transcriptions which were used only once by any one station, the recording ban was extended to cover such transcriptions early in September 1942.

<sup>35</sup> Letter from Davis to Petrillo, July 23, 1942, reprinted in Hearings, *op cit supra* note 19 at 6-7.

<sup>36</sup> From their existing stock of matrices the recording companies con-

tinued to press and sell as many records as they could get material to manufacture under War Production Board quotas. In 1944 a War Labor Board panel found that "the number of pressings has been limited only by the supply of material and mechanical labor." Electrical Transcription Manufacturers, 16 War Lab Rep 369, 378 (1944).

When AFM leaders, with characteristic lack of diplomacy, compounded their sins by demanding that NBC cease broadcasting the performances of student musicians from the National Music Camp, government agencies were stimulated to action. The Senate Committee on Interstate Commerce launched inquiries into AFM activities.<sup>37</sup> The FCC conducted a survey of the radio industry and reported to the Senate committee that 167 of the 890 standard stations then operating would probably be unable to continue without recorded and transcribed music.<sup>38</sup> The Department of Justice brought an injunction action under the anti-trust laws.

The Senate inquiry inspired several bills aimed at AFM practices,<sup>39</sup> two of which, designed to forbid interference with student broadcasts, successfully passed the Senate,<sup>40</sup> but Congress' preoccupation with questions of greater importance precluded definitive legislative action during the war. Meanwhile, the Department of Justice went to trial in its anti-trust suit.

At the outset, the Department was confronted with a rather formidable body of precedent. Since 1932 the Norris-La-Guardia Act<sup>41</sup> had forbidden the federal courts to issue injunctions in labor disputes, and had defined "labor dispute" to include "any controversy concerning terms or conditions of employment . . . whether or not the disputants stand in the proximate relation of employer and employee." Two years before the recording ban, in *Milk Wagon Drivers' Union v. Lake Valley Co.*,<sup>42</sup> the Supreme Court had decided that this Act meant that no injunction should be issued in a labor dispute even though it was sought on the ground that the union's activity violated the Sherman Act. And the Court

<sup>37</sup> Hearings, *op cit supra* note 19; Hearings before Subcommittee of Committee on Interstate Commerce pursuant to S Res 81, 78th Cong 1st Sess (1943) (unpublished); Hearings before Subcommittee of Committee on Interstate Commerce on S 1957, 78th Cong 2d Sess (1944) (unpublished).

<sup>38</sup> Hearings, *op cit supra* note 19, at 33. The FCC prediction was based upon the fact that these 167 stations used recorded or transcribed music for more than 80 per cent of their musical programs and that their net income before taxes was less than \$5,000.

<sup>39</sup> S 2874, 77th Cong 2d Sess (1942) (recording ban); S 1332, 78th Cong 1st Sess (1943), (recording ban); S 1957, 78th Cong 2d Sess (1944) (student broadcasts); HIR 1648 and S 63, 79th Cong 1st Sess (1945) (student broadcasts).

<sup>40</sup> S 1957 and S 63, *op cit supra* note 39.

<sup>41</sup> 47 STAT 70 (1932), 29 USCA § 101 et seq. (1947).

<sup>42</sup> 311 US 91, 61 S Ct 122, 85 L Ed 63 (1940).

had found that a labor dispute existed even though the milk wagon drivers' union sought to compel dairy operators to cease using "independent vendors" and to hire union drivers to distribute their products, by picketing the retail stores which purchased milk from the "independent vendors" rather than by action taken directly against the dairy operators whose labor practices it sought to change.

Then there was the *Hutcheson* case.<sup>43</sup> Since the suit against the AFM was not a criminal action, the government was not here concerned with the mental gymnastics which Justice Frankfurter had employed to revive the Clayton Act's exemption from criminal prosecution without disturbing the decision<sup>44</sup> which had destroyed that exemption. But the *Hutcheson* decision had also found a labor dispute where the carpenters' union sought to compel operators of a brewery to take certain work from the machinists and give it to the carpenters by calling strikes against the brewery, a construction company employed by the brewery, and a construction company employed by one who leased certain properties from the brewery, by picketing both the brewery and its lessee, and by boycotting the brewery's product.

Finally, there was the case of the *Hod Carriers*,<sup>45</sup> prosecuted under the Sherman Act for calling a strike against certain construction companies to compel the companies either to cease using concrete truck-mixers or to hire standby employees whenever the truck-mixers were used. After a district court had dismissed the indictment in that case, the Supreme Court had affirmed without opinion on the authority of the *Hutcheson* decision.<sup>46</sup>

These decisions pretty well bracketed the AFM case. The government's complaint alleged that the purpose of the recording ban was to compel radio stations to cease using records and transcriptions and to compel hotels, restaurants, taverns, cabarets, etc., to cease using juke boxes.<sup>47</sup> On this

<sup>43</sup> *United States v. Hutcheson*, 312 US 219, 61 S Ct 463, 85 LEd 788 (1941).

<sup>44</sup> *Duplex Printing Press Co. v. Deering*, 254 US 443, 41 S Ct 172, 65 LEd 349 (1921).

<sup>45</sup> *United States v. International Hod Carriers and Common Laborers*

District Council, 313 US 539, 61 S Ct 839, 85 LEd 1508 (1941).

<sup>46</sup> *Id.*

<sup>47</sup> The complaint also included allegations based upon the National Music Camp incident and upon a strike called by the AFM against the Don Lee Broadcasting System, a

theory the AFM, like the unions of the milk wagon drivers, the carpenters and the hod carriers, was seeking more work for its members. Like those unions, it sought to eliminate competition in its labor market. Like the unions of the milk wagon drivers and the carpenters, it resorted to a secondary boycott rather than to activity directly aimed at those whose labor practices it sought to affect. Like the hod carriers, it was resisting technological change rather than live competition. The only significant difference between the AFM case and any of those already decided was one which seemed to bring the dispute more clearly within the Norris-LaGuardia Act: Unlike some of those against whom union activity was directed in the *Milk Wagon Drivers* and *Hutcheson* cases, the recording and transcription companies were employers of union members.

With the law in this discouraging state, Assistant Attorney General Arnold offered a twofold argument in support of his complaint:<sup>48</sup> 1) He argued that the AFM's recording ban had nothing to do with terms and conditions of employment. The apparent contradiction of the *Milk Wagon Drivers* case was ignored.<sup>49</sup> The *Hutcheson* case was said to be distinguishable because it "involved only a jurisdictional strike." As for the *Hod Carriers* case, "no contractors were forced out of business. An unnecessary charge was imposed which could be and was collected. In the instant case the unnecessary charge was complete prohibition and was aimed at the elimination of smaller networks and smaller radio stations." 2) Relying on a dictum in the *Hutcheson* opinion (later to be confirmed in the *Allen Bradley* decision) that the Sherman Act would apply should a union "combine with nonlabor groups," he argued that "the union seeks a combination with manufacturers of phonograph records and electrical tran-

regional network, to compel one of the stations affiliated with the network to hire more musicians.

<sup>48</sup> Statement as to Jurisdiction, Docket No 670, October Term, 1942, Supreme Court of the United States.

<sup>49</sup> Compare the statement in the majority opinion in that case: "To say . . . that the conflict here is not a good faith labor issue, and therefore there is no 'labor dispute,' is to ignore the

statutory definition of the terms; to say, further, that the conditioned abandonment of the vendor system, under the circumstances, was an issue unrelated to labor's efforts to improve working conditions, is to shut one's eyes to the everyday elements of industrial strife." *Milk Wagon Drivers' Union v. Lake Valley Co.*, 311 US 91, 99, 61 Sct 122, 85 LEd 63 (1940).

scriptions to prevent independent radio stations and networks from acquiring such records and to prevent small amusement places from buying such records, thereby eliminating competing forms of musical production.” But this argument includes the contention that the AFM sought to induce the transcription manufacturers to combine against their only customers and to induce RCA and CBS as manufacturers of records and transcriptions to conspire against themselves as broadcasters. Further, it could have been argued with exactly as much force that the hod carriers were seeking to combine with the construction companies against the manufacturers of truck-mixers and that the milk wagon drivers were seeking to combine with the dairy operators against the “independent vendors.” And any union activity aimed at the elimination of non-union employees or employees affiliated with a different union, as in the *Hutcheson* case, would constitute an attempt to combine with the employer against such employees. In essence, then, this was merely another way of putting the first argument—union activity aimed at eliminating competition in the labor market has nothing to do with “terms and conditions of employment” within the meaning of the Norris-LaGuardia Act.<sup>50</sup>

The district court found these arguments insufficient and dismissed the complaint. On appeal the Supreme Court was able to dispose of the case summarily,<sup>51</sup> citing the *Milk Wagon Drivers* decision and *New Negro Alliance v. Sanitary Grocery Co.*<sup>52</sup> The latter case did not involve the Sherman Act but had found a labor dispute within the meaning of the Norris-LaGuardia Act where an organization of Negroes picketed a grocery store to compel it to abandon its “whites only” employment policy and hire Negro clerks.

Four days before the Supreme Court’s decision was announced, the AFM offered to terminate the recording ban, which had then been in effect for six months, if the recording and transcription companies would agree to pay fixed royalties

<sup>50</sup> The rule later announced in the Allen Bradley case seems clearly inapplicable here, since the manufacturers of records and transcriptions have no economic interest in withholding their product from radio and juke box use. In fact, all of the major record manufacturers consider the disc

jockeys such stimulators of record sales that they supply them with free records. *Variety*, p 41 (Sept. 3, 1947).

<sup>51</sup> *United States v. American Federation of Musicians*, 318 US 741, 63 Sct 665, 87 LEd 1120 (1943).

<sup>52</sup> 303 US 552, 58 Sct 703, 82 LEd 1012 (1938).

to the Federation for each record and transcription made by AFM members. The sums so collected were to be used "for the purposes of reducing unemployment which has been created in the main by the use of the above-mentioned mechanical devices and for fostering and maintaining musical talent and culture and music appreciation; and for furnishing free, live music to the public."<sup>53</sup> The companies, however, refused to consider any such arrangement—not because of its cost, but because they objected to contributing to any fund to be "disbursed in the Union's uncontrolled discretion," and because of the fallacy in the underlying assumption "that a specific industry owes a special obligation to persons not employed by it—an obligation based only on such persons' membership in a union."<sup>54</sup>

Instead, anti-trust remedies having failed, they took their case to the War Labor Board under the War Labor Disputes Act of 1943.<sup>55</sup> But while the WLB hearing was proceeding before a three-man panel, a break occurred in the hitherto solid ranks of the companies. Decca, producer of one-fourth of all phonograph records in the United States,<sup>56</sup> entered into a contract with the Federation. Furthermore, Decca brought with it the World Broadcasting System, the largest manufacturer of library transcriptions (whose stock Decca had acquired<sup>57</sup>), and WOR Recording Studios, chief transcription manufacturer for MBS.

This contract, to run until December 31, 1947, constituted a complete capitulation to the Federation's royalty demands.<sup>58</sup> "In order to give effect to the principle of a continuing interest which all members of the Federation have in the use of record-

<sup>53</sup> Hearings, *op cit supra* note 21 at 100.

<sup>54</sup> *Ibid.*, at 76.

<sup>55</sup> 57 STAT 163 (1943), 50 App USCA § 1503 (1944). This Act gave the Board jurisdiction over any "labor dispute" which might lead to "substantial interference with the war effort." The Board found the recording ban to constitute such a labor dispute and set the case down for panel hearing in Electrical Transcription Manufacturers, 10 War Lab Rep 157 (1943).

<sup>56</sup> At the conclusion of its hearings the WLB panel found that Decca, Columbia, and Victor "issue practically all of the phonograph records in the

United States. The annual production of the three companies is about 130,000,000 records, of which 50,000,000 are made by Victor; 39,000,000 by Columbia; and 35,000,000 by Decca." Electrical Transcription Manufacturers, 16 War Lab Rep 369, 372 (1944).

<sup>57</sup> Standard & Poor's Corporation Records (C-E) 1451. In August 1948 Decca sold World to Frederick W. Ziv Company, largest manufacturer of open-end transcriptions. Broadcasting 22 (Aug. 9, 1948).

<sup>58</sup> A copy of the contract is set out in NAB, Special A. F. of M. Bulletin 22 (Oct. 1, 1943), and in International Musician 1 (Oct. 1943).

ings containing instrumental music," the companies agreed to pay royalties ranging from one-fourth cent on a thirty-five cent record to 2½ per cent of the sale price of records selling for more than \$2.00. On electrical transcriptions the royalty was 3 per cent of companies' gross revenue from sale, lease, or license of such transcriptions, except that transcriptions which were used only once by any one station were royalty-free. It was also provided that if the AFM should subsequently enter a contract with other companies "upon terms more favorable or different" from the Decca contract, the signatories to the Decca contract could cause their agreement "to be conformed therewith."

Within a month twenty-two small record and transcription manufacturers had signed a Decca contract, and four more large transcription companies had signed a second contract<sup>59</sup> patterned after the Decca agreement but containing two additional provisions available to the Decca signatories under the most-favored-company clause of their agreement: 1) The AFM agreed not to seek an increase in wage scales prior to October 1945.<sup>60</sup> 2) It was specifically provided in the contract that the royalty payments should be kept by the AFM in a separate fund and used "only for purposes of fostering and propagating musical culture and the employment of live musicians, members of the Federation."

Although the "Four Companies" contract was soon accepted by seventy-six more small recording and transcription companies, RCA and Columbia refused to enter into any such agreement, and the WLB proceedings continued. In March 1944 the panel issued its report, a lengthy document written by public member Arthur S. Meyer and substantially concurred in by employer member Gilbert E. Fuller, wherein the dispute received its first consideration on the merits. Although Meyer was not impressed by the companies' posi-

<sup>59</sup> A copy of this contract is set out in NAB, Special A. F. of M. Bulletin 23 (Oct. 29, 1943), and in International Musician 16 (Nov. 1943).

<sup>60</sup> Wage scales at that time were \$10 per hour for popular records (not more than four 10-inch or three 12-inch matrices to be made in three hours), \$14 per hour for classical records (not more than forty minutes playing time per hour), and \$18 per hour for elec-

trical transcriptions (not more than one fifteen-minute transcription per hour). AFM By-Laws Art. XV (1941). In October 1946 the Federation secured increases which brought the rates to \$13.75 for popular records, \$19.25 for classical records, and \$27.00 for electrical transcriptions. AFM, Wage Scales, Rules and Regulations Applying to Recordings and Transcriptions 3-5 (1946).

tion that as a matter of principle they could not agree to make payments into a fund to be controlled by the Federation, a principle upon which he thought the companies stood "a little painfully," he found: 1) that the union had failed to prove that the phonograph, the transcription, or the radio had "decreased the employment of musicians"; 2) that although not more than one-third of the AFM membership was able to find full-time employment as musicians, the remaining two-thirds were able to supplement part-time musical work with other employment or to find full-time employment in other fields, and, at least during a war-time manpower shortage, the union could not ask for more; and 3) that even if an unemployment problem did exist, the War Labor Disputes Act authorized the WLB only to prescribe "wages and hours and all other terms and conditions (customarily included in collective bargaining agreements) governing the relations between the parties," and a royalty provision such as that demanded by the AFM was not "customary." Accordingly, the panel recommended, with labor member Max Zaritsky dissenting, that the Board direct termination of the recording ban and restoration of conditions prevailing on July 31, 1942.<sup>61</sup>

For all Meyer's painstaking care, his report seems to miss the point of the Federation's case. It is obvious that the phonograph, considered apart from its use on radio and juke box, did not decrease the employment opportunities of musicians—it did just the opposite. Hence, it was not surprising that the panel could discover President Weber saying in 1926 (while Secretary Hoover's licensing plan was keeping recorded music off most radio programs and before the introduction of the modern juke box) that the phonograph record had "advanced the development of the love of music among the people . . . and the result was an increase of employment opportunities for musicians."<sup>62</sup> Although the panel report was critical of the union's failure to submit data in support of its position, the ultimate logic of the Federation's position is that the phonograph record and the transcription have been used by radio stations and operators of small amusement places to fill a demand which otherwise would have created

<sup>61</sup> Electrical Transcription Manufacturers, 16 War Lab Rep 369, 370 (1944).

<sup>62</sup> *Ibid.*, at 380.

more jobs for live musicians. Obviously, no amount of investigation will prove that there would be more employment for musicians today if the phonograph and the radio had never been invented. Nor could the Federation muster statistics to show how many more jobs for live musicians would be made available if there were no juke boxes and if records and transcriptions were not used on the radio. It is apparent that the elimination of the juke box and the recorded radio program would in some measure increase the job opportunities of live musicians. That, in final analysis, is the Federation's contention, and years of surveying and statistics-gathering will not give it added weight or precision. But the panel did not recognize that contention, and its report did not deal with it.

In any event, the WLB did not follow the panel's recommendation. It accepted the principle of the union-administered royalty fund which the companies found so distasteful, and it ordered immediate termination of the recording ban and settlement by arbitration of the amount and disposition of royalty payments.<sup>63</sup>

But the AFM, with a large part of the battle won, was in no mood to arbitrate, and it refused to comply with the Board's order. The only compulsion, aside from adverse publicity, which the War Labor Disputes Act provided for enforcement of the order was seizure of the business concerned in the event that the Economic Stabilization Director found "that the war effort will be unduly impeded or delayed" by continuance of the dispute. Accordingly, when two months of extremely adverse publicity had failed to daunt the Federation, the board referred the case to Stabilization Director Vinson, who concluded, reasonably enough, that continuation of the recording ban against RCA and Columbia would not unduly impede or delay the war effort. President Roosevelt then wired Petrillo, informing him of the Director's decision, but calling on the union in the name of patriotism and citizenship to comply with the Board's order voluntarily.<sup>64</sup> The Federation refused to accede to this request, pointing out that it had already reached agreements with 105 recording and transcription companies under which recordings had been made for

<sup>63</sup> *Ibid.*, at 369.

<sup>64</sup> *New York Times*, p 1 (Oct. 5, 1944).

the past year, and that under the most-favored-company clause an arbitration award on terms more favorable to RCA and Columbia might deprive it of part of the benefits of those agreements.<sup>65</sup>

The new flurries of editorial indignation caused by this defiance of governmental authority may have brought comfort to RCA and Columbia, but it brought no recording profits. And Jascha Heifetz's switch from RCA-Victor to Decca<sup>65</sup> was an omen of even greater long-run loss. Finally, two days after the 1944 Presidential election and almost twenty-seven months after the initiation of the recording ban, RCA and Columbia capitulated and signed the royalty contract, bringing the record industry back to full production.

With the end of the war, that industry entered a new era of prosperity. In 1945 it sold 165,000,000 records,<sup>67</sup> by 1946 it had raised the figure to 275,000,000,<sup>68</sup> and the 1947 output was 350,000,000.<sup>69</sup> A concomitant of such prosperity is, of course, the rise and fall of numerous new producers, and there are today literally hundreds of small recorders either in operation or in the process of going in or out of business.<sup>70</sup> Nonetheless, RCA-Victor, Columbia, Decca, and Capitol Records, Inc.—a newcomer which entered the record and transcription fields in 1942<sup>71</sup>—account for over 80 per cent of the entire record production.<sup>72</sup>

With the industry in this flourishing state, the Federation had collected \$3,700,000 in royalties by the end of 1947, and the AFM Executive Board, acting under directions from the

<sup>65</sup> *Ibid.*, p 1 (Oct. 11, 1944).

<sup>66</sup> *Ibid.*, p 14 (Oct. 5, 1944).

<sup>67</sup> Taubman, 165,000 Discs a Year, *New York Times Magazine* 20 (Dec. 8, 1946).

<sup>68</sup> As Crosby Goes, So Goes Chopin, 35 *Fortune*, No 5, at 146 (May 1947).

<sup>69</sup> Lunde, The American Federation of Musicians and the Record Ban, 12 *Pub Op Quar* 45, 46 (1948).

<sup>70</sup> Sturdiest of the new entrants is MGM, which spent \$4,000,000 to convert a Bloomfield, New Jersey, war plant into a record factory, arranged to have its domestic distribution handled by the Zenith Radio Corporation and its foreign distribution by Electrical and Musical Industries, Ltd.

(which does the same job for Columbia and RCA-Victor), and entered production in March 1947. As Crosby Goes, So Goes Chopin, 35 *Fortune*, No 5, at 146 (May 1947); *Variety*, p 39 (Aug. 13, 1947).

<sup>71</sup> Capitol was formed by songwriter Johnny Mercer, movie producer, the late Buddy DeSylva, and Hollywood music store proprietor Glenn Wallichs.

<sup>72</sup> In terms of the number of records sold, it is estimated that RCA-Victor accounted for 27 per cent of the 1947 output, Decca 25 per cent, Columbia 23 per cent, and Capitol 8½ per cent. Lunde, *op cit supra* note 69, at 46.

national convention,<sup>73</sup> distributed \$1,130,000 among the Locals in 1947 according to a plan designed to accommodate both the employment needs of the Locals and the musical needs of the smaller communities.<sup>74</sup> With that allocation, supplemented in some instances by contributions from the Locals and from civic organizations and local government units, the musicians provided some 10,000 musical performances in ballrooms, concert halls, veterans' hospitals, and parks. These performances, which were divided almost evenly between popular and classical music, employed more than 30,000 musicians and played to audiences in 514 communities. A similar schedule of performances in 1948 was financed by a second allotment of \$1,736,000 from the royalty fund.<sup>75</sup>

Meanwhile, having acquiesced in the continued use of recorded music on the air, the Federation sought to invoke the principle it once had applied to the motion picture theaters—that the music machine should be operated by a member of the union. As president of Local 10, Petrillo had in 1928 converted Chicago radio stations to the practice of employing AFM members as platter-turners. But in other stations that work was done by announcers or studio engineers; in the network-owned stations it was done by the engineers. In January 1944, however, the AFM reached agreements with the four national networks whereby they undertook to transfer their platter-turning work to AFM members. But before these agreements could be put into effect, the National Association of Broadcast Engineers and Technicians, an unaffiliated union representing the engineers employed in NBC and Blue (ABC after December 30, 1944) network stations, instituted representation proceedings before the National Labor Relations Board. On the basis of past bargaining history, the NLRB certified NABET as collective bargaining representative for units including platter-turners in NBC and Blue stations, and the only consequence of the AFM's insistence that the networks nonetheless comply with their contracts with the Federation, and of its belatedly-filed charge that NABET

<sup>73</sup> AFM By-Laws Art. 1, § 10 (1947).

<sup>74</sup> Each Local received \$10.43 per member except the New York, Chicago, and Los Angeles Locals, which received

\$10.43 for each of the first 5,000 members and \$2.00 for each additional member.

<sup>75</sup> New York Herald Tribune, § 2, p 2 (Jan. 25, 1948).

was company-dominated, was a court order requiring the two networks to bargain with NABET.<sup>76</sup> Since the established bargaining practice at other stations varied only in the identity of the unions whose members did the platter-turning work,<sup>77</sup> the AFM abandoned its attempt to secure such work for its members outside of Chicago and turned its attention to other technological problems which arose with the end of the war.

FM broadcasting which had started before the war, expanded very rapidly after the termination of hostilities in World War II.<sup>78</sup> The AFM was of the opinion that FM would provide new opportunities for musical employment. But to the extent that FM stations were to be operated by AM broadcasters as additional outlets for existing programs, no new employment resulted to the rank and file of musicians. To combat the latter tendency, the AFM notified the broadcasters in October 1945 that its members would not perform for any program broadcast simultaneously over AM and FM outlets unless a standby orchestra was employed.<sup>79</sup>

But while the AFM was fashioning its post-war strategy, the post-war Congress had fashioned the Lea Act,<sup>80</sup> and subsection (a)(3) of that Act, making it unlawful to attempt to compel a radio station "to pay or agree to pay more than once for services performed,"<sup>81</sup> was clearly drawn to fit the Federation's demand for standbys on duplicate AM-FM broadcasts. Without more, it seems apparent that this provision was violated by the AFM for more than a year after the Lea Act was passed. But there is more:

<sup>76</sup> NLRB v. NBC, 150 F2d 895 (CCA2d, 1945).

<sup>77</sup> NABET also represents the engineers employed at Mutual's station WOR and at some 50 other stations throughout the country. Letter from Harry E. Hiller, Executive Secretary, NABET, Apr. 9, 1948. The engineers at CBS-owned stations are represented by the International Brotherhood of Electrical Workers (AFL). Elsewhere, the engineers are represented either by the IBEW or by the CIO's American Communications Association. Announcers who act as platter-turners on some stations, are represented by the American Federation of Radio Artists (AFL).

<sup>78</sup> Warner, Radio & Television Law (1948) § 62a.

<sup>79</sup> Hearings *op cit supra*, note 18 at 68. With this move was coupled another blow at an old menace—the AFM refused to accept any new engagements on FM networks. This ban affected the Continental Network and twelve regional FM networks. *Ibid.*, at 27, 67, 126.

<sup>80</sup> 60 STAT 89 (1946), 47 USCA § 506 (Supp, 1947).

<sup>81</sup> See Countryman, The Organized Musicians: I, 16 UnivChiLRev 56, 80-82 (1948).

“(c) The provisions of subsection (a) and (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.”

Hence, if the contracts between the AFM Locals and the radio stations contained provisions requiring payment of standby charges whenever a program was broadcast simultaneously over AM and FM outlets, there would be no violation of the Act.

But the contracts then in existence, which were renewed for one year in January 1947, were “absolutely silent on the question of frequency modulation.”<sup>82</sup> Despite this fact, it was reported by *Variety*, a usually well-informed trade sheet, that the networks had persuaded the Department of Justice that their contracts brought the AFM within the protection of subsection (c) of the Lea Act,<sup>83</sup> and network officials recently took that position before a congressional committee. NBC’s former Executive Vice-President Frank E. Mullen undertook to explain to the committee how these contracts, which said nothing about duplicate AM-FM broadcasting, nonetheless covered the matter completely:

“When we came up to the negotiations of our 1947 agreement . . . the contract was extended for a year, with the only subject discussed being wages and working conditions.

That was by agreement with the union, and was the matter of negotiation, and even though it is not referred to in the contract, . . . it was clearly understood by both sides that our contract did not cover it.

Therefore, our lawyers, I think, are quite right in advising us now that the contract does not cover FM and if we duplicate it without any permission from Mr. Petrillo, we would be breaching our contract.”<sup>84</sup>

Unfortunately for the development of American jurisprudence, Mr. Mullen’s novel principle of interpretation will not receive judicial test. The new three-year contracts between

<sup>82</sup> Testimony of Joseph H. Ream, executive vice-president of CBS Hearings, *op cit supra* note 18, at 297.

<sup>83</sup> *Variety Magazine*, p 32 (Sept. 3, 1947).

<sup>84</sup> Hearings, *op cit supra* note 18, at 302.

network stations and AFM Locals expressly authorize simultaneous AM-FM broadcasting with no increase in pay for musicians.<sup>85</sup> But the position taken by the AM broadcasters lends color to the suggestion that they have not accorded FM an unqualified welcome.<sup>86</sup>

Sponsors of the Lea Act did not confine their legislative efforts to matters of current controversy. They obviously had the existing AFM royalty contracts with the record and transcription manufacturers in mind when they drew the subsection providing:

“(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, duress, or by the use or express or implied use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

(1) to pay or agree to pay an exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or . . . . .

(3) to pay or agree to pay any exaction on account of the broadcasting, by means of recording or transcription, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.”

But it is difficult to determine just what they had in mind when they made the exemption of subsection (c) for “means lawfully employed” in the enforcement of “any contract right heretofore or hereafter existing”<sup>87</sup> applicable to the above prohibitions. Clearly, that saved the existing royalty contracts. And seemingly it would also have saved any subsequent royalty agreements—if the Federation could secure such agreements without using force, violence, intimidation, duress, or any “other means.”

<sup>85</sup> Broadcasting 13 (Mar 22, 1948). The ban on FM network shows has also been lifted. Letter from Everett L. Dillard, president of the Frequency Modulation Association, June 11, 1948.

<sup>86</sup> See cautious testimony to that effect by J. N. Bailey, executive director of the Frequency Modulation Association. Hearings, *op cit supra* note 18, at 77, 91.

<sup>87</sup> See text following note 81 *supra*.

Even that rather remote possibility was apparently enough to disturb the recording and transcription companies and the NAB. The latter called upon Congress for a law prohibiting the payment of royalties "to unions for their unrestricted uses."<sup>88</sup>

Section 302 of the Taft-Hartley Act<sup>89</sup> answers that call. It makes it unlawful for an employer to make any payment to a "representative of his employees," with an exception for payments into "a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents," such trust fund to be administered jointly by representatives of the employer and of the employees. This provision did not affect the distribution of funds collected under the AFM's existing royalty agreements,<sup>90</sup> but those agreements expired December 31, 1947. And the new law meant that royalties collected by the union under any subsequent agreements could not be used to provide employment for any musicians other than those who made the records and transcriptions on which the royalties are paid—musicians who did not need such assistance. This interference with its unemployment relief plan served to aggravate the Federation's concern over a situation which, from its viewpoint, was growing steadily worse.

In the first place, the great post-war rise of the disc-jockey program has given further impetus to the use of recorded music.<sup>91</sup> Such leading AFM members as Tommy Dorsey

<sup>88</sup> Hearings before Committee on Labor and Public Welfare on S 55 and S.J. Res 22, 80th Cong 1st Sess, at 2271 (1947). Similar requests came from the bituminous coal mine operators, objecting to the "collectivist" royalty-supported benefit plans first included in their contracts with the United Mine Workers in 1946 while the mines were being operated by the government. *Ibid.*, at 225-29, 762-70; Hearings before Committee on Education and Labor on Bills To Amend and Repeal the National Labor Relations Act and for Other Purposes, 80th Cong 1st Sess, at 199-203, 635, 1225, 2349-50 (1947).

<sup>89</sup> 61 STAT 157 (1947), 29 USCA § 186 (Supp 1947).

<sup>90</sup> Section 302(f) provides: "This section shall not apply to any contract

in force on the date of enactment of this Act, until the expiration of such contract, or until July 1, 1948, whichever first occurs."

<sup>91</sup> Trade estimates in 1947 placed the number of disc jockeys at 2800. *Variety*, p 41 (Sept. 3, 1947). Some indication of the number of broadcasting hours accounted for by such performers, as well as the current trend in their use, is illustrated by the situation in Chicago. In 1945 twelve disc jockeys accounted for 125 hours of broadcasting time weekly. Two years later thirty-nine disc jockeys divided a total of 268 hours. *Ibid.*, p 30 (July 2, 1947). In New York, ninety-three disc jockeys use 400 hours of broadcasting time per week. *Ibid.*, p 49 (Mar. 17, 1948).

and Duke Ellington have found it profitable to abandon their orchestras and become disc jockeys. Even Paul Whiteman, who had once sought to collect royalties for the broadcasting of his records, is now busily engaged in the royalty-free broadcasting of his own and other musicians' recorded performances. New York's station WNEW, devoting 15½ of its 24 hours per day to a stable of six disc jockeys.<sup>92</sup>

And what the disc jockey is doing to the musician's opportunities in radio, the juke box is doing elsewhere. By the operator's own estimates, juke boxes now provide recorded music for more than 500,000 taverns, bars, night clubs, cabarets, etc., some of which would otherwise employ live musicians.<sup>93</sup> And to this form of mechanical competition must be added that of the "wired music" services, led by MUZAK of New York,<sup>94</sup> which pipe music from electrical transcriptions into some 750 hotels and restaurants all over the country.<sup>95</sup>

In view of this growth in the use of recorded and transcribed music, and while the Taft-Hartley proposals were still pending in Congress, the AFM's 1947 national convention authorized the Executive Board to initiate another recording ban.<sup>96</sup> Five months later, the Federation sent the following notice to all recording and transcription companies:

"Your contract with the American Federation of Musicians for the employment of its members in the making of musical recordings will expire on December 31, 1947.

This contract will not be renewed because on and after January 1, 1948, the members of the American Federation of Musicians will no longer perform the services provided for in said contract.

This notice carries with it our declared intention, permanently and completely, to abandon that type of employment."<sup>97</sup>

<sup>92</sup> Frank, Tycoons of the Turntables, 119 *Colliers* 18 (Mar 22, 1947).

<sup>93</sup> Hearings, *op cit supra* note 17, at 104, 110, 146. Non-industry estimates placed the total number of juke boxes at 400,000 seven years ago. Smith, What's Petrillo up To? 186 *Harpers Magazine* 90, 93 (1942).

<sup>94</sup> In addition to its wired music business, MUZAK also provided a transcription service for ABC until re-

cently, when WOR Recording Studios took over that function. *Variety*, p 69 (July 9, 1947).

<sup>95</sup> Smith, Is There a Case for Petrillo? 112 *New Republic* 76 (1945); Lunde, *op cit supra* note 69, at 50.

<sup>96</sup> AFM Standing Resolutions 4 (1947).

<sup>97</sup> *International Musician* 6 (Nov. 1947).

These notices merely confirmed a declaration made four months earlier,<sup>98</sup> and before they were dispatched the industry had embarked on a mass scramble to build up a backlog of records and transcriptions before the end of the year. Every new composition that bore any promise of popularity was recorded. The musical selections from most of the motion pictures scheduled for 1948 release went onto matrices. Performers for transcribed musical programs worked long hours to build a stockpile of transcriptions. Plans were made to ration all new recordings. Trade rumors credited some companies with enough recordings to last two or three years, and RCA-Victor with a 25-year supply of matrices for classical records.<sup>99</sup>

In all this rush, the musicians gave the industry complete cooperation, even to the extent of canceling other engagements in order to devote more time to the making of matrices, and the Federation made no protest. Then, a few days before the new recording ban took effect, Petrillo gave notice to the Federation's claim that under the expiring contracts royalties must be paid to the AFM on all records pressed from matrices produced prior to December 31, 1947. Although this position finds support in the language of at least some of the contracts<sup>100</sup> and in the fact that royalties were not paid on records made during the period covered by the contracts from matrices cut prior to the contracts, the recorders refused to pay royalties on any records made in 1948 from matrices produced prior to the recording ban.<sup>101</sup> In any event, the Taft-Hartley Act quite clearly applies to any royalty payments on records made after July 1, 1948.<sup>102</sup>

Meanwhile, the production of matrices containing instrumental music ended with the end of 1947. Early in February 1948 the AFM agreed to allow its members to make tran-

<sup>98</sup> In July 1947 Petrillo told a House committee that the Federation intended to stop making records and that it might "go into the recording business itself, if we do not conflict with the anti-trust laws." Hearings, *op cit supra* note 16, at 184. Subsequently, the AFM announced that it had abandoned the idea of going into the recording business. *New York Herald Tribune*, p 21 (June 9, 1948).

<sup>99</sup> 51 *Time*, No 17, at 25-26 (Oct.

27, 1947); *ibid.*, No 21 at 74 (Nov. 24, 1947).

<sup>100</sup> The "Four Companies" agreement provides for royalty payments on "phonograph records manufactured by you or others from masters hereafter recorded by you *during the term of this agreement.*" In the Decca contract, the italicized phrase is omitted.

<sup>101</sup> *Variety*, p 33 (Aug. 18, 1948).

<sup>102</sup> Note 90 *supra*.

scriptions designed for one use only pending negotiation of new contracts with the network, and the new contracts now provide for the continuation of that practice.<sup>103</sup> But with that one exception the ban was complete. During the first nine months of 1948 neither the Federation nor the companies made any attempt to seek a settlement whereby the recording ban would be lifted. Indeed it is probable that the recording companies did not want the ban ended until they had disposed of their accumulated stocks, since many of the recordings made in the closing months of 1947 would not sell in a market where the buyer had much choice. But by the end of September 1948 accumulated stocks of popular recordings were running low. While the recorders may have had a sufficient supply of classical records to last indefinitely, such records account for only 30 per cent of their total sales.<sup>104</sup> And the non-classical works from which most of their revenue comes are of such fleeting popularity that a constant stream of replacements is necessary. As the companies exhausted their stocks of tunes recorded in the last few months of 1947 replacements were not forthcoming.

There had been some "bootleg" recording, of course, just as there was last time, but it again was of little consequence. The companies imported some matrices and records from other countries, but for the most part the musicians of other countries showed little talent for the type of musical interpretation which sells the most records in the United States.<sup>105</sup> Moreover, foreign record manufacturers may prefer to do their own exploiting of what demand there is for their product in this country—Decca, Ltd. is already distributing substantial numbers of its "London" records in the United States through the London Gramophone Company, a subsidiary incorporated in New York in 1946.

<sup>103</sup> Broadcasting 14 (Mar. 22, 1948).

<sup>104</sup> Taubman, *op cit supra* note 67, at 20; Variety, p 46 (Mar. 19, 1947).

<sup>105</sup> During the first recording ban members of the English Musicians' Union refused to make records for export to the United States. During the first eight months of the current ban the English musicians not only made English records destined for United States markets, but also made records

for American companies with American vocalists visiting in England and supplied American companies with recorded instrumental backgrounds for vocal recordings made in this country. In August, 1948, however, the English union instructed its members not to provide any more instrumental music for American vocalists, although they continued to make English recordings for American consumption. Variety, p 1 (Sept. 1, 1948).

The transcription companies were in little better position than the recorders. They could continue to manufacture singing commercials either without instrumental music or with instruments not regarded as musical by the AFM (ocarinas, ukeleles, etc.),<sup>106</sup> and continued production of tailor-made transcriptions seemed assured. But all library transcription production was stopped and more than one use of new open-end transcriptions made by AFM members was prevented by the recording ban. While music for such transcriptions could be dubbed in from the existing supply of recorded works, the transcription companies were in the same position as the record manufacturers with respect to new tunes.

The Federation's staying power seemed stronger than that of the companies, but not inexhaustible. The recording ban meant a reduction in the earnings of some of its members. Although those affected constituted less than 3 per cent of the total membership,<sup>107</sup> they were its most successful members and their superior financial (they also paid the most taxes to the union) and prestige positions made their attitude toward the recording ban of utmost importance to its successful maintenance. While they went along on the previous ban and there was no evidence that any substantial number of them were yet disposed to violate this one, it was not likely that they would be willing to give up their recording income forever. But at least until NAPA succeeded in its attempt to empower them to collect royalties on the commercial use of their records, they would probably be satisfied with a plan of settlement which took the phonograph record off the air and out of the juke box, since about 80 per cent of the demand for records comes from home users.<sup>108</sup>

There were new legal remedies available to the companies which had not been available during the last recording ban. The Taft-Hartley Act makes it an unfair labor practice under

<sup>106</sup> When some of the recording companies used harmonicas to provide the accompaniment for vocal recordings of post-1947 hits, the AFM Executive Board took a new reading of the By-Laws, ignored the competing jurisdictional claims of the American Guild of Variety Artists (AGVA) and announced that harmonica players were "performers on musical instruments"

and therefore eligible for AFM membership. *International Musician* 7 (May 1948).

<sup>107</sup> Note 18 *supra*.

<sup>108</sup> It is estimated that 1 per cent of all record production is purchased for radio use, 19 per cent for juke boxes, and the balance for home use. Lunde, *op cit supra* note 69, at 46.

section 8(b)(4) <sup>109</sup> and the basis for a damage suit under section 303 <sup>110</sup> for a union "to engage in . . . a strike or a concerted refusal . . . to perform any services, where an object thereof is: (A) forcing or requiring . . . any employer or other person to cease using . . . the products of any other producer, processor, or manufacturer, or to cease doing business with any other person. . . ."

This provision, stemming from the notion that the secondary boycott is an evil per se, is clearly designed to outlaw strikes "an object" of which is to cause the struck employer to cease dealing with a third party, regardless of what the union is seeking to obtain from the third party. But it does contemplate that the union be seeking to affect the third party in some fashion—it does not outlaw strikes called only to secure a concession from the employer against whom the strike is called.<sup>111</sup> And its terms certainly do not apply to a concerted refusal to work wherein the union is not even attempting to affect the conduct of the immediate employer.

The form of the Federation's announcement of the current recording ban was undoubtedly designed with these qualifications in mind. The refusal to work for the recording and transcription companies was not conditioned on their ceasing to deal with the broadcasters and juke box operators. Nor was any other demand made on those companies.

But in his testimony before the Hartley Committee in January 1948 Petrillo suggested that Congress "make some kind of a law that the musicians can make records for home consumption, and let the musicians and the fellow who has commercialized records fight it out. . . . We favor recordings if we can stop this commercialized business on recordings."<sup>112</sup> On the basis of this testimony, some of the transcription companies filed unfair labor practice charges against the Federation,<sup>113</sup> but it was far from clear that an unfair

<sup>109</sup> 61 STAT 140 (1947), 29 USCA § 158(b)(4) (Supp 1947).

<sup>110</sup> 61 STAT 158 (1947), 29 USCA § 187 (Supp 1947).

<sup>111</sup> Thus, only by a strict regard for corporate entities could it be found that a strike against RCA-Victor to compel it to cease supplying recorded music to NBC or a strike against Columbia Records to compel it to cease rendering similar service to CBS was

a strike for the purpose of forcing RCA-Victor or Columbia "to cease doing business with any other person."

<sup>112</sup> Hearings, *op cit supra* note 18, at 340, 352.

<sup>113</sup> New York Times, p 17 May 14, 1948). The original complainants were Associated Program Service, Inc., Lang-Worth Feature Programs, Inc., and Standard Radio Transcription Service, Inc., none of which manufac-

labor practice could be proved. Petrillo's testimony articulated what was perfectly obvious anyway—that the AFM's objection was not to recorded music as such but to the use of recorded music on the radio and in the juke box. That testimony did not establish, however, that the union either demanded or expected the recording ban to compel the recording and transcription companies to cease supplying their products to the broadcasters and to the operators of juke boxes and wired music services. Obviously, the transcription companies could never be induced to take such action, since broadcasters and wired music operators were their only customers. And the Federation recognized that there apparently was no way the recording companies could prevent the broadcasters and juke box operators from buying and using their records.<sup>114</sup> The most that Petrillo's testimony demonstrated was that the Federation entertained some hope that by thus dramatizing the problem it might induce Congress to take action to limit the commercial use of recorded music—an objective which is hardly within the prohibition of the Taft-Hartley Act.

The Lea Act also contains a provision aimed at recording bans. Subsection (b)(2) makes it unlawful to compel or attempt to compel a broadcaster or any other person, by use or threat of the use of force, violence, intimidation, duress or any other means "to accede to or impose any restriction upon . . . production, preparation, manufacture, sale, purchase, rental, operation, use or maintenance [of recordings or transcriptions] if such restriction is for the purpose of preventing or limiting the use of such [recordings or transcriptions] in broadcasting or in the production, preparation, performance or presentation of a program or programs for broadcasting." While this statute is not limited to the secondary boycott situation, insofar as it proscribes union action taken to compel the producers of records and transcrip-

ture phonograph records. Associated Program Service Inc., subsequently withdrew its charges. *Variety*, p 45 (June 30, 1948).

<sup>114</sup> Thus, Petrillo told the congressional committee that "the recording companies can't say that this record is made for home consumption and

that this one is made for commercial use. They can't separate the two, because of some court decision that says that the person who buys the record has it as his property and he can do with that record as he pleases." Hearings, *op cit supra* note 18, at 352.

tions to "impose" restrictions upon their production, it too requires some demand upon those producers. And if the phrase "to accede to" also contemplates some sort of cooperative action on the part of the producers, application of the Lea Act would present the same problems of proof as were encountered under the Taft-Hartley Act—magnified by the burden imposed on the prosecution in a criminal case. But if "to accede to" includes mere recognition of *fait accompli*, then the recording and transcription companies had certainly been compelled to accede to a restriction upon their production.

It would still be necessary to prove, however, that the restriction was for the purpose of preventing the use of records and transcriptions in broadcasting, and there was no direct evidence of such purpose. Inferences drawn from past conduct and from Petrillo's testimony might be urged to contradict the union's "declared intention," but the WAAF case<sup>115</sup> stood as a fresh reminder that in a criminal proceeding inferences may not be enough.

Neither the Lea Act nor the Taft-Hartley Act was tested against the 1948 ban. On October 5, 1948 representatives of RCA-Victor, Columbia, Decca, Capitol, and three of the smaller record companies met with AFM officials to discuss possibilities of settlement, and on October 28 it was announced that they had agreed upon a plan formulated by attorney Milton Diamond, who had represented Decca during the previous ban but who was retained by the AFM for this one.

The "Diamond plan," which is to run for five years, provides for continuation of the royalty payments at substantially the same rates as were applied under the previous royalty contract. The payments are to be made to a trustee, who is appointed by the recording companies while the Taft-Hartley Act is in effect but who is to be appointed by the AFM as soon as the Act is repealed or "so revised as to permit such appointment." Royalty funds are to be expended by the trustee "on musical performances where no admission fee is to be charged and without any profit to the trust fund, in connection with patriotic, charitable, educational, and simi-

<sup>115</sup> See Countryman, *The Organized Musicians*: I, 16 *UnivChiLRev* 56, 82-84 (1948).

lar programs.” For this purpose the trustee is to distribute the funds among the AFM Locals on a per capita basis and to supervise the manner in which they are expended by the Locals. As a part of the agreement the AFM waived its claim to royalties on records pressed between January 1, 1948 and October 1, 1948 from matrices made under the old royalty contracts.<sup>116</sup>

This agreement did not become effective immediately—its operation was conditioned upon assurance from the Department of Justice that it did not violate the prohibition of payments “to any representative of . . . employees” contained in Section 302 of the Taft-Hartley Act. But on December 13 the Department, departing from its usual practice, issued an opinion advising the parties that the trustee was not a “representative of employees” within the meaning of the Act, and AFM members began recording for signatories to the agreement the following day.<sup>117</sup>

The principle of employer contributions to the AFM music performance fund was extended to the television industry by the 1951 contract. The networks are now required to pay 5 per cent of the gross revenues from sales of television film to the AFM fund.<sup>118</sup>

#### 148. THE AMERICAN FEDERATION OF MUSICIANS: TELEVISION.

The contracts executed between the AFM and motion picture studios in 1946, precluded the latter from making available to television stations motion picture film.<sup>1</sup> This was accomplished by a provision in the contract which forbade the use of musical sound track for television broadcasting without prior consent of the Federation.<sup>2</sup> The 1946 contract

<sup>116</sup> *Variety*, p 37 (Nov. 3, 1948); *Broadcasting*, p 21 (Nov. 1, 1948); *New York Times*, p 1 (Dec. 14, 1948). The companies have designated Samuel Rosenbaum, a director of the Philadelphia Orchestra Association, as first trustee under the plan.

<sup>117</sup> *New York Times*, p 1 (Dec. 14, 1948).

<sup>118</sup> *Broadcasting Magazine*, March 19, 1951 at 27, 40.

<sup>1</sup> *Infra*, § 146.

<sup>2</sup> *Broadcasting Magazine*, January 22, 1951 at 21, 83:

“(1) The producer agrees that he will not, without the prior written consent of the federation, license, lease, lend, give, sell, utilize, or in any other way whatsoever authorize the use in whole or in part, of the music sound track containing the recorded music made by members of the federation, or scenes or shots containing pictures of members of the federation perform-

which expired on April 1, 1948, was extended for an additional two years.<sup>3</sup>

It is doubtful whether the AFM ban against the use of motion picture film for television broadcasting is valid. In *Allen Bradley Co. v. Local Union No. 3, IBEW*,<sup>4</sup> the Supreme Court held that the contracts entered into by the New York local of the electrical workers' union in order to create more employment opportunities for its members violated the Sherman Act. The local had secured contracts with all electrical contractors in the New York City area providing that the contractors should recognize the closed shop and should purchase equipment from none but New York manufacturers who employed members of the local. Similar closed shop contracts had been made with the manufacturers, who agreed to confine their New York City sales to contractors employing the local's members. The effect of these arrangements was not only to create more employment for the electricians but also to give the employers a monopoly on the sale and installation of electrical equipment in the New York City area. The Court found nothing in the Clayton or Norris-LaGuardia Acts or in its prior decisions construing those acts which would exempt the union's "combination with business groups" from the prohibition of the anti-trust laws. Apparently the agreements involved in that case constituted illegal combinations with business groups, as distinguished from legal collective bargaining agreements between union and employer, because they served to aid not only the union members in their competition for jobs but also the employers

ing on musical instruments or conducting, heretofore made or which will be made prior to the expiration of this agreement, on or in connection with television, during the life of this agreement and thereafter; except only after separate negotiations are entered upon and after a separate written agreement has been reached between the federation and the producer with respect to the use of such music sound track or such scenes or shots, on or in connection with television, can such use be made, and then only upon the terms and conditions agreed upon by the federation and the producer in such separate agreement.

(J) The producer agrees that the substance and intent of Section 11 hereof, shall be incorporated in all agreements made by the producer for the licensing, leasing, lending, giving, selling, utilizing or other disposition of music sound track containing the recorded music made by members of the federation, or scenes or shots containing pictures of members of the federation performing on musical instruments or conducting."

<sup>3</sup> *Id.* at 21.

<sup>4</sup> 325 US 797, 65 Sct 1533, 89 LEd 1939 (1945).

in their competition for markets. At least that seems to be the meaning of the explanation offered by the Court:

“Section 6 of the Clayton Act declares that the Sherman Act must not be so construed as to forbid the “existence and operation of labor, agricultural and horticultural organizations, instituted for the purposes of mutual help. . . .” But “the purpose of mutual help” can hardly be thought to cover activities for the purpose of “employer-help” in controlling markets and prices. . . .

Since union members can without violating the Sherman Act strike to enforce a union boycott of goods, it is said they may settle the strike by getting their employers to refuse to buy the goods. Employers and the union did here make bargaining agreements in which the employers agreed not to buy goods manufactured by companies which did not employ the members of Local No. 3. We may assume that such an agreement standing alone would not have violated the Sherman Act. But it did not stand alone. It was but one element in a far larger program in which contractors and manufacturers united with one another to monopolize all the business in New York City, to bar all other businessmen from that area, and to charge the public prices above a competitive level. It is true that victory of the union in its disputes, even had the union acted alone, might have added to the cost of goods, or might have resulted in individual refusals of all of their employers to buy electrical equipment not made by Local No. 3. So far as the union might have achieved this result acting alone, it would have been the natural consequence of labor union activities exempted by the Clayton Act from the coverage of the Sherman Act. . . . But when the union participated with a combination of businessmen who had complete power to eliminate all competition among themselves and to prevent all competition from others, a situation was created not included within the exemptions of the Clayton and Norris-LaGuardia Acts.”<sup>5</sup>

If a labor agreement is legal or illegal depending upon whether the employer was compelled to enter into it by economic pressure from the union or was induced to enter into it because of the competitive advantages it offered him, a contract with the motion picture producers which restricts the supply of program material available for television broadcasting is certainly suspect.

<sup>5</sup> *Id.* at 809.

It is very doubtful whether the television broadcasters will invoke the *Allen-Bradley* doctrine against the AFM. It is believed that the current contracts between the Federation and the studios permit motion picture film to be exhibited over television stations provided that the producers employ the same number of musicians to re-record the sound track; in addition the producers are required to contribute an amount equal to 5 per cent of their total expenditures for musicians' salaries to the AFM welfare fund.<sup>6</sup>

One of the major problems confronting the AFM after the termination of World War II was television. As television stations multiplied from a handful in 1946<sup>7</sup> to 109 in 1951<sup>8</sup> and with more in the not too distant future, it would appear that the Federation would eagerly embrace this new media of mass communications, since the latter offered additional employment opportunities for musicians. Surprisingly, the AFM moved rather cautiously in this new field.

In 1945, the AFM's leaders, unable to decide whether to welcome television or to combat it, concluded that until they could learn more about it, they would have nothing to do with it. Accordingly in February 1945, they announced that Federation members would not play for any television broadcast until "further notice."<sup>9</sup>

"Further notice" was not given for three years. In 1948, the AFM lifted its ban against the use of musicians. Surprisingly enough, the wage scales for musicians were very moderate; they were considerably lower than those applicable to radio broadcasting.<sup>10</sup>

The 1948 contracts expired on January 31, 1951. After extensive negotiations among representatives of the New York

<sup>6</sup> Broadcasting Magazine, February 5, 1951 at 19, 92.

<sup>7</sup> Warner, Radio & Television Law (1948) § 73.

<sup>8</sup> Television Digest (1951).

<sup>9</sup> International Musician 1 (Feb. 1945).

<sup>10</sup> Under a six-month contract concluded April 29, 1948, the scale for local television originations is two-thirds the local rate for standard broadcasting; for network originations it is three-fourth the standard rate; for duplicated standard - television broadcasts, the prevailing standard

scale for the program is to be increased by \$3.75 for sustaining programs and \$7.50 for sponsored programs. It was also agreed that filmed records of a live television network show may be made for "single use over any station which is affiliated with the network at the time of the original telecast." This contract covers network-owned stations only. Television rates for all other stations are negotiated with the appropriate AFM local. International Musician 6-7 (May 1948).

and Los Angeles Locals, Petrillo and the networks, a contract was consummated which expires on February 1, 1954.<sup>11</sup> This contract covers radio as well as television. As we have stated previously, radio stations were not required to increase their quotas of musicians; however, the union secured a 15% wage increase for staff musicians. The television wage scales were increased to the extent that they were on a parity with network radio scales. Arrangers, orchestrators, composers, copyists, etc. received the same wage scales as their counterparts in radio. For all practical purposes, the television contract was similar to the radio contract with but one exception. In the case of television film, the networks and stations agreed to pay to the AFM trust fund 5 per cent of the gross program revenue of the film "with the understanding that the picture will not pass out of the control of the networks at any time."<sup>12</sup>

In the spring of 1951, the AFM executed its first Television Film Labor Agreement with a television film producer. This contract was effective on June 1, 1951 and terminated on May 31, 1952. The wage scales payable to musicians are comparable to those paid in the motion picture industry. The "heart" of this agreement is paragraph 4, quoted in its entirety in the margin.<sup>13</sup> In substance, it precludes the pro-

<sup>11</sup> The negotiations culminating in the current contract are detailed in *Broadcasting Magazine*, January 22, 1951 at 21, 83; *Id.*, February 5, 1951 at 19, 92; *Id.*, March 19, 1951 at 27, 40.

<sup>12</sup> *Broadcasting Magazine*, March 19, 1951 at 27, 40.

<sup>13</sup> Television Film Labor Agreement:

"4. It is agreed that unless our written permission is first had and obtained, neither you nor your subsidiary or affiliated companies will use or grant any rights to use (whether by way of sale, assignment, lease, license, or other transfer of title or permission to use, and whether by operation of law or otherwise), in whole or in part, any film and/or sound track which in whole or in part, embodies pictures of instrumental musicians rendering musical performances or which embodies or is accompanied by performances by such musicians, which are recorded and/or photographed under this agreement, for purposes other than exhibi-

tion over television broadcasts, where no admission is charged for the privilege of attending such exhibition, before, during or after transmission over television. The substance and intent of this paragraph shall be incorporated in all agreements pursuant to which you shall grant any rights to use such films and/or sound tracks as aforesaid. The obligations created by this paragraph shall survive this agreement for so long as the films and/or sound tracks referred to in this agreement shall be used. In order to assure compliance with the terms and conditions specified in this paragraph, you agree that you will procure Federal copyright registration of all films and/or sound tracks made pursuant to this agreement immediately upon creation thereof and upon so doing will execute and deliver to the Trustee designated in the said Trust Agreement an assignment, in recordable form, of all rights in and to said film and/or sound track other than the right to exhibit

ducer from making the television film available to any medium, other than television. It is believed that if the producer desires to exhibit the film in motion picture houses, he must rescore the picture, employing the same number of live musicians.<sup>14</sup>

Incorporated in the television film contract is the trust agreement. Under the terms of the latter, the producer and such television stations and networks exhibiting the film, agree to pay an amount equal to 5 per cent of the "gross time charges," or revenues received from exhibiting the film. This 5 per cent charge which is levied against each station exhibiting the film, applies only to films with sound tracks which are produced for and used on television. The trust agreement contains no provision which would require the producer or motion picture exhibitor to contribute to the trust fund where television film has been rescored and is available for distribution to motion picture houses.<sup>15</sup>

#### 149. THE AMERICAN FEDERATION OF MUSICIANS: CONCLUSION.

In any evaluation of the American Federation of Musicians, the "dictatorship" issue may be put to one side. In its inter-

or to permit others to exhibit such film and/or sound track over television broadcasts, which assignment shall provide that such Trustee may not deal with such assigned rights except upon joint direction by you, your successors and assigns and by us. It is further agreed that we and/or said Trustee may enforce compliance with the provisions of this paragraph.

<sup>14</sup> It is believed that the new Television Film Labor Agreement between the AFM and the film producers does not require full rescoring of the sound track when motion pictures are made available to television stations. "Under the new contract the producers may release their motion pictures and television by paying each original musician 50% of the current picture-scoring salary scale which is \$25." *Broadcasting*, Sept. 15, 1952 at page 36.

<sup>15</sup> Trust Agreement attached to Television Film Labor Agreement:

"The term, "gross time charges", for the purpose hereof, shall mean charges established by the television

station licensee, or by a network, over whose facilities such film and/or sound track is exhibited, for the use of such facilities (i.e., time on the air) for the period or periods of time during which such film and/or sound track is exhibited, less the sum of the following deductions:

(x) any advertising agency commission, not to exceed 15%, actually allowed to a recognized advertising agency not owned or controlled by the station or network, and

(y) applicable rate card discounts, quantity and/or frequency and/or annual, actually allowed whether earned solely by reason of the broadcasts of the motion picture films and/or sound tracks or by reason of such broadcasts in combination with other broadcasts.

"Gross time charges" shall not include *bona fide* charges for the use of facilities furnished to sponsors other than for time on the air, such as film facilities."

nal operations the Federation is no less democratic than most other organizations of comparable size. True, its members, like the members of most labor unions and the stockholders of most large corporations, are disposed to perpetuate the same men in office<sup>1</sup> and to leave the making of most policy decisions to the discretion of the officers. But, save for the attempt to disfranchise the members of New York Local 802, which failed twelve years ago, there is no evidence of irresponsibility on the part of AFM officers. As the employer member of the WLB panel said in 1944, "Mr. James C. Petrillo, while certainly in charge of his union, is certainly no more so than the head of every well-run corporation is of his company."<sup>2</sup>

Actually, the "dictatorial tactics" which have been employed on more than one occasion by Mr. Petrillo are intended to impress the rank and file of the union.<sup>3</sup> To be sure, the AFM embraces practically all of the musicians in this country. This, as the motion picture, radio and television industries know but too well, is an extremely effective tool for bargaining purposes. Mr. Petrillo can readily enforce his threat to remove all musicians from the studios and impose recording bans. But as Professor Countryman points out, the AFM has sat down at the conference table and bargained with the "employer."<sup>4</sup>

The AFM has been arbitrary on more than one occasion. Its ban on co-operative broadcasts, FM and television, if justifiable at all, stems from the Federation's inability to determine what sort of demands to make. Professor Countryman concludes "that this inability has ultimately operated to the advantage of the companies."<sup>5</sup>

The AFM practice of calling musicians out of the studios and the imposition of recording bans has worked a hardship on the networks and the stations; it has also deprived AFM

<sup>1</sup> Leadership of the AFM during its fifty-two-year history has been divided between three men. Owen Miller, president of the St. Louis Local, served also as the first president of the AFM. He was replaced in 1900 by Joseph N. Weber who, save for a one-year retirement because of illness in 1914-15 when his place was taken by Frank Carothers, served until succeeded by Petrillo in 1940.

<sup>2</sup> Electrical Transcription Manufacturers, 16 War Lab Rep 369, 396 (1944).

<sup>3</sup> Organized Musicians at 296.

<sup>4</sup> *Id.* For Mr. Petrillo's technique of bargaining see: Broadcasting Magazine, January 22, 1951 at 21, 83; *Id.*, February 5, 1951 at 19, 92; *Id.*, March 19, 1951 at 27, 40.

<sup>5</sup> Organized Musicians at 296.

members of years of employment in television and on cooperative shows. But the most serious complaint which has been leveled against the Federation leadership goes to the extremely myopic nature of some of the policies it has adopted. The most indefensible of its practices are those which have brought the least benefit of the membership. The complete elimination of all public performances by amateur musicians throughout the United States would probably not create enough additional work for professionals to support fifty AFM members—but to the pursuit of this trivial objective must be credited, in large part, the congressional indignation which found expression in the Lea Act. And though the union's quota rules and standby practices may have provided immediate relief for a greater number of musicians, such devices offer no lasting solution to unemployment. As private systems of social security, their method of distributing the cost is much too haphazard and unreliable to warrant approval. They have already contributed much to the enactment of restrictive labor legislation, and if that legislation proves inadequate to end those practices it is quite probable the Congress will try again. Whether the same criticism is warranted for the AFM trust fund, cannot be determined at this time. But the AFM trust fund has this unique feature which presumably has received the blessings of the Department of Justice and Congress. The revenues derived from the machine which has displaced the musician are intended to furnish him with additional employment opportunities. This too is a private system of social security. It will undoubtedly result in less unemployment for musicians, but it is doubtful whether it is a permanent solution for the unemployment musician.

—The basic issues confronting the AFM, the manufacturers and users of mechanical devices for reproducing music and the government are: 1) the machine which displaces the musician, and 2) the means employed by the Federation to combat the machine.

The AFM has but one justification for opposing the machine—the employment needs of its musicians. In support of that argument, it contends that not more than one-third of its 200,000 members are able to find fulltime employment in the musical field. On the other hand, the Federation's resistance to mechanical competition is but another instance of a labor

union's efforts to deprive society of the benefits of technological progress. Such a contention is unassailable so long as "technological change" and "technological progress" are assumed to be identical, but such an assumption will not always bear analysis. Presumably, "progress" is embodied in technological development if that development provides a better product than was previously available or provides the same product at a lower price. To test the phonograph record and the transcription by that standard, it is necessary to examine them in the context of the commercial practices which the **AFM opposes.**

Does the phonograph record, in those instances where it has replaced the live musician, supply a better musical product? It is believed that a radio station by using phonograph records, can in many instances bring to its listeners the performances of better musicians than it can employ.

Does the phonograph record provide a cheaper source of musical entertainment? The answer is obvious. A broadcast station can provide a recorded musical program at substantially less cost than it can employ a live orchestra. Furthermore, the availability of cheap recorded music permits the operation of small stations in some localities where the cost of live performers would be prohibitive.

The best case for technological progress can be made out for the electrical transcription and similar mechanical devices. The chief advantages of transcriptions, as listed by the FCC are as follows:

1. They "make possible the compilation of a permanent archive of the best in radio."
2. They facilitate the placing of programs at convenient hours despite differences in time zones.
3. They make possible the sharing of programs among stations not affiliated with a network.
4. They provide an opportunity to edit the performance before it is released over the air.<sup>6</sup>

The evidence indicates that the machine which has displaced the musician has contributed to "technological progress." But technological progress per se does not resolve the prob-

<sup>6</sup> FCC Bluebook at 36. The Blue- Radio & Television Law (1948) §§ 36 book is discussed in detail in Warner, to 36d.

lem. We are dealing with human beings whose livelihoods have been displaced by machines.<sup>7</sup>

There is no rule of thumb solution to this problem. The trust fund, the recording ban and the other means employed by the AFM represent its answer to the problem. It is doubtful whether the AFM's approach to this problem is the best method which could be devised. From the viewpoint of technological progress, the public interest in radio and television service and in musical entertainment is better served by the machine.

We can offer no solution to the problem of the machine displacing the worker. The classical economist's contention that labor-displacing effects of technological developments will ultimately be balanced by such compensating factors as reduction of prices and development of new industries may be true in the long run, but it furnishes no comfort to the displaced worker.<sup>8</sup> In the final analysis, the musicians like the weavers who were displaced by the loom, will eventually yield to technological progress. The result is harsh, but this is one of the consequences of an industrial society for which we pay in seeking technological progress.

<sup>7</sup> The attitude of the displaced worker was well expressed by Philip Murray a few years ago: "Classical economic pronouncements about the automatic absorption of displaced workers by private industry, whether true in the long run or not, are just so much dribble to the men and women who are deprived of their accustomed way of making a livelihood. . . . As a

famous economist once said, in the long run we are all dead." Hearings before TNEC pursuant to Pub Res 113, 76th Cong 3d Sess, at 16,505 (1940).

<sup>8</sup> See Douglas and Director, *The Problem of Unemployment* (1931) Ch. X *Cf.* Anderson, Lorwin and Blair, *Technology in Our Economy* (USTNEC Monograph 22, 1941) at 220.

<sup>9</sup> *Op cit supra* note 7.

## Chapter XV

### INFRINGEMENT OF COPYRIGHT

#### § 150. Introduction.

151. *Golding v. RKO Pictures Inc.*—The “Hard” Copyright Case.
152. Existence of A Previous Work.
153. Originality: General Discussion.
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154. Copying: General Discussion.
- 154a. Copying: Radio and Television Programs.
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156. Innocent, Unconscious, Willful and Contributory Infringement.
157. The Doctrine of “Fair Use”.

#### 150. INTRODUCTION.

Plagiarism<sup>1</sup> or infringement of common law and statutory copyright is not a modern sin. Since time immemorial, evangelists, poets, authors and composers have been accused of plagiarism.<sup>2</sup> To quote Birrel:

“What is that that is protected by copyright? Reproduction of course. But what else? What is plagiarist and is it a breach of the law? The sublimity and vast reading of

<sup>1</sup> Although there is a good deal of disagreement as to the proper definitions of the terms, “plagiarism”, “piracy” and “infringement”, they will be used interchangeably throughout this chapter. Wittenberg, *The Protection and Marketing of Literary Property* (1937) 65 states that “piracy” and “infringement” both denote the violation of a legal right; “plagiarism” on the other hand indicates a moral wrong, such as copying a work in the public domain or imitating another style. Chafee, *Reflections on the Law of Copyright* (1945) 503, 525 suggests that plagiarism is partial copying without indication of source (thereby creating legal liability) while piracy is unlicensed appropriation of another’s entire work, usually giving credit to the true author but withholding financial recompense. The

textwriters and courts use these terms interchangeably. See Ball, *Law of Copyright and Literary Property* (1944) 322; Nimmer, *Inroads on Copyright Protection* (1951) 64 *Harv LRev* 1125; Fox, *Evidence of Plagiarism in the Law of Copyright* (1946) 6 *U. of Toronto LJ* 414; Miller, *A Re-Examination of Literary Piracy* (1940) *Third Copyright Law Symposium* 3; Lindey, *Plagiarism and Originality* (1952) *Nichols v. Universal Pictures Corp.*, 34 *F2d* 145 (DC NY 1929) *aff’d* 45 *F2d* 119 (2d Cir 1930) *cert den*, 282 *US* 902, 51 *Sct* 216, 75 *L.Ed* 795 (1931); *Sheldon v. Metro-Mayer-Goldwyn Pictures Corp.*, 7 *FSupp* 837 (DC NY 1934), *reversed* 81 *F2d* 49, (2d Cir 1936) *cert den* 298 *US* 669, 56 *Sct* 835, 80 *L.Ed* 1392 (1936).

<sup>2</sup> *Shafter Musical Copyright* (2d Ed 1939) 185 ff.

Milton have not protected him from the charge of stealing from a Dutchman: the exquisite scholarship and taste of Gray have not deterred persons who have read more than they have enjoyed from laying blind hands on his images and affiliating them elsewhere. To trace the origin of phrases has a fascination for minds. Who first said 'End it or mend it?' But nobody has suggested that Gray's 'Elegy' or 'Paradise Lost' was not entitled to the benefit of whatever copyright law existed in this country in 1751 and 1665, respectively."<sup>3</sup>

A superficial examination will disclose great similarities between and among the most of the world's literary and musical masterpieces. A modern Diogenes confining his searches to things literary or musical would find originality only with the greatest difficulty. As Lord Byron stated, "As to originality, all pretensions to it are ludicrous—there is nothing new under the sun." Obviously in music, literature and art, there can be few, if any things which, in the abstract sense are strictly new and original.<sup>4</sup> Writers of the Middle Ages, deeming originality dangerous, would invent authorities to cite if none existed.<sup>5</sup> Shakespeare borrowed from Plutarch and Chaucer. Wordsworth was considered at his best "when he was most Miltonic". Nietzsche's philosophy was derived from Oriental antiquity via Aristotle and Carlyle, and Poe's Raven was written twenty centuries ago by Kia Yi, a Chinese poet. As Anatole France aptly advises, "When we see that ideas have been stolen from us let us consider, before we cry out, whether they are really ours."<sup>6</sup>

In the realm of music, the masters borrowed from each other and their predecessors. Handel frankly admitted that he used the themes of his not-so-well known contemporaries. —Bach borrowed from Remkin, Vivaldi and Telemann, Mozart from Duport, Brahms from Haydn and Beethoven, and Wagner from Beethoven and Liszt.<sup>7</sup>

Whether actionable plagiarism has occurred depends on the essential difference between borrowing and stealing. Thus the primary task of the courts in plagiarism cases is to achieve

<sup>3</sup> Birrel, *Law and History of Copyright in Books* (1899) 167.

<sup>4</sup> *Id.*

<sup>5</sup> Miller, *op cit supra* note 1 at 5.

<sup>6</sup> France, A. *Apology for Plagiarism in Life and Letters*, Fourth

Series, pp. 149-167 quoted in Miller, *op cit supra* note 1 at 5. For the lay literature on plagiarism, consult, Miller, *Id.* at 6, n 11.

<sup>7</sup> Shafter, *Musical Copyright* (2d Ed 1939) 187-188.

a pragmatic approach in effectuating this difference. The rules which the courts have evolved in the copyright infringement cases are guideposts for this pragmatic approach; these rules can be stated with ease. The difficulty arises in the application of these rules to the facts. No problem is tendered when there is an outright verbatim copying of the copyrighted matter. Since the great majority of cases do not involve literal appropriation, the application of the rules becomes extremely difficult because the courts are dealing with metaphysical abstractions.<sup>8</sup>

Judge Hand aptly stated the problem in the Nichols case:

“It is of course essential to any protection of literary property, whether at common law or under the statute, that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations. That has never been the law, but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large, so that, as was recently well said by a distinguished judge, the decisions cannot help much in a new case. *Fendler v. Morosco*, 253 N. Y. 281, 292, 171 N. E. 56. When plays are concerned, the plagiarist may excise a separate scene [*Daly v. Webster*, 56 F. 483 (C. C. A. 2); *Chappell v. Fields*, 210 F. 864 (C. C. A. 2); *Chatterton v. Cave*, L. R. 3 App. Cas. 483]; or he may appropriate part of the dialogue (*Warne v. Seebohm*, L. R. 39 Ch. D. 73). Then the question is whether the part so taken is ‘substantial’, and therefore not a ‘fair use’ of the copyrighted work; it is the same question as arises in the case of any other copyrighted work. *Marks v. Feist* 290 F. 959 (C. C. A. 2); *Emerson v. Davies*, Fed. Cas. No. 4436, 3 Story, 768, 795-797. But when the plagiarist does not take out a block in situ, but an abstract of the whole, especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his ‘ideas’, to which, apart from their expression, his

<sup>8</sup> Judge Story in *Folsom v. Marsh*, FCas No 4,901, 9 Fed 342 (CC Mass 1841): “Patents and copyrights approach, nearer than any other class of cases belonging to forensic discussions,

to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle and refined, and sometimes, almost evanescent.”

property is never extended. *Homes v. Hurst*, 174 U. S. 82, 86, 19 S. Ct. 606, 43 L. Ed. 904; *Guthrie v. Curlett*, 36 F. (2d) 694 (C. C. A. 2). Nobody has ever been able to fix that boundary, and nobody ever can. In some cases the question has been treated as though it were analogous to lifting a portion out of the copyrighted work (*Rees v. Melville*, MacGillivray's Copyright Cases [1911-1916], 168); but the analogy is not a good one, because, though the skeleton is a part of the body, it pervades and supports the whole. In such cases we are rather concerned with the line between expression and what is expressed. As respects, plays, the controversy chiefly centers upon the characters and sequence of incidents, these being the substance."<sup>9</sup>

Thus the essential difference between borrowing and stealing in the "hard" copyright infringement cases may resolve itself into a "series of abstractions" which are extremely difficult to apply.<sup>10</sup>

Courts are confronted with another problem in drawing this distinction between borrowing and stealing. Obviously there is a difference between plagiarism and the creation of a new and independent work even though the foundation of the latter rests on earlier accomplishment and originality in the strict and abstract sense is wholly lacking.<sup>11</sup> *Somerset Maugham's*

<sup>9</sup> *Nichols v. Universal Pictures Corp.*, 45 F2d 119 (2d Cir 1930) cert den 282 US 902, 51 S Ct 216, 75 LEd 795 (1931); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>10</sup> Judge Hand's "abstraction test" has been followed by the majority of courts. See *Becker v. Loew's Inc.*, 133 F2d 889, 892 (7th Cir 1943). The recent California decisions, viz., *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (Cal App 1950); *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951) in protecting the "order and combination" of ideas appears to be consonant with the abstraction doctrine. The California cases are discussed in detail in §§ 151, 154 and 154a. Judge Manton in *Shipman v. RKO Radio Pictures Inc.*, 100

F2d 533, 537 (2d Cir 1938) criticized the abstraction test: "But use of the device of 'abstractions' seems but a new name for comparing 'similarity of sequences of incident.' It is naturally difficult to compare literary works by using the terminology of metaphysics, and the rule thus provided does not seem to have been used since its suggestion." But see Judge L. Hand's concurring opinion in the *Shipman* case which indicates that the abstraction test of the *Nichols* case is still the law in the Second Circuit Court of Appeals. Professor Chafee in *Reflections on the Law of Copyright* (1945) 45 CollRev 503, 513 suggests a slightly different test than Judge Hand; he would extend protection to the "sequence of events and the interplay of the characters." See also, Judge Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 470.

<sup>11</sup> *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951)

“Of Human Bondage” and Thomas Wolfe’s “Look Homeward Angel” illustrate this thesis. Both novels are concerned with the same theme—the meaning and significance of life. Wolfe’s magnificent and sonorous sounding prose is vastly different from the clear-cut and precise language of Maugham. Wolfe’s characters are robust and full of life; they live on the printed page with vividness and reality. Maugham’s Philip Carey is likewise vivid and real; but he is etched with the delicacy of a master craftsman. As Brahms pointed out, he who borrows may, from his borrowing, so alter, improve, or embellish, that the borrowing becomes lost in the creation of an original and independent work.

“Thus, imitation, that sincerest form of flattery, may result in the eclipse of the model, the copy may be greater than the original, and while the author of the original might complain (if copyright still subsisted in his work); yet his complaint might have neither legal nor moral foundation.”<sup>12</sup> Progress in literature, science and the arts cannot be manacled. To quote Mr. Justice Brandeis: “The fact that a product of the mind has cost its producer money and labor, and has a value for which others are willing to pay, is not sufficient to insure to it this legal attribute of property. The general rule of law is that the noblest of human productions—knowledge, truths ascertained, conceptions and ideas—become, after voluntary communications to others, free as the air to common use.”<sup>13</sup> Furthermore because “to appropriate and use for profit, knowledge and ideas produced by other men, without making compensation or even acknowledgement, may be inconsistent with a finer sense of propriety; but with the exceptions (under patent and copyright statutes) or in cases of special relationship ‘where the suit is based upon breach of contract or of trust

“‘Original’ in reference to a copyrighted work means that the particular work ‘owes its origin’ to the ‘author’. No large measure of novelty is necessary. . . . All that is needed to satisfy both the Constitution and the statute is that the ‘author’ contributed something more than a ‘merely trivial’ variation, something recognizably ‘his own’. Originality in this context ‘means little more than a prohibition of ac-

tual copying’. No matter how poor artistically the ‘author’s’ addition, it is enough if it be his own.” See also *Emerson v. Davies*, 8 FCas 615 (1845).

<sup>12</sup> Fox, *Evidence of Plagiarism in the Law of Copyright* (1946) 6 Toronto LJ 414, 415.

<sup>13</sup> Mr. Justice Brandeis dissenting in *International News Service v. Associated Press*, 248 US 215, 250, 39 S Ct 68, 76, 63 LEd 211, 225 (1918).

or upon unfair competition', the law has heretofore sanctioned the practice."<sup>14</sup>

Thus common law and statutory copyright furnishes protection to the form, sequence and manner of expression.<sup>15</sup> Ideas as such are not protected.<sup>16</sup> "If an author, by originating a new arrangement and form of expression of certain ideas or conceptions, could withdraw those ideas or conceptions from the stock of materials to be used by other authors, each copyright would narrow the field of thought open for development and exploitation, and science, poetry, narrative and

<sup>14</sup> *Id.* at 257, 39 SCT at 79, 63 LEd at 228; see *Detmold v. Reeves*, 7 FCas No 3,831, at 549 (CCED Pa 1851): "Men may be enriched, or made happy, by physical, as well as by moral or political truths, which, nevertheless, go without reward for their authors. He who devised the art of multiplication could not restrain others from using it after him, without paying him for a license. The miner who first found out that the deeper veins were the richer in metal, could not compel his neighbor to continue digging near the surface.

"The more comprehensive truths of all philosophy, whatever specific name we give to them, cannot be specifically appropriated by anyone. They are almost elements of our being. We have not reasoned them out, perhaps, and may even be unconscious of their action; yet they are about us, and within us, entering into and influencing our habitual thoughts, and pursuits, and modes of life—contributing to our safety and happiness. And they belong to us as effectively as any of the gifts of heaven. If we could search the laws of nature, they would be, like water and the air, the common property of mankind; and those theories of the learned which we dignify with this title, partake, just so far as they are true, of the same universally diffused ownership. It is their application to practical use which brings them within the domain of individuals, and it is the novelty of such an application that constitutes it the proper subject of a patent."

<sup>15</sup> *Barsha v. Metro-Goldwyn-Mayer*, 32 CalApp 556, 90 P2d 371 (1939):

"Although there can be no property in an author's ideas, 'there may be literary property in a particular combination of ideas or in the form in which ideas are embodied.'" *Cf.* Mr. Justice Traynor dissenting in *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95, 102 (1950): "... [copyright] protection extends, however, only to its 'details, sequence of events and manner of expression and treatment'." To the same effect are the following cases: *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950) and see particularly the cases cited in Justice Traynor's dissenting opinion; *Futter v. Paramount Pictures, Inc.*, 69 NYS2d 438 (1947); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d, 906 (1944); *O'Brien v. RKO Radio Pictures, Inc.*, 69 USPQ 367 (DC NY 1946); *Larson v. General Motors Corp.*, 2 FRD 294 (DC NY 1941); *Gropper v. Warner Bros. Pictures*, 38 F'Supp 329 (DC NY 1941); *Becker v. Loew's Incorporated*, 133 F2d 889 (7th Cir 1943) cert den 320 US 811, 64 SCT 30, 88 LEd 490 (1943); *Tutelman v. Stokowski*, 44 USPQ 47 (Pa Ct Common Pleas 1939).

<sup>16</sup> Cases cited in *op cit supra* note 15; See also: *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267, 270 (CalApp 1951): "There is, of course, no legally protectible property in ideas alone apart from their expression." *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945) cert den, 327 US 790, 66 SCT 802, 90 LEd 1016 (1946); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944).

dramatic fiction and other branches of literature would be hindered by copyright, instead of being promoted. A poem consists of words expressing conceptions of words or lines of thought; but copyright in the poem gives no monopoly in the separate words, or in the ideas, conception, or facts expressed or described by the words. A copyright extends only to the arrangement of the words. A copyright does not give a monopoly in any incident of a play. Other authors have the right to exploit the facts, experience, field of thought, and general ideas, provided they do not substantially copy a concrete form, in which the circumstances and ideas have been developed, arranged, and put into shape."<sup>17</sup>

As long as ideas "are free as the air,"<sup>18</sup> the charge of plagiarism will be levied particularly when two works resemble each other. And before a copyright infringement action can be successfully maintained, there must be actual copying. "Copying," as it was said in an early decision, "is not confined to literal repetition, but includes all the various modes in which the matter of any publication may be adapted, imitated or transferred, with more or less colorable alteration, to disguise the source from which the material was derived, nor is it necessary that the whole or even the largest part of the work should be taken to constitute an invasion of the copyright."<sup>19</sup> Again, "Copying which is an infringement must be something which ordinary observation would cause to be recognized as having been taken from the work of another."<sup>20</sup> These definitions, although helpful, oversimplify the problem before the courts. Although the courts rely on the common knowledge of the average reader, observer, spectator or listener to determine whether the similarity which exists between a copyrighted literary, dramatic or musical work and an alleged infringing publication is due to copying,<sup>21</sup> the great majority of the cases

<sup>17</sup> Eichel v. Marcin, 241 Fed 404, 408 (DC NY 1913).

<sup>18</sup> Fendler v. Moroseo, 253 NY 281, 171 NE 56 (1930).

<sup>19</sup> Lawrence v. Dana, FCas No 8,136, 16 FCas 26 (CC Mass 1869).

<sup>20</sup> Dymow v. Bolton, 11 F2d 690, 692 (2d Cir 1926). Cf. Nutt v. National Institute, 31 F2d 236 (DC Conn 1929).

<sup>21</sup> This is the so-called "audience

test". See Twentieth Century-Fox Film Corp. v. Stonesifer, 140 F2d 579, (9th Cir 1944); Solomon v. RKO Radio Pictures Inc., 44 FSupp 780 (DC NY 1942); Roe-Lawton v. Roach Studios, 18 F2d 126 (DC Cal 1927). Yankwich, Originality in the Law of Intellectual Property (1951) 11 FRD 457, 468: "the audience test". . . when properly and intelligently applied, furnishes a good touchstone to determine

determine this issue only after a painstaking and searching analysis of the facts.

In *Arnstein v. Porter*,<sup>22</sup> Judge Frank outlined the basic principles which govern a court's analysis of the facts in plagiarism cases:

In applying these principles, "it is important to avoid confusing two separate elements essential to a plaintiff's case in such a suit: (a) that the defendant copied from plaintiff's copyrighted work and (b) that the copying (assuming it to be proved) went so far as to constitute improper appropriation."

1. In order to prove copying, the evidence may consist of:

(a) an admission by defendant that he copied, or

(b) circumstantial evidence.<sup>23</sup> This may consist of evidence of access from which the trier of facts may reasonably infer copying.<sup>24</sup> If there are no similarities, no amount of evidence of access may suffice to prove copying. If evidence of access and similarities exist, then the trier of facts must determine whether the similarities are sufficient to prove copying. On this issue, analysis (dissection) is relevant and the testimony of experts may be received to aid the trier of facts. Even if access is absent, the similarities between two works may be so striking as to preclude the possibility that plaintiff and defendant independently arrived at the same result.<sup>25</sup>

2. If copying is established, then only does there arise the second issue, viz., that of improper appropriation. Not all copying is unlawful. For example the doctrine of "fair use"<sup>26</sup> which tenders a preliminary question of law<sup>27</sup> author-

whether the fruits of one's literary labor has been appropriated by another."

<sup>22</sup> 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 SCt 1096, 91 LEd 1294 (1947).

<sup>23</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95, 98 (1950): "After a plaintiff has established a protectible property right, the further issue common to all copyright cases, statutory or common law is: "Was the plaintiff's material copied by the defendant? There will seldom be direct evidence of plagiarism, and necessarily the trier of fact must rely upon circumstantial evidence and the reasona-

ble influences which may be drawn from it to determine the issue. An inference of copying may arise when there is proof of access coupled with a showing of similarity."

<sup>24</sup> The doctrine of "access" is discussed *passim* in § 155a.

<sup>25</sup> The doctrine of "similarities" is discussed *passim* in § 155b.

<sup>26</sup> *Passim* § 157.

<sup>27</sup> *Cf. Winwar v. Time Inc.*, 83 FSupp 629 (DC NY 1949) wherein it was held that the facts relating to defendant's claim of "fair use" should be determined upon a trial of this issue.

izes "permissible copying." Similarly a court may conclude that the amount of material appropriated is minimal and warrants the invocation of the rule-de minimis non curat lex.<sup>28</sup> Whether defendant appropriated a substantial and material part of plaintiff's work tenders an issue of fact. On that issue the test is the response of the ordinary reader, observer, spectator or listener; accordingly "dissection", analysis and expert testimony are irrelevant.<sup>29</sup>

The foregoing principles and others are illustrated by *Golding v. RKO Pictures Inc.*<sup>30</sup> We shall discuss the *Golding* case in detail in the next section.

### 151. GOLDING v. RKO PICTURES INC.—THE "HARD" COPYRIGHT CASE.

The *Golding*<sup>1</sup> decision illustrates the "hard" copyright case because the similarities between plaintiff's unpublished play and defendant's infringing motion picture were reduced to an "order of ideas" which ultimately resolved themselves into a "series of abstractions" common to both works. The facts will be set forth in detail.

Plaintiffs, *Golding* and *Faulkner* were authors of an unpublished stage play. "The Man And His Shadow" which had been produced at the Pasadena Playhouse. They submitted the manuscript of the play to defendant and *Val Lewton*, a producer. *Lewton* retained the manuscript for about six weeks. He subsequently advised plaintiffs that the play was not suitable for RKO. Approximately ten months thereafter, defendants released a motion picture entitled "The Ghost Ship," which the plaintiffs claim infringed their play.

The descriptions of the play and picture are from the lower court's opinion:<sup>2</sup>

<sup>28</sup> *Matthews Conveyor Co. v. Palmer Bee Co.*, 135 F2d 73 (6th Cir 1943).

<sup>29</sup> See cases cited in *op cit supra*, note 21.

<sup>30</sup> 35 Cal2d 690, 221 P2d 95 (1950).

<sup>1</sup> *Golding v. RKO Pictures*, 193 P2d 153 (CalApp 1948) *aff'd*, 208 P2d 1 (Cal 1949), rehearing den, 35 Cal2d 690, 221 P2d 95 (1950). All references to the *Golding* case are to 221 P2d 95 unless otherwise stated.

<sup>2</sup> The facts are derived from Judge

*Vallée's* opinion in the District Court of Appeal, 193 P2d 153. The California Supreme Court summarized the facts as follows in 221 P2d, 96-97:

"The central dramatic situation or core in which the plaintiffs claim property is as follows: The action takes place on board a ship. Only one person aboard, a passenger, suspects the captain of being a murderer. He accuses the captain who neither admits nor denies the accusation; in fact, to his

## THE PLAY

A steam yacht is about to leave on a pleasure trip to Havana. Brancato, a well-known Shakespearean actor, is on board. The captain is late. Brancato meets Werner whom he recognizes as a government witness. Werner informs him he is taking the trip for protection. Brancato implies that he is escaping from something. Impatient to get to sea, he talks to Dr. DeVries, an alienist, who says Brancato has frightened him many times and wonders how he could run gamut of violent emotions night after night. Brancato explains that for ten years he had a voice double, Crawley; that scenes of violence were played on a darkened stage; that Crawley spoke the lines from the wings; that Crawley had a howling, offending voice which blended perfectly with his

crew and passengers the captain clearly infers that his accuser is either guilty of hallucinations or himself desires to kill him. The accuser knows that he is subject to the captain's whims and is in a position where he can be killed or imprisoned. The captain, sure of his authority, informs the accuser that he is free to try to convince anyone on board ship as to the truth of his suspicions. The passenger tells his story to the first mate and to others on the ship but they refuse to believe him and instead suspect the passenger of hallucinations or malice. Finally, however, the captain becomes aware that he is suspected by at least one other person and he threatens to kill, or does kill, that person as an intermeddler. Knowledge that his murders are about to be uncovered causes him to lose his mind and brings about his own undoing and death.

"In the plaintiff's play this basic dramatic core was filled out by placing the passengers and crew upon a pleasure cruise and making the captain an imposter who has come to show his superiority to the man in whose shadow he has worked for years; this man is the person throughout who knows the captain's true identity. There are various other sub-characters who give body and filling to the central plot, but as testified to by both Golding and Faulkner, this matter was all superficial and could be changed in in-

numerable ways without affecting the literary property and its value.

"The moving picture 'Ghost Ship' has its captain as the dominant figure of the story. The locale of the drama is on a freighter with members of the crew having the subordinate roles. The ship carries no passengers and, to that extent, the minor characters are quite different from those in the play. However, the captain and his obsession with authority and the fact that no one aboard can successfully challenge his position is found in the picture, as is the dramatic struggle between the captain and his adversary, the one person who knows his true nature. Basically, the psychological situation is that described by the plaintiffs as the dramatic core of their work."

Obviously the facts in any plagiarism action are important if only for the reason that they illustrate the legal principles of an infringement action, viz., access, similarities, common errors and omissions, etc. Of course the facts as distinguished from the principles of law are not binding as a precedent. But the lengthy description of the play and motion picture in the text is warranted, because these were the facts which gave vitality to the applicable principles of laws. The facts were the tools which a jury and two courts used in reaching their decisions.

own; that Crawley lived the parts and his realism had finally got under his (Brancato's) skin. He had not engaged another voice because Crawley was indispensable, almost a part of him. He had been trying to get rid of him. Crawley had "got so" on his nerves that his doctor had advised a trip. Brancato tells DeVries that Crawley resented his (Brancato's) success, "hidden away in the wings for hundreds of performances, while all the plaudits went to me." Brancato is preparing for Richard the Third, "a demoniac role."

The captain comes aboard, goes to the salon, says he has just been assigned to the command, examines the passenger list, discovers Brancato is on board. A large trunk is carried through the salon, labeled "Captain Henry Mason." The yacht sails. The captain meets DeVries, learns his profession, asks him to keep an eye on Brancato, says he has word that Brancato is a victim of hallucinations and delusions. Brancato encounters the captain in the dark, is startled, recognizes the voice, says "Crawley." The captain, smiling, says, "Not Crawley! Captain Henry Mason!"

The following evening Brancato, in an hysterical, nervous state, encounters the captain, asks what he is doing in uniform. The captain says, "I am the captain here. . . . You are on my boat . . . and I am the master"; adding that for the first time he is the one who gives orders; that no one will know the difference. Brancato is skeptical, angry. Crawley: "We have said goodbye to the despised Mr. Crawley. Crawley was a weakling—a spineless coward—a gibbering fool—a snivelling imbecile. He has ceased to exist—for both of us. There is no more Crawley." Brancato threatens to expose Crawley to the passengers. Crawley: "Go ahead! . . . You have the freedom of the ship! We will see whom they believe—who is the better actor." Brancato: "You're mad." Captain: "It is you who is mad, my friend—you have a strange hallucination that I am not the captain." Brancato: "I'm going to prevent you from endangering the lives of the passengers. You may destroy us all." Captain: "Not all." Brancato: ". . . it's me you're after." Crawley believes that Brancato had suppressed and destroyed him, until he has become only a voice, a shadow, a nobody. He is going to prove he is the greater actor—Brancato "will be in eclipse."

He says they cannot live apart. Brancato says he can. Crawley says that when he learned Brancato engaged passage he was anxious to go too, and so went to see Captain Mason for a job. Mason refused. Brancato: "And then what happened—where is Captain Mason?" Captain: "If you'll excuse me—I have some duties."

Doctor DeVries appears, observes Brancato "terribly upset." Brancato tells him that the lives of all passengers are in danger; that the captain is not Captain Mason, that he is Crawley, the voice in the wings; that he murdered Captain Mason to get on the boat, and that he will murder all. DeVries refuses to believe this, says the captain is a charming man. Brancato says he will warn the passengers. DeVries attempts to dissuade him, saying ". . . let me observe the captain for a while." Brancato threatens he will inform the first mate and radio the police. He tells the first mate the "captain is a dangerous criminal," that he is not Captain Mason. The first mate says to DeVries that the captain had mentioned that Brancato "suffers . . . from obsessions." DeVries suggests a sedative. Brancato to First Mate: "I want to send a radio to the police—my life is in danger—all the passengers!" The first mate says he will notify the police and Brancato promises not to say anything to the other passengers. Brancato is afraid.

Malone, a passenger, is murdered—stabbed in the back in his cabin. While passengers discuss it in the salon, the captain is seen passing by. Brancato indicates to DeVries that he knows the murderer but doesn't dare say so as he may be accused. The captain conducts an inquiry. Brancato intimates to the captain that he suspects him. The captain implies he has enemies. DeVries says he was making notes about things, people, "explaining what goes on around us." He says to the captain, "Yes, you know—that black is not always black—and red is not always red, even though they seem to be,"—that he probes beneath the surface. The captain puts the radioman in the brig for the murder. He is anxious to know whether DeVries shares Brancato's suspicions.

The captain and Brancato are alone. Brancato accuses the captain of the murder of Captain Mason. The captain

says he knows Brancato has an obsession that he (captain) murdered Mason and that if he had murdered Mason it would have been found out unless he conceived the perfect crime. The captain explains with passion that he had dreamed, planned, plotted and waited for this moment; that Captain Mason could not stop him, nor Brancato, nor DeVries; that anyone who opposed him would be destroyed—Brancato would be drowned or shot; that he was the strong one, Brancato the weakling. The Captain takes out a gun and drops it on a table, saying Brancato does not dare shoot him. Brancato: "Justice will catch up with you!" Captain: "Justice—bah!—It's only the strong that survive!" The captain leaves the gun; Brancato puts it in his pocket.

Brancato and DeVries are alone. DeVries tells Brancato that during the hearing he suddenly had the notion the captain was an impostor, that he had slain Malone, that he knows now that he (Brancato) has no obsessions—that, up to now, the captain has fooled him. DeVries says there is no use telling the first mate—he will not listen—"A master is a God on a ship." He informs Brancato that he has a bold, dangerous plan which may require great courage on his (Brancato's) part. Brancato assures him he is not afraid.

A storm comes up. DeVries learns the captain will be on the bridge all night. After the storm the captain and DeVries are alone. The captain knows that the notes of DeVries concern him. What DeVries said during the inquiry was "A captain is not always a captain." He knows DeVries searched his cabin during the storm. He is afraid of DeVries. He says to him, "I'm afraid of you too, Doctor. . . . You're the only person on this boat I'm afraid of." He tells him, "You're always watching me—thinking about me! . . . Since I came on this boat you've been watching me, studing me, persecuting me! Why don't you leave me alone?" He knows DeVries isn't afraid of him. The captain admits he has never traveled. He becomes aware that DeVries knows Captain Mason's body is in the trunk, and draws a gun. He says that DeVries is too clever, that he has concluded he is a dangerous criminal. "You're an intermeddler—Alive you are dangerous to me." He says that DeVries is getting ready to spring the trap; that he is just as smart as DeVries; that he has him in the

trap, ready for the kill. DeVries calls the captain "Crawley." Crawley is stunned. DeVries attempts to dissuade him from killing him. Captain: ". . . there is no more Crawley." DeVries to Captain: ". . . you are afraid—you may have no physical fear—but you're tortured by greater fears. . . . In your lust for power and glory you almost succeeded in murdering. . . . Crawley, but Crawley himself will destroy you."

Brancato enters, halting, nervous, distressed, wants to see DeVries alone. The captain says, no. Brancato: "My memory is gone—I'm lost! I can't remember the lines any more—For me it is the end, I'm through!" He quotes from "Richard the Third." Crawley, coldly, helps him. Brancato repeats from "Richard the Third,"—cannot go on, asks Crawley for help. Crawley: ". . . it's your final curtain." Brancato staggers out on deck. A shot is heard. DeVries wants to go to him. Crawley: ". . . he doesn't exist any more." Crawley, still holding the gun, loses his assurance, becomes remorseful, "I—I didn't kill him." DeVries demands the gun. Crawley doesn't know DeVries, doesn't remember he (Crawley) is the captain. He asks for Brancato. He is told that Brancato is dead. Thinking aloud, he tells how he killed Captain Mason—saw his uniform, saw his great chance—a great part to play—he always lived his parts, he had never acted them—now he would "live the captain—the Master—the Commander!" He tells how he took the uniform and gun and put Mason's body in a trunk. "I'm a murderer!" Overcome with horror, Crawley shoots himself.

DeVries calls Brancato who enters. Brancato speaks to Crawley. Crawley: "Help me, Mr. Brancato—help me." He requests Wolsey's words from "Henry the Eighth." Brancato: "'Nay then, farewell! I have touched the highest point of my greatness, and from that full meridian of my glory—'" Crawley: "And from that full meridian of my glory, I haste now to—my—setting." Crawley dies.

### THE PICTURE

A freighter is about to leave from San Pedro for a coast-wise voyage down the Pacific Coast. Tom Merriam, a new third officer, comes aboard. He is off a training ship, without experience. The first man he meets on board is a mute,

the Finn, whose thoughts are conveyed to the audience by the voice of an unseen person, which says "In my own silence I can hear things they cannot hear—know things they cannot know." He meets Captain Stone, a man with an air of authority, of many years' experience at sea and in command of ships. The captain immediately seeks to impress Tom with his authority, among other things, saying, "You will even learn to take great joy in it." Tom learns that the last third officer had died mysteriously in his bunk. A roll call of the crew is made before the ship sails and one of them is found dead. The captain takes no interest. He is callous about the death.

Shortly after sailing, the captain allows a large, freshly painted iron hook to remain loose and sway. Tom calls the captain's attention to the loose hook and suggests that it be made fast. The captain implies to Tom that it be left loose. A rough sea develops. The hook sways back and forth, nearly killing some of the crew. Tom calls the captain's attention to the fact that the hook may kill a seaman. The captain makes it clear that the lives of the men are his responsibility and if he wants to risk them, it is his affair, saying, "I have already given you my considered opinion as to the danger involved." Captain Stone watches the hook sway back and forth and seems to take a bestial delight in the probability of a seaman's being killed. Afterward, when Tom thinks the captain was negligent, Stone seeks to impress him with his authority and his rights over the lives of the crew.

A seaman is stricken with appendicitis. The captain is about to begin an operation on the man, under directions from a surgeon on the mainland given over the radio. Tom stands alongside. The captain becomes nervous, his hand falters, he is unable to perform the operation. Stone turns his head. Tom takes the instrument, successfully operates, saving the man's life. Tom asks Sparks, the radioman, the only other person present, not to reveal the fact that he, Tom, and not the captain, operated. Shortly thereafter, the captain explains his inability to perform the operation to Tom by saying that he is not squeamish of blood, "I'm not afraid of anything but failure—I might have failed." Tom is impressed.

In a discussion amongst the crew, Louie, a sailor, says that the captain should put into port and fill his crew because of the sailor found dead and one off duty. Another sailor says that the captain is the law on board ship. Louie says that he is going to complain to the captain. Other members of the crew dare him to, and wager with him that he will not. Louie complains to the captain, who resents this disparagement of his authority. He says to Louie, "You know, some captains would hold this against you, Louie."

The crew is busily engaged on deck in rapidly rolling the anchor chain into the anchor chain locker. Louie is below deck in the locker keeping the chain straight as it comes in, expecting to leave before the entire chain is in the locker. The captain comes by, sees Louie in the locker, closes and bolts the door, Louie's only means of escape. The rushing anchor chain kills Louie. Tom appears to check the anchor chain in the locker, unbolts and opens the door and sees Louie dead, turns around and is confronted by the captain. Tom accuses the captain of having murdered Louie. The captain neither admits nor denies the murder, saying that the dead man has been a troublemaker, without proper regard for discipline, and "You're a little hasty, Mr. Merriam. . . . What do you propose to do? Denounce me?" There is an implication that the captain feared Louie. Tom goes to the first officer and then to the radioman and tells them that the captain is incompetent, crazy, and murdered Louie. They refuse to listen. Tom tells the radioman that as soon as the ship reaches San Sebastian he is going to report to the company's agent—"When something is wrong I have to do something about it."

The ship docks at San Sebastian. Tom goes to the company's agent, a long-time friend of the captain, tells him what has happened on the ship and accuses the captain of murder. The agent is skeptical, but calls the crew together in the presence of the captain and Tom. Members of the crew extol the captain's virtues. Tom's effort fails and he is discredited. He is dismissed from the ship.

Tom meets Ellen, who is in love with the captain. She tells Tom that she has learned all about him from the captain. She queries Tom about his outside interests. He tells her he has no girl. She tells him she will see to it that he will

meet some; he should not lead a lonely "ghostlike existence" such as the captain has led these many years; the captain's only hobby and interest has been that of "authority," and now she is free to change all that. The captain talks to the agent and to Ellen separately. To each he expresses fear of losing his mind. To the agent he says that some of the crew are suspicious and distrustful of him and are turning against him. The agent attempts to quiet him, telling him that all he needs is a rest and a good checkup. The captain tells Ellen that he is afraid, afraid of his mind. He relates a haunting experience, in his early days of seamanship, of seeing a captain go crazy.

A street brawl takes place between members of the crew and some loafers. Tom comes along, joins in the fight and is knocked out. One of the crew picks up Tom, takes him back to the ship, and puts him in his bunk. Upon awakening and discovering that he is on the ship where he should not be, Tom goes to the captain and attempts to explain. The captain tells Tom that he is glad he is aboard, that they will forget that Tom has told the agent that he was a murderer, and then makes the same remark he had made to Louie, "Mr. Merriam, there are some captains who would hold this against you."

Tom realizes that the captain intends to kill him. The crew avoid him and will not talk. Tom tells the radioman the captain is going to kill him, that he is a homicidal maniac. He does not want Tom around. Tom asks the radioman to send a message to Ellen in San Sebastian telling her that he is aboard. The radioman tells him that he has orders from the captain not to send any messages without the captain's approval. Tom tells the radioman that that, in itself, is an indication that the captain is out to get him. The radioman refuses to listen. Tom goes to his cabin. He finds the lock to his cabin door removed and other evidences of an effort on the part of the captain to terrorize him. The Finn is vigilant. To protect himself, Tom goes to the gun cabinet to obtain a gun. He is discovered by the captain, who has a gun in his hand, is deranged, and threatens to kill him, saying, "I want you to learn that great lesson that authority cannot be questioned." Tom tells the captain that he is crazy, that he wishes the crew could see him in his present state. The

captain says, "I control the destiny of all aboard—you think I am insane—I am captain—there isn't a man who will listen or believe you. They are too lazy, cowardly, disinterested. Men are worthless cattle and a few men are given authority to rule them." Tom: "You can't prove that to me at the point of a gun—men are kind and help each other. It is only hard to get them to understand." Captain: "—go any place on board ship—see if you can get them to help you—see if they will stand up against authority.—Even your friend Sparks [radioman] will not help you—[shouting] Try and get help against me—try—try—try." Unknown to Tom, the Finn is aware of what is going on. The Finn resolves to protect Tom.

A message comes by radio for the captain from the agent, asking if Tom is aboard. The radioman takes the message to the captain, who writes a reply saying that Tom is not aboard. The radioman shows Tom the message and tells Tom that he may be right about the captain, that he will help him. The captain sees the radioman leave Tom's cabin, walks with him. They pass the Finn. The radioman drops the reply. The Finn picks it up.

The captain goes to Tom's cabin and asks if he can operate a wireless. Tom says, "Yes," and asks where the radioman is. Captain: "The message I am asking you to send will answer your question. They go to the radio room and the captain hands Tom the message he wishes sent. It says that the radioman had been lost overboard in heavy seas." Tom accuses the captain of lying, of having killed him. A fight between the two ensues. The first officer and members of the crew appear. The captain tells them that Tom is insane. At the command of the captain, Tom is bound, gagged, placed in his berth, and given a sedative.

The Finn takes the message in the captain's handwriting to the first officer. The first officer talks about it to some members of the crew. They think that perhaps Tom is not the crazy one and that he may be right about the captain. The captain, eavesdropping, hears this talk, is losing his mind, goes to his cabin, gets a dagger, goes to Tom's cabin. He raises the dagger over Tom, who lies helpless under the drug. The Finn intercepts the captain in the nick of time. A battle takes

place between the Finn and the captain. The captain is killed. The Finn: "The boy is safe—His belief in man and man's essential goodness is secure."

The jury returned a verdict of \$25,000.00 for plaintiffs. Two California appellate courts affirmed the jury verdict and concluded that there was sufficient evidence to support the implied finding of the jury that the defendant had copied the original and protectible portion of the plaintiffs' play.

At the outset, it should be pointed out plaintiffs were asserting common law rights in an unpublished manuscript. Courts apply the same standards or tests for infringement for common law<sup>3</sup> as for statutory copyright.<sup>4</sup> Although the concept of infringement has been developed primarily in the field of statutory copyright, courts apply the same principles in cases dealing with common law copyright with but one exception. The doctrine of "fair use" is inapplicable to common law copyright.

Since defendants denied that they had pirated plaintiffs' play, the latter relied on circumstantial evidence to establish plagiarism.

Firstly, access or the opportunity to copy was admitted by defendants since a copy of the play was in Lewton's custody for some time.

Secondly, before the jury could pass on the question of similarities between the play and the motion picture, a preliminary question of law was tendered the court. Unfortunately, the opinion of the Supreme Court of California is confusing as to what the preliminary question of law is.<sup>5</sup> Thus, at the inception of the Golding opinion, it is stated:

<sup>3</sup> De Acosta v. Brown, 146 F2d 408 (2d Cir 1944) cert den, 325 US 862, 65 S Ct 1197, 89 L Ed 1983 (1945); Dieckhaus v. Twentieth Century-Fox Film Corp., 54 F Supp 425 (DC Mo 1944) reversed on other grounds, 153 F2d 893 (8th Cir 1946), cert den 329 US 716, 67 S Ct 46, 91 L Ed 621 (1946); Wilkie v. Santley Bros, 13 F Supp 136 (DC NY 1935), *aff'd*, 91 F2d 978 (2d Cir 1937), cert den, 302 US 735, 58 S Ct 120, 82 L Ed 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); Stanley v. Columbia Broadcasting System, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>4</sup> Universal Pictures Co. v. Harold Lloyd Corp., 162 F2d 354 (9th Cir 1947); Heim v. Universal Pictures Co., 154 F2d 480 (2d Cir 1946); Arnstein v. Porter, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 S Ct 1096, 91 L Ed 1294 (1947); Harold Lloyd Corp. v. Witwer, 65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 669, 54 S Ct 94, 78 L Ed 1507 (1933). See also MacDonald v. Du Maurier, 75 F Supp 655 (DC NY 1948).

<sup>5</sup> *Passim*, note 9.

“The question as to whether the claimed original or novel idea has been reduced to concrete form is an issue of law. The determination of it must be made as a condition precedent to the vesting of any rights stemming from the common law copyright. The plaintiff must establish, as the subject of the cause of action, a right in the nature of property which is capable of ownership. Certainly, if the only product of the writer’s creative mind is not something which the law recognizes as protectible, that is, an idea not reduced to concrete form, *O’Brien v. RKO Radio Pictures*, 68 F. Supp. 13, no right of action for infringement of literary property will lie even if the idea assertedly infringed is original and the result of his independent labor.”<sup>6</sup>

On the basis of the foregoing quotation, the preliminary issue of law is whether the plaintiffs have a protectible property interest, i.e., whether the claimed original or novel idea has been reduced to concrete form.

But later on in the opinion, the court refers to the preliminary issue as one “of *originality* or a plaintiff’s protectible property interest.”<sup>7</sup> The context<sup>8</sup> in which this statement appears suggests that the court confused “originality” with

<sup>6</sup> 221 P2d at 97.

<sup>7</sup> 221 P2d at 100. The italicized word is the court’s.

<sup>8</sup> *Id.*: “The appellants’ main contention, however, is that in making a comparison of the two works, ‘the standard of the ordinary observer should be applied—that is, the comparison should be made without dissection of the works under observation and without expert or elaborate analysis.’ *Harold Lloyd Corp. v. Witwer*, 9 Cir., 65 F2d 1, 18; *Frankel v. Irwin*, DC, 34 F2d 142, 144, *Dymow v. Bolton*, 2 Cir, 11 F2d 690, 692. It is, therefore, argued that the court must look at the two plays as a whole to determine if they would impress the average observer as similar. The argument suffers from oversimplification. The rule of law stated is correct insofar as the issue of *similarity* is concerned, but it has no application to the preliminary issue of *originality* or a plaintiff’s protectible property interest.

“It is essential from the nature of the inquiry as to originality to first dissect the play to determine wherein,

if at all, plaintiffs have any protectible property right. Assuming this is established, then comparison may be made between the two works as to the *original and protectible portion only*. If, as may often be the case, plaintiff’s rights extend to the entire play, then the trier of fact should compare the one with the other. If, as in *Stanley v. Columbia Broadcasting System*, CalSup, 221 P2d 73, the plaintiff establishes his ownership of an original combination and arrangement of various elements into a new plan for a radio broadcast, the comparison made by the trier of fact should be of that plan with the broadcast which was made by the defendant. But where, as in the present case, the plaintiff’s property rights extend only to the dramatic core, a portion of the play, the issue of similarity is accordingly limited to a comparison on the basis of an average observer looking to that part of the literary work which can properly be protected from infringement. Otherwise stated, dissection may be necessary to define the existence and extent of a plaintiff’s prop-

“protectibility.”<sup>9</sup> Whether a work is original is a question of fact to be determined by the jury or the trier of facts. Protectibility on the other hand, tenders a preliminary question of law. On this issue, the Supreme Court of California employed dissection or analysis to determine if plaintiffs had a protectible property interest.<sup>10</sup> Since this was established, the court then examined the evidence to determine whether there was sufficient evidence to support the jury’s findings of similarities between the two works; however, the comparison between the two works was restricted to the “original and protectible portion only.”<sup>11</sup>

The Supreme Court concluded as a matter of law that the plaintiffs had a protectible property interest. This was referred to as the “central dramatic situation” or the “basic dramatic core” of this play. This consisted of the dramatic figure of the captain with his insane lust for power driving him

erty interest, and on the issue of similarity the test is always that of the average observer comparing such property interest with the alleged copy made by the defendant.”

<sup>9</sup> The opinion in the *Golding* case has apparently caused some confusion. Thus Justice Traynor in his dissenting opinion at 221 P2d 101, states: “The majority opinion in this case, unlike that in *Stanley v. CBS*, CalSup, 221 P2d 73, recognizes that the question whether there has been copying of plaintiff’s work cannot be submitted to the jury until it has been determined by the trial judge that there is evidence of substantial similarity between plaintiff’s play and defendant’s motion picture with respect to the protectible features of plaintiff’s play.” Mr. Justice Carter submitted a concurring opinion in the *Golding* case at 208 P2d 1 (Cal 1949) in which he agreed with the conclusions of the majority but not for the reasons stated in the opinion: “I concur in the judgment of affirmance. I am not, however, disposed to agree with the statement made in the majority opinion that, in a case of this sort, the preliminary issue is that of originality. It is my understanding that where there are two works, whether literary, dramatic, musical, or of art, and one is claimed to be a piracy or infringement of the other, that the

first issue which must be determined is that of similarity between the two. For if there is no substantial evidence to show similarity between them then no matter how original either of the two is, the plaintiff is not entitled to judgment.” In *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267, 269 (CalApp 1951): “The remaining four causes of action involve questions of originality and similarity. Did plaintiff have an original expression of ideas reduced to concrete form? Did the defendants subsequently copy both the ideas and their expression? Normally these are questions for the jury.” It is believed that the court’s statement in the *Kurlan* case, that the issue of protectibility or reduction to concrete form is one of fact for the jury is erroneous. Whether ideas have been clothed in concrete form tender a preliminary issue of law.

<sup>10</sup> Cf. Mr. Justice Traynor dissenting in 221 P2d at 101: “I cannot agree that a comparison of defendants’ picture with plaintiffs’ play reveals evidence of similarity not attributable to the use of a common idea, theme, or plot in the public domain and therefore not subject to exclusive appropriation by any author. I would therefore reverse the judgment.” See also *Burtis v. Universal Pictures Co.*, 237 P2d 41 (CalApp 1951).

<sup>11</sup> 221 P2d at 100.

to carry out his sadistic objectives. Of course the plaintiffs had embellished the "heart" or core of their play with scenes, incidents, characters, characterizations, motivation and full dramatic expression. These were the trappings and window-dressing. Undoubtedly the customs and practices of the motion picture industry prompted the courts to protect this basic dramatic situation:

"On the subject of the use of such plots, Faulkner (co-plaintiff), who formerly had been a story editor at a studio testified that "the basic duty of (the story editor) is to read a book or . . . play . . . and condense the story theme into two or three pages. The material is then used for conferences with producers and executives of the studios so they don't have to read the whole book or play. . . . You have in studios a great problem of budget. . . . That means the studio gives a producer an assignment and says, 'Here is a story, but . . . we don't want you to spend more than this amount of money for the production'. . . . Now in such cases, the story editor goes in and talks over the story with the producer, who says, 'You can do this story . . . for the lower budget cost because you can eliminate certain incidents, certain persons, certain settings, so that you can create the same basic theme and powerful story.' " <sup>12</sup>

In other words, the real value of a story, play, motion picture scenario or television script may have little to do with specific dialogue, sequence of scenes or locale. The captain's controlling monomania for authority and power and the interplay of the dominant and secondary characters upon each other constitutes the basic dramatic core of the play.

Implicit in the concept of protectible property interest is the requirement that the work be original. "It is not essential that any production, to be original or new within the meaning of the law of copyright, shall be different from another . . . the true test of originality is whether the production is the result of independent labor or of copying." <sup>13</sup> The court affirmed the jury's verdict that originality was present.

<sup>12</sup> 221 P2d at 98.

<sup>13</sup> *Id.* at 99. The quotation is from Drone, A Treatise on the Law of Property in Intellectual Productions in Great Britain and the United States (1909) 208 cited with approval in *Fred Fisher Inc. v. Dillingham*, 298 Fed 145

(DC NY 1924). Judge Hand's test or standard of originality was recently reaffirmed in *Alfred Bell & Co. v. Catalda Fine Arts Inc.*, 191 F2d 99 (2d Cir 1951). See also *Yankwich Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

Justices Traynor and Schauer dissented on the issue of originality. Justice Traynor conceded that plaintiffs had developed an "unprotectible plot into an original play entitled to protection. The protection extends, however, only to its 'details, sequence of events, and manner of expression and treatment.' . . . Even if defendants have taken from the play its plot, they have taken nothing of its expression and development to which alone plaintiffs can claim a superior right."<sup>14</sup> He then concluded that plaintiffs' plot, although independently conceived, was not protectible since it was drawn from the public domain. Justice Schauer in his dissent contended that the so-called "basic plot" or "central core" lacked originality and was in the public domain.<sup>15</sup>

The majority opinion having affirmed the jury's verdict that plaintiffs' protectible interest was original, the next question tendered was whether defendant's motion picture was similar to plaintiffs' play. Similarity is an issue of fact for the jury. In the *Golding* case, the evidence of similarity consisted of reading the play to the jury and of having the jury view the motion picture. Since the jury rendered a verdict for plaintiffs, they impliedly found similarities between the two works.

The similarities consisted of the following:

1. The "heart" or "core" of both works were the same;
2. The motivation and impact of the dramatic scenes and in the same sequence were substantially alike. Both the play and the motion picture portrayed the same terror-stricken passenger on board ship who was ostensibly free, but at the mercy of the same sadistic captain;
3. The characterization of the captain in both works was identical; the same mask of affability, the same sardonic arrogance; the same contempt; the same sadistic pathological drive for authority; the same playing of the "role" of master over other human beings; the same display of passion, obsession and illusion of grandeur;
4. Identical suspense was created by the leisurely attitudes assumed by the captain toward his victim. Identical dramatic

<sup>14</sup> 221 P2d at 102.

<sup>15</sup> *Id.* at 107. Mr. Justice Schauer in note 1 states: "There are only thirty-six fundamental dramatic situ-

ations, various facets of which form the basis of all human drama', ('The Thirty-Six Dramatic Situations,' by Georges Polti, 1916).

action, suspense and climax arose from the challenge expressly thrown to his victim to try to persuade any person on the ship that the captain was different from what he appeared to be; that he was in fact a psychopathic murderer and that his next intended victim was actually in imminent peril;

5. In both play and picture the dramatic "expression" was the same, wherein the captain was accused of murder, but parried the charge, and his intended victim remained helpless not only as a result of the captain's position, but because of his insinuations to others on the ship that the victim was suffering from hallucinations;

6. The identical sequence of scenes takes place wherein the victim first appeals to the first mate and then to others on the ship, but is completely disregarded and repulsed by each in turn.

In other words, there was substantial similarity in "setting", "background", "theme", "development", "incident of plot", the same "conflict" between the emotions of the captain and the secondary characters, the same sequence of events, identical complications with substantially the same final crisis and climax, and the same emotional reaction of the audience.

The qualitative and quantitative similarities between the two works were sufficient to prove copying and to sustain the implied finding of fact made by the jury that a "material and substantial" part of plaintiffs' play was misappropriated by defendants.

The *Golding* case has important implications in the law of plagiarism. These will be discussed in subsequent sections.

The rights asserted in this case are based upon §§ 980 and 983 of the California Civil Code, quoted in the margin.<sup>16</sup>

<sup>16</sup> California Civil Code § 980 quoted in *Golding v. RKO Pictures Inc.*, 221 P2d 95, 101 in n 1: "The author or proprietor of any composition in letters or art has an exclusive ownership in the representation or expression thereof as against all persons except one who originally and independently creates the same or a similar composition." Sections 980 and 983 formerly read:

"Section 980. The author of any product of the mind, whether it is an

invention, or a composition in letters or art, or a design, with or without delineation, or other graphical representation, has an exclusive ownership therein, and in the representation or expression thereof, which continues so long as the product and the representations or expressions thereof made by him remain in his possession."

"Section 983. If the owner of a product of the mind intentionally makes it public, a copy or reproduction may be made public by any per-

These sections are but codifications of the various rights secured by common-law copyright.<sup>17</sup> Although the force of the *Golding* case as a precedent has been questioned,<sup>18</sup> it is believed that the decision is in accord with the pronouncements of the Second Circuit Court of Appeals, on the issues of protectibility, originality and the functions of judge and jury in the determination of the foregoing issues.<sup>19</sup>

But the *Golding* case has this added significance. The similarities between the play and motion picture were reduced to an order of ideas, and the jury concluded that the defendant had appropriated plaintiffs' order of ideas.

The *Golding* decision illustrates the "hard" copyright case, because in the final analysis, the order of ideas comes very close to a "series of abstractions." The difference between the two ultimately resolves itself into one of degree. The court furnished protection to the order and combination of ideas in the *Golding* case because they had been reduced to a concrete form. Ideas, on the other hand, which reflect a series of abstraction cannot invoke the protection of common-law or statutory copyright.<sup>20</sup> The task before the courts is to draw the line between the order and combination of ideas which are protected and the series of abstractions which are not protected.

son, without responsibility to the owner, so far as the law of this state is concerned."

<sup>17</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73, 77 (1950): "The parties have conceded that the applicable sections of the Civil Code, 980 and 983 as they read at the time plaintiff's cause of action arose, are but codifications of the common law." Mr. Justice Traynor's dissenting opinion in *Golding v. RKO Pictures* at 221 P2d 101-102 is to the same effect. But *cf.* Note: *Literary Property: Common Law Protection of Dramatic Works* (1950) 38 CalLRev 332.

<sup>18</sup> *Nimmer, Inroads on Copyright Protection* (1951) 64 HarLRev 1125, 1132 n 42. "The force of this [*Golding*] case as a precedent is highly questionable, however, in view of the following facts: 1. It is a state court decision. 2. The case involves a common law copyright, and the right of

fair use or insubstantial appropriation has traditionally not applied to such copyrights."

<sup>19</sup> *Cf. Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946) cert den 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1914); *Yankwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 469, n 29.

<sup>20</sup> See cases cited in dissenting opinion of Mr. Justice Traynor in *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73, 84 (1950); *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945) cert den 327 US 790, 66 Sct 802, 90 LEd 1016 (1946); *Becker v. Loew's Inc.*, 123 F2d 889 (7th Cir 1943) cert den, 319 US 772, 63 Sct 1438, 87 LEd 1720 (1944); *Gropper v. Warner Bros. Inc.*, 38 FSupp 329 (DC NY 1941); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944).

## 152. EXISTENCE OF A PREVIOUS WORK.

Before there can be infringement of copyright, there must be evidence of the existence of a previous work from which the copying was alleged to have taken place. Thus actions for infringement of common law copyright must be based on works reduced to concrete form,<sup>1</sup> viz., a script,<sup>2</sup> play,<sup>3</sup> motion picture,<sup>4</sup> scenario,<sup>5</sup> or radio program.<sup>6</sup> It is obvious that in order for any plagiarism action to be maintained, there must be a permanent visible and tangible expression of the subject matter of common law copyright. Oral testimony of the existence of a work will not usually be accepted as a basis for infringement.

“Mere oral testimony of the existence of a play and what it included is not very substantial proof upon which to base a claim for infringement, and for various reasons should at the most be accepted only under exceptional circumstances and when the proof is clear and convincing.”<sup>7</sup>

An action for infringement of statutory copyright requires more than the existence of a previous work. The material must be subject to copyright,<sup>8</sup> the copyright must be vested in the proper party,<sup>9</sup> and more importantly, there must be compliance with the statutory requirements of notice,<sup>10</sup> deposit<sup>11</sup> and registration of copies.<sup>12</sup>

The recent case of *National Comics Publications, Inc., v.*

<sup>1</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>2</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), modified 81 F2d 373 (1st Cir 1936) cert den, 298 US 670, 56 Sct 835, 80 LEd 1393 (1936).

<sup>3</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>4</sup> *Id.*

<sup>5</sup> *Weitzenkorn v. Lesser*, 331 P2d 889 (CalApp 1951); *Thompson v. Famous Players-Lasky Corp.*, 3 F2d 707 (DC Ga 1925).

<sup>6</sup> Cases cited in *op cit supra* note 2. See also: *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Cole v. Philips II. Lord, Inc.* 262 App

Div 116, 28 NYS2d 404 (1941). *Cf. Bowen v. Yankee Network Inc.*, 46 FSupp 62 (DC Mass 1942); *Grombach Productions Inc. v. Waring*, 293 NY 609, 59 NE2d 425 (1944).

<sup>7</sup> *Bein v. Warner Bros. Pictures Inc.*, 35 USPQ 78 (DC NY 1937).

<sup>8</sup> See Ch III, “The Subject Matter of Copyright Protection” § 30 ff.

<sup>9</sup> See Ch IV, “Persons Who May Secure Statutory Copyright.” § 40 ff. See also: *Marks Music Corp. v. Vogel Music Co. Inc.*, 140 F2d 268 (2d Cir 1944); *Shapiro Bernstein & Co. v. Widenski*, 54 FSupp 780 (DC RI 1944) *aff'd*, 147 F2d 909 (1st Cir 1945).

<sup>10</sup> See Ch VI, “Statutory Requisites for Copyright Protection” § 60 ff.

<sup>11</sup> *Id.* § 60 ff.

<sup>12</sup> *Id.* § 63.

*Fawcett Publications, Inc.*, illustrates the importance of complying with the statutory formalities of the Copyright Code. Plaintiff claimed that its copyrighted comic cartoon strip or story, "Superman" was infringed by "Captain Marvel", a continuous strip cartoon published by the defendant. Despite the finding by the district court that there was "actual copying" by defendant's employees, the suit was dismissed in part because plaintiff had labeled its cartoon strips with improper copyright notices.<sup>13</sup> In another case, the failure of plaintiff to procure a certificate of registration resulted in the dismissal of an infringement suit.<sup>14</sup>

### 153. ORIGINALITY: GENERAL DISCUSSION.

Originality<sup>1</sup> in the previous work is a prerequisite to a plagiarism action.

At the outset no precise rule can be prescribed as a test for originality. "A work may be original in the eye of the law when it is not in the eye of the critic".<sup>2</sup> As far as the law of plagiarism is concerned, an original work may be described as the independent creation of its author.<sup>3</sup> Originality is present even if the author takes old ideas, incidents and materials from sources common to all writers, arranges and combines them in a new form and gives them a new application.<sup>4</sup> Originality is not defeated because an author may borrow his material and ideas from others, as long as he assembles them in a different manner, combines them for a different purpose and his plan and arrangement are really different from previous plans, arrangements or combinations of the same material. The labor of making these selections, arrangements and com-

<sup>13</sup> *National Comics Publications Inc. v. Fawcett Publications Inc.*, 93 FSupp 349 (DC NY 1950), reversed, 191 F2d 594 (2d Cir 1951).

<sup>14</sup> *Algonquin Music Inc. v. Mills Music Inc.*, 93 FSupp 268 (DC NY 1950).

<sup>1</sup> Originality is likewise discussed in connection with § 21 "Constitutional Basis of Copyright and § 30, "General Discussion" of "The Subject Matter of Copyright Protection." See also Lindey, *Plagiarism and Originality* (1952).

<sup>2</sup> Weil, *Copyright Law* (1917) 182.

<sup>3</sup> This is the standard of originality enunciated by Judge Learned Hand in *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924). It was affirmed in *Sheldon v. Metro-Goldwyn-Mayer Pictures Corp.*, 81 F2d 49 (2d Cir 1936) cert den, 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936) and recently reaffirmed by Judge Frank in *Alfred Bell & Co. v. Catalda Fine Arts Co.*, 191 F2d 99 (2d Cir 1951). See also Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

<sup>4</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

binations, entailing as they do the exercise of skill, discretion and creative effort constitutes originality in the eyes of the law.<sup>5</sup> In the recent case of *Alfred Bell & Co. v. Catalda Fine Arts Inc.*,<sup>6</sup> Judge Frank defined originality as "something more than a 'merely trivial' variation, something recognizably 'his [the authors'] own'. Originality in this context 'means little more than a prohibition of actual copying.' No matter how poor artistically the 'author's' addition, it is enough if it be his own."<sup>7</sup> Thus it would appear that the California state courts and the Second Circuit Court of Appeals have adopted the same test of originality—that a work is original as long as the author independently contrived it.<sup>8</sup>

In action for infringement of common law copyright, plaintiff's allegation of originality in his complaint is all that should be required. "This particular type of genius required in the creation of an original literary or dramatic composition . . . can hardly be broken down. . . . In short, once one has claimed that such a composition is original, one has said about as much as can be stated upon the subject. I think that from the common sense view-point the burden should rather be cast upon the defendant who makes use of the composition to prove its lack of originality,—by comparison, for instance, with other

<sup>5</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *National Institute for the Improvement of Memory v. McNutt*, 28 F2d 132 (DC Conn 1928); *Lawrence v. Dana*, FCas No. 8, 136, 16 FCas 26 (CC Mass 1869).

<sup>6</sup> 191 F2d 99 (2d Cir 1951).

<sup>7</sup> *Id.* See also: *Ricker v. General Electric Co.*, 162 F2d 141 (2d Cir 1947): "Unlike the subject matter of a patent, copyrighted material need not be new, but only original. Hence the sole issue before us is as to infringement. And in considering that issue it must be remembered that the plaintiff has no monopoly of the scientific information with which her book deals; nor has she a monopoly of the ideas of expounding such information in simple language comprehensible by lay readers. All her copyright gives her is the right to prevent plagiarism"; *Chamberlin v. Uris Sales Corp.*, 56 FSupp 987 (DC NY 1944), *aff'd*, 150 F2d 512 (2d Cir 1945); *Adventures in Good Eating*

*Inc. v. Best Places to Eat*, 131 F2d 809 (7th Cir 1942).

<sup>8</sup> *Cf. Alfred Bell & Co., Ltd. v. Catalda Fine Arts Inc.*, 191 F2d 99 (2d Cir 1951); *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924) with *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Weitzenkorn v. Lesser*, 331 P2d 889 (Cal App 1951); *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (Cal App 1951). *Nimmer, Inroads on Copyright Protection* (1951) 64 Harv L.Rev 1125, 1133 states that the Ninth Circuit Court of Appeals (embracing California, etc.) have refused to follow the standard or test of originality employed by the Second Circuit Court of Appeals. See: *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933) cert dismissed 296 US 669, 54 S Ct 94, 78 LEd 1507 (1933). But *cf. Hirsch v. Paramount Pictures*, 17 FSupp 816 (DC Cal 1937).

works, or in some other way—in the event such defendant desires to defend upon the ground that there is no originality.”<sup>9</sup>

In an action for infringement of statutory copyright, the certificate of registration constitutes *prima facie* evidence that the plaintiff’s work is original.<sup>10</sup> Although the Copyright Code and the practice implementing the same do not provide for an administrative examination of a work to determine its originality, the averment of originality in the complaint, supported by the certificate of registration, establishes a presumption that the work is original. Thus the Copyright Code shifts the burden of proceeding upon the defendant to disprove the originality of the copyrighted work. As a practical matter the issue of originality is usually raised by the defendant who offers proof that the work was not created by the plaintiff or that it was copied from material in the public domain, etc. This challenge to the originality of a work requires plaintiff to adduce some *prima facie* evidence that his production is original.<sup>11</sup>

But is the question of originality one of law for the courts or one of fact for the jury? The cases are not too clear on this issue. As we have discussed in the previous section, the majority opinion in the *Golding* case used language which suggested that “originality or a plaintiff’s protectible property interest” tendered a preliminary question of law.<sup>12</sup> It is believed that protectibility or reduction to concrete form is a question of law for the courts, but that originality is a question of fact for the jury or the trier of facts.<sup>13</sup> The decisions which have been handed down by the California courts subsequent to the *Golding* case uniformly hold that in actions for infringement of common law copyright originality is an issue of fact.<sup>14</sup> Thus in the recent case of *Kurlan v. Columbia Broadcasting System*,<sup>15</sup> wherein plaintiff claimed that the

<sup>9</sup> *Buckley v. Music Corporation of America*, 54 USPQ 70 (DC Del 1942).

<sup>10</sup> *Adventures in Good Eating Inc. v. Best Places to Eat, Inc.*, 131 F2d 809 (7th Cir 1942); *Burrow Giles Lithographing Co. v. Sarony*, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884).

<sup>11</sup> *Hirsch v. Paramount Pictures Inc.*, 17 FSupp 816, 817 (DC Cal 1937); *Bosselman v. Richardson*, 174 Fed 622, 623 (2d Cir 1909). See also:

*Southern Music Publishing Co. v. Bibo-Lang*, 10 FSupp 972 (DC NY 1938).

<sup>12</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95, 100 (1950).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Wetizenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>15</sup> 90 USPQ 267 (CalApp 1951).

program format, ideas, characters, etc., of CBS' "My Friend Irma" infringed plaintiff's radio program based on the "My Sister Eileen" stories written by Ruth McKenney, defendant requested the court to invoke the doctrine of judicial notice for the purpose of permitting the latter to conclude as a matter of law that plaintiff's production lacked originality. The court on the basis of the pleadings before it refused to apply the doctrine of judicial notice. It held that "whatever our personal views may be, we are satisfied that we cannot hold on the basis of judicial notice that there is no novelty of development and expression in plaintiff's production, even if, as defendants assert, it consists only of a portrayal of the experiences of two familiar characters, through a series of commonplace incidents."<sup>16</sup> The implication derived from the *Kurlan* opinion is that the doctrine of judicial notice cannot be used to deprive a litigant of the right to have the jury determine the factual issue of originality.

In statutory copyright infringement suits, the decisions imply that originality is a question of fact for the jury.<sup>17</sup> The *Bleisten* case suggests that conclusion, although a careful analysis of that opinion indicates that the Supreme Court held as a matter of law that the circus posters were original.<sup>18</sup>

What frequently happens is that plagiarism cases are tried before a court without a jury and court determines the issue of originality either as a question of fact, or as a mixed question of fact and law, and at times as a question of law.<sup>19</sup> In addition the prior practice, particularly in the Second Circuit Court of Appeals was to treat originality as an issue of law where the question was tendered the trial court via a motion

<sup>16</sup> *Id.* at 269.

<sup>17</sup> *Dezendorf v. Twentieth Century-Fox Film Corp.*, 99 F2d 850 (9th Cir 1938). See also: *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946) cert den, 330 US 851, 67 S Ct 1096, 91 LEd 1294 (1947); *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944).

<sup>18</sup> *Bleisten v. Donaldson Lithographing Co.*, 188 US 239, 23 S Ct 298, 47 LEd 460 (1903). See Weil, *Copyright Law* (1917) 38.

<sup>19</sup> *Cf.* Nimmer, *Inroads on Copyright Protection* (1951) 64 HarvLRev 1125, 1134: "Many courts tend to confuse the questions of copyrightability

and originality. The court in *Harold Lloyd Corp. v. Witwer* [65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 669, 54 S Ct 94, 78 LEd 1507 (1933)] considered works in the public domain to be 'uncopyrightable'; on the other hand, the court deciding *Fisher v. Dillingham* [298 Fed 145 (DC NY 1924)] viewed them as evidence to be considered in determining whether the condition precedent of originality had been satisfied, and granted copyright protection since the copyright holder had not actually copied from the public domain."

to dismiss or on motion for summary judgment.<sup>20</sup> The more recent decisions of the Second Circuit Court of Appeals have admonished the trial courts that the issues tendered by plagiarism actions should preferably be submitted to the trier of facts on the merits rather than by motion for summary judgment.<sup>21</sup> This does not mean that a motion for summary judgment cannot ever be employed. Thus the defendant's deposition or affidavit might satisfactorily establish that there was neither access nor copying, with the result that the trial court could dispose of the litigation on the pleadings and accompanying papers. In other words a motion for summary judgment cannot be employed where issues of fact are tendered and "where it shuts out an adequate examination of the merits."<sup>22</sup>

In common law and statutory infringement cases, where a jury trial is demanded and the issue of originality is raised, it is submitted that a question of fact is involved. If a jury is competent to determine the questions of originality and novelty of radio programs and of program ideas,<sup>23</sup> it would appear that a jury is qualified to decide the issue of originality in plagiarism cases. Judge Frank's opinion in *Arnstein v. Porter* contains the implicit suggestion that where a jury trial is requested, such issues as originality, similarities, copying, access and improper appropriation, if properly tendered by the pleadings, are questions of fact for the jury.<sup>24</sup>

The *Golding* case has other implications on the issue of originality. For all practical purpose the jury and the courts concluded that the plot was original. The courts have held in innumerable cases that the ideas found in incidents,<sup>25</sup>

<sup>20</sup> *Arnstein v. Broadcast Music Inc.*, 137 F2d 410, 412 (2d Cir 1943); *Darrel v. Joe Morris Music Co.*, 113 F2d 80 (2d Cir 1940); *Arnstein v. Marks Music Corp.*, 82 F2d 275, 277 (2d Cir 1936); *Wilkie v. Santley Bros.*, 13 FSupp 136 (DC NY 1935), *aff'd* 91 F2d 978 (2d Cir 1937) cert den 302 US 735, 58 S Ct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); *Marks v. Leo Feist Inc.*, 290 Fed 959 (2d Cir 1923).

<sup>21</sup> *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 S Ct 1096, 91 LEd 1294 (1947); *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944). See dissenting

opinions of Judge Clark in the *Arnstein* and *Du Maurier* cases. To the same effect is: *Tynan v. RKO Radio Pictures*, 77 FSupp 238 (DC NY 1948); *Bruckman v. Hollzer*, 152 F2d 730 (9th Cir 1946). *Contra* *Millstein v. Leland Hayward Inc.*, 10 FRD 198 (DC NY 198).

<sup>22</sup> *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944).

<sup>23</sup> Cases cited in *op cit supra* note 8.

<sup>24</sup> *Op cit supra*, note 21.

<sup>25</sup> *Dellar v. Samuel Goldwyn Inc. et al.*, 150 F2d 612 (2d Cir 1946) cert den 227 US 790, 66 S Ct 802, 90 LEd 1016 (1946); *McConnor v. Kaufman*, 49 FSupp 738 (DC NY 1943); *Collins*

scenes,<sup>26</sup> plots,<sup>27</sup> etc., are not protected either at common law or by statute. Isolated incidents,<sup>28</sup> themes<sup>29</sup> and scenes<sup>30</sup> are *publici juris*. A copyright does not give a monopoly in any incident in a play.<sup>31</sup> Others may exploit

v. Metro-Goldwyn Pictures Corp., 106 F2d 83 (2d Cir 1939); Rush v. Oursler, 39 F2d 468 (DC NY 1930); Lowenthal v. Nathan, 2 FSupp 73 (DC NY 1932); Stevenson v. Harris, 238 F 432 (DC NY 1917); Eichel v. Marcin, 241 Fed. 404 (DC NY 1913).

<sup>26</sup> Curwood v. Affiliated Distributors Inc., 283 Fed 223 (DC NY 1922); Stodart v. Mutual Film, 249 Fed. 507 (DC NY 1917); Daly v. Webster, 56 Fed 483 (2d Cir 1892); Daly v. Palmer, FCas No 3552, 6 FCas 1133 (CC NY 1868). But cf. Select Theatres Corp. v. The Ronzoni Macaroni Co., 59 USPQ 288 (DC NY 1943) wherein it was held that "the unauthorized performance of a single scene from one act of a copyrighted play with very little dialogue constitutes infringement. *Brady v. Daly*, 175 US 148, 158, affirming 83 F 1007. See *Daly v. Webster*, 56 F 483. There therefore can not be any reason why each unauthorized performance or broadcast of a different scene of a play on different occasions should not be considered an infringement merely because the different scenes are reproduced from the same play."

<sup>27</sup> See Mr. Justice Traynor's dissenting opinion in *Golding v. RKO Pictures Inc.*, 35 Cal 2d 690, 221 P2d 95, 102 (1950). See also: *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945) cert den, 327 US 790, 66 S Ct 802, 90 LEd 1016 (1946); *McConnor v. Kaufman*, 49 FSupp 738 (DC NY 1943), *aff'd*, 139 F2d 110 (2d Cir 1943); *Christie v. Harris*, 47 FSupp 39 (DC NY 1942), *aff'd*, 154 F2d 827 (1945), cert den, 329 US 734, 67 S Ct 97, 91 LEd 634 (1945); *Arnstein v. Paramount Pictures Inc.*, 9 FSupp 896 (DC NY 1935); *Shipman v. RKO Pictures Inc.*, 100 F2d 533 (2d Cir 1938); *Harold Lloyd Corp. v. Witwer*, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 S Ct 94, 78 LEd 1507 (1933); *Lewis v. O'Neill*, 49 F2d 603 (DC NY 1931); *Nichols v. Universal Pictures Corp.*, 34 F2d 145 (DC NY 1929), *aff'd*, 45 F2d 119 (2d Cir

1930), cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931); *Dynow v. Bolton*, 11 F2d 690 (2d Cir 1926); *Cain v. Universal Pictures*, 47 FSupp 1013 (DC Cal 1942); *London v. Biograph Co.*, 231 Fed 696 (2d Cir 1916). Cf. *Frankel v. Irwin*, 34 F2d 142 (DC NY 1918).

<sup>28</sup> *Op cit supra*, note 25.

<sup>29</sup> *Golding v. RKO Pictures Inc.*, 193 P2d 153 (Cal App 1948): "The theme . . . the ideas' may always be 'freely borrowed'" *Dellar v. Samuel Goldwyn Inc.*, 2 Cir, 150 F2d 612; *Dellar v. Samuel Goldwyn, Inc.*, 2 Cir, 104 F2d 661. It has been said that 'plot,' 'sequence of events' and 'theme' mean the same thing. *Harold Lloyd Corporation v. Witwer*, 9 Cir, 65 F2d 1, 24. Other cases and writers disagree. The 'theme' of a play or picture is the dominant emotion of the basic character. The 'theme' is personified by the basic character. The 'plot' is the story or narrative. It is 'the designed sequence of connected incidents.' It is the thing which moves the play from cause to effect. It means, as its etymology implies, a weaving together. The 'theme' or dominant emotion, personified by the basic character, evolves and develops by means of the 'plot'—the story—motivated by conflict, complication or intrigue, or both, to a crisis and climax." See also *Sheldon v. Metro-Goldwyn-Mayer Pictures Corp.*, 7 FSupp 817 (DC NY 1934) reversed 81 F2d 49 (2d Cir 1936) cert den 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936); *Nutt v. National Institute for Improvement of Memory*, 31 F2d 236 (DC Conn 1929); *Simonton v. Gordon*, 297 Fed 625 (DC NY 1924); *Underhill v. Belasco*, 254 Fed 838 (DC NY 1918). Cf. *Gropper v. Warner Bros. Pictures Inc.*, 38 FSupp 329 (DC NY 1941); *Frankel v. Irwin*, 34 F2d 142 (DC NY 1928); *Dam v. Kirke La Shelle Co.*, 166 Fed 589 (2d Cir 1908).

<sup>30</sup> *Op cit supra*, note 26.

<sup>31</sup> *Eichel v. Marcin*, 241 Fed 404 (DC NY 1913).

the facts, experiences and field of thought and general ideas, provided they do not substantially copy a concrete form in which the circumstances and ideas have been developed, arranged and put into shape.<sup>32</sup> Similarly, “a plot, the mere concept of a situation around which to build and develop literary adornment is not copyrightable.”<sup>33</sup> For example, Jack London alleged that the defendant had plagiarized his short story “Just Meat” by its motion picture “Love of Gold.” The plot was the same in both. Each of two burglars, after securing a large amount of loot, unknown to the other, placed poison in the other’s drink. Both died. There were considerable variations in the details and embellishments. The court held that “the copyright cannot protect the fundamental plot, which was common property long before the story was written.”<sup>34</sup> In the *Wiren* case, plaintiff’s play “Most” and defendant’s play “Death Takes a Holiday” centered around the basic situation of death coming to earth in mortal form, falling in love and returning to his spiritual abode with his beloved. The court held that the theme and love story were in the common domain. “Aside from ideas and sentiments found in these plays, and many others which have long been common property for authors and playwrights to embellish, ‘Most’ and ‘Death Takes a Holiday’ are unlike. A plot or the mere concept of a situation around which to build and develop literary or artistic adornment is not copyrightable.”<sup>35</sup>

But the *Golding* case in furnishing protection to the “cen-

<sup>32</sup> As Judge Learned Hand states in *Nichols v. Universal Pictures Corp.*, 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931) “no one can define with any degree of precision the distinction between literary effort which is a mere uncopyrightable idea and that which is sufficiently substantial as an expression or arrangement of ideas to warrant protection.”

<sup>33</sup> *Dymow v. Bolton*, 11 F2d 690, 691 (2d Cir 1926).

<sup>34</sup> *London v. Biograph Co.*, 231 Fed 696, 699 (2d Cir 1916).

<sup>35</sup> *Wiren v. Shubert Theatre Corp.*, 5 FSupp 358 (DC NY 1933), *aff’d*, 70 F2d 1023 (2d Cir 1934) cert den, 293 US 591, 55 S Ct 105, 79 LEd 685 (1935). In *Ornstein v. Paramount Productions, Inc.*, 9 FSupp 896, 901

(DC NY 1935) the court summarized the essential likeness of two works: “The main plot or theme in ‘Woman’ and in ‘Blonde Venus’ is similar. It consists of a husband with a wife and young child. The husband contracts a disease which requires his going away for a long course of treatment. To obtain the money necessary and to pay for it, the wife sacrifices her honor. Eventually the husband returns and discovers his wife’s infidelity. In the ‘Woman’ the husband refuses to be reconciled and the wife kills herself. In the ‘Blonde Venus’, after the wife has many adventures, the husband and wife are united through love for their child. The plot itself is not new. Both authors have drawn upon the common stock or source for their theme or plot.”

tral dramatic situation" or "dramatic core" of plaintiffs' play represents the furthest advance that any court had made in protecting the plot of a story or play. The "central dramatic situation" or "dramatic core" is but another name for a plot. To be sure the protectibility given this "central dramatic situation" or "dramatic core" was foreshadowed in the *Nichols* case. Thus to quote from Judge Learned Hand's opinion:

"We did not in *Dymow v. Bolton*, 11 F. (2d) 690, hold that a plagiarist was never liable for stealing a plot; that would have been flatly against our rulings in *Dam v. Kirk LaShelle Co.*, 175 F. 902, 41 L. R. A. (W. S.) 1002, 20 Ann. Cas. 1173, and *Stodart v. Mutual Film Co.*, 249 F. 513, affirming my decision in (D. C.) 249 F. 507; neither of which we mean to overrule. We found the plot of the second play was too different to infringe, because the most detailed pattern, common to both, eliminated so much from each that its content went into the public domain; and for this reason we said 'this mere subsection of a plot was not susceptible of copyright.' But we do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. Nor need we hold that the same may not be true as to the characters, quite independently of the 'plot' proper, though as far as we know, such a case has never arisen."<sup>36</sup>

For additional cases which hold that the similarity between two works was attributable to the use of a common plot in the public domain, see: *Heywood v. Jericho Co.*, 193 Misc 905, 85 NYS2d 464 (1948): both plays dealt with the return of a Negro war hero to his native southern community, his love for a white girl, and their struggle against the bigotry, violence and hatred of the white community; *Collins v. Metro-Goldwyn-Mayer Pictures Corp.*, 25 FSupp 781, 782 (DC NY 1938), *aff'd*, 106 F2d 83 (2d Cir 1939): both stories portrayed the life of a test pilot; *Fendler v. Morosco*, 253 NY 281, 171 NE 56 (1930): both plays were based on the love of a white youth for an Hawaiian girl; *McConnor v. Kaufman*, 49 FSupp 738 (DC NY 1943), *aff'd*, 139 F2d 116 (2d Cir 1944): both plays dramatized the eccentricities of the late Alexander Woolcott and his interest in unsolved murders; *Columbia Pictures Corp. v.*

*Krasna*, 65 NYS2d 67 (NYSupCt 1946): both stories involved the writing of letters to a soldier overseas by an adolescent girl posing as her older sister; *Cain v. Universal Pictures Co.*, 47 FSupp 1013 (DC Cal 1942): infringement was based on the common use of a sequence in which a storm forces the hero and heroine to take overnight refuge in a church loft. For additional cases illustrative of this principle, see: *Dymow v. Bolton*, 11 F2d 690 (2d Cir 1926); *Lewys v. O'Neill*, 49 F2d 603 (DC NY 1931); *Kustoff v. Chaplin*, 120 F2d 551 (9th Cir 1941); *Rush v. Oursler*, 39 F2d 468 (DC NY 1930); *Lowenfels v. Nathan*, 2 FSupp 73 (DC NY 1932); *Gropper v. Warner Bros. Pictures*, 38 F Supp 329 (DC NY 1941); *Christie v. Harris*, 47 FSupp 39 (DC NY 1942), *aff'd*, 154 F2d 827 (2d Cir 1945), cert den, 329 US 734, 67 Sct 97, 91 I.Ed 634 (1945).

<sup>36</sup> *Nichols v. Universal Pictures*

In the *Golding* case, more than similarities in the plot were involved. The jury and the court found originality of treatment in the basic and subsidiary characters, scenes, incidents, motivation and reaction of the audience. Each of these elements in and of itself would not be protectible. Defendant as well as plaintiff may use these elements freely either singly or in combination. But the synthesis and integration of all these elements into a unified work, viz., a play resulting from plaintiffs' independent labor, reflected originality and hence protectibility.

To return to the implications of the *Golding* opinion, the court by using the nomenclature of "basic dramatic situation" or "dramatic core" protected an "order of ideas". As long as motion picture studios, and radio and television networks and stations are interested in the type of dramatic core or order of ideas as exemplified by the *Golding, Stanley*<sup>37</sup> and other decisions,<sup>38</sup> then the authors thereof should be compensated for their literary efforts. But the *Golding* case should not be extended to the protection of an idea or ideas as such. The task before the courts is to distinguish between an order and combination of ideas which reflect at least a sequence of events and the interplay and development of characters and an abstract idea or even a combination of abstract ideas. The former is protectible; the latter is not.<sup>39</sup>

Corporation, 45 F2d 119 (2d Cir 1930) cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931).

<sup>37</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>38</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Italiani v. Metro-Goldwyn-Mayer Corp.*, 45 CalApp2d 464, 114 P2d 370 (1941); *Barsha v. Metro-Goldwyn-Mayer Corp.*, 32 CalApp2d 556, 90 P2d 371 (1939); *Brown v. Ferris*, 122 Misc 418, 204 NYSupp 190 (1924).

<sup>39</sup> *Cf. Chafee, Reflections on the Law of Copyright* (1945) 45 CalLRev 503, 513. See also the approach suggested by Nimmer, *Inroads on Copy-*

*right Protection* (1951) 64 HarvLRev 1125, 1131, who states that the courts in attempting to distinguish between an idea and its expression (which is copyrightable) have relied on the "substantial appropriation" doctrine. There may be language in some of the cases which suggest that the courts have refused copyright protection because the material involved was not a sufficiently substantial appropriation, but the doctrine of substantiality and materiality (discussed *infra* in § 154 is a separate and distinct concept which is tendered the trier of facts only after access, similarities and copying are proved. See *Arustein v. Porter*, 154 F2d 464 (2d Cir 1946) cert den 330 US 851, 67 S Ct 1096, 91 LEd 1294 (1947); *Yankwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

### 153a. ORIGINALITY: RADIO AND TELEVISION PROGRAMS.

Prior to the *Kovacs*,<sup>1</sup> *Lesser*<sup>2</sup> and *Kurlan*<sup>3</sup> cases, the courts distinguished between plagiarism suits and actions for protection of program ideas in radio and television programs.<sup>4</sup> Infringement of common law and statutory copyright was and is considered a tort,<sup>5</sup> whereas recovery for the misappropriation of program ideas was premised upon the theory of express or implied contract.<sup>6</sup> The California decisions have extended the tort basis of the infringement cases to the program ideas decisions.<sup>7</sup> The extension of the tort doctrine to the program idea cases will be discussed in greater detail elsewhere;<sup>8</sup> but the synthesis of the tort doctrine with the express or implied contract theory suggests the same test of originality for the misappropriation of program ideas and the plagiarism cases.

Originality and novelty are prerequisites to an action for misappropriation of program ideas. This is illustrated by the *Stanley*,<sup>9</sup> *Kovacs* and *Kurlan* decisions. In the *Stanley* case, the protectible interest consisted of the "theatre of the air" type of weekly programs. Plays or motion pictures produced or scheduled for production would not be used; instead sketches or scenarios which the author was offering for motion picture use would be adapted for radio presentation. A prominent motion picture personality would act as master of ceremonies. He would ask the radio audience to send in their opinions of the show with particular reference as to whether they would like a motion picture version and their ideas for casting the parts. A cash prize would be awarded each week to the writer of the best "letter". The program was entitled "Hollywood Preview", and the title was repeated and emphasized throughout the production. A jury, whose verdict was affirmed on appeal, concluded that defendant's program, likewise entitled "Hollywood Preview"

<sup>1</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>2</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>3</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>4</sup> *Passim* §§ 260 *et seq.*

<sup>5</sup> *Leo Feist Inc. v. Young*, 138 F2d 972 (7th Cir 1943); *Vitagraph Inc.*

*v. Grobaski*, 46 F2d 813 (DC Mich 1931).

<sup>6</sup> *Op cit supra*, note 4.

<sup>7</sup> Cases cited in *op cit supra*, notes 1 to 3 inclusive.

<sup>8</sup> *Op cit supra*, note 4.

<sup>9</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 35 Cal2d 653, 221 P2d 73 (1950).

was substantially similar, not in the actual text of defendant's program but in its combination of ideas.<sup>10</sup>

The complaint in the *Kovacs* case contained two causes of action: plagiarism of common law copyright and breach of implied contract for misappropriation of a radio program and a combination of program ideas. The jury returned a verdict in favor of plaintiff for \$25,000. The California District Court of Appeals concluded that the evidence supported the plagiarism count, hence "our conclusion renders it unnecessary to consider appellant's contention that the evidence fails to sustain the second cause of action."<sup>11</sup>

The protectible interest in the *Kovacs* case consisted of:

1. Soliciting letters from the radio—listening public expressing their heart's desires, with no limitation as to the desires to be expressed;
2. Using these letters as the foundation of the program;
3. Choosing winning letters on a contest basis;
4. Granting and broadcasting of the heart's desires of the winners;
5. Audience participation;
6. Using and emphasizing the title of the program, "Your Heart's Desire".

The defendant's program was entitled, "What's Your Heart's Desire" and was substantially similar to plaintiff's program format.

In both the *Stanley* and *Kovacs* cases the appellate courts conceded that the single basic elements in both programs, viz., solicitation of letters, "best" letter, audience participation, etc., were neither original nor novel; they had been used before in radio. "But when all of these elements are joined to make one idea, for a radio program, it is the combination which is new and novel".<sup>12</sup> In the *Stanley* case, the court was impressed with the novel adaptation and application of the audience participation idea—its adaptation and application to aid producers in the selection of stories for picture production. In the *Kovacs* case, the novel feature of plain-

<sup>10</sup> *Id.* See also *Burtis v. Universal Pictures Co.*, 237 P2d 41 (Cal App 1951).

<sup>11</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950). In the *Kurlan* and *Lesser* cases, plain-

tiffs set forth counts based on plagiarism. The courts held these counts valid.

<sup>12</sup> *Stanley v. Columbia Broadcasting System*, 221 P2d at 79.

tiff's program was that the listening audience furnished the material for the program and were the winners instead of the studio audience.

In both cases originality and novelty were questions of fact for the jury. In the *Stanley* case, there was no dispute as to plaintiff's protectible property interest, since defendant conceded that plaintiff's idea had been reduced to the concrete form of a script format and recording. In the *Kovacs* case, protectibility was likewise assumed since plaintiff's idea was given tangible form via a script and sample recording.

In the *Kurlan*<sup>13</sup> case, plaintiff's complaint contained five causes of action: the first was based on express contract; the second and third upon implied contract; the fourth upon an implied contract based upon trade customs, practices and usages of the radio industry; and the fifth on plagiarism.

Plaintiff had acquired from Ruth McKenney the sole and exclusive right to use for radio broadcasting purposes the "Ruth" and "Eileen" characters from the "My Sister Eileen" stories which had been published in the *New Yorker* magazine, and which had been fashioned into a stage play and motion picture, each of which had been entitled "My Sister Eileen". Plaintiff claimed that defendant's radio program, "My Friend Irma" with its characters "Irma" and "Jane" appropriated his program format, characterizations, interplay of characters, treatment, development, presentation technique, integration and combination of elements. Plaintiff's program had been reduced to a script and audition recording.

The trial court sustained defendants' demurrer on the ground that plaintiff's program lacked originality and novelty. The California District Court of Appeal held that the lower court erred in disposing of the issues of originality and novelty as questions of law; they were issues of fact to be determined by a jury.

Defendants' primary contention was that the "idea" of a dumb girl getting an intelligent one into various scrapes is as old as written expression, if not older.<sup>14</sup> The appellate

<sup>13</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>14</sup> *Id.* The court summarized both programs as follows at 270:

"The principal characters in plain-

tiff's program are two sisters, Ruth and Eileen. Ruth is the capable and sophisticated balance wheel of the pair. Eileen is scatterbrained, impulsive, naive, completely thoughtless and ob-

court conceded that this generalized theme was quite old but stated that, "that particular extension of this broad theme may be quite new. In the present case the evidence within the issues may establish that plaintiff has done more than use the general theme—that he has given it a more specific nature, added a new radio technique, reduced to concrete form, and in addition, that he has presented characters with personalities so developed they are clearly recognizable. . . . Assuming, without conceding, that something was copied, defendants nevertheless contend that as a matter of law what was copied was not novel, and hence not protectible. With this we cannot agree. We deem the preceding analysis of the recorded programs and scripts sufficient to show that upon proof of the facts pleaded a jury could properly find novelty and originality in what was copied."<sup>15</sup>

Defendants invoked the novel defense that the court could employ the doctrine of judicial notice for the purpose of determining that on the basis of prior dramatic situations plaintiff's production was simply a hackneyed situation involving stock characters devoid of any material that was original and novel. The court refused to invoke the doctrine

lvious to the consequence of most of her acts. Ruth acting as narrator introduces a series of incidents in which Eileen creates situations which to her seem perfectly natural, but are extremely embarrassing to Ruth. Ruth attempts to resolve the situations while Eileen continues to introduce complications. In most improbable ways Eileen's created situations turn out to the benefit of all. The details vary, but this developed theme runs throughout the audition record and forms the basis of plaintiff's proposed program series.

In defendants' program the principal characters are two friends, Jane and Irma. Ruth, in plaintiff's production, and Jane, in that of defendants, are capable, possessed of ordinary intelligence, stable and sophisticated, while Eileen and Irma are scatterbrained, naive, irresponsible, impulsive and oblivious to the consequences of most of their acts. Jane, like Ruth, acts as narrator to introduce a series of incidents in which Irma, like Eileen, creates situations which to her seem

perfectly natural but are extremely embarrassing to Jane, just as Eileen's are to Ruth. In plaintiff's production Ruth attempts to resolve the situation while Eileen continues to introduce complications. In defendants' production Jane attempts to resolve the situations while Irma continues to introduce complications. In both radio plays the situations created by the scatterbrained girl turn out to the benefit of all in most improbable and unexpected ways. There are similar incidents in the sample programs. Both involve apartments obtained by the scatterbrained girl for the steady one, both involve visits to the apartment by a gentleman friend of the capable one. In both, these visits were much to the surprise and consternation induced by the scatterbrained girl, with the idea of bringing about a marriage, much to the surprise and consternation, of the capable one. Both programs carry through the theme in a small apartment."

<sup>15</sup> *Id.* at 270-271.

of judicial doctrine for the purpose of concluding as a matter of law that plaintiff's program lacked originality and novelty.

The *Stanley, Kovacs* and *Kurlan* decisions indicate that the California courts employ the same test of originality for misappropriation of program ideas as they do in the plagiarism cases. A combination of ideas with a new twist or new application, reflecting independent intellectual labor or literary skill will be considered original.<sup>16</sup>

The issue of originality in the program idea cases is more difficult of solution than the ordinary plagiarism case as exemplified by the *Golding* and other decisions. As Justice Schauer points out, "we are in a newer field; all of its vistas have been by no means explored. The merchandise offered for sale in this case—is of quite different character from that involved in *Golding*."<sup>17</sup> The craft of story-plotting, together with the art of story-telling has an historical and pragmatic basis. Legislatures and courts have experimented and thus furnished a measure of monopolistic or property-right protectibility to literary compositions of conventional nature. Although original plots or dramatic situations were exhausted centuries ago, original and novel ideas for handling old plots seem inexhaustible, and as long as sufficient originality in treatment or handling of the old plot appears, the courts endeavor to afford protection.

The development and use of program ideas are a new art. There is no backlog of experience for the guidance of either the legislatures or the courts. It would appear that the safest course for the courts to pursue is to rely on the principles developed in the plagiarism cases to protect program ideas. This is what the California and other courts<sup>18</sup>

<sup>16</sup> This is the test of originality spelled out by Judge Learned Hand in *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924) which was reaffirmed by Judge Frank in *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951). The same standard of originality was employed in *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>17</sup> Mr. Justice Schauer concurring in the *Stanley* case, 221 P2d 82.

<sup>18</sup> In the following cases, the courts protected a "concrete combination of ideas" via express or implied con-

tract: *Liggett & Myers Tobacco Co. v. Meyer*, 101 IndApp 420, 194 NE 206 (1935); *Ryan and Associates v. Century Brewing Association*, 185 Wash 600, 55 P2d 1053 (1936). *Healey v. R. H. Macy & Co.*, 251 AppDiv 440, 297 NYSupp 165 (1937) *aff'd* 277 NY 681, 14 NE2d 388 (1938). *Cf. Alberts v. Remington Rand*, 175 Misc 486, 23 NYS2d 892 (1940); *Williamson v. N. Y. Central R. R. Co.*, 258 AppDiv 226, 16 NYS2d 217 (1939); *Rodriguez v. Western Union Telegraph Co.*, 259 AppDiv 224, 18 NYS2d 759 (1940) *aff'd* 285 NY 667, 34 NE2d 375

have done. As a matter of fact the court in the *Kovacs* case, in sustaining the plagiarism count relied on the standard of originality, spelled out in the *Stanley* case, an implied contract action. Conversely the *Stanley* case cited the plagiarism cases to sustain the originality and novelty of plaintiff's protectible property interest.

But there is at least one substantial difference between program idea and plagiarism cases. In the former the arrangement and combination of ideas are protected. In the plagiarism cases, the courts have repeatedly stated that common law and statutory copyright protect the form, sequence and matter which the idea expresses and not the idea itself.<sup>19</sup> If the courts intend, as they do, to protect the arrangement and combination of program ideas, it is inevitable that this principle will be applied in the plagiarism cases. The *Golding* case in protecting the "dramatic core" or "basic dramatic situation" is a step in that direction. The *Golding* decision, reduced to its essence furnished protection to an original arrangement and combination of ideas.

We have discussed elsewhere the basic problem confronting the courts in furnishing protection to ideas.<sup>20</sup> To quote Lord Mansfield, "We must take care to guard against two extremes equally prejudicial: The one that men of ability who have employed their time for the service of the community, may not be deprived of their just merits and the reward of their ingenuity and labor; the other, that the world may not be deprived of improvements, nor the progress of the arts retarded".<sup>21</sup> If an original and novel arrangement and combination of ideas have commercial value for the motion picture, advertising, radio and television industries, the originators thereof should be compensated and hence protected by the courts. It is believed that the rules evolved in the plagiarism cases can readily be adapted to protect the consumers of ideas from fraudulent and spurious claims.

(1941); *Thomas v. Reynolds Tobacco Co.*, 350 Pa 262, 38 A2d 61 (1944).

<sup>19</sup> *Dellar v. Samuel Goldwyn Inc.*, 150 F2d 612 (2d Cir 1945) cert den 327 US 790, 66 S Ct 802, 90 LEd 1016 (1946) *Becker v. Loew's Inc.*, 133 F2d 889 (7th Cir 1943) cert den, 319 US 772, 63 S Ct 1438, 87 LEd 1720 (1944); *Plus Promotions Inc. v. RCA Manu-*

*facturing Co.*, 49 FSupp 116 (DC NY 1943); *Bowen v. Yankee Network Inc.*, 46 FSupp 62 (DC Mass 1942); See *O'Brien v. RKO Pictures, Inc.*, 68 FSupp 13 (DC NY 1946).

<sup>20</sup> *Infra* § 10.

<sup>21</sup> *Sayre v. Moore*, 1 East 361, 31 Eng Rep 140 (KB 1785).

**154. COPYING: GENERAL DISCUSSION.**

The gravamen of an infringement action is copying. At the outset, the relationships between infringement and copying warrant discussion.

The term "infringement" which is neither defined by statute nor by the common law, has reference to the unauthorized exercise or use of the various rights secured by statutory and common law copyright. In other words, infringement is committed by an unauthorized copying, printing, publishing, vending, performing, etc. The reluctance of the courts to define this term may be attributed to two factors: courts may be influenced by the same factors which prompt them to refuse to define fraud "lest human ingenuity should devise fraudulent schemes which would not fall within such definition;"<sup>1</sup> it may be impracticable to frame a comprehensive definition.

In the absence of any definition of infringement, the courts refer to and describe copyright infringement as the actual copying of a substantial and material part of a work protected by the statute.<sup>2</sup> Under the common law copyright, any unauthorized use of the work would be considered an infringement.<sup>3</sup> For our purposes infringement is synonymous with copying, although technically speaking the concept of infringement is more comprehensive than copying. An action for infringement in addition to protecting the various rights secured by statutory and common law copyright, includes subsidiary concepts, viz., that the defendant had access to the

<sup>1</sup> Weil, Copyright Law (1917) 385-386.

<sup>2</sup> Birrel, The Law and History of Copyright in Books (1899) 167: "The literary larcenist must do more than filch ideas, imitate mannerisms, repeat information, borrow phrases, utilize quotations; you must be able to attribute to him the felonious intention of appropriating, without independent labour, a material part of a protected work. To do this is, in the eye of the law, to infringe copyright—to misuse your brother author." *De Montijo v. Twentieth Century-Fox Film Corp.*, 40 FSupp 133 (DC Cal 1941): "There can be no infringement unless there has been a copying either in whole or in part of the copyrighted work." To

the same effect: *Perkins Marine Lamp & Hardware Co. v. Goodwin Stanley Co.*, 86 FSupp 630 (DC NY 1949); *Heywood v. Jericho Co.*, 193 Misc 905, 85 NYS2d 464 (1948); *MacDonald v. Du Maurier*, 144 F2d 096 (2d Cir 1944); *Adventures in Good Eating Inc. v. Best Places to Eat Inc.*, 131 F2d 809 (7th Cir 1942); *Stonesifer v. Twentieth Century-Fox Film Corporation*, 48 FSupp 196 (DC Calif 1942).

<sup>3</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73, 79 (1950): "The common law prohibits any kind of unauthorized interference with, or use of, an unpublished work on the ground of an exclusive property right". . . *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

plaintiff's copyrighted work, similarities between the two works, and that a substantial and material part of the work was appropriated, etc.<sup>4</sup> These so-called subsidiary concepts or principles are relevant to copying in that they establish proof of copying.

Although the distinction between infringement and copying is one of degree, we shall use the terms interchangeably. Actually copying is a jurisdictional prerequisite to an infringement action. The infringement of the various right secured by federal and common law copyright primarily resolves itself to the question of whether the unauthorized use or performance is a copy.

What constitutes infringement or copying is dependent on the rights secured an author by common law and statutory copyright and the nature and scope of federal and common law copyright.

We have discussed elsewhere the rights conferred by common law copyright.<sup>5</sup> Briefly stated they consist of,

“The sole, exclusive interest, use and control. The right to its name, to control, or prevent publication. The right of private exhibition, for criticism or otherwise, reading, representation and restricted circulation; to copy, and permit others to copy, and to give away a copy; to translate or dramatize the work; to print without publication; to make qualified distribution. The right to make the first publication. The right to sell and assign her interest, either absolutely or conditionally, with or without qualification, limitation, or restriction, territorial or otherwise, by oral or written transfer.”<sup>6</sup>

The Copyright Code confers the following rights:

1. The printing and publishing rights;
2. The adaptation, arranging and transforming rights;
3. The performing rights;
4. And the mechanical reproduction rights.<sup>7</sup>

The rights secured by common law copyright are absolute; they cannot be copied, mechanically reproduced by any device, arranged, translated, adapted or performed by any means or through a different medium without the consent of the

<sup>4</sup> *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946) cert den 330 US 851, 67 SCt 1096, 91 LEd 1294 (1947).

<sup>5</sup> *Passim* § 202.

<sup>6</sup> *Harper & Bros. v. Donohue & Co.*, 144 Fed 491, 492 (CC Ill 1905).

<sup>7</sup> *Infra* § 90 “Summary of Rights Secured by Copyright.”

proprietor.<sup>8</sup> Copyright before publication thus prohibits any kind of unauthorized use with unpublished works.

The courts on the other hand, in developing the concepts and principles governing statutory copyright permit a "fair use" or "permissible copying" of the copyrighted work.<sup>9</sup> Thus an author of a scientific, medical, legal and similar books of learning must realize that a subsequent writer will make use of the previously published subject matter, even to the extent of employing identical language.<sup>10</sup> Conversely, a novelist does not expect his book which is sold to the public to be dramatized into a play or made into a motion picture. Similarly, the producer of a motion picture by exhibiting the same to the public does not contemplate that his film should be transformed into a script for a radio or television program. In other words, the nature of a copyrighted work largely determines the extent to which it may be copied and the uses which may be made of its copies.

Copyright in any form, whether statutory or at common law, "consists only in the power to prevent others from reproducing the copyrighted work".<sup>11</sup> A proprietor may preclude others from reproducing his work not only in the form that he created the work but also in a different medium. Thus the proprietor's printing and publishing rights are infringed by the unauthorized reproduction of a book, lecture, sermon, address, musical composition, photograph, map, statue,<sup>12</sup> etc. Copying is not confined to literal reproduction but includes the various modes in which the copyrighted work may be adapted, imitated or transformed.<sup>13</sup> Thus photographs

<sup>8</sup> *Maurel v. Smith*, 220 Fed 195 (DC NY 1915), *aff'd*, 271 Fed 211 (2d Cir 1921); *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Loew's Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Johnston v. Twentieth Century Fox Film Corporation*, 82 CalApp2d 796, 187 P2d 474 (1947); *Pushman v. New York Graphic Society, Inc.*, 287 NY 302, 39 NE2d 249 (1942).

<sup>9</sup> *Passim* § 157: The Doctrine of "Fair Use."

<sup>10</sup> *Towle v. Ross*, 32 FSupp 125

(DC Ore 1940); *Sampson & Murdock Co. v. Seaver Radford Co.*, 140 Fed 539 (1st Cir 1905); *Lawrence v. Dana*, FCas No 8136, (CC Mass 1869); *West Publishing Co. v. Edward Thompson Co.*, 169 Fed 833 (DC NY 1909), modified, 176 Fed 833 (2d Cir 1910).

<sup>11</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den 311 US 712, 61 S Ct 393, 85 LEd 463 (1940); *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951).

<sup>12</sup> *Infra* Ch. X, Printing and Publishing Rights, § 100 ff.

<sup>13</sup> *Greene v. Bishop*, FCas No 5,736, 10 FCas 1128 (CC Mass 1858).

of a piece of sculpture<sup>14</sup> and of an engraving<sup>15</sup> were considered copies. A drawing of a photograph was held to be a copy.<sup>16</sup> Enlarged imitations of a copyrighted photograph in raised figures upon leather chair bottoms and backs were considered copies.<sup>17</sup> In the "*Betty Boop*" case, a three dimensional form of doll was held to be a copy of a two dimensional picture or drawing.<sup>18</sup> Conversely, the dramatic performance entitled "In Cartoonland" was considered an infringing copy of a copyrighted cartoon.<sup>19</sup> In the *Kalem*<sup>20</sup> and *Golding*<sup>21</sup> cases motion pictures were held to be copies of a novel and play respectively.

These cases illustrate the extent to which the rights secured by the Copyright Code prevent copying. Copying is not confined to literal repetition or reproduction but includes the different media in which a work may be adapted, imitated or transformed with more or less colorable alteration.<sup>22</sup> Obviously if the nature of the work be such that it is capable of public performance, an unauthorized exhibition or presentation of the work would be regarded as an infringement. One illustration will suffice. The unauthorized performance for profit of a copyrighted musical composition is an infringement which would subject a tortfeasor to the damages prescribed by the Copyright Code.<sup>23</sup>

<sup>14</sup> *Bracken v. Rosenthal*, 151 Fed 136 (DC Ill 1907). In *Jones Bros. Co. v. Underkoffler*, 16 FSupp 729 (DC Pa 1936), a design was infringed by a work of sculpture.

<sup>15</sup> *Rossiter v. Hall*, FCas No 12,082, 20 FCas 1,253 (CC NY 1866); *Gambart v. Ball*, 14 CB 306 (1863); *Groves v. Ashford*, LR 2 CP 410 (1867).

<sup>16</sup> *Bolton v. Aldin*, 65 LVQB 120 (1895). In *Bolton v. London Exhibitions Ltd.*, 14 TLR 550 (1898), a drawing was held to be an infringement of an advertising poster.

<sup>17</sup> *Falk v. Howell & Co.*, 37 Fed 202 (DC NY 1888).

<sup>18</sup> *Fleischer Studios Inc. v. Freundlich Inc.*, 73 F2d 276 (2d Cir 1934) cert den 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); *King Features Syndicate v. Fleischer*, 299 Fed 533 (2d Cir 1924). In *King Features Syndicate Inc. v. Kleeman Ltd.*, 2 ALLER 403 (1941), the defendant made plaster dolls in the shape of a sailor, repre-

senting the popular cartoon figure "Popeye the Sailor." The court held that "it was not contested before this House that the dolls or toys were reproductions of a substantial part of the sample sketch selected though in a different medium—namely, plaster—and in coloured three-dimensional figures, as contrasted with the flat published sketch in plain black-and-white."

<sup>19</sup> *Hill v. Whalen & Martell Inc.*, 220 Fed 359 (DC NY 1914).

<sup>20</sup> *Harper v. Kalem Co.*, 169 Fed 61 (2d Cir 1909), *aff'd*, 222 55, 32 Sct 20, 56 LEd 92 (1911).

<sup>21</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>22</sup> *Op cit supra* note 13. See also *Nutt v. National Institute for Improvement of Memory*, 31 F2d 236 (2d Cir 1929).

<sup>23</sup> *Buck v. Jewell La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *Herbert v. Shanley Co.*, 242 US 591, 37 Sct 232, 61 LEd 511

Copying must also be measured in terms of the subject matter of copyright as distinguished from the rights secured by federal and common law copyright. Although the courts render lip-service to the rule, that "at common law, as well as under the copyright acts, it is the form, sequence and manner in which the composition expresses the idea which is secured to the author, not the idea",<sup>24</sup> as a practical matter the subject matter of copyright consists of not the "order of words" but the "order of ideas". This is confirmed by Judge Hand's opinion in the *Nichols* case when he stated that a plagiarism action may ultimately resolve itself into a series of abstractions between the parties.<sup>25</sup> The *Golding*<sup>26</sup> case protected an "order of ideas". The best illustrations are the *Stanley*<sup>27</sup> and *Kovacs*<sup>28</sup> cases wherein the courts measured and defined plaintiffs' protectible property interests in terms of a sequential combination of ideas.

Obviously words or other media must be employed to clothe ideas before the latter can be appropriated. Expressions must be reduced to tangible form before the ideas embodied therein can become the subject of property rights. "Ordinary considerations of public and private necessity require this result. But the expression of the ideas must never be confused with the ideas themselves: the title deeds are not comparable to the property to which they refer. Each serves its proper purpose. The tangible expression of an author's ideas fixes the boundaries of his property and marks it off from other properties."<sup>29</sup>

(1917); *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>24</sup> *Golding v. RKO Pictures Inc.*, 193 P2d 153 (CalApp 1948); *Moore v. Ford Motor Co.*, 28 F2d 529 (DC NY 1928) *aff'd*, 43 F2d 685 (2d Cir 1930).

<sup>25</sup> *Nichols v. Universal Pictures Corporation*, 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 Sct 216, 75 LEd 795 (1931).

<sup>26</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>27</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>28</sup> *Kovacs v. Mutual Broadcasting*

*System*, 221 P2d 108 (CalApp 1951); *Weitzenkorn v. Lesser*, 331 P2d 889 (CalApp 1951); *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>29</sup> *Weil*, *Copyright Law* (1917) 378. See also *Chaffee*, *Reflections on the Law of Copyright* (1945) 45 ColLRv 503, 504; *Prior v. Schuman*, 106 FSupp 469, 470 (DC NY 1952): "It is a fundamental principle of copyright law that 'a copyright never extends to the 'idea' of the 'work' but only to its 'expression', and that no one infringes, unless he descends so far into what is concrete as to invade that 'expression'. *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 2d Cir 1951, 191 F2d 594, 600."

Since the subject matter of copyright ultimately resolves itself into the sequence, arrangement or order of ideas reduced to tangible form, copying can be effectuated by other than literal repetition or reproduction. Thus paraphrasing, viz.; colorable changes or variations in works will be considered a copy.<sup>30</sup>

“Copying” to quote from the oft-cited case of *Lawrence v. Dana* “is not confined to literal repetition but include also the various modes in which the matter of any publication may be adopted, imitated or transferred, with more or less colorable alteration, to disguise the source from which the material was derived; nor is it necessary that the whole or even the largest part of the work should be taken to constitute an invasion of the copyright”.<sup>31</sup>

The classic definition of a copy by Mr. Justice Bailey in *West v. Francis* is still employed by the courts in plagiarism cases:

“that which comes so near to the original as to give every person seeing it, the idea created by the original”.<sup>32</sup>

Paraphrasing, as stated previously constitutes copying; it consists in reproducing the sense or meaning of a work by changing the form.<sup>33</sup> “The thought and labor bestowed by defendant was not as said before, in making a new work on the same subject, but was expended largely in paraphrasing the language of some of complainant’s statements and descriptions in its manuals so as to describe the same thing in somewhat different language. Paraphrasing constitutes infringement of a copyright as well as actual copying of copyrighted matter.”<sup>34</sup> Paraphrasing likewise occurs when the information expressed by symbols, notations and cryptic expressions in race result charts is stated in equivalent words.<sup>35</sup> Paraphrasing may be proved by direct testimony as to the manner

<sup>30</sup> *Ansehl v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir 1932) cert den, 287 US 666, 53 Sct 224, 77 LEd 374 (1933); *Nutt v. National Institute for Improvement of Memory*, 31 F2d 236 (2d Cir 1929); *Meccano Ltd. v. Wagner*, 234 Fed 912 (DC Ohio 1916).

<sup>31</sup> *Lawrence v. Dana*, FCas No 8136, 16 FCas 26 (CC Mass 1869).

<sup>32</sup> *West v. Francis*, 5 B & Ald 737, 1 Dow & Ry KB 400 (1822).

<sup>33</sup> *Harold Lloyd Corp. v. Witwer*, 65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933).

<sup>34</sup> *Meccano Ltd v. Wagner*, 234 Fed 912 (DC Ohio 1916).

<sup>35</sup> *Triangle Publications Inc. v. The New England Newspaper Publishing Co.*, 46 FSupp 198 (DC Mass 1942).

in which the work was done or by internal evidence derived from a comparison of the two works. This internal evidence may disclose similarities in the sequence of ideas, thought, language and number and identity of errors.<sup>36</sup>

As a general rule, the imitation of the general scheme, sequence and arrangement of the subject matter does not constitute copying.<sup>37</sup> If, however, the imitation is so close as to be a mere evasion of the copyright, it will be considered copying.<sup>38</sup> In *Colonial Book Co. v. Oxford Book Co.*, plaintiff claimed that his book, "Mastery Units of Chemistry" was infringed by defendant's textbook. The court held that the similarities between the two works, viz., the special arrangement of the subject matter, the sequence of chapters, and method of presentation did not support plaintiff's claim of infringement for two reasons: they were not copyrightable,<sup>39</sup> and defendant's book was the result of independent labor.<sup>40</sup> Plaintiff in this case was successful in its infringement action against Amseo School Publications. The decisions are distinguishable on the ground that defendant in the *Amseo* case failed to show that his book was the result of independent effort or to offer in evidence any prior sources from which the diagrams in its book were taken.<sup>41</sup>

The foregoing decisions warrant comparison with the *Golding*,<sup>42</sup> *Stanley*<sup>43</sup> and *Kovacs*<sup>44</sup> cases. In *Golding v. RKO*

<sup>36</sup> Cases cited in *op cit supra*, note 30. See also: *Detective Comics v. Bruns Publications*, 28 FSupp 399 (DC NY 1939) modified, 111 F2d 432 (2d Cir 1940); *Simonton v. Gordon*, 12 F2d 116 (DC NY 1925); *West Publishing Co. v. Thompson Co.*, 169 Fed 833 (DC NY 1909).

<sup>37</sup> *Colonial Book Co. Inc. v. Oxford Book Co.*, 45 FSupp 551 (DC NY 1942); *Brief English Systems Inc. v. Owens*, 48 F2d 555 (2d Cir 1931) cert den, 283 US 858, 51 S Ct 650, 75 LEd 1464 (1932); *Eggers v. Sun Sales Corp.*, 263 Fed 373 (2d Cir 1920).

<sup>38</sup> *Emerson v. Davies*, FCas No 4,436, 8 FCas 615 (CC Mass 1845).

<sup>39</sup> *Colonial Book Co. Inc. v. Oxford Book Co.*, 45 FSupp 551 (DC NY 1942): "On the legal questions involved, I do not believe that any special arrangement of chapters for a work on chemistry, i.e., the idea as to what

the proper divisions of such a work should be, is copyrightable." To the same effect: *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688, 691 (2d Cir 1938); *Ricker v. General Electric Co.*, 162 F2d 141 (2d Cir 1947).

<sup>40</sup> *Id.*

<sup>41</sup> *College Entrance Book Co. v. Amseo Book Co. Inc.*, 33 FSupp 276 (DC NY 1940) reversed, 119 F2d 874 (2d Cir 1941). See also *Colonial Book Co. Inc. v. Amseo School Publications*, 41 FSupp 156 (DC NY 1941) on rehearing, 48 FSupp 749 (DC NY 1942).

<sup>42</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>43</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>44</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1951).

*Pictures, Inc.*, copying was premised on the "same development", "incidents of plots", "substantially the same sequence of events", etc. between the two works. In the *Stanley and Kovacs* cases, the courts concluded that defendants had copied plaintiffs' combination and arrangement of ideas. There is an obvious distinction between the California cases which dealt with the piracy of a play and program ideas and the "textbook" cases. It is obvious that there will be similarities in textbooks, since authors employ standardized arrangements and usually consult the same sources.<sup>45</sup>

Infringement of statutory copyright requires that a material and substantial part of the work be copied.<sup>46</sup> "To constitute an invasion of copyright it is not necessary that the whole of a work should be copied, nor even a large portion of it in form or substance, but that, if so much is taken that the value of the original is sensibly diminished or the labors of the original author are substantially, to an injurious extent, appropriated by another, that is sufficient to constitute an infringement".<sup>47</sup> An unauthorized copy, use or appropri-

<sup>45</sup> Colonial Book Co. Inc. v. Oxford Book Company Inc., 45 FSupp 551 (DC NY 1942); Webb v. Powers, FCas No 17,323, 29 FCas 511 (CC Mass 1847):

"Again, there is much discrimination to be used, in inquiries of this character, between different kinds of books, some of which, from their nature, cannot be expected to be entirely new. Thus, dictionaries, of all descriptions when on like subjects, philological, lexicographical, professional or scientific, must contain many definitions and descriptions almost identical; as must gazetteers, grammars, maps, arithmetics, almanacs, concordances, cyclopaedias, itineraries, guide books and similar publications. . . .

"While flowers must in all such books must be described as 'white' and red as of a 'red hue,' and those from India as belonging to the East; and it is so in like cases and of like character in several of the similarities here. 3 Mylne & Cr 740; 4 EsC, 168. These could not be described in any other way if described naturally and truly. . . . Some similarities and some use of prior works, even to copying of small parts, are in such cases tol-

erated if the main design and execution are in reality novel or improved, and not a mere cover for important piracies from others. Trusler v. Murray, 1 East 362, note; Gray v. Russell, 1 Story 11 . . . ; 12 Ves 270; 16 *id.* 269; 17 *id.* 422. . . ."

<sup>46</sup> Perkins Marine Lamp & Hardware Co. v. Goodwin Stanley Co., 86 FSupp 630 (DC NY 1949); Matthews Conveyor Co. v. Palmer-Bee Co., 135 F2d 73 (6th Cir 1943); Roe-Lawton v. Roach Studios, 18 F2d 126 (DC Cal 1927).

<sup>47</sup> Universal Pictures Co. v. Harold Lloyd Corp., 162 F2d 354 (9th Cir 1947) quoting from West Publishing Co. v. Thompson Co., 169 Fed 833, 854 (DC NY 1909). To the same effect: Nutt v. National Institute for Improvement of Memory, 28 F2d 132, 135 (DC Conn 1928) *aff'd* 31 F2d 236 (2d Cir 1929); Ansehl v. Puritan Pharmaceutical Co., 61 F2d 131 (8th Cir 1932) cert den, 287 US 666, 53 Sct 224, 77 LEd 374 (1933). See also: Toksvig v. Bruce Publishing Co., 181 F2d 664 (7th Cir 1950); Christianson v. West Publishing Co., 149 F2d 202 (9th Cir 1945); MacDonald v. Du Maurier, 75 FSupp 655 (DC NY 1948).

tion is not neutralized on the plea "that it was such a little one".<sup>48</sup>

Obviously, no mechanical or mathematical rule can be prescribed to measure substantiality and materiality. The character and object of the copyrighted work, the nature, quantity and purpose of the part copied, its value to the whole work and the extent to which it may impair the sale, diminish the profits or supersede the objectives of the original work are factors to be considered in determining substantiality and materiality.<sup>49</sup> Thus in works of a legal, technical and scientific nature, the standard of substantiality and materiality calls for a different application from that employed for musical compositions, plays and motion pictures. Authors of technical treatises would appear to have a greater latitude in following the same general scheme, sequence and arrangement of the subject matter of a prior copyrighted work, or even employing identical language, before the charge could be substantiated that they had copied a substantial and material part of a previous work.<sup>50</sup> On the other hand, it has been suggested that the republication of the leading ideas of a "scientific" book, contained in a paragraph or two, and described as the "heart of the book" could result in substantial damage to the copyright proprietor; while another might republish pages without imparting the same information.<sup>51</sup>

The standard of substantiality and materiality cannot be determined by the number of pages, inches or lines copied.<sup>52</sup> The standard employed by the courts is whether the quality and value of a copyrighted work have been appropriated.<sup>53</sup> In considering quality and value the court's inquire whether the defendant's work competes or is intended to serve as a substitute for plaintiff's work.<sup>54</sup> The purpose for which the work or part of it is taken will affect the question of infringe-

<sup>48</sup> Chicago Record-Herald Co. v. Tribune Association, 275 Fed 797, 799 (7th Cir 1921).

<sup>49</sup> Cases cited in *op cit supra*, note 47.

<sup>50</sup> Christianson v. West Publishing Co., 149 F2d 202 (9th Cir 1945); Sampson & Murdock Co. v. Seaver-Radford Co., 140 Fed 541 (1st Cir 1905); West Publishing Co. v. Thompson, 169 Fed 854 (DC NY 1909) modified, 176 Fed 835 (2d Cir 1910).

<sup>51</sup> See Farmer v. Elstner, 33 Fed 494, 495 (CC Mich 1888).

<sup>52</sup> But cf. Sieff v. Continental Auto Supply Co., 39 FSupp 683 (DC Minn 1941).

<sup>53</sup> Cases cited in *op cit supra*, note 47.

<sup>54</sup> Yale University Press v. Row Peterson & Co., 40 F2d 290 (DC NY 1930).

ment. As a practical matter, the courts in considering substantiality and materiality, i.e., quality and value, compare both works and determine whether the appropriation by the defendant has unduly interfered with plaintiff's rights.

The majority of the courts in passing upon the issues of substantiality and materiality emphasize the competitive nature of the infringing work.<sup>55</sup> Thus the courts give careful consideration to the question of whether the value of plaintiff's work has been reduced, viz., has the publication of defendant's work in any manner affected the sale or value of plaintiff's work? But competition between two works is not a conclusive test in determining whether the quality and value of a work has been appropriated. As long as a vital part of plaintiff's work, is taken, it does not matter that it is used for a totally different purpose.<sup>56</sup> This is illustrated by the *Warren*<sup>57</sup> and *Liggett and Myers*<sup>58</sup> cases. In the former, plaintiff's copyrighted book discussed in an historico-romantic style, incidents displayed on postage stamps of different historical periods. Defendant was the publisher of twelve monthly calendars, each on a separate sheet and each accompanied some historic mode of message carrying. Defendant had copied verbatim from plaintiff's book some three or four hundred words which appeared in the March and July calendars. The court charac-

<sup>55</sup> *College Entrance Book Co. v. Amseo Book Co. Inc.*, 119 F2d 874 (2d Cir 1941): "Both plaintiff's and defendant's books met exactly the same demand on the same market, and defendant's copying was unquestionably to avoid the trouble or expense of independent work." See also *Cambridge University Press v. University Tutorial Press*, 45 RPC 335 (1928). In *Chappel & Co. Ltd. v. Thompson & Co. Ltd* Mag. Copyright Cases 467 (1934) plaintiff was the copyright proprietor of a song entitled "Her Name Is Mary." Defendants published a serial with the same title; at the head of each instalment, they used the first four lines of the song. The court in holding for the defendant said: "Can I say in those circumstances, these words being taken for a totally different purpose from any purpose for which the plaintiff's work was published, and being used in a way which really, in my judgment, cannot compete with the

plaintiffs in the sense of depriving the plaintiffs of anything to which they would have been properly entitled as owners of the copyright in the musical work, that the defendants have really taken a substantial part of the plaintiff's work. In my judgment, I ought not to come to that conclusion."

<sup>56</sup> *Cf.* cases cited in *op cit supra*, note 47. See also: *Boosey v. Empire Music Co.*, 224 Fed 646 (DC NY 1915); *Farmer v. Elstner*, 33 Fed 494 (CC Mich 1888); *Gray v. Russell*, FCas No 5,728, 10 FCas 1035 (CC Mass 1839); *D'Almaine v. Boosey*, 1 Y & CEx 288 (1835); *Neale v. Harmer* 13 TLR 209 (1897); *Weatherby & Sons v. International Horse Agency & Exchange Ltd.*, 2 Ch 297 (1910).

<sup>57</sup> *Warren v. White & Wycoff Mfg. Co.*, 39 F2d 922 (DC NY 1930).

<sup>58</sup> *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938).

terized this case as a tempest in a teapot but imposed statutory damages of \$1000 together with costs and \$1000 as attorney's fees against defendant because of its unaccountable and inexcusable copying. The courts in its opinion commented on the fact that "the publication of defendant's calendar did not in any manner affect the sale of plaintiff's book, has not caused plaintiff any actual damage, and by its very nature could not cause him any, because the two publications could not reasonably be said to be competitive and were it not for the fact of the deliberate unacknowledged, appropriation of material from plaintiff's book, I should be inclined to treat the whole matter as a tempest in a teapot, and, while finding for plaintiff for the minimum statutory damages, let him have his trouble for his pains."<sup>59</sup>

In *Henry Holt & Company v. Liggett & Myers Tobacco Co.*, defendant reproduced almost verbatim in an advertising pamphlet extolling the virtues of Chesterfield cigarettes, three sentences from a copyrighted scientific book. The latter was written by Dr. Leon Felderman, an otalaryngologist. The court imposed liability on the defendant despite the brevity of the quotation and the fact that defendant's pamphlet was not in competition with plaintiff's book. The court's opinion which is discussed in greater detail elsewhere, was concerned primarily with the injury to Dr. Felderman's reputation; that the brief extract from his book reproduced in defendant's pamphlet, reflected upon his professional standing since it appeared that he had commercialized his scientific work.

It is believed that the *Liggett and Meyers* case was erroneously decided. It is very doubtful whether three sentences, constituting but a very small portion of plaintiff's book, can be considered a substantial and material taking.<sup>60</sup>

The following cases which deal with the infringement of musical, motion picture, etc., copyrights illustrate the techniques employed by the courts in determining whether the quality and value of a work have been appropriated. In the *Johns* case, the copying, printing and publication of the choruses of "Let Me Call You Sweetheart" and "The Sidewalks of New York" were considered as material and substan-

<sup>59</sup> *Op cit supra*, note 57.

<sup>60</sup> *Op cit supra* note 58; *College Entrance Book Co. v. Amseo Book Co.*, 119 F2d 874 (2d Cir 1941); *Oxford*

*Book Co. v. College Book Co.*, 98 F2d 688 (2d Cir 1938); *King Features Syndicate v. Fleischer*, 299 Fed 533 (2d Cir 1924).

tial parts of copyrighted songs, since they made the latter popular and valuable.<sup>61</sup> In the *Colonel Bogey* case, the unauthorized reproduction in a newsreel of twenty-eight bars of a march, consuming twenty seconds playing time was considered substantial. The Court of Appeals which viewed the film, stated that enough of the march had been played to enable a person to identify the tune.<sup>62</sup> In a Canadian case, the alleged infringement consisted of playing several bars of "Walking My Baby Back Home". The plaintiff claimed 32 bars had been played; the defendant said that 5 bars had been played. The court held that substantially was not to be measured by comparing the length of the song with the part played. If the chorus or part of the chorus was recognizable, then a substantial part of the work had been appropriated.<sup>63</sup>

The second Circuit Court of Appeals, which has handled the bulk of copyright litigation in the United States, has employed the same approach and techniques as the English and Canadian courts. In a case decided in 1910, Judge Learned Hand held that the appropriation of thirteen bars of music was a substantial and material copying.<sup>64</sup> In *Boosey v. Empire Music Co.*, it was held that nine bars of "Tennessee, I Hear You Calling Me" infringed four bars of "I Hear You Calling Me."<sup>65</sup> In the *Heim* case, plaintiff claimed that a fourteen note phrase in the verse of defendant's song was similar to a sixteen note phrase in the chorus of his copyrighted musical composition. Although plaintiff's claim was denied on the grounds that his musical phrase was not original and that both composers had utilized a common source, Judge Frank stated that the brevity of the passage, provided it were original, would not bar the suit.<sup>66</sup> A few cases have suggested

<sup>61</sup> *Johns & Johns Printing Co. v. Paull-Pioneer Music Corp.*, 102 F2d 282 (8th Cir 1939).

<sup>62</sup> *Hawkes & Son Ltd. v. Paramount Film Service Ltd.*, 1 Ch 593, 50 TLR 315 (1934). See also *Ricordi & Co. v. Clayton & Waller Ltd.*, *Maeg. Copyright Cases* (1930) 155; *Chappell & Co. Ltd. v. Thompson & Co.*, *Id.* at 467 (1934).

<sup>63</sup> *Canadian Performing Right Society Ltd. v. Canadian National Exhibition*, OR 610 (1934).

<sup>64</sup> *Hein v. Harris*, 175 Fed 875 (DC NY 1909) *aff'd* 183 Fed 107 (2d Cir 1910).

<sup>65</sup> *Boosey v. Empire Music Co.*, 224 Fed 646 (DC NY 1915); *Haas v. Leo Feist, Inc.*, 234 Fed 105 (DC NY 1916).

<sup>66</sup> *Heim v. Universal Picture Co.*, 154 F2d 480 (2d Cir 1946). Judge Frank in note 8 states: "There may be wrongful copying, though small quantitatively; so if someone were to copy the words, 'Euclid alone has looked on Beauty bare,' or 'Twas brillig and the slithly toves.'" But in note 13, he states: "Quantity, in some cases, where copying and misappropriation have been proved, may affect the measure of damages. Wit-

that the principle of *de minimis non curat lex* may be employed to defeat the claim of substantiality and materiality.<sup>67</sup> In *Marks v. Leo Feist, Inc.*, the duplication of six out of 450 bars was not considered a substantial copying.<sup>68</sup> In a more recent case it was held that the spontaneous recurrence of short musical sequences in a later composition was feeble proof of plagiarism. "Upon that scanty basis it is as unfair to impute imitation to a second comer, as it would be to impute it to the author."<sup>69</sup>

The cases involving infringement of motion pictures, plays, books, etc., warrant discussion. In *Universal Pictures Co. v. Harold Lloyd Corporation*, the appropriation of 57 consecutive comedy scenes or twenty percent of the entire feature, which was intimately tied into the story and was a main source of comedy for the picture, was considered a substantial and material appropriation.<sup>70</sup> In the "*Letty Lynton*" case, the parallelism of incidents, sequence of events and their actuation between a copyrighted play and a motion picture was regarded as a substantial appropriation. The defendant in this case claimed that its motion picture was a "fair use" of plaintiff's play since the latter was borrowed from a story in the public demesne. Judge Hand rejected this defense since the similarities between the play and motion picture passed the limits of "fair use".<sup>71</sup> In the *Ansehl* case, the court held that the copying of an advertisement, about the size of the usual news-

mark & Sons v. Pastime Amusement Co., 298 F 470, 477, *aff'd* 2 F2d 1020 (CCA 2)."

<sup>67</sup> *Matthews Conveyor Co. v. Palmer-Bee Co.*, 135 F2d 73 (6th Cir 1943); *Hoffman v. Le Traunik*, 209 Fed 375 (DC NY 1913); See also *Chatterton v. Cave*, LR 10 CP 572 (1875); 3 AC 483 (1878) wherein the *de minimis* rule applied for the reproduction of two scenes from a drama. But *cf.* *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943) wherein the unauthorized performance of a single scene from one act of a copyrighted play constituted an infringement.

<sup>68</sup> *Marks v. Leo Feist Inc.*, 290 Fed 959 (2d Cir 1923).

<sup>69</sup> *Brodsky v. Universal Pictures Co.*, 65 USPQ 385 (2d Cir 1945); *Arnstein v. Marks Music Corp.*, 11 FSupp 535 (DC NY 1935) *aff'd*, 82

F2d 275 (2d Cir 1936) "The first phrase of the infringing chorus consists of the same four notes as the first phrase of the copyrighted song; that particular sequence can be found in several earlier pieces, and its spontaneous reproduction should be no cause for suspicion. . . . These songs were both written in the key of B-flat; the seven notes available do not admit of so many agreeable permutations that we need be amazed at the reappearance of old themes, even though the identity extends through a sequence of twelve notes."

<sup>70</sup> *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354 (9th Cir 1947).

<sup>71</sup> *Sheldon v. Metro-Goldwyn-Mayer Pictures Corp.*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 SCT 835, 80 LEd 1392 (1936).

paper page, was a material and substantial taking.<sup>72</sup> Finally, in *Hartfield v. Peterson*, the copying of about 21 percent of the words and phrases of a copyrighted cable and telegraphic code was considered substantial and material.<sup>73</sup>

In this type of case, viz., the infringement of literary works as distinguished from musical compositions, the courts have invoked the principle of *de minimis non curat lex* to nullify the charge of substantial copying. This principle was applied for isolated expressions or “gags” in a monologue.<sup>74</sup> The English courts have likewise applied this principle. Thus, where the proprietors of a copyright in a group copyright of an athletic team complained that defendants had copied individual portraits, the court held that this was not a substantial taking.<sup>75</sup> In a more recent case, plaintiff claimed that defendant had infringed his slogan, “Beauty is a social necessity, not a luxury.” The court held there was no copyright in the phrase “because the matter in which copyright is claimed is too small for the court to attach any value to it.”<sup>76</sup>

For the most part the courts apply the same standard of substantiality and materiality, i.e., quality and value for infringement of common law copyright.<sup>77</sup> As stated elsewhere, the doctrine of “fair use” is inapplicable to common law copyright, hence, any unauthorized use of common law copy-

<sup>72</sup> *Anselm v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir 1932) cert den, 287 US 666, 53 Sct 224, 77 LEd 374 (1932).

<sup>73</sup> *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); *College Entrance Book Co., Inc. v. Amsco Book Co., Inc.*, 119 F2d 874 (2d Cir 1941): “Although the word lists constitute only a small proportion—less than 15 per cent—of the printed matter included in the present editions of both parties’ publications, it is evident that they are of real importance [defendant’s original edition comprised only a word list and sample examinations], and entitled to copyright protection. *Oxford Book Co. v. College Entrance Book Co.*, 2 Cir, 98 F2d 688, (cartoons in a school history text); *King Features Syndicate v. Fleischer*, 2 Cir, 299 F 533 (one character of a cartoon strip).”

<sup>74</sup> *Hoffman v. Le Traunik*, 209 Fed 375 (DC NY 1913).

<sup>75</sup> *Guggenheim v. Leng & Co.*, 12 TLR 491 (1896). To the same effect, *Chatterton v. Cave*, 3 AC 483 (1878).

<sup>76</sup> *Sinanide v. La Maison Kosmeo*, 139 LT 365 (1928); *Maxwell v. Hogg*, LR 2 Ch 307, 318 (1867); *Dick v. Yates*, 18 Ch D 76, 88–89 (1879).

<sup>77</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950) and *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950) suggest that from a quantitative and qualitative point of view, a lesser standard of substantiality and materiality may be employed for infringement of common law copyright. The court’s opinions do not discuss this issue at length; in the absence of any standard prescribed by the court and in view of the court’s reference to the copyright infringement cases, it is believed the same standard of materiality and substantiality applies for statutory and common law infringement.

right constitutes an infringement.<sup>78</sup> The courts have had no occasion to invoke or apply the principle of *de minimis non curat lex* in this class of cases. It is believed that this principle would be applicable to the same extent as in the statutory infringement cases.

The following cases illustrate the application of the standard of substantiality and materiality for common law copyright. In *De Acosta v. Brown*, the appropriation of a "heart interest" which plaintiff had added to the life of Clara Barton, founder of the Red Cross was considered substantial. "Particularly in view of the importance of the love interest to the movie trade, this copying cannot be considered insignificant."<sup>79</sup> In the *Golding* case, the thing of value was the central dramatic situation and the interplay of the dominant and secondary characters upon each other.<sup>80</sup> Finally in the radio cases, substantiality and materiality were measured in terms of a series of program ideas.<sup>81</sup>

#### 154a. COPYING: RADIO AND TELEVISION PROGRAMS.

There can be no doubt that the unauthorized public performance of a dramatic<sup>1</sup> or musical composition<sup>2</sup> over the radio constitutes an infringement which would subject the tortfeasor to the minimum damages prescribed by the Copyright Code.

We have discussed elsewhere,<sup>3</sup> that under the prior law the reading of a copyrighted poem, play or novel over the radio was not a copy which would infringe any of the rights secured by the Copyright Code.<sup>4a</sup> Thus in *Kreymborg v. Durante*, it was held that the oral delivery via the radio of three copyrighted poems published in book form did not infringe the plaintiff's copyright. The court held that

<sup>78</sup> *Passim* § 157.

<sup>79</sup> *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944) cert den 325 US 862, 65 S Ct 1197, 89 LEd 1983 (1945).

<sup>80</sup> *Op cit supra*, note 77. *Weizenkorn v. Lesser*, 331 P2d 889 (CalApp 1951).

<sup>81</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1951); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>1</sup> *Select Theatres Corporation v. Ron-*

*zoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943). *Cf. Hazard v. Columbia Broadcasting System*, 150 F2d 852 (9th Cir 1945).

<sup>2</sup> *Associated Music Publishers v. Debs Memorial Radio Fund*, 46 FSupp 829 (DC NY 1942), *aff'd*, 141 F2d 852 (2d Cir 1944) cert den 323 US 766, 65 S Ct 120, 89 LEd 613 (1945); *Buek v. Jewell La Salle Realty Co.*, 283 US 191, 51 S Ct 410, 75 LEd 971 (1931).

<sup>3</sup> *Infra*, §§ 121 and 122.

<sup>4a</sup> 61 STAT 652 (1947).

performing rights extended only to the following classes of works: a lecture, sermon, address, or similar production; a drama; or a musical composition. Since plaintiff's poems were not classified nor did they fit within these categories, they "may be recited in public for profit without infringement. The point is of some moment, now that radio broadcasting of novels, poems and so on is widespread. Nevertheless it is recognized that except as to the classes of copyrighted works referred to above, the author under the existing statute cannot complain of public performance of his copyrighted works."<sup>4b</sup> In an analogous case, it was decided that the author of doggerel verse entitled "Plain Bull", which had been copyrighted as a periodical contribution within the classification of "books", could not establish a cause of action within the statute, against the defendant who caused the poem to be set to music and was engaged in recording the end product on phonograph records and selling the records to the public.<sup>5</sup> The court concluded that it was foreclosed by *White-Smith Music Publishing Co. v. Apollo Company*<sup>6</sup> which held that the making and selling of pianola rolls for use in player pianos was not a "copy" of sheet music and hence did not infringe the printing and publishing rights. "And while in the 1909 revision of the Copyright Act composers were given the exclusive right of recording their copyrighted musical compositions and the like right was granted to authors of copyrighted dramatic works, Congress did not see fit to give like protection to copyrighted poems, stories or works of that nature."<sup>7</sup>

An unreported case on the West Coast held that the statute did not prohibit the reading of a play before a paid audience with gestures and intonations of voice to distinguish the characters.<sup>8</sup> This gap in the statute was rectified by Congress which amended § 1(c) of the Copyright Code<sup>9</sup> by recognizing recording and performing rights in nondramatic works.<sup>10</sup> We

<sup>4b</sup> *Kreymborg v. Durante*, 21 USPQ 557 (DC NY 1934), *aff'd on reargument*, 22 USPQ 248 (1934).

<sup>5</sup> *Coreoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941), cert den, 314 US 687, 62 S Ct 300, 86 L Ed 550 (1942).

<sup>6</sup> 209 US 1, 28 S Ct 319, 52 L Ed 655 (1908).

<sup>7</sup> *Op cit supra*, note 5.

<sup>8</sup> *Connelly & Rivers Inc. v. Pichel*, (DC Calif 1934, unreported).

<sup>9</sup> Public Law No. 575, 66 STAT 752, 82d Cong 2d Sess (1952).

<sup>10</sup> HRep't No 1160, 82d Cong 1st Sess which accompanied HR 3589 (1951). The Committee amended subsection (c) of section 1 of the Copyright Code:

"(c) To deliver, authorize the de-

have discussed elsewhere<sup>11</sup> the implications and effect of this legislation on the radio and television industries.<sup>12</sup>

In the case of unpublished poems and novels protected by common law copyright, their performances over radio stations would infringe the proprietor's common law rights. This is because the rights secured by common law copyright are absolute, and any unauthorized use, other than the application of the rule *de minimis non curat lex*, is prohibited.<sup>13</sup>

livery of, read, or present the copyrighted work in public for profit if it be a lecture, sermon, address or similar production, or other nondramatic literary work; to make or procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, delivered, presented, produced, or reproduced; and to play or perform it in public for profit, and to exhibit, represent, produce, or reproduce it in any manner or by any method whatsoever; and'' The Committee Report, HR No. 1160 explains why the bill was reported out with the added restriction for profit:

''HR 3589, in the form in which it was originally introduced would have extended the coverage of subsection (d) to literary works not enumerated in subsection (c) and this would have granted to such works public performance rights even if the performance was not ''for profit.'' This might have the result that a teacher reading excerpts from a copyrighted schoolbook in a schoolroom, a minister reading from text in a church or a speaker at a civic meeting would be held to have infringed the copyright. Accordingly, with respect to performance rights in literary works other than dramatic, it is believed that the limitation ''for profit'' is a necessary addition and it can most appropriately be accomplished by an extension of subsection (c) rather than by amendment to subsection (d).

Although by extending subsection (d) to include literary works not enumerated in subsection (c), the unamended bill would have extended recording rights to such works, it would not thereby have extended recording rights to lectures, sermons, addresses, and similar works enumerated in sub-

section (c). This omission was not intended by the sponsors of the bill. The amendment of subsection (c) in the amended bill rectifies this oversight by including a provision as to recording rights in all nondramatic literary works.

It is intended that all recordation rights in nondramatic literary works will be protected and this protection includes any subsequent recordation or copying of the original record. The public performance of the works embodied in such recordations will be protected only if such performance is made for profit, so that such performances will be protected to the same extent as deliveries, readings, and performances in person.'

<sup>11</sup> *Op cit supra*, note 3.

<sup>12</sup> *Id.* HRRep't No 1160, 82d Cong 1st Sess (1951) states that ''Nothing in this provision is, of course, intended to modify the established doctrine of fair use.'' The doctrine of fair use is discussed *passim* § 157. But on the basis of *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938), which when read in conjunction with *Associated Music Publishers Inc. v. Debs Memorial Radio Fund Inc.*, 46 FSupp 829 (DC NY 1942) *aff'd* 141 F2d 852 (2d Cir 1944) cert den, 323 US 766, 65 Sct 120, 89 LEd 613 (1944) any commercial use of a non-dramatic work, regardless of the extent or length of the use, constitutes a use ''for profit.''

<sup>13</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Loew's Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Johnston v. Twentieth Century Fox-Film Corporation*, 82 CalApp2d 796, 187 P2d 474 (1947); *Pushman v.*

The problems tendered by the unauthorized telecasts of works protected by statutory and common law copyright are infinitely more complex. It is clear that an unauthorized performance via television of a lecture, sermon, address or similar production, a drama or musical composition, whether protected by the statute or at common law, would infringe the performing rights of the copyright proprietor. Similarly, an unauthorized dramatization of a novel would be deemed an infringement.

But is the reproduction of visual works, viz., newspaper articles, maps, works of art, photographs, etc., via a telecast a copy which would sustain an infringement action? Several hypothetical cases will facilitate the discussion of this problem.

In the first case, a television station in "dressing a set" for a play inadvertently uses a copyrighted painting or statue. During the telecast of the play the copyrighted works are occasionally reproduced.

This telecast is preserved on film.

In the third case the painting or statue furnishes a background to the set but is seen throughout the entire program. This telecast is likewise preserved on film.

In the fifth case the painting or statue is an essential ingredient to the dramatic action. This telecast is likewise on film.

Copyright legislation is predicated on that clause in the Constitution which authorizes Congress "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."<sup>17</sup> The Supreme Court has declared that the phrase "writings," in this clause embrace "all forms of writing, printing, engraving, etching, etc., by which the ideas in the mind of an author are given visible expression."<sup>18</sup> It is believed that the foregoing definition of "writings" should be implemented by the requirement that they must be reduced to *permanent form*.<sup>19</sup> Both the con-

New York Graphic Society Inc., 287 NY 302, 39 NE2d 249 (1942).

<sup>17</sup> Article I, Section 8, Clause 8 of the Constitution of the United States.

<sup>18</sup> Burrow Giles Lithographic Co. v. Sarony, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884).

<sup>19</sup> Weil, Copyright Law (1917) 406: "It would seem that a copy involves the conception that it must have some degree of permanency or the maxim *de minimis* would apply. Thus, while the making of a single copy may be infringement, if this copy were de-

stitutional provision and the Copyright Code would appear to exclude from copyright protection "not only ideas still in the author's head, but also transitory expressions of his ideas."<sup>20</sup>

To return to the concept of infringement, it would appear that a copy should have some degree of permanency. The *Patterson* case by way of dictum suggests that permanency is not required for a copy. In that case defendants incorporated from one thousand to fifteen hundred feet of copyrighted film into their motion picture. The defendants for all practical purposes admitted infringement but claimed that plaintiff's copyright was invalid. The court in rejecting this defense stated that in making a positive film from plaintiff's negative and negatives from the positive, defendants clearly copied from the film. This infringed plaintiff's printing and publishing rights. But the court then went on to say: "Besides that, when the film was shown the defendants who did that made an enlarged copy of the picture. It was to be sure temporary but still a copy while it lasted. I suppose a painting reproduced in colors that quickly faded to leave the canvas blank would, when the reproduction was complete, be a copy regardless of its life as such."<sup>21</sup>

It is believed that the court erred in failing to distinguish between the tangible copy preserved on the film per se and the transitory exhibition of that film on the screen. The copy

stroyed almost as soon made, as, for example, if a vaudeville artist drew with colored chalks, or if a verse were cast upon a screen through a stereopticon, it may be doubted whether such a temporary production could fairly be called a copy." See also: *Victoria Park Racing & Recreation Grounds Ltd. v. Taylor*, 37 NSW 322; 38 NSW 33 (1937); *Hanfstaengl v. Empire Palace*, 2 Ch 1; 63 LJCh 417 (1894).

<sup>20</sup> Chafee, *Reflections on the Law of Copyright* (1945) 45 ColLRev 503, 504: "The word 'Writings' seems to exclude from copyright protection, not only ideas still in the author's head, but also transitory expressions of his ideas. My ideal thus qualified, does not require actual handwriting or type-writing or print. Any sort of crystallization of a literary or artistic creation,

so as to render it *durably* perceptible to sight, hearing or touch should be enough to satisfy this *test of permanence*. According to my first ideal, copyright should cover a speech put on a phonograph record, a dance minutely described and narrated, a scenario or a pantomime preserved on a motion picture film. But, whatever the desire of the members of the Berne Convention during their last meeting to dispense with any requisite of permanence, our constitutional word 'Writings' does seem to keep out of the probable range of this ideal all merely *evanescent* creations, no matter how novel and delightful." (Italics mine).

<sup>21</sup> *Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938) cert den, 303 US 655, 58 S Ct 759, 82 LEd 1114 (1939). This decision is discussed in detail, *infra* § 104.

preserved on the film possesses the requisite permanency to sustain an infringement action. But the transitory picture seen on a motion picture screen is neither a copy<sup>22</sup> nor a publication<sup>23</sup> for the purposes of an infringement action.

To return to our hypothetical cases, the inadvertent reproduction of the painting or statue would be no defense to the television station. Innocent infringement would not absolve the station from liability under the act,<sup>24</sup> and this principle has been extended to common law copyright.<sup>25</sup> In the first case the occasional reproduction of a work of art would not be considered an infringement via statutory or common law copyright for the following reasons:

- (a) the transitory image lacks permanency;
- (b) the de minimis rule would be applicable;
- (c) the rights secured the copyright proprietor are to multiply and vend copies of his painting or statue.

The occasional reproductions of works of art in a telecast would not diminish the sale of paintings or statues. In other words the reproductions are not the type of copies which interfere with an artist's printing, publishing and vending rights.<sup>26</sup>

A neat question is tendered whether the use of the work of art on the set itself would be considered an infringing use. Although the copyright proprietor has the sole right of multiplying copies of his work, he cannot attach conditions to the use of his painting which would preclude a purchaser from exhibiting it in his home, or place of business.<sup>27</sup> Obviously

<sup>22</sup> In *Victoria Park Racing & Recreation Grounds Co., Ltd. v. Taylor*, 37 NSW 322; 38 NSW 33 (1937) it was held that the information posted on the totalizer board of a race-track, which gave the starting positions, odds, winners, etc. was not copyrightable because of the evanescent character of the information. In *Haufstaengl v. Empire Palace*, 2 Ch 1, 63 LJCh 417 (1894) it was held that the reproduction of a painting by living persons in a tableau vivant was not a copy of the painting. But *cf. Bradbury, Agnew & Co. v. Day*, 32 TLR 349 (1916); *Chabot v. Davies*, 3 All ER 221 (1936); *Burke & Margot Burke Ltd. v. Spicer's Dress Designs*, Ch 400, 1 All ER 99 (1936).

<sup>23</sup> *Tiffany Productions v. Dewing*, 9 USPQ 545 (DC Md 1931). *Cf. Metro-Goldwyn-Mayer Corp. v. Bijou*

*Theatre Inc.*, 59 F2d 70 (1st Cir 1932), remanded for rehearing, 3 FSupp 66 (DC Mass 1933).

<sup>24</sup> *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948); *Khan v. Leo Feist Inc.*, 70 FSupp 450 (DC NY 1947), *aff'd*, 165 F2d 188 (2d Cir 1948); *Johns & Johns Printing Co. v. Paull-Pioneer Music Corporation*, 102 F2d 282 (8th Cir 1939); *New York Telephone Co. v. Otis & Co.*, 39 FSupp 67 (DC NY 1941); *Towle v. Ross*, 32 FSupp 125 (DC Ore 1940); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927).

<sup>25</sup> *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944) cert den, 325 US 862, 65 Sct 1197, 89 LEd 1983 (1945).

<sup>26</sup> *Infra*, § 104.

<sup>27</sup> *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908); See also *Buck v. Jewell-La*

stitutional provision and the Copyright Code would appear to exclude from copyright protection "not only ideas still in the author's head, but also transitory expressions of his ideas."<sup>20</sup>

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<sup>20</sup> Chafee, *Reflections on the Law of Copyright* (1945) 45 *ColLR* 503, 504: "The word 'Writings' seems to exclude from copyright protection, not only ideas still in the author's head, but also transitory expressions of his ideas. My ideal thus qualified, does not require actual handwriting or type-writing or print. Any sort of crystallization of a literary or artistic creation,

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<sup>21</sup> *Paterson v. Century Productions*, 93 F2d 489 (2d Cir 1938) cert den, 303 US 655, 58 Sct 759, 82 LEd 1114 (1939). This decision is discussed in detail, *infra* § 104.

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To return to our hypothetical cases, the inadvertent reproduction of the painting or statue would be no defense to the television station. Innocent infringement would not absolve the station from liability under the act,<sup>24</sup> and this principle has been extended to common law copyright.<sup>25</sup> In the first case the occasional reproduction of a work of art would not be considered an infringement via statutory or common law copyright for the following reasons:

- (a) the transitory image lacks permanency;
- (b) the de minimis rule would be applicable;
- (c) the rights secured the copyright proprietor are to multiply and vend copies of his painting or statue. The occasional reproductions of works of art in a telecast would not diminish the sale of paintings or statues. In other words the reproductions are not the type of copies which interfere with an artist's printing, publishing and vending rights.<sup>26</sup>

A neat question is tendered whether the use of the work of art on the set itself would be considered an infringing use. Although the copyright proprietor has the sole right of multiplying copies of his work, he cannot attach conditions to the use of his painting which would preclude a purchaser from exhibiting it in his home, or place of business.<sup>27</sup> Obviously

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<sup>26</sup> *Infra*, § 104.

<sup>27</sup> *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 Sct 722, 52 LEd 1086 (1908); See also *Buck v. Jewell-La*

no liability would attach to a purchaser who displays a copyrighted work of art in his home. The same principles should apply to the copyrighted picture or statue employed on the television set.

In the second case, where the occasional reproductions are preserved on film, permanency is present because the copy of the work of art is in tangible form on the film. Would the courts impose liability in this situation?

At the outset the reproduction of a painting or statue in or on the film is as much a copy as a photograph would be. A photograph of a copyrighted work of art is in competition with the painting or statue, whereas a film does not compete or diminish the sales of an original work of art. On the other hand if the *Liggett and Myers*<sup>28</sup> and *Warren*<sup>29</sup> cases are followed, competition is not a sine qua non in a statutory infringement action and liability would attach for an unauthorized though dissimilar use.

There is an important distinction between the tangible copy preserved on film and the transitory exhibitions of the film on television screens. The exhibition of film in television receivers is not a copy because of its transitory character. If the exhibition of a motion picture is not a copy, are the occasional unauthorized reproductions a publication which would infringe § 1 (a) of the Copyright Code? This tenders a related issue, the discussion of which will resolve both questions.

Does the unauthorized exhibition of a copyrighted motion picture film infringe the printing and publishing rights secured by the statute? Our reading of the applicable cases suggests that each unauthorized broadcast infringes the performing rights of the copyright proprietor. The exhibition of a film is not a multiplication of copies; on the contrary it results in a multiplication of performances, thus it would infringe § 1(d) of the statute.<sup>30</sup>

Salle Realty Co., 283 US 191, 51 S Ct 410, 75 LEd 971 (1931) note 4; RCA Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940) cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>28</sup> Henry Holt & Co. v. Leggett & Myers Tobacco Co., 23 FSupp 302 (DC Pa 1938).

<sup>29</sup> Warren v. White & Wycoff Mfg. Co., 39 F2d 922 (DC NY 1930).

<sup>30</sup> Cases cited in *op cit supra*, note 23. See also § 104. *Contra* Ball, Law of Copyright and Literary Property (1944) 413. See also Patterson v. Century Productions, 93 F2d 489 (2d Cir 1937), cert den, 303 US 655, 58 S Ct 759, 82 LEd 1114 (1938).

To return to the previous question, the occasional reproductions of a work of art in a telecast do not infringe the copyright proprietor's printing, publishing and vending rights. Thus a television station would be absolved from liability for the unauthorized reproduction of a work of art because the exhibition of the painting or statue is neither a copy nor a publication, and because it is transitory in nature. The result may appear harsh, but it must be remembered that Congress has specifically spelled out the rights secured an author. Just as the former law imposed no liability for poems and novels read over the radio, the recreation of a visual copyrighted work, viz., books, works of art, statue, maps, prints, photographs, etc., in a telecast would not infringe the rights secured by the statute. In addition an occasional reproduction calls for the application of the *de minimis* rule.

With reference to the tangible copy of a work of art preserved on film, although the question is not free from doubt, it is believed that liability would be imposed on the producer of the television film as well as the television station.<sup>31</sup> However, under § 101(b) of the Copyright Code, in the case of an unintentional infringement of a non-dramatic work by motion pictures or television film, the damages cannot exceed the sum of \$100.00.<sup>32</sup>

The foregoing discussion spells out the principles which will resolve the questions tendered by the remaining hypothetical cases. In the third case where the work of art is visible throughout the live telecast, it is believed that the reproductions of the copyrighted painting or statue would not be considered an infringement. As stated above the reproductions are neither copies nor are they permanent. The application of these facts to works of art protected by common law copyright is more troublesome. Since common law copyright prohibits any unauthorized use of intellectual property, a court may conclude that the transitory images infringe the absolute common law rights. Assuming that the reproductions are technical infringements of common law rights, plaintiff would be hard pressed to prove damages. In the fourth case where the program is kineoscoped, the reproductions on

<sup>31</sup> Cf. *Law v. National Broadcasting Company*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corporation v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>32</sup> 61 STAT 652 (1947), 17 USCA § 101(b) (Supp 1951).

the film would be considered a copy. Assuming that the film per se as distinguished from the exhibition thereof multiplies copies of the copyrighted work of art, nevertheless the reproductions do not impair the proprietor's printing, publishing and vending rights. Despite the absence of competition, liability would be imposed on the producer of the film. However the maximum damages which could be assessed could not exceed \$100.00. The reproductions of works of art protected by common law copyright and preserved on film would clearly infringe the common law rights.

In the fifth case the copyrighted works of art are essential ingredients to the dramatic action. Since the images lack permanency, are not a publication and do not interfere with the proprietor's rights, it is doubtful whether they would be regarded as infringing copies. If the copyrighted works of art are preserved on film, a television station would not be charged with liability for the exhibition of the same. As we have discussed previously, liability would be imposed on the producer and television station.<sup>33</sup> In the case of works of art protected by common law copyright, their reproduction via a live telecast or a kineoscope recording would constitute an unauthorized and infringing use.<sup>34</sup>

As a practical matter motion picture studios and television networks and stations use works of art which are in the public domain or of which they are the copyright proprietors. The studios, networks and the stations are reluctant to use works of art owned or controlled by others because the issues tendered by the hypothetical cases have not been resolved by the courts. In the absence of any definitive court adjudication, our conclusions are necessarily tentative. It is both conceivable and probable that the courts may "liberalize the construction of copyright statutes to meet new conditions which have rapidly developed within the last decade and which are continuing to develop, perhaps most strikingly illustrated by the application of radio broadcasting to copyright."<sup>35</sup> Under such circumstances the unauthorized reproduction of

<sup>33</sup> *Op cit supra*, note 31.

<sup>34</sup> As stated in the text, it is an open question whether common law rights would be infringed by a live telecast as distinguished from a kineoscope recording. A plausible argument could be made that in order for a copy to constitute an infringement

of common-law copyright, the copy should have some degree of permanency. See *op cit supra*, notes 19 and 20.

<sup>35</sup> *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre, Inc.*, 59 F2d 70 (1st Cir 1932).

a copyrighted work of art by a television station although transitory in nature, may be considered an infringing use.

#### 155a. PROOF OF COPYING: ACCESS.

Both common law and statutory copyright protect the visible and audible expressions of lines, colors, sounds and words.<sup>1</sup> The expression of the same idea in a plurality of totally different manners will result in a plurality of copyrights and no infringement will exist.<sup>2</sup> Furthermore there is no infringement when two or more authors write on the same subject, treat it similarly, and produce similar or substantially identical compositions, provided that both works are the result of independent labor, and neither copied from the other.<sup>3</sup> To sustain an infringement action, "more must appear than the mere similarity or even identity of the supposed infringement with the part in question. In this lies one distinction between a patent and copyright. One may infringe a patent by the innocent reproduction of the machine patented, but the law imposes no prohibition upon those who, without copying, independently arrive at the precise combination of words or notes which have been copyrighted."<sup>4</sup>

Thus the first issue tended the trier of facts is whether the defendant had access or an opportunity to become acquainted with the plaintiff's work.<sup>5</sup> A plagiarism action requires the plaintiff to sustain the burden of proof on access and identity.<sup>6</sup> If there is no identity, access is of no importance. If there is identity, then access is important. The element of time is obviously helpful in proving access. If the defendant had no opportunity to copy, there can be no evidence of copying.<sup>7</sup>

<sup>1</sup> Concurring opinion of Mr. Justice Holmes in *White-Smith Music Publishing Co. v. Apollo Co.*, 209 US 1, 28 S Ct 319, 52 LEd 655 (1908).

<sup>2</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951); *Dymow v. Bolton*, 11 F2d 690 (2d Cir 1926); *Arnstein v. Marks Music Corp.*, 11 FSupp 535 (DC NY 1935), *aff'd*, 82 F2d 275 (2d Cir 1936); *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924).

<sup>3</sup> *Id.* See also: *Seip v. Commonwealth Plastics*, 85 FSupp 741 (DC Mass 1949); *Ricker v. General Electric Co.*, 162 F2d 141 (2d Cir 1947);

*Christie v. Harris*, 47 FSupp 39 (DC NY 1942), *aff'd*, 154 F2d 827 (2d Cir 1944), cert den, 329 US 734, 67 S Ct 97, 91 LEd 634 (1944).

<sup>4</sup> *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924).

<sup>5</sup> *Lewys v. O'Neill*, 49 F2d 603 (DC NY 1931): "The first question in a case of alleged literary larceny is whether there is any direct evidence of access by the defendant to the plaintiff's book."

<sup>6</sup> *Arnstein v. ASCAP*, 29 FSupp 388 (DC NY 1939):

<sup>7</sup> *Carew v. RKO Radio Pictures*, 43 FSupp 199 (DC Cal 1942).

On the other hand, access is not a sine qua non in an infringement action.<sup>8</sup> The similarities between two works may be so striking as to preclude the possibility that plaintiff and defendant independently arrived at the same result.<sup>9</sup>

As stated above the plaintiff must prove access. In the *Golding* case there was direct proof of access since plaintiffs' play was submitted to defendant's employees who read and considered it.<sup>10</sup> Access may be proved by circumstantial evidence.<sup>11</sup> In the *Kovacs* case, plaintiff submitted a sample recording of his program with two stations. The recording was left at the first station for approximately two or three weeks. Employees of that station played the transcription and submitted it to an account executive of the defendant net-

<sup>8</sup> Shafter, *Musical Copyright* (2d Ed 1939) 222 discusses the doctrine of access at length. He attributes its origin to Judge Learned Hand in *Haas v. Leo Feist Inc.*, 234 Fed 105 (DC NY 1916). He concludes that in view of various conflicting decisions within the Second Circuit Court of Appeals and the Ninth Circuit Court of Appeals, "a decisive ruling by the Supreme Court upon this troublesome issue, which will determine the fate of access in copyright causes, is necessary" *Id.* at 226. Since access is generally proved by circumstantial evidence, viz, "internal proof of access may rest in an identity of words or in the parallel character of incidents or in a striking similarity which passes the bounds of mere accident" (*Wilkie v. Santley Bros. Inc.*, 91 F2d 978, 979 (2d Cir 1937) cert den 302 US 735, 58 Sct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938) the facts in each case must be scrutinized carefully. It is believed that the majority of courts to quote Judge Woolsey in *Shipman v. RKO Pictures*, 20 FSupp 249 (DC NY 1937) consider access as a 'sine qua non in a copyright case.' See also *Schwarz v. Universal Pictures Corp.*, 85 FSupp 270 (DC Cal 1950); *Christie v. Cohan*, 154 F2d 827 (2d Cir 1946) cert den, 329 US 734, 67 Sct 97, 91 LEd 634 (1946); *Gingg v. Twentieth-Century-Fox Film Corporation*, 56 FSupp 701 (DC Cal 1944); *Columbia Pictures Corp. v. Krasna*, 65 NYS2d 67 (NYSupCt 1946); *Remick Music*

*Corp v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947).

<sup>9</sup> *Contemporary Arts Inc. v. Woolworth Co.*, 93 FSupp 739 (DC Mass 1950); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); *Jewel Music Publishing Co. Inc. v. Leo Feist Inc.*, 62 FSupp 596 (DC NY 1945). In the *Jewel Music Publishing* case, Judge Conger distinguishes between the requirement of access as a sine qua non in an infringement case, and the rule enunciated by Judge Frank in *Arnstein v. Porter* supra. "A work may have such a widespread notoriety, that the defendant must have had access to it. Thus the striking similarities between two works plus the notoriety of plaintiff's work warrants a finding that the defendant copied from plaintiff's work."

<sup>10</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>11</sup> *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946) cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947). *Wilkie v. Santley Bros.*, 91 F2d 978 (2d Cir 1937) cert den, 302 US 735, 58 Sct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); *Edward & Deutsch Lithographing Co. v. Boorman*, 15 F2d 35 (7th Cir 1926), cert den, 273 US 738, 47 Sct 247, 71 LEd 867 (1926).

work. Plaintiff then delivered the recording to the second station, where it remained for five months. Morgan, the principal defendant, who "packaged" the infringing program and sold it to the Mutual network, was handling publicity and advertising for the second station during this five month period. Morgan also had a "contact" man who was at the station during this period. Morgan denied access and copying.<sup>12</sup>

The jury concluded that the foregoing sources of circumstantial evidence proved access.<sup>13</sup> Thus access may be established indirectly or by circumstantial evidence. A charge of piracy does not fail merely because the infringer was not caught in the act of copying. Access may be inferred from the surrounding circumstances or it may be found from similarities in the plan, arrangement and combination of materials, or from identity of phraseology or from other evidentiary facts.<sup>14</sup> "Internal proof of access may rest in an identity of words or in the parallel character of incidents or in a striking similarity which passes the bounds of mere accident."<sup>15</sup> Where access is proved there is a high degree of probability that the similarity between the two works results from copying and not from independent thought and imagination.<sup>16</sup>

Although access is proved, it will not sustain an infringement action unless it is shown that there has been copying of the plaintiff's work.<sup>17</sup> Access by itself means nothing.<sup>18</sup>

<sup>12</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>13</sup> *Id.*

<sup>14</sup> *Wilkie v. Santley Bros.*, 91 F2d 978, 979 (2d Cir 1937), cert den, 302 US 735, 58 S Ct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938): "Where similarities or identities are relied upon, they must do more than engender a suspicion of piracy; they must establish piracy with reasonable certainty. There was some evidence here of the possibility of physical access by the appellants; the court below did not so find. But the charge of infringement does not fail merely because the infringer is not caught in the act, for access may be inferred or found circumstantially from the plan, the arrangement, and the combination of materials contained in the composi-

tion"; *General Drafting Co. v. Andrews*, 37 F2d 54 (2d Cir 1930); *Anderson Co. v. Baldwin Law Publishing Co.*, 27 F2d 82 (6th Cir 1928); *Simonton v. Gordon*, 12 F2d 116 (DC NY 1925).

<sup>15</sup> *Id.* See also *Kovacs v. Mutual Broadcasting System*, 221 P2d 108, 113 (CalApp 1950).

<sup>16</sup> *Shipman v. RKO Radio Pictures Inc.*, 20 FSupp 249 (DC NY 1937), *aff'd*, 100 F2d 533 (2d Cir 1938).

<sup>17</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95, 99 (1950): "Proof of access, however, establishes no more than an opportunity to copy and not actual copying." *Kustaff v. Chaplin*, 120 F2d 551, 560 (9th Cir 1941); *Cain v. Universal Pictures Co.*, 47 FSupp 1013, 1015 (DC Calif 1942).

<sup>18</sup> *Cain v. Universal Pictures Co.*, 47 FSupp 1013 (DC Calif 1942); *Dellar*

Plaintiff must couple access with proof of a substantial and material appropriation of his work.<sup>19</sup>

Defendant's clear and cogent denial of copying may be sufficient to repudiate the speculative or conjectural claim of access. This is illustrated by the *Pinci*<sup>20</sup> and the *Dieckhaus*<sup>21</sup> cases. In the former, plaintiff claimed that defendant's motion picture "Wilson" infringed his copyrighted play entitled "Woodrow Wilson." Both the play and motion picture portrayed events in the life and times of the late Woodrow Wilson. Plaintiff first submitted his play in 1937 to an employee of the defendant. "The play was returned almost immediately, without the wrapper on it having been opened. Further, there is no showing that Carrol (the employee) was in any way connected with the production of the film." On April 25, 1940, the play was again submitted to defendant's New York story department which returned it in four days after making a seven page synopsis. The synopsis was then forwarded to defendant's California offices where it was filed with "thousands upon thousands of other synopses." The defendant's employees responsible for the production of the motion picture, viz., producer, director and writer testified that they neither saw the play nor the synopsis. The court held that in view of the possibility of access to the file, "it becomes necessary to determine whether there is sufficient similarity between the two works to warrant an inference that parts of the motion picture were copied from the play. On this issue the court held that the great dissimilarities between the two works precluded a finding that copying had occurred. On the issue of access, it was held that "the mere possibility of access to the synopsis of the play in defendant's files or the play itself is not enough to overcome the testimony

v. Samuel Goldwyn Inc., 104 F2d 661 (2d Cir 1939).

<sup>19</sup> Columbia Pictures Corporation v. Krasna, 65 NYS2d 67 (NYSupCt 1946); De Monty's v. Twentieth Century-Fox Film Corp., 40 FSupp 133 (DC Cal 1941); Kustaff v. Chaplin, 120 F2d 551 (9th Cir 1941); Lynch v. Warner Bros. Pictures, 32 FSupp 575 (DC NY 1940); Collins v. Metro-Goldwyn-Mayer Corp., 106 F2d 83 (2d Cir 1939); Harold Lloyd Corp. v. Witwer, 65 F2d 1 (9th Cir 1933)

cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933); Caruthers v. RKO Pictures, 20 FSupp 906 (DC NY 1937).

<sup>20</sup> *Pinci* v. Twentieth-Century-Fox Film Corporation, 95 FSupp 884 (DC NY 1951).

<sup>21</sup> *Dieckhaus* v. Twentieth Century-Fox Film Corporation, 54 FSupp 425 (DC Mo 1944) reversed, 153 F2d 893 (8th Cir 1946) cert den, 329 US 716, 67 Sct 46, 91 LEd 621 (1946).

of the writer, producer and director of the film that they did not see plaintiff's work and did not copy from it."<sup>23</sup>

In the *Dieckhaus* case, plaintiff a resident of Missouri claimed that defendant's motion picture "Alexander's Ragtime Band" infringed her unpublished novel. Plaintiff submitted her novel to a Mrs. Malone for criticism. Mrs. Malone who subsequently moved to Hollywood testified that she had no acquaintanceship or business relations with defendant or with any of the defendant's employees who were connected with the production of the picture. Plaintiff mailed a copy of the novel to a literary agent in Hollywood. There was a conflict in the testimony as to the length of time the agent kept the novel. Plaintiff claimed that the novel was in the agent's possession for almost three months. The agent said that he returned it within twelve days. The agent testified he kept the manuscript in his office and did not disclose its contents nor did he have any access to defendant's employees. The lower court which found for the plaintiff stated that since the novel was in Hollywood, "such access was not impossible and, therefore, lay the foundation to permit the ultimate fact of access to be inferred from similarities, if any appear, between the novel and the movie."<sup>24</sup>

The case was reversed on appeal. The court held that there was no rational claim of access from plaintiff's witnesses; furthermore all of defendant's employees connected with the motion picture testified they did not read the novel. The testimony of Mrs. Malone and the literary agent, corroborated by other oral and documentary evidence in the record "establishes the fact that the defendant had no access to plaintiff's book unless the law of plagiarism permits the court to draw an inference contrary to such proof from its finding of similarities on comparison of the book with the picture."<sup>25</sup>

The foregoing cases spell out additional aspects of the doctrine of access. In the *Pinci* case, where the intrinsic evidence of similarity was slight, the court was reluctant to infer access. The possibility of access is negatived when the similarity between two works is due to common source.<sup>26</sup> Thus in the

<sup>23</sup> *Op cit supra* note 20. See also *MacDonald v. Du Maurier*, 75 FSupp 655 (DC NY 1948); *Rosen v. Loew's Inc.*, 162 F2d 785 (2d Cir 1947).

<sup>24</sup> 54 FSupp 425 (DC Mo 1944).

<sup>25</sup> 153 F2d 893 (8th Cir 1946).

<sup>26</sup> *Brodsky v. Universal Pictures Co.*, 65 USPQ 385 (2d Cir 1945); *Newcomb v. Young*, 43 FSupp 744 (DC NY 1942); *McMahon v. Harms*,

*Pinci* case, the common source was Wilson's life. In the *Dieckhaus* case the court refused to apply the doctrine of unconscious plagiarism because the evidence was convincing that there had been no access.<sup>27</sup>

Once a work is published, it is accessible to everyone. Priority is a factor to be considered where there is actual infringement. Access is important where works protected by common law copyright are made available to a limited group.<sup>28</sup> Thus in the *Golding* case, the unpublished play was made available to employees of the defendant. Thus there was direct proof of access, or it could be readily inferred from the facts.<sup>29</sup>

Even if access and similarities are proved, defendant may invoke the *de minimis* rule or the doctrine of fair use. "While access is a sine qua non in a copyright cause, the fact that under the procedure followed herein the defendants had, by hypothesis, access to plaintiff's work, is, obviously not fatal to the defense, e.g., for the additional question always is whether having access, the defendant has made unfair use of the plaintiff's copyrightable matter to justify a holding of infringement."<sup>30</sup>

If access is proved or assumed, then similarities between the two works become important. This is because there cannot be copying without similarities.<sup>31</sup>

### 155b. PROOF OF COPYING: SIMILARITIES.

Similarity between two works is not proof of copying if both are the result of independent labor.<sup>1</sup> As was stated in

45 FSupp 779 (DC NY 1942); Darrel v. Morris Music Co., Inc., 46 USPQ 167 (2d Cir 1940).

<sup>27</sup> McConnor v. Kaufman, 49 FSupp 783 (DC NY 1943); Arnstein v. Marks Music Corporation, 11 FSupp 535 (DC NY 1935), *aff'd*, 82 F2d 275 (2d Cir 1936).

<sup>28</sup> De Acosta v. Brown, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 S Ct 1197, 89 LEd 1983 (1945).

<sup>29</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); Kovacs v. Mutual Broadcasting System, 221 P2d 108, 114 (1950): "Proof of substantial similarities gives rise to an inference of both access and copying."

<sup>30</sup> *Shipman v. RKO Pictures Inc.*, 20 FSupp 249 (DC NY 1937) *aff'd*, 100 F2d 533 (2d Cir 1938); *Caruthers v. RKO Pictures Inc.*, 20 FSupp 906 (DC NY 1937).

<sup>31</sup> *Hirsch v. Paramount Pictures Inc.*, 17 FSupp 816 (DC Cal 1937): "Access assumed, similarity becomes all-important. For while, through independent production, there may be similarity without copying . . . there cannot be copying without similarities."

<sup>1</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts Inc.*, 191 F2d 99 (2d Cir 1951); *Ricker v. General Electric Co.*, 162 F2d 141 (2d Cir 1947); *Christie*

a recent case, "mere similarities, however, assuming that they exist, carry no right of action for infringement, 'for plagiarism is strictly limited to the appropriation of the literary composition of another and passing off as one's own the product of mind and language of another'".<sup>2</sup> Where similarities or identities are relied upon, they must do more than engender a suspicion of piracy; they must establish the latter with reasonable certainty.<sup>3a</sup>

Similarities take on significance only when they are so palpable as to be indicative of evidence of actual copying.<sup>3b</sup> Thus when coincidence cannot explain the similarities between plaintiff's and defendant's works, such unexplained similarities and common inclusions furnish evidence of copying.<sup>4</sup> Internal proof of copying may be found in an identity of words, the similarity in the plan, arrangement and composition of materials, the parallel character or same sequence of incidents.<sup>5</sup> In other words the similarities pass the bounds of mere accident.<sup>6</sup>

The *Golding* case which has been referred to as the "hard" copyright case illustrates the evidence of similarities re-

v. Harris, 47 FSupp 39 (DC NY 1942) *aff'd*, 154 F2d 827 (2d Cir 1944), cert den, 329 US 734, 67 Sct 97, 91 LEd 634 (1945); Sheldon v. Metro-Mayer-Goldwyn Pictures, 81 F2d 49 (2d Cir 1936) cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936); Wilkie v. Santley Bros. Inc., 91 F2d 978 (2d Cir 1937), cert den, 302 US 735, 58 Sct 120, 82 LEd 568 (1937) *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); Nutt v. National Institute for Improvement of Memory, 31 F2d 236 (2d Cir 1929).

<sup>2</sup> Heywood v. Jericho Co., 193 Misc 905, 85 NYS2d 464 (1948).

<sup>3a</sup> Allen v. Walt Disney Productions Ltd., 41 FSupp 134 (DC NY 1941); Wilkie v. Santley Bros., *supra* note 1.

<sup>3b</sup> Columbia Pictures Corporation v. Krasna, 65 NYS2d 67 (NYSupCt 1946).

<sup>4</sup> Baron v. Leo Feist Inc., 78 FSupp 686 (DC NY 1948); De Acosta v. Brown, 146 F2d 408 (2d Cir 1944), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1945); Select Theatres Corporation v. Rouzoni Macaroni Co., 59 USPQ 288 (DC NY 1943); Ad-

ventures in Good Eating Inc. v. Best Places to Eat Inc., 131 F2d 809 (7th Cir 1942); Hartfield v. Peterson, 91 F2d 998 (2d Cir 1937); Sebring Pottery Co. v. Steubenville Pottery Co., 9 FSupp 383 (DC Ohio 1932).

<sup>5</sup> Cases cited in *op cit supra* note 3a; Freudenthal v. Hebrew Publishing Co., 44 FSupp 754 (DC NY 1942); Sheldon v. Metro-Goldwyn-Mayer Pictures, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936); General Drafting Co. v. Andrews, 37 F2d 54 (2d Cir 1930); Edward & Deutsch Lithographing Co. v. Boorman, 15 F2d 35 (7th Cir 1926), cert den, 273 US 738, 47 Sct 247, 71 LEd 867 (1927); Simonton v. Gordon, 12 F2d 116 (DC NY 1925); Fisher v. Dillingham, 298 Fed 145 (DC NY 1924).

<sup>6</sup> Contemporary Arts Inc. v. Woolworth Co., 93 FSupp 739 (DC Mass 1950); *aff'd*, 193 F2d 162 (1st Cir 1951) Arnstein v. Porter, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); Heim v. Universal Pictures Co., 154 F2d 480 (2d Cir 1946).

quired.<sup>7</sup> At the outset the issue of similarity is one of fact for the trier of facts.<sup>8</sup> In addition the test with respect to similarities is the impression received by the average reasonable man upon a comparative consideration of both works, and not by a "dissection of sentences and incidents, suitable for the study of a digest or text-book, but inherently unnatural for any man who has the kind of brains that make him able to adapt a work of fiction."<sup>9</sup> As was stated in the *Stanley* case, "in determining whether the similarity which exists between a copyrighted literary, dramatic or musical work and an alleged infringing publication is due to copying, the common knowledge of the average reader, observer, spectator or listener is the standard of judgment which must be used."<sup>10</sup>

<sup>7</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>8</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (1951); *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); *Universal Pictures Corp. v. Harold Lloyd Corp.*, 162 F2d 354, 360 (9th Cir 1947).

<sup>9</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73, 78 (1950) citing *Frankel v. Irwin*, 34 F2d 142, 144 (DC NY 1918); *Dieckhaus v. Twentieth Century-Fox Film Corporation*, 54 FSupp 425 (DC Mo 1944), reversed, 153 F2d 893 (8th Cir 1946), cert den, 329 US 716, 67 Sct 46, 91 LEd 621 (1946); *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933); *Dymow v. Bolton*, 11 F2d 690 (2d Cir 1926); *Gingg v. Twentieth Century-Fox Film Corporation*, 56 FSupp 701 (DC Calif 1944); *Hirsch v. Paramount Pictures*, 17 FSupp 816 (DC Cal 1937).

<sup>10</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73, 78 (1950). This is the so-called "reasonable man standard" or the "audience test." It was described in *Harold Lloyd Corporation v. Witwer*, 65 F2d 1, 18 (9th Cir 1933) cert dismissed 296

US 669, 54 Sct 94, 78 LEd 1507 (1933) as follows: "If an ordinary person who has recently read through the story sits through the presentation of the picture, if there had been literary piracy of the story, he should detect the fact without any aid or suggestion or critical analysis by others. The reaction of the public to the matter should be spontaneous and immediate." The "audience test" is criticized in *Shipman v. RKO Radio Pictures Inc.*, 100 F2d 533, 536 (2d Cir 1936). *Nimmer, Inroads on Copyright Protection* (1951) 64 HarvLRev 1125, 1135 criticizes the audience test because 1) "there are many instances when the ordinary observer is simply not capable of detecting substantial appropriation"; (2) "the 'audience test' also appears inadequate to protect authors of novels and plays from having their works copied in motion pictures, since the different medium tends to make the copy appear less similar to the original." "It would thus appear that the audience test is inadequate as an exclusive means of determining acquisition from the plaintiff. Dissection and critical analysis by experts to determine whether the defendant had copied the material in question would also appear to be necessary. Indeed, such dissection is probably essential if those parts which are copyrightable and original are not to be mixed with the mass of unprotected material so that the protectible elements become lost in the ordinary ob-

However, Judge Frank's opinion in *Arnstein v. Porter* would appear to modify this rule. He states that on the issue of whether the similarities are sufficient to prove copying, analysis or dissection is relevant and the testimony of experts may be received to aid the trier of facts. If copying is established, then on the issue of whether there has been a substantial and material taking, the test is the response of the ordinary reasonable man and dissection and expert testimony are irrelevant. Judge Frank make a subtle distinction. Presumably a court may first employ dissection to prove copying but disregard it on the issue of unlawful appropriation. Although a jury may be instructed to distinguish between proof of copying and unlawful appropriation, it is believed that they would consider expert testimony to establish proof of both issues. It is believed that Judge Frank's distinction is not practical.<sup>11</sup>

To return to the *Golding* case, the similarities between plaintiff's play and defendant's motion picture were in setting, background, theme, development, incidents of plot, sequence of events, conflict between the emotions of the captain and the secondary characters, identical complications with substantially the same final crisis and climax and the same emotional reaction of the audience.<sup>12</sup>

In the *Stanley* and *Kovacs* cases the similarities between plaintiffs' program ideas and the infringing programs were

server's net impression." But the objection to dissection and analysis is that similarities between two works can always be found if only in the basic theme, plot, etc. See *Nichols v. Universal Pictures Corp.*, 45 F2d 119 (2d Cir 1930) cert den, 282 US 902, 51 S Ct 216, 75 LEd 759 (1931); *Arnstein v. Marks Music Corporation*, 82 F2d 275 (2d Cir 1936). To quote from Judge Learned Hand's opinion in the *Nichols* case, wherein he expressed disapproval of the use of experts, the following remarks are pertinent on the issue of dissection and analysis: "It ought not to be allowed at all; and while its admission is not a ground for reversal, it cumbers the case and tends to confusion, for the more the court is led into the intricacies of dramatic craftsmanship, the less likely it is to stand upon the firmer, if more naive, ground of its considered impression upon its own

perusal." See also *Frankel v. Irwin*, 34 F2d 142, 144 (DC NY 1918); *Eisman v. Samuel Goldwyn Inc.*, 23 FSupp 519 (DC NY 1938). See also, Fox, Evidence of Plagiarism in the Law of Copyright (1946) 6 Toronto LJ 414, 451, 457; Yankwich, Originality in the Law of Intellectual Property (1951) 11 FRD 457.

<sup>11</sup> *Arnstein v. Porter*, 154 F2d 464 (1946), cert den, 330 US 851, 67 S Ct 1096, 91 LEd 1294 (1947). Nimmer, *Inroads on Copyright Protection* (1951) 64 HarLRev 1125, 1140 claims that on the basis of *Arnstein v. Porter*, the "'audience test' becomes in effect an expression of the substantial appropriation doctrine. That is to say that there will be no infringement unless the material which was copied was so substantial as to be obvious to the ordinary observer."

<sup>12</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

obvious. Defendants in both cases pointed out the differences between plaintiffs' and their programs.<sup>13</sup> Differences between two works are relevant to disprove copying; if such differences exist, that question is tendered the trier of facts to decide that issue.<sup>14</sup>

In the so-called compilation cases, similarities may be indicated by examples of sequences of phrases, singularities and mistakes in phrases and punctuation. Thus in *Adventures In Good Eating Inc. v. Best Places To Eat, Inc.*, the charge was that defendants had copied from plaintiff's book which consisted of a compilation of some 1400 eating places. Although there was no direct evidence of copying, the court held that plaintiff had proved infringement. A comparison of the two works disclosed that the books resembled each other and that the phraseology in many instances was strikingly similar. Defendants attempted to explain the similarity in wording as the logical result of the copying by both plaintiffs and defendants of menus supplied by restaurateurs listed in the books—that naturally and inevitably the same listing of prices, of specialties in food, and unusual features of the respective places would occur when the menus were used as source material in making up the copy. This explanation did not satisfy the court in view of the close and parallel wording; neither did it explain the substantially same selection of places listed in both. Furthermore the existence of common errors in both books, viz., telephone numbers, locations, etc., which were not explained by the defendants corroborated the finding of infringement.<sup>15</sup>

In literary works, copying is established by multiplication of similarities.<sup>16</sup> In musical works, proof of similarities is more difficult because of the brevity of a musical composition. "The average popular song is based upon a prescribed for-

<sup>13</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>14</sup> *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354, 361 (9th Cir 1947).

<sup>15</sup> *Adventures in Good Eating Inc. v. Best Places to Eat, Inc.*, 131 F2d 809 (7th Cir 1942); *Leon v. Pacific Telephone & Telegraph Co.*, 91 F2d 484 (9th Cir 1937); *Hartfield v. Peter-*

*son*, 91 F2d 998 (2d Cir 1937); *Cincinnati & Suburban Bell Telephone Co. v. Brown*, 44 F2d 631 (DC Ohio 1930); *General Drafting Co. Inc. v. Andrews*, 37 F2d 54 (2d Cir 1930).

<sup>16</sup> E.g. *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Sheldon v. Metro-Mayer-Goldwyn Pictures*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 S Ct 835, 80 L Ed 1392 (1936); *General Drafting Co. Inc. v. Andrews*, 37 F2d 54 (2d Cir 1930).

mula. It has three parts in the chorus: the opening strain, which usually runs for eight bars and is repeated for another eight; a 'middle' tune of eight bars, and a concluding eight, which repeats the first strain with little variation. The opening strain is composed of two phrases, each of four bars, which are not only similar or identical to each other, but are repeated in the first part and in the concluding eight bars."<sup>17</sup> Since originality in a song is frequently reflected in a few bars or a striking phrase,<sup>18</sup> there is an obvious difference between literary and musical works from the standpoint of infringement. Lord Lyndhurst spelled out this difference in *D'Almaine v. Boosey*: "Now it will be said that one author may treat the same subject very differently from another who wrote before him. That observation is true in many cases. A man may write upon morals in manner quite distinct from that of others who preceded him; but the subject of music is to be regarded upon very different principles. It is the air or melody which is the invention of the author and which may in such case be the subject of piracy; and you commit a piracy if, by taking not a single bar but several, you incorporate in the new work that in which the whole meritorious part of the invention consists. . . . Now it appears to me that if you take from the composition of an author all those bars consecutively which form the entire air or melody, without any material alteration, it is a piracy; though, on the other hand, you might take them, in a different order or broken by the intersection of others, like words, in such a manner should not be a piracy. It must depend on whether the air taken is substantially the same with the original.

<sup>17</sup> Shafter, *Musical Copyright* (2d Ed 1939) 215; *Marks v. Leo Feist Inc.*, 290 Fed 951 (2d Cir 1923) "Musical signs available for combinations are about 13 in number. They are tones produced by striking in succession the white and black keys as they are found on the keyboard of the piano. It is called the chromatic scale. In a popular song, the composer must write a composition arranging combinations of these tones limited by the range of the ordinary voice and by the skill of the ordinary player. To be successful it must be a combination of tones that can be played as well as sung by almost anyone. Necessarily, within

these limits, there will be found some similarity of tone succession. Even different results may be obtained by varying the accent and tempo"; *Darrel v. Morris Music Co.*, 113 F2d 80 (2d Cir 1940).

<sup>18</sup> Judge Yankwich in *Hirsch v. Paramount Pictures, Inc.*, 17 FSupp 816 (DC Cal 1937): . . . "a musical composition is original if it is 'the spontaneous, unsuggested result of the author's imagination,' originality in the realm of popular music lies within a very narrow scope. Slight variations in the use of rhythm, or harmony—of accent and tempo—may achieve originality."

Now the most unlettered in music can distinguish one song from another, and the mere adaptation of the air, either by changing it to a dance or by transferring it from one instrument to another, does not, even to common apprehensions alter the original subject. The ear tells you that it is the same. The original air requires the aid of a genius for its construction, but a mere mechanic in music can make the adaptation or accompaniment. Substantially, the piracy is, where the appropriated music, though adapted to a different purpose from that of the original, may be still recognized by the ear. The adding variations makes no difference in the principle."<sup>19</sup>

In an action for infringement of a musical composition, the similarities between the works may consist of a like grouping of notes, an identity of bars, accent, harmony and melody.<sup>20</sup> Thus in *Wilkie v. Santley Brothers, Inc.*, the court stated that the identity of the eight-bar melodic phrase induced a strong suspicion of copying; that although the possible notes of the three-bar departure in each eight-bar phrase were unlimited, defendants chose the same notes to complete the sequence; that the final chords and cadences terminating each eight-bar sequence were the same and that in both compositions there was a change in the direction of the melody marking an entirely new departure from the sequence.<sup>21</sup> In determining the question of similarity between two compositions, "it is not the dissection to which a musical composition might be submitted under the microscopic eye of a musician which is the criterion of similarity, but the impression which the pirated song or phrase would carry to the average ear."<sup>22</sup>

<sup>19</sup> *D'Almaine v. Boosey*, 1 Y&CEx 288, 160 Eng R 117 (1835).

<sup>20</sup> *Baron v. Leo Feist Inc.*, 78 FSupp 686 (DC NY 1948). *Cf.* *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Hirsch v. Paramount Pictures, Inc.*, 17 FSupp 816 (DC Cal 1937); *Heim v. Harris*, 175 Fed 875 (DC NY 1910) *aff'd*, 183 Fed 107 (2d Cir 1911).

<sup>21</sup> *Wilkie v. Santley Bros. Inc.*, 91 F2d 978 (2d Cir 1937), cert den, 302 US 735, 58 S Ct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938).

<sup>22</sup> *Carew v. RKO Pictures Inc.*, 43

FSupp 199 (DC Calif 1942); *Darrel v. Morris Music Co., Inc.*, 113 F2d 80 (2d Cir 1940); *Hirsch v. Paramount Pictures*, 17 FSupp 816 (DC Calif 1917); See also *Shilkret v. Musieraft Records*, 43 FSupp 184 (DC NY 1942) reversed, 131 F2d 929 (2d Cir 1942), cert den 319 US 742, 63 S Ct 1030, 87 LEd 1699 (1943); *Arnstein v. Broadcast Music Inc.*, 46 FSupp 379 (DC NY 1942) *aff'd*, 137 F2d 410 (2d Cir 1943); *Arnstein v. Twentieth Century-Fox Film Corporation*, 52 FSupp 114 (DC NY 1943); *Jewel Music Publishing Co. v. Leo Feist, Inc.*, 62 FSupp 596 (DC NY 1945).

Similarities between two works may be explained by the defendant to rebut the charge of copying. Thus in works of history, compilations, textbooks and the like the defendant may rely on the defense of common and original sources.<sup>23</sup> For example in chronological works, the same facts must be related.<sup>24</sup> In a textbook case, it was held that "mere similarity of phraseology which has, indeed, become more or less stereotyped in some respects in school histories is a weak support for a charge of infringement."<sup>25</sup> In the compilation cases the inference of access which may be drawn from common similarities and sequences may be negated by showing that the same similarities and sequences occur in common sources.<sup>26</sup> In cases involving the infringement of dramatic works, viz., plays and motion pictures, general similarities between two productions attributable to their use of a common plot drawn from the public domain, or similarity in incident attributable to the use of common sources of material, is not evidence of piracy. In *Harold Lloyd Corporation v. Witwer* plaintiff claimed that defendant's motion picture copied his magazine story. Both works were based on the same plot: A university freshman of little physical ability, attempting to impress a coed with his athletic prowess becomes involved in a number of ludicrous situations that subject him to the ridicule of the student body. Through a series of improbable events he involuntarily becomes a game-winning football hero and wins the love of the girl and plaudits of his classmates. These similarities were held to be irrelevant, attributable only to the "use of common material and common sources of knowledge, open to all men."<sup>27</sup> In the *Golding* case, both dissenting opinions contended that the similarities between plaintiffs' play and defendant's motion picture was attributa-

<sup>23</sup> E.g. *De Montijo v. Twentieth-Century Fox Film Corporation*, 40 FSupp 133 (DC Calif 1941). Cf. *Official Aviation Guide Co. v. American Aviation Associates*, 150 F2d 173 (7th Cir 1945) cert den, 326 US 776, 66 S Ct 267, 90 LEd 469 (1945).

<sup>24</sup> *Trusler v. Murray*, 1 East 363, 6 RR 289 (1789).

<sup>25</sup> *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688 (2d Cir 1938); *Colonial Book Co. v. Oxford Book Co.*, 45 FSupp 551 (DC NY 1942).

<sup>26</sup> *Anderson Co. v. Baldwin Law Publishing Co.*, 27 F2d 82 (6th Cir 1928). Cf. *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921), *aff'd*, 281 Fed 85 (2d Cir 1922), cert den, 259 US 581, 42 S Ct 464, 66 LEd 1074 (1922).

<sup>27</sup> *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 S Ct 94, 78 LEd 1507 (1933).

ble to the use of a common plot.<sup>28</sup> Finally in the music cases, defendants have successfully invoked the defense of common sources.<sup>29</sup> In the *Heim* case, defendant defeated the charge of infringement by proof that the note and bar sequence of his sixteen note phrase were derived from Anton Dvorak's "Humoresque" and not from plaintiff's composition.<sup>30</sup>

This much is clear from the foregoing cases. Whether similar material has been copied from the plaintiff's work or from independent sources, evidence of the prior art is ma-

<sup>28</sup> *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95, (1950), Mr. Justice Traynor dissenting at 221 P2d 101; Mr. Justice Shauer, at p 107. In *Rush v. Oursler*, 39 F2d 468 (DC NY 1930) in which the theme was a murder during a theatrical performance, it was said:

"The interruption of a stage performance by a murder in a crowded theater of a person seated in the audience is a dramatic incident which per se is not copyrightable, and no one could by obtaining a copyright withdraw from others the right to portray such an occurrence in literary or dramatic form. The only right the owner of such a copyright would have is the right to prevent others from copying the form in which the author has chosen to dramatize such an occurrence for production upon the stage. It is not the content of dramatic or literary composition which is protected by copyright, but the form and sequence—the incidental, yet essential, adornment and trimming. It is not the subject, but its treatment, that is protected.

"It follows that all of the parties to this suit, regardless of priority in copyright, were free to write and produce plays in which one of the incidents was the occurrence of such a murder, whether they obtained the idea from one of the other plays or not. This being true, intrinsic evidence of similarities must be of doubtful value in the attempt to prove copying. When two authors portray the same occurrence, in the same setting, presupposing the presence of the same people in the same environment, acting under the same emotions, similarities of incident, unaccompanied by similarities in plot, are not persuasive evidence of copying. The authors having worked with the

same material to construct the environment or setting in which the action is laid, such similarities are inevitable, and the products of such labor are comparable to paintings of the same scene made by different artists. Similarities in the one case are of little more significance than in the other. When in such a case similarities are found not in the plot or in its dramatic development or in the lines or action of the principal characters, but only in incidental details necessary to the environment or setting, there is no basis upon which to found a charge of plagiarism, and it may usually be said that such material is so unimportant and so trivial that its appropriation by copying, even if shown, would not be a substantial taking of copyrighted material. The unanimous opinion of the court of appeals in *Fendler v. Morosco*, 253 NY 281, 171 NE 56 (March 18, 1930), is an instructive application of these principles." See also: *Heywood v. Jericho Co.*, 193 Misc 905, 85 NYS2d 464 (1948); *Columbia Pictures Corp. v. Krasna*, 65 NYS2d 67 (NYSup Ct 1946); *Cain v. Universal Pictures Co.*, 47 FSupp 1013 (DC Cal 1942); *West v. Hatch*, 49 FSupp 307 (DC NY 1943); *Dezendorf v. Twentieth Century-Fox Film Corp.*, 32 FSupp 359 (DC Cal 1940), *aff'd*, 118 F2d 561 (9th Cir 1941); *Shipman v. RKO Radio Pictures Inc.*, 20 FSupp 249 (DC NY 1937), *aff'd*, 100 F2d 533 (9th Cir 1938); *Echevarria v. Warner Bros. Pictures*, 12 FSupp 632 (DC Calif 1935); *Fendler v. Morosco*, 253 NY 281, 171 NE 56 (1930); *Dymow v. Bolton*, 11 F2d 690 (2d Cir 1926).

<sup>29</sup> *Shafter, Musical Copyright* (2d Ed 1939) 228 ff.

<sup>30</sup> *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946).

terial.<sup>31</sup> This has no bearing on the issue of whether or not copyright exists, for it has been held irrespective of the sources from which the author of a work may derive the material he uses, a picture or a writing which is his own production cannot be copied.<sup>32</sup> As Mr. Justice Holmes so succinctly stated, "Others are free to copy the original. They are not free to copy the copy."<sup>33</sup> Thus the prior art is relevant as bearing on the question whether an alleged infringer has copied the author's work or taken his material directly from the prior art. To quote Judge Hand, "if the copyrighted work is, therefore, original, the public demesne is important only on the issue of infringement; that is so far as it may break the force of the inference to be drawn from likeness between the work and putative piracy. If the defendant has had access to other material which would have served him as well, his disclaimer becomes more plausible."<sup>34</sup>

#### 155c. PROOF OF COPYING: ERRORS AND OMISSIONS.

Just as unexplained similarities may raise a presumption of copying, so may inaccuracies, omissions, repetitions of common errors in spelling or other mistakes or singularities made by both authors. "It has frequently been held in cases involving alleged infringements of copyrighted directories, or other compilations of facts and figures, that reproduction in the alleged infringing book of errors, omission and peculiarities appearing in the copyrighted book constitute the strongest evidence of literary piracy, not only of such errors and peculiarities but also of the other portions of the copyrighted book."<sup>1</sup> In *Sub-Contractors Register, Inc. v. McGovern's*

<sup>31</sup> *Detective Comics v. Bruns Publications*, 111 F2d 432 (2d Cir 1940).

<sup>32</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951); *Rieker v. General Electric Co.*, 162 F2d 141 (2d Cir 1947); *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924).

<sup>33</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 S Ct 298, 47 LEd 460 (1903).

<sup>34</sup> *Sheldon v. Metro-Mayer-Goldwyn Pictures*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936); *Detective Comics v.*

*Bruns Publications*, 111 F2d 432 (2d Cir 1940); *McCounor v. Christie*, 49 FSupp 738 (DC NY 1943).

<sup>1</sup> *Sub-Contractors Register Inc. v. McGovern Contractors and Builders Manual*, 69 FSupp 507 (DC NY 1946); *Official Aviation Guide Co. v. American Aviation Associate*, 150 F2d 173 (7th Cir 1945), cert den, 326 US 776, 66 S Ct 267, 90 LEd 469 (1946); *Donnelly & Sons v. Haber*, 43 FSupp 456 (DC NY 1942); *College Entrance Book Co. v. Amisco Book Co. Inc.*, 119 F2d 874 (2d Cir 1941); *Anderson Co. v. Baldwin Law Publishing Co.*, 27

*Contractors*, plaintiff and defendant compiled directories of various individuals and corporations connected with the building and construction trades. Plaintiff's directory listed names, addresses, telephone numbers, postal zone numbers, classifications such as general contractors, plumbing contractors, etc. Fees were charged for such listings and also for display advertising. Defendant, McGovern who had been plaintiff's general manager for seven years published a competing directory. Although defendant denied he copied from plaintiff's book, the court commented on the similar errors in both books. Defendant justified the similarity in the listing of names by stating that both works relied on the classified telephone directory. But defendant was unable to explain the similar errors in postal zone numbers, misspelled or wrong names or concerns out of business or deceased. The court concluded that "reproduction of errors is the most significant evidence of piracy and absence of original research. . . . Copying of errors justifies the conclusion, unless explained, that other portions of the copyrighted work have also been copied."<sup>2</sup>

The presence of common errors is of much more significance where the defense of common source is invoked.<sup>3</sup> In the compilation cases, the charge of infringement will fail despite similarities between two works, where the defendant has consulted the original sources and published the results of his own independent researches and investigations. But where there are errors common to both works, the presumption is warranted that the identity between the two works results from unauthorized copying.<sup>4</sup>

Repetition of errors carries the presumption that the similarity of language in other parts of the works was occasioned

F2d 82 (6th Cir 1928); Callaghan v. Myers, 128 US 617, 9 SCT 177, 32 LEd 547 (1888).

<sup>2</sup> Sub-Contractors Register Inc. v. McGovern Contractors and Builders Manual, 69 FSupp 507 (DC NY 1946).

<sup>3</sup> Adventures in Good Eating Inc. v. Best Places to Eat Inc., 131 F2d 809 (7th Cir 1942); Sammons v. Larkin, 49 USPQ 350 (DC Mass 1941); General Drafting Co. v. Andrews, 37 F2d 54 (2d Cir 1930); Frank Shepard Co. v. Taylor Publishing Co., 193 Fed 991 (2d Cir 1912), *aff'g*, 185 Fed 941

(DC NY 1911). List Publishing Co. v. Keller, 30 Fed 772 (DC NY 1887).

<sup>4</sup> Menke v. Richfield Oil Crop., 20 Copyright Office Bull 422 (DC NY 1932); Jewelers Circular Publishing Co. v. Keystone Publishing Co., 274 Fed 932, (DC NY 1921), *aff'd* 281 Fed 85 (2d Cir 1922), cert den, 259 US 581, 42 SCT 464, 66 LEd 1074 (1922); Investment Service Co. v. Fitch Publishing Co., 291 Fed 1010 (7th Cir 1923); see cases cited in *op cit supra*, note 3.

by copying. "You cannot have better evidence of such copying than . . . the fact of blunders in the original book being transferred into the book which is accused of piracy. And I may add, that, when a considerable number of passages are proved to have been copies, by the copying of blunders in them, other passages, which are the same with passages, in the original book, must be presumed, *prima facie*, to be likewise copied, though no blunders occur in them."<sup>5</sup>

In *De Acosta v. Brown* where plaintiff's charge that defendant's unpublished book infringed her unpublished scenario treatment of the life of Clara Barton, the court commented on the fact that both works contained the unusual name of "Eyra Jenks." Plaintiff testified she had intended naming this character "Ezra" but that since her typist misread her writing and made it "Eyra", she let it stand as she did not want to go to the expense of a retyping. The defendant brushed off this similarity in the misspelling of the name. But the court stated that the "use of a well-known proper name may obviously signify little under many circumstances; in others, as here, it may assist to a conclusive demonstration of copying otherwise indicated."<sup>6</sup>

Repetition of omissions is evidence of copying. In a compilation case consisting of a list of French words, defendant contended that its employees consulted a state university's list of French words as a source of word lists. Despite defendant's denial of copying the court found for the plaintiff since both compilations omitted the same common words from the state list, the same words were treated as nouns or adjectives although they could be properly used as either, the same erroneous articles prefixed the same nouns and there were identical translations.<sup>7</sup>

On the other hand the correction of errors would refute the charge of copying since it furnishes strong evidence that the prior work was consulted for purposes of verification. One who consults a prior work to verify citations, charts, maps, etc., and checks such facts or statements in the common

<sup>5</sup> *Mawman v. Tegg*, 2 Russ 385 65 SCt 1197, 89 LEd 1983 (1945). (1826).

<sup>6</sup> *De Acosta v. Brown*, 146 F2d 408 7 College Entrance Book Co. v. Amsco Book Co. Inc., 119 F2d 874 (2d Cir 1944), cert den, 325 US 862, (2d Cir 1941).

sources, cannot be charged with copying, particularly when errors or discrepancies are corrected.<sup>8</sup>

### 156. INNOCENT, UNCONSCIOUS, WILLFUL AND CONTRIBUTORY INFRINGEMENT.

At common law<sup>1</sup> and under the statute,<sup>2</sup> intention to infringe is not a prerequisite to actionable infringement. Lack of intention does not affect the fact of liability since the result and not the intention determines the question of infringement.<sup>3</sup> The absolute liability imposed by the Copyright Code is illustrated by *Douglas v. Cunningham* wherein the Supreme Court declared that the first circuit was in error in cutting the allowance by the district court of the statutory maximum of \$5,000 to the minimum of \$250 because of the innocence of the defendant newspaper publisher and its employees.<sup>4</sup>

The rule of absolute liability is qualified by one exception. Section 21 of the Copyright Code provides that the accidental omission or mistake in the copyright notice "shall not invalidate the copyright or prevent recovery for infringement against

<sup>8</sup> *White v. Bender*, 185 Fed 921 (2d Cir 1911); *Edward Thompson Co. v. American Law Book Co.*, 130 Fed 639 (CC NY 1904), *aff'd*, 157 Fed 1003 (2d Cir 1908), appeal dismissed, 216 US 625, 30 Sct 576, 54 LEd 642 (1910); *Edward Thompson Co. v. American Law Book Co.*, 121 Fed 907 (CC NY 1903), reversed, 122 Fed 922 (2d Cir 1903). See also, Fox, Evidence of Plagiarism in the Law of Copyright (1946) 6 Toronto LJ 414, 441.

<sup>1</sup> *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 Sct 1197, 89 LEd 1983 (1945).

<sup>2</sup> *Toksvig v. Bruce Publishing Co.*, 181 F2d 664 (7th Cir 1950); *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948); *Khan v. Leo Feist Inc.*, 70 FSupp 450 (DC NY 1947) *aff'd*, 165 F2d 188 (2d Cir 1948); *Chappell & Co. v. Costa*, 45 FSupp 554 (DC NY 1942); *Donnelly & Sons Co. v. Haber*, 43 FSupp 456 (DC NY 1942); *New York Tribune Co. v. Otis Co.*, 39 FSupp 67 (DC NY 1941); *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941); *Towle v. Ross*, 32 FSupp 125 (DC Ore 1940); *Advertisers Ex-*

*change v. Laufe*, 29 FSupp 1 (DC Pa 1939); *Buck v. Jewell La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>3</sup> *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927): "Assuming that the defendant did not intend to infringe, the lack of intention does not affect the fact of liability. The result, and not the intention, determines the question of infringement. *Lawrence v. Dana*, FCas No 8,136; *Journal Pub. Co. v. Drake* (CCA) 109 F 572; *Reed v. Holliday* (CC) 19 F 325; *Harper v. Shoppell* (CC) 26 F 519; *Fishel v. Luceckle* (CC) 53 F 499; *Stern v. Jerome H. Remick & Co.* (CC) 175 F 282." See also: *Buck v. Russo*, 25 FSupp 317 (DC Mass 1938).

<sup>4</sup> *Douglas v. Cunningham*, 294 US 207, 55 Sct 365, 79 LEd 862 (1935), reversing, 72 F2d 536 (1st Cir 1934). See also: *Shapiro Bernstein & Co. v. Veltin*, 47 FSupp 648 (DC La 1943); *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (DC NY 1942); *Norris v. No-Leak-O Piston Ring Co.*, 271 Fed 536 (DC Md 1920), *aff'd*, 277 Fed 951 (4th Cir 1921).

any person who after actual notice of the copyright begins an undertaking to infringe it.”<sup>5</sup> However, a person who unknowingly infringes a work because he is misled by the omission of the notice and ceases infringement upon receipt of such notice, is an innocent infringer who is not liable for damages.<sup>6</sup>

Within the last two decades the American courts have developed the doctrine of “unconscious infringement.” At the outset accidental similarity is not actionable infringement since the latter is limited to the appropriation of another’s work and passing off as one’s own the product of mind and language of another. In other words accidental similarity is the same as independent creation.<sup>7</sup> However in *Edwards & Deutsch Lithographing Co. v. Boorman*, plaintiff charged defendant with copying his interest and discount time teller. Despite defendant’s denial of copying which was neither impeached nor contradicted, the court found for the plaintiff:

“It is not necessary, in order to hold against this contention, that appellees swore falsely, or that they consciously followed the appellant’s works. They had sold and handled appellant’s publications for several years. They must have become familiar with the plan, arrangement, and combination set forth in it. One may copy from memory. It is not necessary to such act that the copied article be before him at the time. Impressions register in our memories, and it is difficult at times to tell what calls them up. If the thing covered by a copyright has become familiar to the mind’s eye, and one produces it from memory and writes it down, he copies just the same, and this may be done without conscious plagiarism.”<sup>8</sup>

In the *Witwer* case, although the doctrine was not applied, the court held that “if, however, they (the defendants) had read the story or knew of its contents, and if there was a subconscious memory of the story derived from such knowl-

<sup>5</sup> 61 STAT 652 (1947), 17 USCA § 21 (Supp 1951).

<sup>6</sup> *Wilkes-Barre Record Co. v. Standard Advertising Co.*, 63 F2d 99 (3d Cir 1933).

<sup>7</sup> *Rowarth v. Wilkes*, 1 Camp 96, 99 (1807): “If the similitude can be supposed to have arisen from accident—the defendant is not answerable”;

*Tamas v. Twentieth Century-Fox Film Corporation*, 48 USPQ 573 (NYSupCt 1941).

<sup>8</sup> *Edward & Deutsch Lithographing Co. v. Boorman*, 15 F2d 35 (7th Cir 1926) cert den, 273 US 738, 47 SCt 247, 71 LEd 867 (1927); *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (DC NY 1944).

edge, and if the evidence was such that some unconscious and unintentional copying was disclosed by the play when produced, there might be an infringement, notwithstanding the intentions of the parties to avoid infringement.”<sup>9</sup>

In the *Letty Lynton* case, Judge Hand stated that “in concluding as we do that the defendants used the play *pro tanto*, we need not charge their witnesses with perjury. With so many sources before them they might quite honestly forget what they took; memory and fancy merge even in adults. Yet unconscious plagiarism is actionable quite as much as deliberate.”<sup>10</sup>

It has been suggested that the term “unconscious” as applied to copying, infringement or plagiarism reflects an unfortunate choice of words.<sup>11</sup> There is a possibility of confusing unconscious copying or plagiarism with independent creation. Copying is the only basis for infringement whether it be done deliberately or unintentionally. “If the copying is unintentional, there can be, in essence, no copying. There may be unconscious or unintentional infringement. There may be copying from memory. This can hardly be termed unconscious copying. It is rather subconscious copying, and as such, is clearly actionable. There may be unconscious or accidental similarity but . . . accidental or unconscious similarity is not actionable plagiarism. . . . It seems that the use of the adjective ‘unconscious’ as applied to plagiarism is unfortunate. If the term means that a prior work so impressed itself on the mind of the subsequent author that, quite unwittingly and quite forgetting where he had seen or heard the prior work, he produced it under the submerged

<sup>9</sup> *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 S Ct 835, 80 LEd 1507 (1933).

<sup>10</sup> *Sheldon v. Metro-Goldwyn-Mayer Pictures*, 81 F2d 49 (2d Cir 1936) cert den, 298 US 669, 56 S Ct 835, 80 LEd 1392 (1936). In *Dieckhaus v. Twentieth Century-Fox Film Corporation*, 54 FSupp 425 (DC Mo 1944), the District Court applied the doctrine of unconscious plagiarism in a common law infringement suit. On appeal, 153 F2d 893 (8th Cir 1946), cert den, 329 US 716, 67 S Ct 46, 91 LEd 621 (1946), the appellate court refused to apply the doctrine because

“the only cases we find in which it has been applied are cases in which access has been established actually or in consequence of copyright registration. As this plaintiff neither published her book nor registered it for copyright, and there is only a possibility in the sense that all things are possible, that defendant could have had access to it, it cannot be assumed that it had become familiar to the defendant’s servants or that they unconsciously copied from it.”

<sup>11</sup> *Fox, Evidence of Plagiarism in the Law of Copyright* (1946) 6 Toronto LJ 414, 435, 436.

influence of that prior work acting on his mind, then it is not unconscious but subconscious plagiarism. In that sense the expression is understandable, for there cannot be any question but that copying from memory would be an infringement. As we have said, there may be unconscious similarity; there cannot be unconscious plagiarism. Plagiarism according to law means copying. It cannot be done unconsciously any more than it can be done accidentally. If a work results in unconscious or accidental similarity, it is an independent creation; if it results from plagiarism, whether unintentional or deliberate, conscious or otherwise, it constitutes copying and hence infringement. It is submitted that the correct exposition of the principle is shown in the words of Jenney J. in *Seltzer v. Sunbrock*:<sup>12</sup> 'The law is well-settled that there must be an actual copying, whether wilful or unintentional, but nevertheless made possible by defendant's access to plaintiff's copyrighted material!''<sup>13</sup>

Although "intention to infringe is not essential under the Act,"<sup>14</sup> intent is important in establishing proof of copying.<sup>15</sup> Efforts to avoid infringement may be considered in deciding whether equitable relief should be granted because of profit and use gained from materials inserted despite defendant's efforts to the contrary.<sup>16</sup>

Intention to infringe is particularly important when defendant invokes the doctrine of "fair use".<sup>17</sup> Obviously one may quote extracts from a book for purposes of review or criticism. If the amount taken is reasonable and it is used for criticism and review, there will be no infringement.<sup>18</sup> If, on the other hand the amount taken is used to further the sale of the

<sup>12</sup> 22 FSupp 621 (DC Cal 1938).

<sup>13</sup> *Op cit supra*, note 11. *Cf.* *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (DC NY 1942).

<sup>14</sup> *Buck v. Jewell La-Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>15</sup> *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933) cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933).

<sup>16</sup> *Meccano Ltd. v. Wagner*, 234 US 912 (DC Ohio 1916); *Webb v. Powers*, FCas 17, 323, 29 FCas 511 (CC Mass 1847). *Cf.* *Norm Co. v. John Brown Co.*, 26 FSupp 707 (DC Okla 1939).

<sup>17</sup> *Toksvig v. Bruce Publishing Co.*,

181 F2d 664 (7th Cir 1950): "Fair use has been defined as 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 of the copyright."

<sup>18</sup> *Hill v. Whalen & Martell Inc.*, 220 Fed 359 (DC NY 1914); *Sampson & Murdock v. Seaver & Radford Co.*, 140 Fed 539 (1st Cir 1905); *West Publishing Co. v. Thompson*, 176 Fed 833 (2d Cir 1910); *Lawrence v. Dana*, FCas No 8136, 15 FCas 261 (CC Mass 1869); *Folsom v. Marsh*, FCas No 4901, 9 Cas 342 (CC Mass 1841).

second work, evidence of intention to infringe is relevant and important to sustain the charge of plagiarism.<sup>19</sup> As one court has stated, "Regarding the intent . . . it is obvious that the use of a certain amount of an author's production may be perfectly fair and legitimate in one case, while the use of a similar amount in another case might be unlawful. . . . On the other hand, if the selections are made *animo furandi*, with intent to make use of them for the same purpose for which the original author used them, to convey in a different publication the information which he imparted, or to supplant him in his own territory, a small quantity will suffice to render the defendant liable to a charge of piracy."<sup>20</sup> The failure of an unauthorized copier to acknowledge his indebtedness to a copyrighted work may indicate *animus furandi*.<sup>21</sup> On the other hand, reference to a copyrighted work does not necessarily condone an infringing act. It may have the opposite effect because of the false implication of authority.<sup>22</sup>

Intent is immaterial where there has been a substantial amount of copying.<sup>23</sup> But if there is considerable doubt as to whether or not there has been copying, the intent not to pilfer, either colorably or otherwise is a factor which the courts consider.<sup>24</sup> Thus where the evidence was clear that defendant intended to sell a less expensive work consisting of original poetry, rather than republish the plaintiff's work, the prayer for injunction was denied.<sup>25</sup> In another case, plaintiff the copyright proprietor, gave an exclusive license

<sup>19</sup> *Cf.* Henry Holt & Co. v. Liggett & Myers Tobacco Co., 23 FSupp 302 (DC Pa 1938).

<sup>20</sup> Farmer v. Elstner, 33 Fed 494 (DC Mich 1888).

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

<sup>22</sup> Chicago Record-Herald Co. v. Tribune Association, 275 Fed 797, 799 (7th Cir 1921); Webb v. Powers, FCas No 17,323, 29 FCas 511 (CC Mass 1847). *Cf.* Henry Holt & Co. v. Liggett & Myers Tobacco Co., 23 FSupp 302 (DC Pa 1938): "The fact that the defendant acknowledged the source from which this matter was taken does not excuse the infringement. While the acknowledgment indicates that it did not intend unfair competition it does not relieve the defendant from legal liability for the infringement." See also: Pike v. Nichols, 5 Ch App 251

39 LJ Ch 435 (1869); Walter v. Steinkopff, 3 Ch 489; 61 LJ Ch 521; 8 TLR 633 (1892); Scott v. Stanford, LR 3 Eq 718, 36 LJ Ch 729 (1867); Bohn v. Bogue, 10 Jur 420, 7 LTOS 277 (1846).

<sup>23</sup> Hein v. Harris, 175 Fed 875 (CC NY 1910), *aff'd*, 183 Fed 107 (2d Cir 1910).

<sup>24</sup> Donnelly & Sons Co. v. Haber, 43 FSupp 456 (DC NY 1942); New York Tribune Co. v. Otis & Co., 39 FSupp 67 (DC NY 1941); In Heim v. Universal Pictures Co., 154 F2d 480 (2d Cir 1946) n 13, Judge Frank suggests that the intent, measured in terms of the "quantity" appropriated may affect the measure of damages.

<sup>25</sup> Webb v. Powers, FCas No 17,323, 29 FCas 511 (CC Mass 1847).

to an actress to sing his song.<sup>26</sup> The latter employed distinctive gestures, postures and artistic effects in performing the song. Defendant, likewise an actress, used plaintiff's song, but imitated the first actress. The court held that the "stage business," viz., "actions, gestures and tones" used in the performance of a song was not copyrightable.<sup>27</sup> The use of the chorus was not an infringement since it was a means for effectuating the imitation. "No doubt," said the court, "the good faith of such mimicry is an essential element; and if it appears that the imitation was a mere attempt to evade the owner's copyright, the singer would properly be prohibited from doing in a roundabout way what could not be done directly."<sup>28</sup> If the mimicry is the substantial and primary part of the performance and the song is merely incidental, there is no infringement. Liability is not affected by the lack of intent to infringe; it is determined primarily by the results of the performance.<sup>29</sup>

Since infringement of copyright is a tort, all persons who participate or contribute in the infringement are jointly and severally liable as tortfeasors.<sup>30</sup> Where the defendants have acted severally and not jointly or in concert, they cannot be sued jointly.<sup>31</sup> Since intention to infringe is not essential under the Act, it is no defense that the infringer in publishing copyrighted story was not aware that the story was copyrighted for "it published it at its peril and ignorance will

<sup>26</sup> Bloom & Hamlin v. Nixon, 125 Fed 977 (DC Pa 1903).

<sup>27</sup> *Id.* To the same effect: Supreme Records Inc. v. Decca Records Inc., 90 FSupp 904, 909 (DC Cal 1950); Schwarz v. Universal Pictures Co., 85 FSupp 270 (DC Cal 1949); Universal Pictures Co. v. Harold Lloyd Corp., 162 F2d 354 (9th Cir 1947); Harold Lloyd Corporation v. Witwer, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933); Seltzer v. Sunbrock, 22 FSupp 621 (DC Cal 1938).

<sup>28</sup> *Op cit supra*, note 26. *Cf.* Leo Feist Inc. v. Song Parodies Inc., 64 USPQ 92 (2d Cir 1944); Remick & Co. v. American Automobile Accessories Co., 298 Fed 628 (DC Ohio 1924).

<sup>29</sup> Leo Feist Inc. v. Song Parodies Inc., 64 USPQ 92 (2d Cir 1944); Witmark & Sons v. Calloway, 22 F2d 412 (DC Tenn 1927); Green v. Minzenheimer, 177 Fed 286 (DC NY 1909); Green v. Luby, 177 Fed 287 (DC NY 1909).

<sup>30</sup> Sammons v. Larkin, 38 FSupp 64 (DC Mass 1941); American Code Co. Inc. v. Bensinger, 282 Fed 829 (2d Cir 1922); Gross v. Van Dyke Gravure Co., 230 Fed 412 (2d Cir 1916); Belford, Clark & Co. v. Scribner, 144 US 488, 12 Sct 734, 36 LEd 514 (1892).

<sup>31</sup> Ted Browne Music Co. v. Fowler, 290 Fed 751, 754 (2d Cir 1923).

not avail.”<sup>32</sup> Thus an author,<sup>33</sup> printer,<sup>34</sup> publisher,<sup>35</sup> seller<sup>36</sup> and all others<sup>37</sup> who participate in the infringement are liable for damages resulting from such infringement. Liability is imposed upon persons who induce or aid others to commit infringement of the copyright.<sup>38</sup> The doctrine of contributory infringement has been extended to the producer, distributor and exhibitor of motion picture film and the actors appearing therein.<sup>39</sup> A ball-room operator<sup>40</sup> or motion picture exhibitor<sup>41</sup> who permits the unlicensed use of copyrighted musical compositions on his premises or in his theatre, although the orchestra and its leader or organist are independent contractors,<sup>42</sup> is liable. Employees are also liable although they may have acted on the employer’s instructions; the latter is liable for infringement committed by his employees under the law of agency.<sup>43</sup> Finally the doctrine of contributory infringement imposes liability upon a radio station<sup>44a</sup>, the sponsor and producer of an infringing play

<sup>32</sup> *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 S Ct 1197, 89 LEd 1983 (1945).

<sup>33</sup> *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354 (9th Cir 1947); *Cf. Chappell & Co. v. Costa*, 45 FSupp 554 (DC NY 1942); *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941).

<sup>34</sup> *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941); *American Code Co. v. Bensinger*, 282 Fed 829, 834 (2d Cir 1922); *Belford Clarke & Co. v. Scribner*, 144 US 488, 12 S Ct 734, 36 LEd 514 (1892).

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*; *Detective Comics v. Bruns Publications*, 28 FSupp 399 (DC NY 1939), modified on other grounds, 111 F2d 432 (2d Cir 1940); See also *Greene v. Bishop*, FCas No 5736, 10 FCas 1128 (CC Mass 1858).

<sup>37</sup> See: *Fishel v. Lueckel*, 53 Fed 499 (CC NY 1892); *Harper v. Shoppel*, 28 Fed 613 (CC NY 1886); *Stevens v. Gladding*, FCas No 13, 399, (CC RI 1856); See also: *Altman v. New Haven Union Co.*, 254 Fed 113 (DC Conn 1918); *Cf. Deutsch v. Arnold*, 98 F2d 686 (2d Cir 1938).

<sup>38</sup> *Harper v. Shoppel*, 28 Fed 613 (CC NY 1886). *Harper Bros. v. Kalem Co.*, 169 Fed 61, 64 (2d Cir

1909), *aff'd*, 222 US 55, 32 S Ct 20, 56 LEd 92 (1911).

<sup>39</sup> *Harper Bros. v. Kalem Co.*, 222 US 55, 32 S Ct 20, 56 LEd 92 (1911); *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947).

<sup>40</sup> *Buck v. Pettijohn*, 34 FSupp 968 (DC Tenn 1940); *Buck v. Coe*, 32 FSupp 829 (DC Pa 1940); *Buck v. Crescent Gardens*, 28 FSupp 576 (DC Mass 1939); *Irving Berlin Inc. v. Daigle*, 26 F2d 149 (DC La 1928), reversed on other grounds, 31 F2d 832 (5th Cir 1929); *Dreamland Ball Room Inc. v. Shapiro, Bernstein & Co.*, 36 F2d 354 (7th Cir 1929).

<sup>41</sup> *Buck v. Newsreel Inc.*, 25 FSupp 787 (DC Mass 1938); *Vitaphone Corporation v. Hutchinson Amusement Co.*, 19 FSupp 359 (DC Mass 1937); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927).

<sup>42</sup> *Christian v. American Druggists Syndicate*, 285 Fed 359 (2d Cir 1922); *Harms v. Cohen*, 279 Fed 276 (DC Pa 1922); *Witmark & Sons v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924) *aff'd*, 2 F2d 1020 (4th Cir 1924).

<sup>43</sup> *Id.* *Cf. Leon v. Pacific Telephone & Telegraph Co.*, 91 F2d 484 (9th Cir 1937).

<sup>44a</sup> *Associated Music Publishers v.*

which is broadcast <sup>44b</sup> and a hotel,<sup>45</sup> viz., the second user, which pick up an unauthorized performance of a copyrighted musical composition and retransmits it for its listening audience and guests respectively.

The doctrine of contributory infringement is equally applicable to common law copyright. This is illustrated by *De Acosta v. Brown*.<sup>46</sup> Plaintiff brought an action for infringement of common law copyright against Beth Brown, a well known and highly prolific writer of feature columns, short stories, novels and songs and against Hearst Magazines, Inc. Plaintiff's literary property consisted of a "heart interest" which she had added to the life of Clara Barton "with the avowed intention of making a biographical screen play palatable to the movie audiences of America." Defendant's unpublished book, entitled "War Nurse: The Biography of Clara Barton" was published in *Cosmopolitan Magazine*, a Hearst publication. The court held that defendant, Beth Brown had appropriated plaintiff's original treatment of the life of Clara Barton. The primary issue before the court was whether damages could be assessed against the defendant, Hearst, an innocent infringer. The court reviewed the statutory copyright cases and concluded that liability attached to a contributory albeit innocent infringer. The court then held that this principle was applicable to innocent infringers of unpublished material. The imposition of liability upon contributory infringers was premised on the philosophy that the protection accorded literary and intellectual property would be of little value if it did not go against third persons, or if insulation from payment of damages could be secured by such third persons by merely refraining from making inquiry. "It is suggested that recovery is contrary to the general doctrine of torts, apparently on the view that liability and damage should be limited to such as can be foreseen and avoided. But 'torts' is a broad field of law; and while the doctrine may apply to negligence, it does not apply to conversion or appropriation."<sup>47</sup>

*Debs Memorial Radio Fund*, 141 F2d 852 (2d Cir 1944), cert den, 323 US 766, 65 S Ct 120, 89 L Ed 613 (1945).

<sup>44b</sup> *Select Theatres Corporation v. Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>45</sup> *Buck v. Jewell La-Salle Realty*

*Co.*, 283 US 191, 51 S Ct 410, 75 L Ed 971 (1931).

<sup>46</sup> 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 S Ct 1197, 89 L Ed 1983 (1945).

<sup>47</sup> *Id.* To the same effect: *Mansell v. Valley Printing Co.*, 2 Ch 441, 1

Judge Learned Hand dissented on the issue of liability for damages which was assessed against Hearst. He conceded that three of the cases <sup>48</sup> supported the majority's view, but that the extension of this doctrine to unpublished material would impose a risk upon publishers and third parties which may prove to be an appreciable and undesirable burden upon freedom of the press and other mass media of communication. Judge Hand would apply the ordinary rule of liability for torts and impose liability for such consequences as reasonable persons could anticipate. "This distinction which I seek to make is certainly not formal, or legalistic; it entails momentous results; for, unless some such limitation is imposed, an indefinite regress of liability emerges. He becomes unconditionally liable, who copies the copy of a copy, or the copy of a copy's eventual author. When one considers that for infringement it is not necessary to reproduce the work in ipsissimis verbis; but that it is enough to take the substance of its 'expression,' as distinct from the 'ideas', the resulting liability becomes unique in severity, and one, against which no degree of case will forfend. That it may prove, as I have suggested, an appreciable incubus upon the freedom of the press, appears to me by no means far-fetched. If my brothers are right, a publisher must be prepared to respond in damages to any author who can prove that the publisher has incorporated, however innocently, and at whatever remove, any part of the author's work. If that possibility is to hover over all publications, it would, I believe, be a not negligible depressant upon the dissemination of knowledge." <sup>49</sup>

Undoubtedly there is substantial merit in Judge Hand's dissent. The majority opinion in response to his argument suggested that an innocent contributory infringer must rely on the reputation and ability of the author. "And if it be suggested that other more effective means of inquiry are not conveniently available to publishers, then that seems an additional reason for not depriving authors so easily of the fruits of their labors." <sup>50</sup>

BRC, 187 (1908), *aff'g*, 1 Ch 567 (1908); Prince Albert v. Strange, 1 Mac&G 25, 41 EngRep 1171 (1848), *aff'd*, 2 DeG&Sn 652 64 EngRep 293 (1849).

<sup>48</sup> American Press Association v. Daily Story Publishing Co., 120 Fed

766 (7th Cir 1902); Norris v. No-Leak-O-Piston Ring Co., 271 Fed 536 (DC Md 1921) *aff'd*, 277 Fed 951 (4th Cir 1921); Haas v. Leo Feist Inc., 234 Fed 105 (DC NY 1916).

<sup>49</sup> *Op cit supra*, note 46.  
<sup>50</sup> *Id.*

### 157. THE DOCTRINE OF "FAIR USE".

If proof of copying is established, that does not necessarily sustain the charge of infringement. The courts recognize that there may be "permissible copying," or fair use of a copyrighted work.<sup>1</sup> The doctrine of fair use is limited to copyrighted works; it is inapplicable to unpublished material since the common law proprietor may enjoin any unauthorized use.<sup>2</sup>

Copyright protection is extended to authors and others mainly with a view of inducing them to give their ideas to the public so that the former may be added to the intellectual store, accessible to all people in order that they be used for the intellectual advancement of mankind. Thus an author in exchange for his statutory copyright dedicates to the world the useful knowledge contained in his work for the advancement of the arts, sciences, etc.<sup>3</sup> The use which the public may make of such a work and which is not an infringement is described as a fair use. The latter may be defined as a privilege in persons other than the copyright proprietor to make a reasonable and customary use of a copyrighted work.<sup>4</sup>

<sup>1</sup> Toksvig v. Bruce Publishing Co., 181 F2d 664 (7th Cir 1950); Arnstein v. Porter, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947).

<sup>2</sup> Golding v. RKO Pictures Inc., 35 Cal2d 690, 221 P2d 95 (1950); Stanley v. Columbia Broadcasting System, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>3</sup> Sampson and Murdock v. Seaver-Radford Co., 140 Fed 539, 541 (1st Cir 1905): "So, also, it is clear that, under some circumstances and for certain purposes, a subsequent publisher may draw from the earlier publication its identical words, and make use of them. This is peculiarly so with reference to works in regard to the arts and sciences, using those words in the broadest sense, because with reference to them, any publication is given out as a development in the way of progress, and, to a certain extent, by common consent, including the implied consent of the first publisher, others interested in advancing the same art or science may commence where the prior author stopped. This includes

medical and legal publications, in which the entire community has an interest, and which the authors are supposed to give forth, not only for their own pecuniary profit, but for the advancement of science. Therefore, as to copyrighted works of that character, by the common consent to which we have referred, subsequent authors are sometimes entitled, and, indeed, required, to make use of what precedes them in the precise form in which last exhibited."

See also: Matthew Conveyor Co. v. Palmer-Bee Co., 135 F2d 73 (6th Cir 1943); Becker v. Loew's Inc., 133 F2d 889 (7th Cir 1943) cert den, 319 US 772, 63 Sct 1438, 87 LEd 1720 (1944); Dellar v. Samuel Goldwyn Inc., 104 F2d 661 (2d Cir 1939); Eichel v. Marcin, 241 Fed 404 (DC NY 1917); Folsom v. Marsh, FCas No 4,901, 9 FCas 342 (CC Mass 1841).

<sup>4</sup> Toksvig v. Bruce Publishing Co., 181 F2d 664 (7th Cir 1950); Shapiro Bernstein & Co. v. Collier & Son, 26 USPQ 40 (DC NY 1934).

Obviously there are no mechanical rules to guide the courts in differentiating between infringement and fair use. The difference between plagiarism and fair use ultimately resolves itself to the application of broad and indefinite standards, viz., the nature, extent and value of the material used; the purpose and objects of both works, the quantity and value of the material used, the extent to which the use may prejudice the sale, diminish the profits or supersede the objects of the original work. In *Shapiro, Bernstein & Co., Inc. v. Collier & Son*, the lyrics of a copyrighted song were employed in a short story published in *Colliers*. The lyrics served the same purpose in the story as incidental music in a dramatic production. The court in holding that the defendant's quotations from plaintiff's song were a fair use, offered a workable definition of this concept: "Without attempting to lay down any hard and fast rule for determining what constitutes a 'fair use' of a copyrighted matter, the following are considered as some of the tests to be applied: The extent and relative value of the extracts; the purpose and whether the quoted portions might be used as a substitute for the original work; the effect upon the distribution and objects of the original work."<sup>5</sup>

The doctrine of fair use in the case of technical and scientific works receives a broader and more liberal interpretation when the purpose of the borrowing is the acquisition of knowledge by a student, the application of the appropriated material in the practice of an art or profession or use in publications

<sup>5</sup> *Id.* *New York Tribune Inc v. Otis & Co.*, 39 FSupp 67 (DC NY 1941); *Shaw, Literary Property in the United States* (1950) 68 offers a "formula" for distinguishing between Fair Use and Unfair Use or Infringement: "The case of *Folsom v. Marsh* [FCas

No 4901, 9 FCas 342 (CC Mass 1841)] is very important in that it outlines the elements which generally been considered by all courts since that time in differentiating between fair use and unfair use. These may be charted as follows:

<i>Criteria</i>	<i>Fair Use</i>	<i>Unfair Use or Infringement</i>
Value of Material Copied	'Relatively' little	'Relatively' much
Object of works	Different	Same
Quantity	'Relatively' little	'Relatively' much
Effect on sale	None or increases	Diminishes
Effect on profits	None or increases	Diminishes
Supersedes original	No	Yes
Motive	Good	Bad

-serving a different rather than a competing purpose.<sup>6</sup> This is illustrated by the following cases.

In an early English case the plaintiff published a work called "Why and Because" which consisted of scientific explanations of various common phenomena. This book was published in question and answer form. The defendant published a work of the same general type. The court in holding for the defendant stated that while plaintiff's work was copyrightable, another person might originate another work in the same general form provided he did so from his own resources and make the work he so originated a work of his own by his own labor and industry bestowed upon it. Defendant could likewise make a "fair use" of the prior art. Defendant could examine books on the same subject and which were protected by copyright and rearrange the information therein into the form of questions and answers. "Also he (the defendant) had a further right if he found a work like the plaintiff's and, perusing it, discovered that the author had led up to particular questions and answers by the perusal of some other work, to have recourse himself to the same work, although he would not have thought of doing so but for the perusal of the plaintiff's book. Both of these would be fair and legitimate modes of using plaintiff's book. There is another sort of legitimate use which might fairly be made by the defendant. It would be legitimate use of a work of this description if the author of a subsequent work, after getting his own work, with great pains and labor, into a shape approximating to what he considered a perfect shape, should look through the earlier work to see whether it contained any heads which he had forgotten."<sup>7</sup>

The foregoing principles are applicable to utilitarian works, viz., forms,<sup>8</sup> models, systems,<sup>9</sup> statistics,<sup>10</sup> law digests,<sup>11</sup>

<sup>6</sup> Baker v. Selden, 101 US 99, 25 LEd 84 (1879); West Publishing Co. v. Thompson, 169 Fed 833 (CC NY 1909), modified, 176 Fed 833 (2d Cir 1910).

<sup>7</sup> Jarrold v. Houlston, 3 K&J 708, 3 SurNS 1051 (1857). For additional English cases, see: Kelly's Directories v. Gavin & Lloyds, 1 Ch 374 (1901), 1 Ch 631 (1902); Lamb v. Evans, 3 Ch 462 (1892), 1 Ch 218 (1893); Pike v. Nicholas, LR 5 Ch App 251 (1869); Morris v. Wright, LR 5 Ch App 279 (1870); Scott v. Stan-

ford, LR 3 Eq 718 (1867); Mowman v. Tegg, 2 Russ 398 (1826).

<sup>8</sup> American Institute of Architects v. Fenichel, 41 FSupp 146 (DC NY 1941); Brightley v. Littleton, 37 Fed 103 (DC Pa 1888).

<sup>9</sup> Webb v. Powers, FCas No 17,323, 29 FCas 511 (CC Mass 1847).

<sup>10</sup> *Id.*; Dun v. Lumberman's Credit Ass'n, 144 Fed 83 (7th Cir 1906), *affirmed*, 209 US 20, 28 Sct 335, 52 LEd 663 (1908).

<sup>11</sup> Anderson Co. v. Baldwin Law Publishing Co., 27 F2d 82 (6th Cir

maps,<sup>12</sup> directories,<sup>13</sup> etc. A subsequent author may use such utilitarian works, provided that his work is not a colorable adaptation of the previous work and involves independent labor. In the law book cases, a subsequent author may use cases, citations, authorities and even the arrangement of a previous digest, provided he does not evasively use notes already collected by skill, industry and expenditures of others without original research.<sup>14</sup> One may use and copy the citations of a prior author provided he examines and verifies such cases and material before using them.<sup>15</sup> On the other hand the reproduction of a proposition of law from a previous work using the same or different language, despite verification of the cases, is not a fair use but an infringement. The publication of the same list of cases by the subsequent author is not a copy because there can be no copyright in the names of cases apart from the proposition of law which the cases support. But the reproduction of a proposition of law is still a copy, and hence an infringement.<sup>16</sup> But if the propositions of law are deduced independently from the cases, the former is not a copy since the information is derived from common sources and is the result of independent labor.<sup>17</sup>

Utilitarian works call for mechanical rather than imaginative effort; they are intended to be used as tools and sources of information. The doctrine of fair use permits a subsequent author to copy common sources, but it does not extend to the plan, arrangement, illustrations or combinations employed in connection with the same materials.<sup>18</sup> On the other hand the nature of a work may be such that the same plan, arrangement and method of conveying the information may be employed by a subsequent author. This is particularly true

1928); *West Publishing Co. v. Edward Thompson Co.*, 169 Fed 833 (CC NY 1909), modified, 176 Fed 833 (2d Cir 1910); *Thompson v. American Law Book Co.*, 122 Fed 922 (2d Cir 1903).

<sup>12</sup> *Op cit supra*, note 9, *Perris v. Hexamer*, 99 US 674, 25 LEd 308 (1878); *Chapman v. Ferry*, 18, Fed 539 (CC Ore 1883).

<sup>13</sup> *Dun v. Lumberman's Credit Ass'n*, 144 Fed 83 (7th Cir 1906) *aff'd*, 209 US 20, 28 SCT 335, 52 LEd 663 (1908); *Hartford Printing Co. v. Hartford Directory and Publishing Co.*, 146 Fed 332 (DC Conn 1906); *Sampson & Murdock Co. v. Seaver Radford Co.*, 140 Fed 539 (1st Cir 1905); *List*

*Publishing Co. v. Keller*, 30 Fed 772 (CC NY 1887).

<sup>14</sup> *West Publishing Co. v. Lawyers Cooperative Publishing Co.*, 64 Fed 360 (CC NY 1894) reversed, 79 Fed 756 (2d Cir 1897); cases cited in *op cit supra*, note 11.

<sup>15</sup> *Id.* See also, *White v. Bender*, 185 Fed 921 (DC NY 1911).

<sup>16</sup> *West Publishing Co. v. Thompson*, 169 Fed 833, 862 (DC NY 1909).

<sup>17</sup> *Id.* See cases cited in *op cit supra*, note 11.

<sup>18</sup> *Leon v. Pacific Telephone and Telegraph Co.*, 91 F2d 484 (9th Cir 1937); *Emerson Davies, FCas No 4436*, 8 FCas 615 (CC Mass 1845).

in the case of text books, and legal, scientific and medical works.<sup>19</sup> The doctrine of fair use is broader for this class of works than in the case of compilations, directories, etc. "There is a public interest in having subsequent workers in a field allowed to make use of the accumulated knowledge of the past, especially knowledge of the sources."<sup>20</sup>

The extent to which the doctrine of fair use may be employed is illustrated by the *Fenichel* case. Plaintiff compiled and published a booklet of forms entitled "Standard Documents of the American Institute of Architects." The forms set forth the understanding and obligations of the owner, contractor, subcontractor and architect in prospective operations. The defendant made and used six copies of one form and delivered them to the owner and contractor he was using. The court held that this was a fair use of plaintiff's work. "When the plaintiff put on the general market a book of forms, he implied the right to their private use. This conclusion follows from the nature of a book of forms. No one reads them as literature; their sole value is their usability. To constrict the defendant to mere reading of the forms in the bound volume would unjustly enrich the plaintiff whose very publication of a form implies its usability."<sup>21</sup>

The doctrine of fair use permits fair quotation of copyrighted works for the purposes of review and criticism.<sup>22</sup> Whether a quotation is fair depends on the nature and purpose of the quotation, the quantity quoted and the degree to which the quotation may prejudice and supersede the original work.<sup>23</sup> For example the unauthorized publication of an entire poem, entitled "A Hankerin" in a newspaper was not a fair use since it was neither a reasonable quotation or extract from the copyrighted work, nor was it in the nature of an article by a reviewer or commentator.<sup>24</sup> On the other hand, an article in the *Saturday Evening Post*, boosting the

<sup>19</sup> Cf. *Colonial Book Company, Inc. v. Oxford Book Co.*, 45 FSupp 551 (DC NY 1942); *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688, 691 (2d Cir 1938).

<sup>20</sup> *Anderson Co. v. Baldwin Law Publishing Co.*, 27 F2d 82 (6th Cir 1928).

<sup>21</sup> *American Institute of Architects v. Fenichel*, 41 FSupp 146 (DC NY 1941).

<sup>22</sup> *Hill v. Whalen & Martell Inc.*, 220 Fed 359 (DC NY 1914); *Lawrence v. Dana*, FCas No 8136, 15 FCas 261 (CC Mass 1869); *Folsom v. Marsh*, FCas No 4,901, 9 FCas 342 (CC Mass 1841).

<sup>23</sup> *Id.* See cases cited in *op cit supra*, note 3.

<sup>24</sup> *Phillips v. Constitution Publishing Co.*, 72 USPQ 69 (DC Ga 1947).

Green Bay Packers football team, reproduced the chorus of the copyrighted song, "Go! You Packers, Go!" The chorus, consisting of eight lines was published in its entirety. The court held that this was a fair use of the copyrighted work. The article in the Post, which was a tribute to the football team, did not compete with the song. The reference to the chorus in the article was "purely incidental" and "unimportant" to the article. No sale or individual use of the chorus was involved. The article was not a musical reproduction of the song, hence no element of competition was present between the article and the copyrighted musical composition.<sup>25</sup>

The case of *Henry Holt and Company v. Liggett and Myers Tobacco Company*<sup>26</sup> warrants discussion. A doctor had written a book entitled "The Human Voice, Its Care and Development", which was copyrighted by the plaintiff. The book was a scientific work and was intended to convey to vocal teachers and pupils a working knowledge of the human voice mechanism. The defendant included in its pamphlet entitled "Some Facts About Cigarettes", the following extract from plaintiff's book:

"Dr. Leon Felderman, noted otalaryngologist, Philadelphia, is quoted (1931) as follows:

"Statistics have it that 80 percent of physicians are smokers. . . . It appears unanimous that smoking is not nearly so injurious as overeating. . . . From my experience with ear, nose, and throat cases, I firmly believe that tobacco when properly used, has no ill effect upon the auditory passages."

The plaintiff claimed that the use of this brief extract reflected upon his professional standing and deterred the sale of his book. Defendant invoked the *de minimis rule* and the doctrine of fair use. The court held that the three sentences quoted, although a very small part of plaintiff's book were pertinent to the subject of defendant's pamphlet; they made up about one-twentieth of the pamphlet. The matter copied was not considered so unsubstantial as to be *de minimis*.

<sup>25</sup> *Karll v. Curtis Publishing Co.*, 39 FSupp 836 (DC Wis 1941). To the same effect: *Broadway Music Corporation v. F-R Publishing Corp.*, 31 FSupp 817 (DC NY 1940); *Shapiro*

*Bernstein & Co. v. Collier & Son*, 26 USPQ 40 (DC NY 1934); *Chappell & Co. v. Thompson & Co. Ltd.*, Macg. Cap. Cases 467, 471 (1934).

<sup>26</sup> 23 FSupp 302 (DC Pa 1938).

The court refused to apply the doctrine of fair use. The latter "did not excuse the defendant's infringement in this case. Its publication was not one in the field in which Dr. Felderman wrote nor was it a scientific treatise or a work designed to advance human knowledge. On the contrary, it is clear that its pamphlet intended to advance the sale of its product—Chesterfield Cigarettes—a purely commercial purpose. It cannot be implied that Dr. Felderman consented to the use of his work for such a purpose. The bill alleges that the publication of defendant's pamphlet has caused Dr. Felderman actual damage by making it appear that he has commercialized his scientific work, and this has retarded the sale of his book. We think that this bill discloses an appropriation by the defendant of the results of the labors of Dr. Felderman which constitutes an infringement of his copyrighted work."<sup>27</sup>

This is a "hard" case and one which cannot be reconciled with previous decisions. It is believed that the court should have applied the *de minimis* rule because the amount of material that was copied was negligible in quantity.<sup>28</sup> Whether the *de minimis* rule<sup>29a</sup> and the doctrine of fair use<sup>29b</sup> should be invoked are a question of law for the courts. But the appropriation of three sentences from plaintiff's

<sup>27</sup> *Id.*

<sup>28</sup> *Brodsky v. Universal Pictures Co.*, 65 USPQ 385 (2d Cir 1945); *Matthews Conveyor Co. v. Palmer-Bee Co.*, 135 F2d 73 (6th Cir 1943); *Iloffman v. Le Traunik*, 209 Fed 375 (DC NY 1913); *Chatterton v. Cave* LR 10 CP 572 (1875); 3 AC 483 (1878); *Marks v. Leo Feist Inc.*, 290 Fed 959 (2d Cir 1923).

<sup>29a</sup> *Id.*

<sup>29b</sup> *Cf. Dellar v. Samuel Goldwyn Inc.*, 104 F2d 661 (2d Cir 1939); *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944). In *Winwar v. Time, Inc.*, 83 FSupp 629 (DC NY 1949) defendant published a passage from plaintiff's book, "George Sand & Her Times." Plaintiff claimed that defendant's book review also contained a number of similarities of expression which were taken from his book. Defendant invoked the doctrine of fair use. The court held that "the facts relating to the alleged 'fair use' should

be determined upon trial of these issues," citing *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946) cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); *New York Tribune Co. v. Otis & Co.*, 39 FSupp 67 (DC NY 1941); *Simms v. Stanton*, 75 Fed 6 (CC Cal 1896). It is believed that a court before ruling on whether a defendant made a "permissible copying" or "fair use" of a copyrighted work (*op cit supra*, notes 1, 4 and 5) must consider the following factual issues: the nature, extent and value of the material, the purpose and objects of both works, the quantity and value of the material used, the extent to which the use may prejudice the sale, diminish the profits or supersede the objects of the original work. But the determination of these preliminary issues of fact by the court are conditions precedent to its application of the doctrine of fair use.

book, which constituted but a small part of its book, can hardly be regarded as a substantial and material taking. It is believed that the court also misapplied the doctrine of the fair use. In applying this doctrine the courts consider whether a quotation or extract would prejudice the sale, diminish the profits or supersede the objects of the original work. In the *Green Bay Packer* and related cases,<sup>30</sup> the courts stressed the absence of competition between the copyrighted songs and the articles wherein the songs were quoted.<sup>31</sup> In the *Holt* case, the defendant's pamphlet did not compete with plaintiff's work. The court employed the Copyright Act as a subterfuge to impose liability. The real basis of liability was the alleged injury to Dr Felderman's reputation viz., that the use of his name in defendant's pamphlet reflected on his professional ethics by making it appear that he commercialized his scientific work. It is questionable whether the publication of this brief extract retarded the sale of plaintiff's book.

It is doubtful whether Congress intended that the Copyright Code be employed to protect the reputation of authors. We have discussed elsewhere the attempts to infiltrate into our jurisprudence the continental doctrine of *le droit moral* which does protect the reputation of authors. It is believed that if the doctrine of moral right is to be introduced into our jurisprudence, it should be effectuated by explicit legislation and not by distorting the purposes and objectives of the Copyright Code. The conflicting ramifications and interests of the doctrine of moral right can only be resolved by legislation.<sup>32</sup>

The doctrine of fair use has been extended to parodies of copyrighted works in the same or different form. A parody or burlesque of a song or literary work, which textually reproduces a few lines or burlesques a stage play respectively, is a fair use provided that it does not prejudice the sale, diminish the profits or supersede the objects of the original work.<sup>33</sup> The mimicry of a copyrighted song in imitation of the actions, gestures and tones of a singer is a fair and not an infringing

<sup>30</sup> *Op cit supra*, note 25.

<sup>31</sup> *Infra*, § 154.

<sup>32</sup> *Passim*, §§ 193 and 215.

<sup>33</sup> *Leo Feist Inc. v. Song Parodies Inc.*, 64 USPQ 92 (2d Cir 1944); *Bloom & Hamlin v. Nixon*, 129 Fed 977 (DC Pa 1903). But in *Glyn v. Weston Feature Film Co.*, 1 Ch 261

(1916) it was suggested that the burlesque of a work was not an infringement because the mental labor bestowed upon such a work produced "an original result." See also *Carlton v. Mortimer* (1920) *Maeg Cop Cases* 194.

use.<sup>34</sup> The Copyright Code does not protect the actions, gestures, tones of voice, or other professional characteristics of a singer or actor; these are in the nature of mechanical or artistic devices developed by the performer which are not preserved in writing or incorporated in the literary or musical text.<sup>35</sup> A mimicry authorized under the doctrine of fair use must be rendered in good faith, should imitate the original and should not be employed as a substitute for the original.<sup>36</sup> But the unauthorized performance of an entire dramatico-musical composition is not a permissible mimicry under the doctrine of fair use, but constitutes an infringement.<sup>37</sup>

Prior to the 1909 Act, a bona fide abridgment or digest of a literary work was not deemed an infringement of the original. This was considered a fair use provided it reflected intellectual labor and judgment and did not supersede the original.<sup>38</sup> Section 7 of the Copyright Code requires the consent of the proprietor for any abridgment, adaptation, arrangement, dramatization or other versions of a copyrighted work.<sup>39</sup> An unauthorized abridgment would thus infringe the transformation rights secured the copyright proprietor by Section 1(b) of the statute. The 1909 legislation does not preclude a newspaper from publishing a brief synopsis of a play, opera or book for the purpose of review and criticism.<sup>40</sup> Similarly the publication of synopses in booklet form, provided they do not supersede the original work is a fair use.<sup>41</sup> On the other hand, the outline of a copyrighted text-book for use of students was not a fair use but an infringing version.<sup>42</sup>

<sup>34</sup> Bloom & Hamlin v. Nixon, 129 Fed 977 (DC Pa 1903); Green v. Minzenheimer, 177 Fed 286 (DC NY 1909).

<sup>35</sup> Supreme Records Inc. v. Decca Records Inc., 90 FSupp 904 (DC Cal 1950); Savage v. Hoffman, 159 Fed 584 (DC NY 1908); Fuller v. Bemis, 50 Fed 926 (DC NY 1892); Martinetti v. Maguire, FCas No 9,173, 16 FCas 920 (CC Cal 1867). See also Weil, Copyright Law (1917) 418.

<sup>36</sup> Bloom & Hamlin v. Nixon, 125 Fed 977 (DC Pa 1903).

<sup>37</sup> Green v. Luby, 177 Fed 287 (DC NY 1909).

<sup>38</sup> Amdur, Copyright Law and Practice (1936) 762; Lawrence v. Dana, FCas No 8136, 15 FCas 26 (CC Mass 1869); Folsom v. Marsh, FCas 4,901, 9 FCas 342 (CC Mass 1841).

<sup>39</sup> 61 STAT 652 (1947) 17 USCA § 7 (Supp 1951).

<sup>40</sup> Ricordi & Co. v. Mason, 201 Fed 182 (CC NY 1911) *aff'd*, 201 Fed 184 (DC NY 1912), *aff'd*, 210 Fed 277 (2d Cir 1913).

<sup>41</sup> *Id.*

<sup>42</sup> MacWilliams Co. v. King, 223 Fed 862 (DC Mass 1914); Bartlett v. Crittenden, FCas No 1,082, 2 FCas 967 (CC Ohio 1847).

The doctrine of fair use permits an author to take suggestions from previous works. For example a prior work may stimulate a new work of creative thought. Thus one may exploit the facts, experiences, field of thought and general ideas of others, provided that the former does not substantially copy a concrete form in which the circumstances and ideas have been developed and linked together.<sup>43</sup> In the *Letty Lynton* case, the defendant invoked the defense of fair use of plaintiff's work. Judge Learned Hand defined fair use in this context by saying that others may copy the theme, ideas or the like of a work, but not its expression.<sup>44</sup> Thus the doctrine of fair use permits a subsequent author to copy the theme, locale, fundamental plot, incidents or other ideas from a copyrighted play or novel, provided that such author does not appropriate the expression of the prior literary work.<sup>45</sup> But in the *Letty Lynton* case the doctrine of fair use was no defense to the suit for infringement. Although plaintiff's play and defendant's motion picture reflected a difference in expression, viz., both textually and in different media, the parallelism of incidents, the same sequence of events and the same dramatic significance between the works, sustained the charge of infringement.<sup>46</sup> The doctrine of fair use as applied to works of fiction and drama is for all practical purpose the defense of common source or matters in the public domain. Whatever the defense be labeled, the courts are confronted with the recurrent issues tendered by the law of plagiarism:

<sup>43</sup> *Dam v. Kirke La Salle Co.*, 166 Fed 589, (CC NY 1908), *aff'd*, 175 Fed 902 (2d Cir 1910); *West Publishing Co. v. Thompson Publishing Co.*, 169 Fed 833 (DC NY 1909), modified, 176 Fed 833 (2d Cir 1910); *American Mutoscope Co. v. Edison Mfg. Co.*, 137 Fed 262 (DC NJ 1905); *Munro v. Smith*, 45 Fed 266 (CC NY 1890). See also: *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688 (2d Cir 1938).

<sup>44</sup> *Sheldon v. Metro-Goldwyn-Mayer Pictures*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936).

<sup>45</sup> *Becker v. Loew's Inc.*, 133 F2d 889 (7th Cir 1943) cert den, 319 US 772, 63 Sct 1438, 87 LEd 1720 (1944);

*Rosen v. Loew's Inc.*, 162 F2d 785 (2d Cir 1947); *De Montijo v. Twentieth-Century Fox Film Corporation*, 40 FSupp 133 (DC Cal 1941); *Dezendorf v. Twentieth Century Fox-Film Corporation*, 32 FSupp 359 (DC Cal 1940) *aff'd*, 118 F2d 561 (9th Cir 1941); *Shipman v. RKO Radio Pictures*, 20 FSupp 249 (DC NY 1937), *aff'd*, 100 F2d 533 (2d Cir 1938); *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933). For additional cases, see Mr. Justice Traynor's dissenting opinion in *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95, 101 (1950).

<sup>46</sup> *Op cit supra*, note 44.

Is plaintiff's work original? And how far and to what extent may the courts protect the expression and arrangement of ideas?

The doctrine of fair use which has been described by the Second Circuit Court of Appeals "as the most troublesome in the whole law of copyright"<sup>47</sup> is obviously applicable to radio and television broadcasting. In *Associated Music Publishers Inc. v. Debs Memorial Radio Fund, Inc.*, there was an unlicensed broadcast of one part of a four-part musical composition. The time consumed was approximately six minutes, or about one-third of the time required for the performance of the entire work. This was not considered a fair use of the composition.<sup>48</sup>

We have discussed elsewhere the economic significance of performing rights to composers and publishers.<sup>49</sup> It is believed that the English, Canadian and American courts have unduly penalized consumers of music when they hold that the fragmentary use of a song, provided it is identifiable, constitutes an infringing use. Thus in the oft-cited *Colonel Bogey* case, twenty-eight bars of a march, consuming twenty seconds of playing time was considered an infringing use.<sup>50</sup> The liability imposed on consumers of music by the *Colonel Bogey* case is too severe. Since radio and television stations are required to broadcast such public events as parades, etc., it is surprising that the books do not contain additional cases akin to the *Colonel Bogey* decision. It is believed that the rule of absolute liability, as expressed by the *Colonel Bogey* and related decisions be modified, and that the doctrine of fair use be employed, particularly when there is an unintentional and fragmentary use of a copyrighted song.

The doctrine of fair use when applied to television intensifies

<sup>47</sup> *Dellar v. Samuel Goldwyn, Inc.*, 104 F2d 661 (2d Cir 1939); *MacDonald v. Du Maurier*, 144 F2d 696 (2d Cir 1944).

<sup>48</sup> *Associated Music Publishers Inc. v. Debs Memorial Radio Fund Inc.*, 46 FSupp 829 (DC NY 1942), *aff'd*, 141 F2d 852 (2d Cir 1944) cert den, 323 US 766, 65 Sct 120, 89 LEd 613 (1944). *Cf. Select Theatres Corporation v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>49</sup> Ch XIII, "The Music Industry—ASCAP Story." § 130 ff.

<sup>50</sup> *Hawkes & Son Ltd. v. Paramount Film Service Ltd.*, 1 Ch 593, 50 TLR 315 (1934); *Canadian Performing Right Society v. Canadian National Exhibition*, OR 610 (1934). *Boosey v. Empire Music Co.*, 224 Fed 646 (DC NY 1915); *Hein v. Harris*, 175 Fed 875 (DC NY 1909) *aff'd*, 183 Fed 107 (2d Cir 1910). *Cf. Heim v. Universal Pictures Co.*, 154 Fed 2d 480 (2d Cir 1946) n 8.

its troublesome character. A television station will contend that the unauthorized reproduction of copyrighted visual works, viz. maps, work of art, photographs, is a fair use. The telecaster's arguments are as follows: the reproductions in a live telecast are transitory in nature; they are not intended to supplant the original copyrighted work; and because of their transitory nature, they do not compete or interfere with the distribution and objects of the original work.<sup>51</sup> Despite *Holt & Company v. Liggett & Myers Tobacco Company*<sup>52</sup> & *Warren v. White & Wycoff Mfg. Co.*<sup>53</sup> it is believed that the doctrine of fair use should be invoked by the courts particularly if the reproductions occasionally appear throughout the live telecast. It is believed that the doctrine of fair use should apply even if the reproductions are more than occasional reproductions. This is premised on the philosophy that transitory images cannot compete or interfere with the rights secured by Section 1(a) of the Copyright Code.<sup>54</sup>

If on the other hand, the reproductions are preserved on kinescope recordings, a producer or television network would be hard pressed to justify the defense of fair use in the light of the *Liggett & Myers* & the *Warren* decisions. Permanency is present because the reproductions are preserved on the film per se. As we have discussed elsewhere, liability would be imposed on the producer who recreates tangible copies of the copyrighted work on the film per se.<sup>55</sup> But if the unauthorized exhibition of a film does not infringe the printing, publishing and vending rights, because it is not a copy, it follows that the reproductions of copyrighted works viewed in the television home receiver is not a copy. The same argument can be made, viz., that the transitory images from a televised film do not compete with the original work. Thus a television station could make a persuasive argument that the reproductions in a receiver from a televised film are not copies, or if they are copies, they constitute a fair and not an infringing use of the copyrighted work. As stated previously, liability would be imposed on the producer of the film because the reproductions preserved on the film per se, although in a different medium, are copies.<sup>56</sup> Although

<sup>51</sup> *Infra*, § 154a.

<sup>52</sup> 23 FSupp 302 (DC Pa 1938).

<sup>53</sup> 39 F2d 922 (DC NY 1930).

<sup>54</sup> *Op cit supra*, note 51.

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

<sup>56</sup> *Cf.* *Fleischer Studios Inc. v.*

the reproductions on the film do not prejudice, supersede or compete with the original work, liability may be imposed upon the producer on the basis of the *Liggett & Myers & Warren* decisions. The majority of the cases hold that competition is a factor which must be considered in determining whether the use made of a copyrighted work is a fair or an infringing use.<sup>57</sup> But the *Liggett & Myers & Warren* cases do not consider competition as a prerequisite to the application of the doctrine of fair use. The commercial benefit which would accrue to the producer of a television film or a television station precludes the defense of fair use.<sup>58</sup> As we have stated previously the *Liggett & Meyers* decision goes too far and distorts the purposes and objectives of the Copyright Code.

*Freundlich, Inc.*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 S Ct 516, 79 LEd 1250 (1935); *King Features Syndicate v. Fleischer*, 299 Fed 533 (2d Cir 1924); *Jones Bros. v. Underkoffler*, 16 FSupp 729 (DC Pa 1936); *Bracken v. Rosenthal*, 151 Fed 136 (DC Ill 1907); *Rossiter v. Hall*, FCas No 12,083, 20 FCas 1,253 (CC NY 1866).

<sup>57</sup> *Infra*, § 154.

<sup>58</sup> The *Liggett and Myers* decision when read in conjunction with *Asso-*

*ciated Music Publishers Inc. v. Debs Memorial Radio Fund Inc.*, 46 FSupp 829 (DC NY 1942), *aff'd*, 141 F2d 852 (2d Cir 1944), cert den, 323 US 766, 65 S Ct 120, 89 LEd 613 (1944) suggests that the doctrine of fair use cannot be invoked by radio and television stations even if they are broadcasting sustaining programs. *Cf. Pittsburgh Athletic Club v. KQV Broadcasting Co.*, 24 FSupp 490 (DC Pa 1938).

## Chapter XVI

### MONETARY REMEDIES FOR INFRINGEMENT OF COPYRIGHTS

- § 160. Introduction.
- 161. Damages.
- 162. Profits.
- 163. Statutory Damages.
- 164. Costs and Attorney's Fees.

#### 160. INTRODUCTION.

The monetary remedies available a copyright proprietor are spelled out in section 101(b) of the Copyright Code :

“(b) *Damages and Profits; Amount; Other Remedies.*  
—To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only, and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits, such damages as to the court shall appear to be just, and in assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but in case of a newspaper reproduction of a copyrighted photograph, such damages shall not exceed the sum of \$200 nor be less than the sum of \$50, and in the case of the infringement of an undramatized or nondramatic work by means of motion pictures, where the infringer shall show that he was aware that he was infringing, and that such infringement could not have been reasonably foreseen, such damages shall not exceed the sum of \$100; and in the case of an infringement of a copyrighted dramatic or dramatico-musical work by a maker of motion pictures and his agencies for distribution thereof to exhibitors, where such infringer shows that he was not aware that he was infringing a copyrighted work, and that such infringements could not reasonably have been foreseen, the entire sum of such damages recoverable by the copyright proprietor from such infringing maker and his agencies for the distribution to exhibitors of such infringing motion picture shall not exceed the sum of \$5,000 nor be less than \$250, and such damages shall in no other

case exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty. But the foregoing exceptions shall not deprive the copyright proprietor of any other remedy given him under this law, nor shall the limitation as to the amount of recovery apply to infringements occurring after the actual notice to a defendant, either by service of process in a suit or other written notice served upon him.

First. In the case of a painting, statute, or sculpture, \$10 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Second. In the case of any work enumerated in section 5 of this title, except a painting, statute, or sculpture, \$1 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Third. In the case of a lecture, sermon, or address, \$50 for every infringing delivery;

Fourth. In the case of a dramatic or dramatico-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions, \$10 for every infringing performance.”<sup>1</sup>

This provision which was enacted in 1909,<sup>2</sup> radically changed the prior statutory law.<sup>3</sup> Prior to 1909, damages as distinguished from profits could not be recovered.<sup>4</sup> The Copyright Act of 1909 permitted recovery of actual damages.

Although copyright legislation prior to 1909 did not specifically authorize the recovery of profits, such recovery had been allowed in equity both in copyright and patent cases as appropriate equitable relief incident to a decree for an injunction.<sup>5</sup> Such relief was given in accordance with the principles governing equity jurisdiction, not to inflict punishment, but

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 101(b) (Supp 1951).

<sup>2</sup> Act of March 4, 1909, 35 STAT 1081 as amended by the Act of August 24, 1912, 37 STAT 489.

<sup>3</sup> RS 4946 as amended by Act of March 3, 1891, 26 STAT 1109; RS 4965 as amended by Act of March 2, 1895, 28 STAT 956.

<sup>4</sup> Social Register Association v. Murphy, 129 Fed 148 (CC RI 1904); Stevens v. Gladding, 17 How 447, 15 LEd 155 (1854). Cf. Belford, Clarke & Co. v. Scribner, 144 US 488, 12 SCT

734, 36 LEd 514 (1892). *aff'g*, 50 Fed 473 (CC Ill 1888); D'Ole v. Kansas City Star Co., 94 Fed 840 (CC Mo 1899).

<sup>5</sup> Sheldon v. Metro-Goldwyn Pictures Corporation, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 SCT 681, 84 LEd 825 (1940); Belford Clarke & Co. v. Scribner, 144 US 488, 12 SCT 734, 36 LEd 514 (1892); Callaghan v. Myers, 128 US 617, 9 SCT 177, 32 LEd 547 (1888); Stevens v. Gladding, 17 How 447, 15 LEd 155 (1854).

to prevent an unjust enrichment by allowing injured complainants to claim "that which, ex aequo et bono, is theirs, and nothing beyond this."<sup>6</sup> Statutory provision for the recovery of profits in patent cases was enacted in 1870.<sup>7</sup> The principle which was applied both prior to this statute and later was set forth in the leading case of *Tilghman v. Proctor*:

"The infringer is liable for actual, not for possible gains. The profits, therefore, which he must account for, are not those which he might reasonably have made, but those which he did make, by the use of the plaintiff's invention; or, in other words, the fruits of the advantage which he derived from the use of that invention over what he would have had in using other means then open to the public and adequate to enable him to obtain an equally beneficial result. If there was no such advantage in his use of the plaintiff's invention, there can be no decree for profits, and the plaintiff's only remedy is by an action at law for damages."<sup>8</sup>

Congress in passing the Copyright Act of 1909, intended to assimilate the remedy with respect to the recovery of profits to that already recognized in patent cases. This is clear from the legislative history of this provision, which is quoted in the margin.<sup>9</sup>

<sup>6</sup> *Livingston v. Woodworth*, 15 How 546, 560, 14 LEd 809 (1853). See *Root v. Lake Shore & M. S. Railway Co.*, 105 US 189, 26 LEd 975 (1882); *Amusement Corporation of America v. Mattson*, 138 F2d 693 (5th Cir 1943), cert den, 321 US 782, 64 Sct 639, 88 LEd 1074 (1943); *Continuous Glass Press Co. v. Schmertz Wire Glass Co.*, 219 Fed 199 (3d Cir 1915), cert den, 238 US 623, 35 Sct 661, 59 LEd 1494 (1915).

<sup>7</sup> Act of July 8, 1870, 16 STAT 198, 35 USCA § 70.

<sup>8</sup> *Tilghman v. Proctor*, 125 US 136, 146, 8 Sct 894, 31 LEd 664 (1888). See also: *Leman v. Krentler-Arnold Hinge Last Co.*, 284 US 488, 52 Sct 238, 76 LEd 389 (1932); *Swan Carburetor Co. v. Nash Motors Co.*, 133 F2d 562 (4th Cir 1943), cert den, 320 US 762, 64 Sct 36, 88 LEd 454 (1943); *Ersted v. Williamette Iron & Steel Works*, 28 F2d 960 (9th Cir 1928); *Ellett v. Klein*, 22 F2d 807

(DC Pa 1927); *Christensen v. National Brake & Electric Co.*, 10 F2d 856 (DC Wis 1926). *Dunkley Co. v. Central California Canneries*, 7 F2d 972 (9th Cir 1925); *Merrell-Soule Co. v. Powdered Milk Co.*, 2 F2d 107 (DC NY 1924).

<sup>9</sup> HRept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): "The provision that the copyright proprietor may have such damages as well as the profits which the infringer shall have made is substantially the same provision found in section 4921 of the Revised Statutes relating to remedies for the infringement of patents. The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater. As such a provision was found both in the trademark and patent laws, the committee felt that it might be properly included in the copyright laws."

Section 101(b) now provides three monetary remedies to the copyright proprietor whose rights are infringed:

(1) he may recover such damages as may have been suffered due to the infringement;

(2) he may recover all the profits which the infringer shall have made from such infringement;

(3) in lieu of damages and/or profits, he may recover fixed and arbitrary damages spelled out in the Copyright Code.

### 161. DAMAGES.

The difficulties confronting a copyright proprietor who seeks actual damages for infringement of his work are illustrated by the recent case of *Universal Pictures Co. Inc. v. Harold Lloyd Corporation*.<sup>1</sup> In this case the trial court which was affirmed on appeal, found that the defendants, Universal and Bruckman had willfully incorporated in their motion picture, "So's Your Uncle," a sequence of 57 consecutive scenes from Harold Lloyd's copyrighted motion picture photoplay, "Movie Crazy." The court awarded Lloyd \$40,000 in damages. Universal opposed this award of damages on the following grounds: (1) that the assessment was based on speculation and conjecture rather than facts; (2) that Lloyd's testimony and that of two other experts of what the profits would be on the re-issue or re-make of plaintiff's motion picture did not support the court's award of damages; (3) there can be no recovery of profits of a new and untried venture since there was no provable data of past business to use as a basis for anticipated profits; (4) there was no evidence of any market value on the re-issue and re-make rights; (5) statutory damages should not be awarded where actual damages or profits are shown; (6) damages should not exceed \$5,000 since there was no knowledge of infringement.

Lloyd cross-appealed from the judgment of damages. He claimed that the damages were inadequate. Lloyd contended that his general damages were \$200,000 and that his special damages arising from the destruction of re-issue and re-make rights were \$200,000.

The court considered the following evidence in assessing

<sup>1</sup> 162 F2d 354 (9th Cir 1947).

damages of \$40,000: "Movie Crazy" cost \$652,853.86 to produce; distribution costs were \$414,010.14; it took 21 months to produce the picture; the cost of 11 writers to write the story was \$66,773.67; the gross income from distribution was \$1,439,182.21 and the net profit was approximately \$400,000; the infringing sequence cost the appellee approximately \$188,000; the infringing picture was exhibited in 6,636 theatres throughout the United States with approximately 30,000 infringing performances.

In copyright cases just as in patent cases, uncertainty as to the amount and extent of damages will not deprive the copyright proprietor of his recovery. To quote Mr. Justice Cardozo in a patent case: "This is not a case where the recovery can be measured by the current prices of a market. A patent is a thing unique. There can be no contemporaneous sales to express the market value of an invention that derives from its novelty its patentable quality. . . . But the absence of a market value does not mean that the offender shall go quit of liability altogether. The law will make the best appraisal that it can, summoning to its service whatever aids it can command. . . . At times the only evidence available may be that supplied by testimony of experts as to the state of the art, the character of the improvement, and the probable increase of efficiency or saving of expense. . . . Value for exchange is not the only value known to the law of damages. There are times when heed must be given to value for use, if reparation is to be adequate. . . . The market test failing, there must be reference to the values inherent in the thing itself, whether for use or for exchange."<sup>2</sup>

<sup>2</sup> *Sinclair Refining Co. v. Jenkins Petroleum Process Co.*, 289 US 689, 697, 699, 53 S Ct 736, 77 L Ed 1449 (1933); *Story Parchment Co. v. Paterson Parchment Co.*, 282 US 555, 562, 563, 51 S Ct 248, 75 L Ed 544 (1931): ". . . In such case, while the damages may not be determined by mere speculation or guess, it will be enough if the evidence shows the extent of the damage as matter of just and reasonable inference, although the result be only approximate. The wrongdoer is not entitled to complain that they cannot be measured with the exactness and the precision that would be possible if the case, which he alone is respon-

sible for making were otherwise." See also: *Brunswick-Balke Collendar Co. v. American Bowling & Billiard Corp.*, 150 F2d 69 (2d Cir 1945); *Package Closure Corporation v. Sealright Co.*, 141 F2d 972 (2d Cir 1944); *Straus v. Victor Talking Machine Co.*, 297 Fed 791, 802 (2d Cir 1924); See also: *Permanente Metals Corp. v. Pista*, 154 F2d 568 (9th Cir 1946); *Roseland v. Phister Mfg. Co.*, 125 F2d 417 (7th Cir 1946); *Hawkinson v. Johnston*, 122 F2d 724 (8th Cir 1941), cert den, 314 US 694, 62 S Ct 365, 86 L Ed 555 (1941); *Matarese v. Moore-McCormick Lines*, 158 F2d 631 (2d Cir 1946).

The rule which precludes the recovery of uncertain damages applies to such as are not the certain result of the wrong, not to those damages which are definitely attributable to the wrong and only uncertain in respect to their amount. Although damages may not be determined by mere speculation or guess, it is sufficient if the evidence shows the extent of the damage as a matter of just and reasonable inference. "The most elementary conceptions of justice and public policy require that the wrongdoer shall bear the risk of uncertainty which his own wrong has created."<sup>3</sup>

From a practical point of view the best yardstick evolved for proving damages is the plaintiff's and other expert testimony as to the value of the misappropriated property.<sup>4</sup> Thus an expert may testify as to the value of a play,<sup>5</sup> unpublished manuscript,<sup>6</sup> or program ideas.<sup>7</sup> One or two cases have suggested that if the infringing work competes with the plaintiff's copyrighted work, the latter may recover as damages, the profits he would have realized on the sales he would have made, had not the infringing work prevented his making such sales.<sup>8</sup> A recent decision by analogy to the patent cases has suggested that the profits of an infringer under certain circumstances may be of aid in evaluating damages.<sup>9</sup> However proof of profits is of no avail in estimating the damages, unless further evidence is produced from which the court or jury can legitimately infer, that but for the infringement, the profits realized by the infringer, or some definite portion thereof,

<sup>3</sup> Bigelow v. RKO Radio Pictures Inc., 327 US 251, 66 S Ct 574, 580, 90 L Ed 652 (1946); Straus v. Victor Talking Machine Co., 297 Fed 791, 802 (2d Cir 1924): "The constant tendency of the courts is to find some way in which damages can be awarded where a wrong has been done. Difficulty of ascertainment is no longer confused with right of recovery."

<sup>4</sup> Universal Pictures Co. v. Harold Lloyd Corporation, 162 F2d 354 (9th Cir 1947).

<sup>5</sup> Golding v. RKO Pictures Inc., 35 Cal2d 690, 221 P2d 95 (1950).

<sup>6</sup> Barsha v. Metro-Goldwyn-Mayer Corp., 32 CalApp2d 556, 90 P2d 371 (1939).

<sup>7</sup> Stanley v. Columbia Broadcasting

System, 35 Cal2d 653, 221 P2d 73 (1950); Kovacs v. Mutual Broadcasting System, 221 P2d 108 (CalApp 1950); Yackoe v. Fields, 66 CalApp2d 150, 151 P2d 906 (1944).

<sup>8</sup> Sammons v. Larkin, 126 Fed 341 (1st Cir 1942); Gross v. Van Dyke Gravure Co., 230 Fed 412 (2d Cir 1916); Woodman v. Lydiard Peterson Co., 192 Fed 67 (DC Minn 1912). See also: Cravens v. Credit Men's Association, 26 F2d 832 (DC Tenn 1924).

<sup>9</sup> Lundberg v. Welles, 93 FSupp 359, 362 (DC NY 1950): "While defendant need not account for profits in an action at law, it does not follow that an inquiry into profits will be wholly irrelevant to the assessment of damages."

would have been realized by the patentee.<sup>10</sup> In some instances the inference is readily drawn, especially in those cases where both parties are shown to have had equal facilities for the manufacture of the patented device and the latter is in itself a complete machine or compound, in all respects new, and the inventor has elected to realize on his invention by manufacturing and selling the patented machine or article; but in most other cases proof that a defendant has made large profits furnishes in itself no basis for a correct estimate of the injury sustained by the patentee. "It does not follow that what the infringer has made, the patentee, as a proximate result of the infringement has lost; and there is no presumption, either of law or fact, that the actual damage done to the patentee is commensurate with the gains of the infringer."<sup>11</sup>

It has likewise been suggested that the "reasonable royalty" rule be employed to establish damages. This rule permits a patentee to show an established royalty as indicative of the value of what was taken, hence it affords a basis of measuring damages.<sup>12</sup> Even when the patent has been kept a close monopoly, it is "permissible to show the value by proving what would have been a reasonable royalty, considering the nature of the invention, its utility and advantages, and the extent of the use involved."<sup>13</sup> However, the *Widenski* case has stated that the "reasonable royalty" rule is not in terms applicable to copyright litigation. The court held that the statutory damages prescribed by the Copyright Code was a substitute for the "reasonable royalty" rule developed in the patent cases.<sup>14</sup>

<sup>10</sup> *Burdell v. Denig*, 92 US 716, 23 LEd 764 (1876); *Seymour v. McCormick*, 16 How 480, 14 LEd 1024 (1853).

<sup>11</sup> *Royer v. Shutz Belting Co.*, 45 Fed 51, 52-53 (DC Mo 1891) appeal dismissed, 154 US 515, 14 SCt 1152, 38 LEd 1075 (1894). See also *Burdell v. Denig*, 92 US 716, 23 LEd 764 (1876); *Tilghman v. Proctor*, 125 US 136, 145-46, 8 SCt 894, 31 LEd 664 (1884); *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942).

<sup>12</sup> *Dowagiac Mfg. Co. v. Minnesota Plow Co.*, 235 US 641, 35 SCt 221, 59 LEd 398 (1915); *Suffolk Co. v. Hayden*, 70 US 315, 18 LEd 76 (1866);

*United States Frumentum Co. v. Lauhoff*, 216 Fed 610 (6th Cir 1914); *Binger v. Unger*, 7 FRD 121 (DC NY 1946); *Brewster v. Technicolor Inc.*, 2 FRD 186 (DC NY 1941). Cf. *Swarthmore Junior, Inc. v. Miss Greeley Junior Frocks, Inc.*, 52 FSupp 992 (DC NY 1943).

<sup>13</sup> *Dowagiac Mfg. Co. v. Minnesota Plow Co.*, 235 US 641, 648, 35 SCt 221, 59 LEd 398 (1915).

<sup>14</sup> *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909 (1st Cir 1945); *Lundberg v. Welles*, 93 FSupp 359 (DC NY 1950).

A copyright proprietor who seeks compensation via proof of actual damages is confronted with a difficult task. In many instances the damages resulting from the infringement of a copyrighted work which is not sold, but which is used for advertising purposes, cannot be measured directly in loss of sales.<sup>15</sup> Similarly the copyright proprietor of a song would be hard pressed to show actual damages because of the unauthorized performance of his musical composition.<sup>16</sup> The onerous and almost impossible task of proving actual damages, has prompted the courts to award the statutory damages prescribed by the Copyright Code.<sup>17</sup>

To return to *Universal Pictures Co. Inc. v. Harold Lloyd Corporation*, the plaintiff relied on his own testimony and that of other experts to prove actual damages. The court relied on this testimony since it showed that the picture's value had been lessened by the defendants' appropriation of an important sequence.

Another factor considered by the court in assessing damages was that "Movie Crazy" was a world-wide success when first shown; it realized \$400,000 in profits during a world depression. "These facts are proper items for consideration of value."

The court likewise took into account the re-issue and re-make rights of the picture. Although the testimony was conflicting on the value of these rights, the court considered the age of the picture, popularity of the star at the time the picture was produced, etc.

The defendants sought to restrict recovery to the maximum

<sup>15</sup> *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 384 (DC Ohio 1934). *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942): "It is often difficult, for obvious reasons, to make satisfactory proof of damages and the plaintiffs did not attempt to do so in the case at bar."

<sup>16</sup> *Buck v. Milam*, 32 F2d 622 (DC Idaho 1929); *Cf. Douglas v. Cunningham*, 294 US 207, 55 Sct 365, 79 LEd 862 (1935); *Jewell La-Salle Realty Co. v. Buck*, 283 US 202, 51 Sct 407, 75 LEd 978 (1931).

<sup>17</sup> *Cf. Washingtonian Publishing Co. v. Pearson*, 78 USApp DC 287, 140 F2d 465 (1944); *Toksvig v. Bruce*

*Publishing Co.*, 181 F2d 644 (7th Cir 1950); *Malsed v. Marshall Field Co.*, 96 FSupp 372 (DC Wash 1951); *Bigelow v. RKO Radio Pictures, Inc.*, 327 US 251, 255, 66 Sct 574, 90 LEd 652 (1946); *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909, 911 (1st Cir 1945); *Burdy Engineering Co. Inc. v. Sheldon Service Corporation*, 39 FSupp 274 (DC NY 1941); *Sheldon v. Metro-Goldwyn Pictures Corporation*, 309 US 390, 60 Sct 681, 84 LEd 825 (1940); *Johns & Johns Printing Co. v. Paull-Pioneer Music Corp.*, 102 F2d 282 (8th Cir 1939); *Douglas v. Cunningham*, 294 US 207, 209, 55 Sct 365, 79 LEd 862 (1935).

statutory damages of \$5,000 on the ground that they were unaware of the infringement. Section 25(b) of the Copyright Act of 1909, now § 101(b) provides in part: “. . . and in the case of an infringement of a copyrighted dramatic or dramatic-musical work by a maker of motion pictures and his agencies for distribution thereof to exhibitors, where such infringer shows that he was not aware that he was infringing a copyrighted work, and that such infringements could not reasonably have been foreseen, the entire sum of such damages recoverable . . . shall not exceed the sum of \$5,000 . . . nor shall the limitation as to the amount of recovery apply to infringements occurring after the actual notice to a defendant, either by service of process in a suit or other written notice served upon him.”<sup>18</sup> The defendants could not invoke this clause since the trial court concluded that both defendants had full knowledge that they were infringing plaintiff's copyright; more importantly, the evidence adduced by plaintiff as to its actual damages precluded the court from applying the statutory damages prescribed by the act.

Another issue tendered by this case was whether the doctrine of laches could be invoked to preclude either recovery of profits or damages. Defendants claimed that there was an unexplained delay of 15 months before plaintiff asserted its claim for copyright infringement. The general rule applied by the courts is that a copyright proprietor may not deliberately delay the prosecution of a suit and pile up damages or speculate without risk with another's money to determine the success of the exploitation.<sup>19</sup> This rule does not apply where the infringer is a deliberate pirate.<sup>20</sup>

On the cross-appeal, Lloyd contended that the statute permits recovery of both profits and damages. The plain language of the statute, viz., that the copyright proprietor shall recover damages “as well as all the profits,” appears une-

<sup>18</sup> 17 U.S.C.A. § 101(b) (Supp. 1951).

<sup>19</sup> *Haas v. Leo Feist Inc.*, 234 Fed 106, 108 (DC NY 1916); *West Publishing Co. v. Edward Thompson Co.*, 176 Fed 833, 836 (2d Cir 1910); *Wiegand Co. v. Trent Co.*, 122 F2d 920 (3d Cir 1941), cert den, 316 US 667, 62 S Ct 1033, 86 LEd 1743 (1941); *Haynes & Co. v. Druggists Circular*, 32 F2d 215 (2d Cir 1929); *McMahon*

*v. Harms Inc.*, 42 FSupp 779 (DC NY 1942); *Egner v. Schirmer Music Co.*, 48 FSupp 187 (DC Mass 1942), *aff'd*, 139 F2d 398 (1st Cir 1943), cert den, 322 US 730, 64 S Ct 747, 88 LEd 1565 (1944). *Cf. Khan v. Leo Feist Inc.*, 70 FSupp 450 (DC NY 1947), *aff'd*, 165 F2d 188 (2d Cir 1948).

<sup>20</sup> *Haas v. Leo Feist Inc.*, 234 Fed 106, 108 (DC NY 1916).

quivocal.<sup>21</sup> The text-writers<sup>22</sup> and several of the cases<sup>23</sup> hold that damages and profits are cumulative remedies. But the legislative history which is quoted in the margin, by analogy to the patent infringement cases, suggests that the copyright proprietor may have either profits or damages, whichever is greater, but not both.<sup>24</sup> However, an examination of the patent infringement cases discloses that although the statute does not permit the recovery of profits plus damages, the patentee has his choice of what is, in substance the same, the profits plus any damages in excess thereof.<sup>25</sup>

<sup>21</sup> *Op cit supra*, note 1.

<sup>22</sup> Ball, *Law of Copyright and Literary Property* (1944) 624, 627; Ladas, *International Protection of Literary and Artistic Property* (1939) 824; Amdur, *Copyright Law and Practice* (1936) 1112; Weil, *Copyright Law* (1917) 467.

<sup>23</sup> *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 384 (DC Ohio 1934): "Copyrights, like patents, are monopolies for a limited time, granted by the federal government, and accountings in copyright cases are comparable to accountings in patent cases except that under the Copyright Law a plaintiff is entitled not only to the profits of defendants, but also an amount equivalent to the damage it has suffered"; *Hendricks v. Thomas Publishing Co.*, 242 Fed 37 (2d Cir 1917). *Cf. Lundberg v. Welles*, 93 FSupp 359 (DC NY 1950); *Malsed v. Marshall Field Co.*, 96 FSupp 372 (DC Wash 1951); *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942); *See Woolworth Co. v. Contemporary Arts, Inc.*, 193 F2d 162 (1st Cir. 1951); *Advertisers Exchange, Inc. v. Hinkley*, 95 USPQ 124 (8th Cir 1952).

<sup>24</sup> HRept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): "The provision that the copyright proprietor may have such damages as well as the profits which the infringer shall have made is substantially the same provision found in section 4921 of the Revised Statutes relating to remedies for the infringement of patents. The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the

greater. As such a provision was found in the trade-mark and patent laws, the committee felt that it might properly be included in the copyright laws."

<sup>25</sup> *Mathey v. United Shoe Machinery Corporation*, 54 FSupp 694 (DC Mass 1944); *Goodyear Tire & Rubber Co. v. Overman Cushion Tire Co.*, 95 F2d 978 (6th Cir 1938), cert dismissed, 306 US 655, 59 SCT 459, 83 LEd 1061 (1938); *Hoeltke v. Kemp Mfg. Co.*, 80 F2d 912 (4th Cir 1936), cert deu, 298 US 673, 56 SCT 938, 80 LEd 1395 (1936). *See also: Birdsall v. Coolidge*, 93 US 64, 23 LEd 802 (1876); *Expanded Metal Co. v. General Fireproof Co.*, 247 Fed 899 (DC Ohio 1917); *Metallic Rubber Tire Co. v. Hartford Rubber Works Co.*, 245 Fed 860 (DC Conn 1917). *Cf. Baseball Display Co. Inc. v. Star Ballplayer Co.*, 35 F2d 1 (3d Cir 1929); *Booth v. Stutz Car Co.*, 56 F2d 962 (6th Cir 1932); *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 US 203, 208, 62 SCT 1022, 86 LEd 1381 (1942): "If the petitioner suffered damages beyond the loss of profits, the decree should provide for the assessment of such damages. . . ." For trade-mark cases where damages and profits were assessed against an infringer, *see: Hamilton-Brown Shoe Co. v. Wolf Brothers & Co.*, 240 US 251, 36 SCT 269, 60 LEd 629 (1916); *Anchor Stove & Range Co. v. Rymcr*, 97 F2d 689 (6th Cir 1938); *Champion Spark Plug Co. v. Reich*, 34 FSupp 414 (DC Mo 1941); *Larson Jr. Co. v. Wrigley Jr. Co.*, 20 F2d 830 (7th Cir 1927), reversed in part, 277 US 97, 46 SCT 449, 72 LEd 800 (1928).

There is a patent conflict between the plain language of the statute and the legislative explanation of this provision. It is believed that the so-called legislative intent of Congress must yield to the unequivocal language of the statute which specifically states that damages as well as profits may be recovered. As stated previously, a copyright proprietor seldom if ever seeks actual damages in an infringement suit.<sup>26</sup> In the great majority of cases, actual damages cannot be measured in dollars and cents. Thus a copyright proprietor will request monetary compensation by an accounting of the profits which have inured to the infringer, or will petition the court for statutory damages.

### 162. PROFITS.

Section 101(b) provides that the copyright proprietor shall recover "all of the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only, and the defendant shall be required to prove every element of cost which he claims."<sup>1</sup>

The problems confronting the courts in authorizing the recovery and apportionment of profits are illustrated by the oft-cited *Letty Lynton* case.<sup>2</sup> In that case, it was held that the motion picture "Letty Lynton" produced by Metro-Goldwyn Pictures Corp. (M-G-M) infringed plaintiffs' play, "Dishonored Lady". Plaintiffs' play was based upon the trial in Scotland, in 1857, of Madeleine Smith for the murder of her lover—a cause célèbre, included in the series of "Notable British Trials" which was published in 1927. The play was copyrighted as an unpublished work in 1930 and was produced here and abroad. M-G-M took the title of their motion picture, "Letty Lynton" from a novel of that name, written by an English author, Mrs. Belloc Lowndes, and published in 1930. That novel was also based upon the story of

<sup>26</sup> *Op cit supra*, notes 15 to 17 inclusive.

<sup>1</sup> HRept No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): "The provision in subsection (b) that in proving profits the plaintiff shall be required to prove sales only, etc., is taken from the existing law relating to trade-marks."

<sup>2</sup> *Sheldon v. Metro-Goldwyn Pic-*

*tures Corporation*, 7 FSupp 837 (DC NY 1934) reversed, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936), remanded for final accounting, 42 USPQ 238 (DC NY 1938), reversed, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 Sct 681, 84 LEd 825 (1940).

Madeleine Smith and the motion picture rights were bought by the defendant. M-G-M negotiated for the motion picture rights of plaintiffs' play; the price had been fixed at \$30,000, but these negotiations fell through.

The Circuit Court of Appeals found that defendant in producing the motion picture worked over old material; "the general skeleton was already in the public demesne. A wanton girl kills her lover to free herself for a better match; she is brought to trial for the murder and escapes." The court concluded that defendant resorted to plaintiffs' copyrighted play. M-G-M was not an innocent offender. Defendant to quote the court, "deliberately lifted the play"; its "borrowing was a deliberate plagiarism."<sup>3</sup>

The circuit court of appeals issued an injunction and directed the district court to render a final accounting. The district court referred the matter to a special master. The district and the appellate courts affirmed the following findings of fact and conclusions of law:

1. The gross sum realized from the sales and exhibition of the picture totaled \$1,655,269.15.

2. Production, exhibition and distribution costs totaled \$1,067,664.78.

3. M-G-M's net profit from the picture was \$587,604.37.

4. Much of the popularity and hence profits of the picture were attributable to its stars, Joan Crawford and Robert Montgomery. This picture, when released to exhibitors under a block-booking arrangement, was listed as "Production No. 208, Joan Crawford, No. 2."

5. Other factors contributing to the "profits" were the skill and reputation of the producer, the director, the scenery and costumes used, and the extent of advertising.

The first issue tendered was whether plaintiffs should be awarded all of the net profits. Prior to this decision a long line of cases held that there could be no apportionment of the profits in relation to the respective factors that contributed to it. This holding was based on the common law doctrine of confusion of goods. The courts were of the opinion that it was impossible to apportion profits accurately and that any such determination would be based entirely on speculation.

<sup>3</sup> 81 F2d 49 (2d Cir 1936); 106 F2d 45, 50 (2d Cir 1939).

Because of this difficulty the courts gave the entire profits to the plaintiff regardless of how small his contribution had been compared with the contribution of the infringer. To prevent any possibility of the tortfeasor profiting from his wrongdoing, and to avoid a matter involving difficult calculations the courts allowed the admitted injustice caused, by giving all to the plaintiff.<sup>4</sup> Thus in *Dam v. Kirk La Shelle Co.* wherein a stage play infringed a copyrighted story, plaintiff recovered all of the profits from the play despite the relative importance or unimportance of the copyrighted and uncopyrighted material used.<sup>5</sup>

The district court in the *Letty Lynton* case thought it "punitive and unjust" to award all of the net profits to plain-

<sup>4</sup> *Mawman v. Tegg*, 2 Russ 385 (1826); *Belford & Clarke Co. v. Scribner*, 144 US 488, 12 SCt 734, 36 LEd 514 (1892); *Callaghan v. Myers*, 128 US 617, 9 SCt 177, 32 LEd 547 (1888) *aff'd*, 24 Fed 636 (CC Ill 1885); *Cf. Hartford Printing Co. v. Hartford Directory & Publishing Co.*, 146 Fed 332 (CC Conn 1906); Dissenting opinion of Judge McCormick in *Harold Lloyd Corporation v. Witwer*, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 SCt 94, 78 LEd 1507 (1933). The trade-mark cases have applied the principle of confusion of goods: *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 US 251, 262, 36 SCt 269, 60 LEd 629 (1913), quoting with approval from *Graham v. Plate*, 40 Cal 593, 6 AmRep 639 (1871): "In the very nature of the case it would be impossible to ascertain to what extent [the defendant] could have effected sales and at what prices except for the use of the trade-mark. No one will deny that on every principle of reason of justice the owner of the trade-mark is entitled to so much of the profit as resulted from the use of the trade-mark. The difficulty lies in ascertaining what proportion of the profit is due to the trade-mark, and what to the intrinsic value of the commodity; and as this cannot be ascertained with any reasonable certainty, it is more consonant with reason and justice that the owner of the trade-mark should have the whole profit than that he should be

deprived of any part of it by the fraudulent act of the defendant. It is the same principle which is applicable to a confusion of goods. If one wrongfully mixes his own goods with those of another, so that they cannot be distinguished and separated, he shall lose the whole, for the reason that the fault is his; and it is but just that he should suffer the loss rather than an innocent party, who in no degree contributed to the wrong." Mr. Justice Frankfurter in *Mishawaka Rubber and Woolen Mfg. Co. v. Kresge Co.*, 316 US 203, 62 SCt 1022, 86 LEd 1381 (1942): "There may well be a windfall to the trade-mark owner where it is impossible to isolate the profits which are attributable to the use of the infringing mark. But to hold otherwise would give the windfall to the wrongdoer. In the absence of his proving to the contrary, it promotes honesty and comports with experience to assume that the wrongdoer who makes the profits from the sales of goods bearing a mark belonging to another was enabled to do so because he was drawing upon the good will generated by that mark." See also, *Century Distilling Co. v. Continental Distilling Co.*, 86 FSupp 503 (DC Pa 1949); *Nester Glass Co. v. United Drug Co.*, 53 FSupp 744 (DC Mo 1944), *aff'd*, 149 F2d 671 (8th Cir 1945).

<sup>5</sup> *Dam v. Kirke La Shelle Co.*, 166 Fed 589 (CC NY 1908), *aff'd*, 175 Fed 902 (2d Cir 1910).

tiffs. The court said that if that were done, plaintiffs would receive the profits that the motion picture stars had made for the picture "by their dramatic talent and the drawing power of their reputations." "The directors who supervised the production of the picture and the experts who filmed it also contributed in piling up these tremendous net profits." The court thought an allowance to petitioners of 25 percent of these profits "could be justly fixed as a limit beyond which complainants would be receiving profits in no way attributable to the use of their play in the production of the picture."<sup>6</sup> But, though holding these views, the district court awarded all of the net profits to plaintiffs feeling bound by *Dam v. Kirk La Shelle Co.*<sup>7</sup>

The appellate court per Judge Learned Hand, was satisfied that but a small part of the net profits was attributable to the infringement, and, fully recognizing the difficulty in finding a satisfactory standard, the court decided that there should be an apportionment and that it could fairly be made. The court was resolved "to avoid the one certainly unjust course of giving the plaintiffs everything, because the defendants cannot with certainty compute their own share." The court would not deny "the one fact that stands undoubted," and, making the best estimate it could, fixed plaintiffs' share at one-fifth or 20 per cent of the net profits, considering that to be a figure "which will favor the plaintiffs in every reasonable chance of error."<sup>8</sup>

The Supreme Court affirmed the lower court's opinion and concluded that "the Copyright Act and our decisions leave the matter [of apportionment] to the appropriate exercise of the equity jurisdiction upon an accounting to determine the profits 'which the infringer shall have made from such infringement.'"<sup>9</sup>

The Supreme Court was impressed by the patent infringement cases wherein plaintiff's patent covers only a part of a machine and creates only a part of the profits. The patented invention may have been used in combination with additions or valuable improvements made by the infringer and each may have contributed to the profits.<sup>10</sup> Although it is impossi-

<sup>6</sup> 40 USPQ 238 (DC NY 1938).

<sup>7</sup> *Op cit supra*, note 5.

<sup>8</sup> 106 F2d 45 (2d Cir 1939).

<sup>9</sup> 309 US 390 (1940), *op cit supra* note 2.

<sup>10</sup> *Elizabeth v. American Nicholson*

ble to effectuate an apportionment of profits which is mathematically exact, all that is required is a "reasonable approximation," which usually can be attained "through the testimony of experts and persons informed by observation and experience." Testimony of this character is "generally helpful and at times indispensable in the solution of such problems." The result to be accomplished "is a rational separation of the net profits so that neither party may have what rightfully belong to the other."<sup>11</sup> The Supreme Court concluded that the foregoing principles were applicable to the copyright infringement cases.

To quote from the Court's opinion:

"The controlling fact in the determination of the apportionment was that the profits had been derived, not from the mere performance of a copyrighted play, but from the exhibition of a motion picture which had its distinctive profit-making features, apart from the use of any infringing material, by reason of the expert and creative operations involved in its production and direction. In that aspect the case has a certain resemblance to that of a patent infringement, where the infringer has created profits by the addition of non-infringing and valuable improvements. And, in this instance, it plainly appeared that what respondents had contributed accounted for by far the larger part of their gains."<sup>12</sup>

The Supreme Court affirmed the lower court's finding that plaintiff's were entitled to 20 per cent of the net profits. The testimony showed quite clearly that in the creation of the profits from the exhibition of the picture, the talent and popularity of the "motion picture stars" was the main drawing power of the picture. Other factors contributing to the profits were found in the artistic conceptions and in the expert

Pavement Co., 97 US 126, 24 LEd 1000 (1878); Westinghouse Electric & Mfg. Co. v. Wagner Electric & Mfg. Co., 225 US 604, 56 LEd 1222 (1912); Gotham Silk Hosiery Co. v. Artercraft Silk Hosiery Mills, 147 F2d 209 (3d Cir 1945); Clark v. Schieble Toy & Novelty Co., 248 Fed 276 (6th Cir 1917); Seeger Refrigerator Co. v. American Car & Foundry Co., 212 Fed 742 (DC NJ 1914), reversed on other grounds, 219 Fed 565 (3d Cir 1915); Cf. Swan Carburetor Co. v. Nash

Motors Co., 133 F2d 562 (4th Cir 1943), cert den, 320 US 762, 64 Sct 36, 88 LEd 454 (1943).

<sup>11</sup> *Dowagiac Mfg. Co. v. Minnesota Moline Plow Co.*, 235 US 641, 647, 35 Sct 221, 59 LEd 398 (1915). Cf. *Hamilton-Brown Shoe Co. v. Wolf Brothers & Co.*, 240 US 251, 36 Sct 269, 60 LEd 629 (1916) and *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 US 203, 62 Sct 1022, 86 LEd 1381 (1942).

<sup>12</sup> *Op cit supra*, note 9.

supervision and direction of the various processes which made possible the composite result with its attractiveness to the public.

The Supreme Court reviewed the testimony estimates of the expert witnesses, all of whom agreed that the portion of the profits attributable to the use of the copyrightable play was very small. "Their estimates given in percentages of receipts ran from 5 to 12 per cent; the estimate apparently most favored was 10 per cent as to the limit. The award of 20 per cent to plaintiffs gave them the benefit of every doubt."<sup>13</sup>

The allocation of 20 per cent of the profits of an infringing motion picture to the copyright proprietor has been followed in other cases. Thus in a companion case to the *Letty Lynton* decision, wherein the same plaintiff sought an accounting of the profits from a motion picture exhibitor, the court applied the same standard of apportionment, i.e., 20 per cent of the profits derived from the exhibition of the picture in the theatre.<sup>14</sup> In the *Stonesifer* case, wherein defendant's motion picture was considered an infringement of a dramatic production, the 20 per cent apportionment rule was applied.<sup>15</sup> Finally, in *Universal Pictures Co. v. Harold Lloyd Corporation*,<sup>16</sup> the court affirmed the 20 per cent apportionment rule under the following circumstances. It will be recalled that the court awarded Lloyd \$40,000 in damages; it refused to award Lloyd all or any portion of the profits which Universal received, since the "actual damages suffered by plaintiff [Lloyd] due to said copyright infringements exceeds the aggregate amount of profits made, received and derived from such copyright infringement."<sup>17</sup> Lloyd cross-appealed, claiming that the court should have awarded him profits as well as damages; he also contended that the trial court erred "in apportioning 20 per cent of Universal's profits to their copyright infringement." The appellate tribunal affirmed the trial court's jurisdiction and discretion in awarding 20 per cent as a proper apportionment of profits for the contribution of the infringing sequences.

The court's opinion is confusing since it had previously

<sup>13</sup> *Id.*

<sup>14</sup> *Sheldon v. Moredall Realty Corporation*, 29 FSupp 729 (DC NY 1939).

<sup>15</sup> *Stonesifer v. Twentieth Century-*

*Fox Film Corporation*, 48 FSupp 196 (DC Cal 1942).

<sup>16</sup> 162 F2d 354 (9th Cir 1947).

<sup>17</sup> *Id.*

stated that plaintiff's recovery was limited to damages only, and not profits. The court's discussion of the 20 per cent apportionment rule suggests the following issue: may a court rely on the profits gained by an infringer as a standard for damages? We have discussed elsewhere, that, as a general rule, proof of profits made by an infringer is unreliable as an indication of the copyright proprietor's damages.<sup>18</sup> It is rather significant that both the plaintiff and the defendant objected to an apportionment of 20 per cent of the profits as the contribution of the infringing sequences. Both parties claimed there was no basis or measure of apportionment. In any event the appellate court affirmed the 20 per cent apportionment rule; however, it is believed that the foregoing standard cannot be employed as a measure of damages.

One further observation on the 20 per cent rule is warranted. It is doubtful that the Supreme Court in the *Letty Lynton* case intended the 20 per cent rule of apportioning profits be employed as a fixed standard in the apportionment cases. Within the last decade, the motion picture, radio and television industries have paid very substantial monies for novels, stage plays, etc. In view of these changed conditions, a persuasive argument could be made that the proprietors of copyrighted novels and plays, etc. which are infringed by motion pictures and radio television broadcasts are entitled to more than 20 per cent of the profits. How much more is a matter for the future consideration of the courts.

The doctrine of apportionment of the profits does not apply to all copyright infringement cases. It is employed only in those cases where it would be manifestly unjust to award all the profits to the copyright proprietor, particularly where the infringer's contribution to the profits clearly outweigh the profits attributable to the copyrighted material.<sup>19</sup> Thus in *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, which was an action for infringement of plaintiff's mezzotint drawings, one of the defendants contended that the doctrine of apportion-

<sup>18</sup> *Infra* § 161.

<sup>19</sup> *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 Sct 681, 84 LEd 825 (1940). But where there is a commingling of gains, the infringer must yield all the profits to the in-

jured party, unless he can make a separation of the profits to assure to the injured party all that justly belongs to him. *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941), vacated on other grounds, 126 F2d 341 (1st Cir 1942).

ment of the profits should be applied since the infringed matter did not contribute solely and exclusively to the profits derived by the defendants. The latter contended that although the subject matter of the print was the largest factor in the saleability of the reproduction, constituting more than half, the remainder was attributable to the reputation of the house, popularity of salesman, quality of the printing and the paper and price. The court rejected this argument since there was no evidence which indicated that any portion of the profits derived from the infringing prints was attributable to the "expert or creative operations" supplied by the defendant infringers.<sup>20</sup>

The plaintiff in a copyright infringement action may recover only the actual profits derived from the sales of an infringing work.<sup>21</sup> The Copyright Code simplifies the plaintiff's burden in establishing profits by providing that "in proving profits the plaintiff shall be required to prove sales only." Conversely the statute imposes the burden of proof on the defendant "to prove every element of cost which he claims". Although it is plaintiff's duty to provide the court with a base for the determination of the defendant's profits, this information is peculiarly within the defendant's knowledge. The Federal Rules of Civil Procedure furnish a plaintiff with adequate tools to obtain this information.<sup>22</sup>

The defendant is accountable for net profits, i.e., gross income less the costs properly incurred in that connection. Hence the burden is on the defendant to prove all elements of cost and deductions. Charges against profits must be itemized; they are not deductible if generalized.<sup>23</sup>

<sup>20</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts Inc.*, 86 FSupp 399 (DC NY 1949), *aff'd*, 191 F2d 99 (2d Cir 1951); *Davilla v. Brunswick-Balke Collender Co.*, 94 F2d 567 (2d Cir 1938), cert den, 304 US 572, 58 SCT 1040, 82 LEd 1536 (1938).

<sup>21</sup> *Id.*; *Callaghan v. Myers*, 128 US 617, 664, 9 SCT 177, 32 LEd 547 (1888); *Scribner v. Clark*, 50 Fed 473 (CC Ill 1888); *Cf. Barber Asphalt Paving Co. v. Standard Asphalt & Rubber Co.*, 30 F2d 281, 285 (7th Cir 1928).

<sup>22</sup> E.g., Federal Rules of Civil Procedure Rule 26: "Depositions Pending Action"; Rule 27: "Depositions Be-

fore Action or Pending Appeal"; Rule 30: "Depositions Upon Oral Examination"; Rule 31: "Depositions of Witnesses Upon Written Interrogatories"; Rule 33: "Interrogatories to Parties"; Rule 34: "Discovery and Production of Documents and Things for Inspection, Copying, or Photographing". See 4 Moore's Federal Practice (2d Ed 1950) for a detailed discussion of the foregoing rules.

<sup>23</sup> *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941), vacated on other grounds, 126 F2d 341 (1st Cir 1942); See also *Dickinson v. Thum Co.*, 8 F2d 570 (6th Cir 1925).

The following are permissible deductions :

1. General expenses including overhead costs. It is often difficult to determine what percentage of the infringer's general expenses is properly allocable to the infringing work. As a rule it can be determined by the ratio between the total sales of the entire business and those of the infringing work.<sup>24</sup> Thus in the *Letty Lynton* case, the proper distribution costs of the infringing picture were effected by dividing the total by the number of pictures distributed by the defendants in 1932. Judge Hand in discussing "overhead" in the same case, stated " 'Overhead' which does not assist in the production of the infringement should not be credited to the infringer; that which does should be; it is a question of fact in all cases." Overhead was allocated on the basis of cost of production.<sup>25</sup> A proper proportion of the general expenses incurred by the defendants in carrying on their business is deductible.<sup>26</sup> Thus in the *Bell* case, freight and cartage inward and outward, shipping and packing supplies, rent, etc., were proper deductions.<sup>27</sup> However, lumping such cost items together or failing to prove such alleged elements of cost precludes their allowance as deductions.<sup>28</sup>

2. Cost of material and labor. These are deductible costs. Actual and legitimate manufacturing costs are proper deduc-

<sup>24</sup> *Obear-Nester Glass Co. v. United Drug Co.*, 53 FSupp 744 (DC Mo 1944); *National Folding-Box & Paper Co. v. Dayton Paper-Novelty Co.*, 95 Fed 991, 996 (CC Ohio 1899). See also: *Duro Co. of Ohio v. Duro Co. of New Jersey*, 56 F2d 313 (3d Cir 1932).

<sup>25</sup> *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 S Ct 681, 84 LEd 825 (1940); *Sheldon v. Moredall Realty Corporation*, 29 FSupp 729 (DC NY 1939).

<sup>26</sup> *Tremaine v. Hitchcock*, 23 Wall 518, 528, 23 LEd 97 (1874): "We cannot see why the general expenses incurred by the defendants in carrying on their business, such expenses as store rent, clerk hire, fuel, gas portorage, etc., do not concern one part of their business as much as another. It may be said that the selling of a tremolo attachment did not add to their expenses, and therefore, that no part

of those expenses should be deducted from the price obtained for such an attachment. This is, however, but a partial view. The store rent, the clerk hire, etc., may, it is true, have been the same if that single attachment had never been bought or sold. So it is true that the general expenses of their business would have been the same if, instead of buying and selling one hundred organs, they had bought and sold only ninety-nine. But will it be contended that because buying and selling an additional organ involved no increase of the general expenses, the price obtained for that organ above the price paid was all profit? Can any part of the whole sold be singled out as justly chargeable with all the expenses of the business? Assuredly no."

<sup>27</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts Inc.*, 86 FSupp 399 (DC NY 1949).

<sup>28</sup> *Id.* at 415; *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942).

tible items.<sup>29</sup> So are commissions, sales discounts, and salaries. If the price paid for material and labor is falsified or is not strictly necessary, the item is disallowed or a reasonable price may be substituted.<sup>30</sup>

3. Reasonable waste, taxes (other than income taxes), interest on capital, insurance charges, building repairs, cartage, depreciation are deductible.<sup>31</sup> In the *Letty Lynton case*, the court permitted wastage, viz., continuities scrapped to be included in overhead.<sup>32</sup> It is doubtful whether the cost of defending an infringement suit would be a deductible item.<sup>33</sup>

4. Promotion and advertising expenses are deductible.<sup>34</sup> It is doubtful whether a defendant may claim as a deduction the salary of the person responsible for infringement.<sup>35</sup> Royalties payable to the author of an infringing play cannot be deducted. Where the defendant has purchased an infringing play, he can only deduct the reasonable value of an exclusive license for the period of the presentation and not the whole price paid for the play.<sup>36</sup>

5. Bad debts are deductible only to the extent that they are referable to the infringing work.<sup>37</sup>

6. The costs of unsold copies are deductible only from the profitable sales to which they relate.<sup>38</sup> In the *Bell case*, the defendant, Catalda Company, sought to deduct as a cost expense from the total sales price the amount expended by it for the entire number of prints purchased, including those unsold. The court held that credits or deductions allowable to the infringer were limited to those costs allocated to the

<sup>29</sup> *Id.*; *Hartford Printing Co. v. Hartford Directory Co.*, 148 Fed 470, 472 (CC Conn 1906); *Callaghan v. Myers*, 128 US 617, 9 S Ct 177, 32 L Ed 547 (1888).

<sup>30</sup> *Id.*; *Restatement, Torts* (1938) § 748, Comment b.

<sup>31</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts Inc.*, 86 F Supp 399 (DC NY 1949); *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 S Ct 681, 84 L Ed 825 (1940).

<sup>32</sup> *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F2d 45 (2d Cir 1939).

<sup>33</sup> *Cf. Duro Co. of Ohio v. Duro Co. of New Jersey*, 56 F2d 313 (3d Cir 1932).

<sup>34</sup> *Op cit supra* note 31; *Sammons*

*v. Larkin*, 126 F2d 341 (1st Cir 1942). See also: *Saxlehener v. Eisner & Mendelson*, 138 F2d 22 (2d Cir 1905); *Coca-Cola Co. v. Nashville Syrup Co.*, 215 Fed 527 (6th Cir 1914).

<sup>35</sup> *Duro Co. of Ohio v. Duro Co. of New Jersey*, 56 F2d 313 (3d Cir 1932); *Callaghan v. Myers*, 128 US 617, 9 S Ct 177, 32 L Ed 547 (1888).

<sup>36</sup> *Dam v. Kirke La Shelle Co.*, 189 Fed 842, 844 (DC NY 1911).

<sup>37</sup> *Duro Co. of Ohio v. Duro Co. of New Jersey*, 56 F2d 313 (3d Cir 1932); *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942).

<sup>38</sup> *Miles Laboratories v. American Pharmaceutical Co.*, 33 TMRp 14 (NYSup Ct 1942).

infringing prints actually sold. "It would be manifestly unjust to allow the defendant Catalda Company to reduce the amount of the plaintiff's recovery by permitting Catalda Company to deduct the total cost to it of all the infringing prints, including those unsold and under Court order, from the total sales price realized by Catalda Company from the infringing prints in fact sold on the market."<sup>39</sup>

7. Income taxes. In determining whether or not an infringer should be allowed a deduction for income taxes, the courts have drawn the line of demarcation as between an innocent infringer and a deliberate, conscious tortfeasor. If the infringement is unintentional, the income tax deduction is allowed.<sup>40</sup> Defendant may likewise deduct income tax payments where the infringement, although conscious, was open, was effected upon a good faith claim of a right to copy and was based on the alleged invalidity of the plaintiff's copyright.<sup>41</sup> On the other hand, where the infringement is a conscious and deliberate wrongdoing, the courts will not grant a credit of the income taxes paid by the defendant.<sup>42</sup> In the *Letty Lynton* case, the deliberate and conscious infringement by the defendant precluded a deduction for income taxes.<sup>43</sup> It appears arbitrary to make such a distinction between unintentional and deliberate infringement, since taxes are as necessary an expense to a business as are general expenses, labor and material, salaries, etc. The disallowance of the credit of income taxes paid by a wilful and deliberate infringer results in the imposition of a penalty by the courts. Since the remedy of accountability for profits is granted in accordance with the principles governing equity jurisdiction, not to inflict punishment but to prevent an unjust enrichment, it is believed that income taxes should be deducted without regard to whether the infringement is unintentional or deliberate.<sup>44</sup>

<sup>39</sup> *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 86 FSupp 399, 412 (DC NY 1949).

<sup>40</sup> *Id.* at 418; *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 S Ct 681, 84 LEd 825 (1940); *L. P. Larson Jr. v. Wrigley Jr. Co.*, 277 US 97, 48 S Ct 449, 72 LEd 800 (1928).

<sup>41</sup> *Alfred Bell & Co. Ltd. v. Catalda*

*Fine Arts, Inc.*, 86 FSupp 399, 418 (DC NY 1949).

<sup>42</sup> *Sheldon v. Moredall Realty Corporation*, 29 FSupp 729 (DC NY 1939).

<sup>43</sup> *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 S Ct 681, 84 LEd 825 (1940).

<sup>44</sup> *Id.* at 309 US 390, 399; *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942).

It will be recalled that if plaintiffs can prove damages as distinguished from profits in an infringement suit, the defendants are severally and jointly liable as tortfeasors.<sup>45</sup> Does the same rule, viz., joint liability apply to coinfringers for profits? This question was tendered by the *Sammons* case.<sup>46</sup> One Larkin, got up a book called "Who's Who in Massachusetts". It was printed by the Colonial Press. Larkin made a net profit of over \$7,000 from the sales of the book, which infringed plaintiff's book. Colonial Press realized no profit out of its printing contract. The court found that Colonial had acted in good faith and was not a conscious and deliberate infringer. Plaintiff claimed Colonial was jointly accountable with Larkin for the profits Larkin made. The trial and appellate courts rejected this contention. As the court pointed out, the basic fallacy in the plaintiff's argument lay in their confusion of profits with damages. Damages and profits are distinct items of recovery, awarded on different legal principles.

An action for damages is originally a legal remedy adjudicated in courts of law.<sup>47</sup> Damages are intended to compensate the plaintiff for the actual pecuniary loss suffered.<sup>48</sup> As we have discussed elsewhere it is difficult, for obvious reasons, to make satisfactory proof of such damages.<sup>49</sup> "Where the copyright owner can show as damages his probable losses resulting from an infringement, it is clear on familiar principles of tort liability, that all persons who unite in the infringement are jointly and severally liable for the damages resulting therefrom.<sup>50</sup>

<sup>45</sup> *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354 (9th Cir 1947); *Chappell & Co. v. Costa*, 45 FSupp 554 (DC NY 1942); *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941), vacated on other grounds, 126 F2d 341 (1st Cir 1942); *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929); *Ted Browne Music Co. v. Fowler*, 290 Fed 751 (2d Cir 1923); *Gross v. Van Dyck Gravure Co.*, 230 Fed 412 (2d Cir 1916).

<sup>46</sup> *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941), decree vacated on other grounds, 126 F2d 341 (1st Cir 1942).

<sup>47</sup> *Id.* Cf. *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 S Ct 1096, 91 L Ed 1294 (1947); *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F2d 354 (9th Cir 1947); *Guillot v. Bancroft*, 17 F2d 207 (DC La 1926).

<sup>48</sup> *Sharpless Co. v. Lawrence*, 213 Fed 423, 427 (3d Cir 1914).

<sup>49</sup> *Infra* § 161.

<sup>50</sup> *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942); *Gross v. Van Dyck Gravure Co.*, 230 Fed 412 (2d Cir 1916).

On the other hand, accountability of the infringer for the profits he has made originated in equity. The philosophic basis of this doctrine was that it was unconscionable for an infringer to retain a benefit which he had received by the appropriation and use of the plaintiff's property right; and to prevent unjust enrichment the infringer was treated as a trustee *ex maleficio* of his ill-gotten gains. "To call the infringer an agent or trustee is not to state a fact but merely to indicate a mode of approach and an imperfect analogy by which the wrongdoer will be made to hand over the proceeds of his wrong."<sup>51</sup>

Accountability for profits is purely personal since equity acts on the conscience of the infringer. Since the infringer has secured benefits which are unconscionable for him to keep, it logically follows that he is accountable only for profits he received and not for these profits which may have been received by a co-infringer.<sup>52</sup> The court in the *Sammons* case, after considering the authorities, applied the rule enunciated in the patent cases,<sup>53</sup> that co-infringers, unless they are partners are severally accountable only for the profits each has received.<sup>54</sup>

<sup>51</sup> *Larson Jr. v. Wrigley Jr. Co.*, 277 US 97, 99-100, 72 LEd 404, 48 Sct 449 (1928); *Aladdin Mfg. Co. v. Mantle Lamp Co. of America*, 116 F2d 708 (7th Cir 1941).

<sup>52</sup> *Belknap v. Schild*, 161 US 10, 25-26, 16 Sct 443, 40 LEd 599 (1896): "In a suit in equity for the infringement of a patent, the ground upon which the profits are recovered is that they are the benefits which have accrued to the defendants from their wrongful use of the plaintiff's invention, and for which they are liable, *ex aequo et bono*, to the like extent as a trustee would be who had used the trust property for his own advantage. The defendants, in any such suit, are therefore liable to account for such profits only as have accrued to themselves from the use of the invention, and not for those which have accrued to another, and in which they have no participation."

<sup>53</sup> *Dowagiac Mfg. Co. v. Deere & Webber Co.*, 284 Fed 331 (8th Cir

1922); *International Radio Telegraph Co. v. Atlantic Communication Co.*, 290 Fed 698 (2d Cir 1923); *Kissinger-Ison Co. v. Bradford Belting Co.*, 123 Fed 91 (6th Cir 1903); *Covert v. Sargent*, 38 Fed 237 (CC NY 1889); *Burdell v. Denig*, 92 US 716, 23 LEd 764 (1876). This rule is also applicable to the trade-mark and unfair competition cases: *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 US 251, 36 Sct 269, 60 LEd 629 (1916); *Larson Jr. v. Wrigley Jr. Co.*, 277 US 97, 48 Sct 449, 72 LEd 800 (1928); *Champion Spark Plug Co. v. Reich*, 34 FSupp 414 (DC Mo 1941); *Anchor Stove & Range Co. v. Rymer*, 97 Fed 689 (6th Cir 1908).

<sup>54</sup> *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942); *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 86 FSupp 399 (DC NY 1949); *Lundberg v. Welles*, 93 FSupp 359 (DC NY 1950); *Sheldon v. Moredall Realty Corporation*, 29 FSupp 729 (DC NY 1939).

**163. STATUTORY DAMAGES.**

Section 101(b) of the Copyright Code provides that the copyright proprietor may be awarded in lieu of profits and actual damages, fixed and arbitrary damages prescribed by the Act. The concept of minimum statutory compensatory damages, payable to the person aggrieved in a civil action, because of the difficulties of making legal proof of actual damages and profit, has existed from the inception of copyright legislation in this country. For all practical purposes, minimum statutory damages are the "heart" of the Copyright Code; they provide the only remedy which deters the pirating of the various rights secured by section 1 of the Copyright Code.

Prior to the adoption of the Constitution in 1787, the various states had forms of statutory damages for the simple copyright laws then in existence. For example, Massachusetts, New Hampshire, and Rhode Island permitted an author to recover in an action of debt not more than 3000 pounds nor less than 5 pounds. Minimum damages of 5 pounds in 1783 had a purchasing power comparable to the \$250 minimum of today. Such states as Georgia, New York, North Carolina, Virginia, Pennsylvania, New Jersey and Connecticut provided for automatic doubling of the value of the pirated printed copies.<sup>1</sup>

Under the first federal Copyright Act of May 31, 1790, the only possible type of infringement was to print, publish or vend a book, map or chart. The infringer was required to pay 50 cents for every sheet found in his possession, recoverable in an action of debt and payable one-half to the copyright owner and one-half to the United States.<sup>2</sup> In 1802 Congress provided for a blanket minimum of \$100 for improperly printing or publishing a book, map or chart without permission of the copyright owner and inserting a copyright notice therein.<sup>3</sup> These provisions continued for over 100 years, until raised to \$1 by the Act of March 2, 1895, which also provided a \$10 minimum for every copy of a work of fine art, such as a painting or statue. In addition the 1895 Act provided for a general

<sup>1</sup> Copyright Office Bulletin No. 3, "Copyright Enactments of the United States 1783-1906 (1906).

<sup>2</sup> 1 STAT 124 (1790).

<sup>3</sup> 2 STAT 171 (1802).

minimum of \$100 and general maximum of \$5000 for infringing photographs of objects not a work of fine art and \$250 to \$10,000 for works of fine art.<sup>4</sup>

Performing rights were first recognized by the Act of August 18, 1856. Congress provided for minimum damages of \$100 for the first performance and \$50 for every subsequent performance, payable wholly to the copyright owner, his heirs or assigns. No maximum was provided.<sup>5</sup> Under the Act of January 6, 1897, which established performing rights for music, Congress applied the same measure of \$100 and \$50 per performance.<sup>6</sup>

In 1909, the last major revision of the copyright laws, Congress incorporated in Section 25 (now § 101 (b) of the Copyright Code) all of the civil remedies theretofore given, including statutory damages.<sup>7</sup> There were other modifications which will be discussed *passim*.

Section 101(b) prescribes the following statutory damages:

First, in the case of a painting, statue or sculpture, \$10 for each infringing copy made or sold or found in the possession of the infringer, or his agents or employees;

Second, in the case of any work enumerated in section 5 of this title, except a painting, statue or sculpture, \$1 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Third, in the case of a lecture, sermon, or address, \$50 for every infringing delivery.

Fourth, in the case of a dramatic or dramatico-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions \$10 for every infringing performance.<sup>8</sup>

Section 101(b) prescribes the maximum-minimum damages which may be assessed. These "shall not exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty."<sup>9</sup> There are one or two exceptions to the maximum-minimum statutory damages.

<sup>4</sup> 28 STAT 956 (1895).

<sup>5</sup> 11 STAT 138 (1856).

<sup>6</sup> 29 STAT 481 (1897).

<sup>7</sup> Act of March 4, 1909, 35 STAT 1075.

<sup>8</sup> 61 STAT 652 (1947), 17 USCA

§ 101(b) (Supp 1951).

<sup>9</sup> *Id.*

In the case of a newspaper reproduction of a copyrighted photograph, the maximum is \$200, the minimum is \$50.<sup>10</sup>

The Townsend amendment of 1912 effected additional exceptions. In the case of innocent infringement by a motion picture of a non-dramatic or undramatized work, the damages shall not exceed \$100. In addition, the maximum of \$5,000 was prescribed to cover the unique situation of the manufacture and distribution of a motion picture plagiarizing another form of dramatic work, viz., a stage play.<sup>11</sup> This provision was intended to rectify the Supreme Court's decision in *Kalem Co. v. Harper*, where the exhibition of the motion picture by 10,000 innocent exhibitors resulted in 10,000 separate infringing performances.<sup>12</sup>

Another exception was added by the 1952 amendment to the Copyright Code. The damages for the infringement by radio of non-dramatic works "shall not exceed the sum of \$100 where the infringing broadcaster shows that he was not aware that he was infringing and that such infringement could not have been reasonably foreseen."<sup>12a</sup>

The maximum limitations as to statutory damages do not apply to infringements occurring after actual notice to a defendant either by service of process in a suit or other written notice served upon him.<sup>13</sup>

The Supreme Court has sustained minimum statutory damages as a species of compensation and not as a penalty, since Congress intended "to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits. In this respect the old law was unsatisfactory. In many cases plaintiffs though proving infringement, were able only to recover nominal damages, in spite of the fact that preparation and trial of the case imposed substantial expense and inconvenience. The ineffectiveness of the remedy encouraged wilfull and deliberate infringement."<sup>14</sup>

<sup>10</sup> *Id.*

<sup>11</sup> Act of August 24, 1912, 37 STAT 489.

<sup>12</sup> *Kalem Co. v. Harper Bros.*, 222 US 55, 32 Sct 20, 56 LEd 92 (1911).

<sup>12a</sup> Public Law 575, 82d Cong 2d Sess, 66 STAT 752 (1952).

<sup>13</sup> *Op cit supra*, note 8.

<sup>14</sup> *Douglas v. Cunningham*, 294 US

207, 55 Sct 365, 79 LEd 862 (1935);

*Toksvig v. Bruce Publishing Co.*, 181 F2d 664 (1950); *Malsed v. Marshall*

*Field Co.*, 96 FSupp 372 (DC Wash 1951); *Interstate Hotel Co. v. Remick*

*Music Corporation*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th

*Cir* 1946), cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947); Washing-

At the outset, it is within the trial court's discretion to award statutory damages in lieu of actual damages and profits. If actual damages and profits can be computed, they constitute the measure of recovery rather than statutory damages. This is illustrated by the recent case of *Malsed v. Marshall Field & Co.*<sup>15</sup> Plaintiff, the copyright proprietor of a label used on candies in boxes, gave the defendant, her employer, a gratuitous license to use the label during her employment. She left the defendant's employ on January 1, 1945. Prior to that date, the label had fallen in disuse. In fact it had not been used since 1942. The use was revived by defendant which had some five hundred labels printed, 218 were actually used on boxes sold to customers. The box-maker had on hand 190 labels, and the defendant had 81 empty boxes bearing the label. Defendant in reproducing the labels, had no recollection that the original label bore a copyright notice.

Plaintiff secured an injunction against defendant; she also requested damages and profits or in lieu thereof, statutory damages. On the issue of profits and damages, the court held that the plaintiff had sustained no actual damages since the label had fallen into disuse. Plaintiff then requested that the "in lieu" provision or statutory damages be assessed against the defendant. The court held that the "in lieu" provision "does not apply where either actual damages or profits are ascertainable."<sup>16</sup>

Plaintiff then contended that since the recovery of both damages and profits are allowable, the "in lieu" provision was effective in case one or the other element of recovery is difficult of ascertainment. "The weakness of this argument is that it overlooks the very wording of the section which is to the effect that in order that the 'in lieu' provision be resorted to, there must be difficulty or impossibility of computing both damages and profits. Or, differently put, if profits are ascertainable, the minimum provided in the 'in lieu' provision need not be resorted to." Since the defendant by cost accounting established that the maximum profits derived from the use of plaintiff's label was at most \$100, the court

tonian Publishing Co. v. Pearson, 78 USApp DC 287, 140 F2d 465 (1944); Johns & Johns Printing Co. v. Paull-Pioneer Music Corp., 102 F2d 282 (8th Cir 1939); Dreamland Ball Room Inc.

v. Shapiro Bernstein & Co., 36 F2d 354 (6th Cir 1929).

<sup>15</sup> 96 FSupp 372 (DC Wash 1951).

<sup>16</sup> *Id.* at 376.

was precluded from awarding statutory damages. "Theoretically, in a proper case, both damages and profits are recoverable. But when the plaintiff has suffered no damages, and the profits are ascertainable, to resort to the 'in lieu' clause and award to the plaintiff a minimum based upon her theory of three publications,—the printing of the five hundred labels and the two advertisements—would amount to the imposition of a penalty. And the 'in lieu' provision has been declared by the cases not to be such, but rather the equitable substitute for cases which present difficulty or impossibility of proof as to damages and profits."<sup>17</sup>

The next question tendered is whether the minimum damages for each infringement is \$250 or whether a court, may award lesser damages e.g., nominal damages or those based on the schedule prescribed by the Copyright Code.

At the outset the statute provides that a court in lieu of actual damages and profits shall award "such damages as to the court shall appear just" and the court in assessing damages may "in its discretion" allow the indicated amounts. Thus the amounts stated in the Code serve as a guide to aid the court in assessing damages.<sup>18</sup>

The foregoing questions have been resolved by the Supreme Court. In *Westermann Co. v. Dispatch Printing Co.*<sup>19</sup> the defendant reproduced and published in its newspaper six of the plaintiff's copyrighted pictorial illustrations. They were published separately, each in a different issue. Five of the pictorial illustrations were published once, and the other, twice. It was conceded that plaintiff's damages could not be estimated in dollars and cents. "The plaintiff's damages rested in the injury to his Morehouse contract, and in the discouragement of and the tendency to destroy his system. To make any accurate proof of actual damages was obviously impossible."<sup>20</sup>

The district court concluded that there were seven cases

<sup>17</sup> *Id.* See also *Sammons v. Larkin*, 126 F2d 341 (1st Cir 1942); *Sheldon v. Metro-Goldwyn Pictures Corporation*, 309 US 390, 399, 60 Sct 681, 84 LEd 825 (1940); *Russell & Stall Co. v. Oceanic Electric Supply Co.*, 80 F2d 864, 865 (2d Cir 1936); *Fargo Mercantile Co. v. Brehel & Richter Co.*, 295 Fed 823, 829 (8th Cir 1924).

*Contra*, *Woolworth Co. v. Contemporary Arts*, 193 F2d 162 (1st Cir 1951).

<sup>18</sup> *Douglas v. Cunningham*, 294 US 207, 55 Sct 365, 79 LEd 862 (1935).

<sup>19</sup> 233 Fed 609 (6th Cir 1916), reversed 249 US 100, 39 Sct 194, 63 LEd 499 (1919).

<sup>20</sup> *Id.*, 249 US 100.

of infringement and awarded \$10.00 as nominal damages for each case—\$70 in all. The plaintiff appealed, insisting that it was entitled to an award of not less than \$250 for each infringement. The sixth circuit court of appeals sustained plaintiff's contention but held that there was only one infringement instead of seven and awarded \$250 as damages.

This case tendered two questions in the Supreme Court: whether there were seven cases of infringement or only one; and whether the damages should have been assessed at not less than \$250 for each case.

On the first issue, the Supreme Court agreed with the district court that there were seven cases of infringement, because the illustrations infringed were each covered by a different copyright.<sup>21</sup> In this connection, the first sentence of § 101 of the Copyright Code considers the infringement of each copyright protected by the statute as a separate and distinct tort. Thus liability attaches to each infringement and the same copyright may be infringed more than once by two or more separate publications.<sup>22</sup> On the other hand when two or more works, each protected by a different copyright owned by the same proprietor are the source of the infringing material, but the subject matter of both works is substantially the same, and it is impracticable to apportion the infringing matter to the several copyrights, the publication of the infringing matter was considered a single infringement instead of two or more.<sup>23</sup> In *Burdny Engineering Co. v. Sheldon Service*

<sup>21</sup> Cf. *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929).

<sup>22</sup> *Westerman Co. v. Dispatch Printing Co.*, 249 US 100, 39 S Ct 194, 63 LEd 499 (1919): "The statute says that the liability thus defined is imposed for infringing 'the copyright in any' copyrighted 'work.' The words are in the singular, not the plural. Each copyright is treated as a distinct entity, and the infringement of it as a distinct wrong to be redressed through the enforcement of this liability. Infringement of several copyrights is not put on the same level with infringement of one. On the contrary, the plain import of the statute is that this liability attaches in respect of each copyright that is infringed"; *Zuckerman v. Dickson*, 35 FSupp 903 (DC Pa 1940); *Wells v. American Bureau of*

*Engineering*, 285 Fed 371 (7th Cir 1922); *Advertisers Exchange v. Laufe*, 29 FSupp 1 (DC Pa 1938). However, "the unlawful reproduction in one issue of defendant's paper of several passages from one issue of plaintiff's paper constitutes only one infringement under the statute and consequently only one cause of action" *Journal of Commerce & Commercial Bulletin v. Boston Transcript Co.*, 292 Fed 311, 313 (DC Mass 1923). See also: *Cravens v. Credit Mens Association*, 26 F2d 832 (DC Tenn 1924); *Sauer v. Detroit Times*, 247 Fed 687, 692 (DC Mich 1917); *Advertisers Exchange Inc. v. Hinkley*, 95 USPQ 124 (8th Cir 1952).

<sup>23</sup> *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929).

*Corporation*, wherein the catalogue published by the defendant infringed three separate copyrights, and the catalogue was printed four times, the court rejected defendant's contention that there were but three infringements; it held that there were twelve separate infringements, totaling \$3,000. The court likewise assessed defendant an additional \$500, since the latter had printed 500 copies of a separate revised page in the second catalogue which infringed plaintiff's copyrights. The award of \$500 was premised on \$1.00 for each page issued and was within the range of from \$250 to \$5,000 provided by the statute.<sup>24</sup>

The case of *Cory v. Physical Culture Hotel, Inc.*,<sup>25</sup> warrants discussion on this topic. Defendant reproduced and published the same copyrighted photograph in seven monthly issues of *Physical Culture Magazine*. There were 252,941 copies of each issue of the magazine printed and distributed. Although the court held that each separate printing constituted a separate infringement, "the question of law still remains whether the statute requires or permits a separate award within the limits prescribed for each printing under the facts of the case. Although the court left this question unanswered, it discussed various phases of this issue. The court stated that if there had been seven separate copyright photographs, each of a different subject or had the same copyrighted photograph been used by separate advertisers, recovery might be had for seven separate and distinct infringements.

To quote from the court's opinion,

"The Supreme Court in the *Westermann* case left open for future consideration the question of whether such would be the case where there was merely a repetition of the single copyrighted work by the same infringer. No later decision of the Supreme Court has been called to our attention where that question has been considered. The only case in the lower federal courts since the *Westermann* decision where the question has been passed upon, so far as we have been able to find, is *Schellberg v. Empringham, supra*,<sup>26</sup> where \$4,000 was awarded for

<sup>24</sup> *Burdy Engineering Co. v. Sheldon Service Corp.*, 39 FSupp 274 (DC NY 1941), *aff'd*, 127 F2d 661 (2d Cir 1942); *Zuckerman v. Dickson*, 35 FSupp 903 (DC Pa 1940). But *cf.* *Doll v. Libin*, 17 FSupp 546 (DC Mont 1936).  
<sup>25</sup> 14 FSupp 977 (DC NY 1936), *aff'd*, 88 F2d 411 (2d Cir 1937).  
<sup>26</sup> 36 F2d 991 (DC NY 1929).

each of two infringing editions of the same book published by the same infringers.”<sup>27</sup>

The court awarded \$5,000 damages, a “just award under the fact in this case.”<sup>28</sup>

It is believed that the court awarded damages on the basis of a single infringement. This is confirmed by the opinion of the appellate court, which stated that the award of \$5,000 damages “was within the limit of the allowance for one infringement of the copyright.”<sup>29</sup> It is believed that on the basis of the *Westermann* case, wherein the same copyrighted pictorial illustration was used twice, and the plaintiff recovered for both uses, plaintiff in the *Cory* case was entitled to a separate award for each monthly printing.

Thus the court could have awarded \$35,000 in damages on the theory that there were seven separate infringements. Since the trial court’s discretion is final on the amount of statutory damages assessed within the limits prescribed by the Copyright Code, the award of \$5,000 can be interpreted as an award of approximately \$714 plus for each infringement. The court was of the opinion that its award of \$5,000 was “permissible within the decision of the *Douglas*<sup>30</sup> case without the necessity of determining whether separate awards within the minimum limit of \$250 and the maximum limit of \$5,000 are required to be made. “This question we do not decide.”<sup>31</sup>

The question left unanswered by the *Cory* case, viz., whether each copy by the same infringer constitutes a separate and complete act of infringement giving rise to a separate cause of action is troublesome. The problem becomes more acute when the courts are confronted with infringement of performing rights. For example in *Law v. National Broadcasting Company*,<sup>32</sup> plaintiff’s composition was performed on three occasions by the network with chain hook-ups of 67, 66 and 85 stations respectively, or a total of 218 performances. Defendant contended that damages should be awarded on the basis

<sup>27</sup> *Cory v. Physical Culture Hotel Co.*, 14 FSupp 977 (DC NY 1936).

<sup>28</sup> *Id.* See also *Advertisers Exchange Inc. v. Hinkley*, 95 USPQ 124 (8th Cir 1952).

<sup>29</sup> *Cory v. Physical Culture Hotel Co.*, 88 F2d 411 (2d Cir 1937).

<sup>30</sup> *Douglas v. Cunningham*, 294 US 207, 55 S Ct 365, 79 LEd 862 (1935).

<sup>31</sup> *Op cit supra*, note 27.

<sup>32</sup> 51 FSupp 798 (DC NY 1943).

of three performances. The court concluded that it was bound by *Buck v. Jewell-La Salle Realty Co.*,<sup>33</sup> which held that a single rendition of a copyrighted selection may result in more than one public performance for profit and that a copyright proprietor may enforce the plural liability of all infringers who participate in the several unauthorized performances. Thus damages were awarded for 218 performances on the basis of \$10 for each infringing performance, or a total of \$2180.<sup>34</sup>

In *Select Theatres Corporation v. The Ronzoni Macaroni Co.*,<sup>35</sup> plaintiff A was the copyright proprietor of an Italian play, entitled "La Morte In Vacanze." Plaintiff B was the copyright proprietor of an English adaptation of the play, known as "Death Takes a Holiday." Defendant C wrote a play in Italian, parts of which were copied from A's play and B's English adaptation. Various episodes or scenes from C's play were broadcast at different times over defendant radio station D. Defendant transmitted the episodes to a radio station in Philadelphia (defendant E) which broadcast the same.

The first question before the court was whether the Philadelphia radio station had infringed plaintiff's performing rights. The court held that defendant E was "separately and independently liable for infringement."

The second question tendered the court was whether the broadcast of different episodes of a copyrighted play serially and at different times constituted more than one infringement. The court held that each unauthorized broadcast of a different scene constituted a separate infringement:

"Each unauthorized performance of the same copyrighted matter at different times has been held to constitute a separate infringement. All the component parts of a copyrighted work are protected by the copyright of the work.

"The unauthorized performance of a single scene from one act of a copyrighted play with very little dialogue constitutes infringement. *Brady v. Daly*, 175 U.S. 148, 158, affirming 83 F. 1007. See *Daly v. Webster*, 56 F. 483.

<sup>33</sup> 283 US 191, 51 Sct 410, 75 LEd 971 (1931).      <sup>35</sup> 59 USPQ 288 (DC NY 1943).

<sup>34</sup> *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943).

There therefore can not be any reason why each unauthorized performance or broadcast of a different scene of a play on different occasions should not be considered an infringement merely because the different scenes are reproduced from the same play."<sup>36</sup>

Since the parties had stipulated that three episodes containing infringing matter was taken from the Italian version, and 17 episodes from the English adaptation; the following statutory damages were assessed by the court:

- 1) Plaintiff A secured a judgment for \$750 against defendant C the sponsor, (The Ronzoni Macaroni Co.) and, defendant radio station D.
- 2) Plaintiff A secured a judgment for \$750 against the Philadelphia radio station.
- 3) Plaintiff B secured a judgment for \$4,250 against defendant C, the sponsor, and defendant radio station D.
- 4) Plaintiff B secured a judgment for \$4,250 against the Philadelphia radio station.<sup>37</sup>

It is significant that in the cases dealing with the infringement of the printing and publishing rights, the courts have not considered each infringing copy as a complete act of infringement giving rise to a separate cause of action. Of course, it can be contended that the discretionary sliding schedule prescribed by the Copyright Code spells out a legislative intent that each infringing copy does not result in a separate cause of action. The decisions previously discussed have regarded the making of a number of copies by the same infringer as but one cause of action with the degree of infringement or amount of damages to be determined to some extent by the number of copies.<sup>38</sup> This principle or rule has not been followed in the cases dealing with the infringement of performing rights. On the basis of *Law v. National Broadcasting*

<sup>36</sup> *Select Theatres Corporation v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943). But *cf.* *Journal of Commerce and Commerce Bulletin v. Boston Transcript Co.*, 292 Fed 311 (DC Mass 1923); *Sauer v. Detroit Times*, 247 Fed 687 (DC Mich 1917).

<sup>37</sup> *Id.* The decree of the court ordered the producer to pay \$750 to each of the plaintiffs for three stage performances of the play.

<sup>38</sup> *Burndy Engineering Co. v. Sheldon Service Corporation*, 39 FSupp 274 (DC NY 1941), *aff'd*, 127 F2d 661 (2d Cir 1942); *Cory v. Physical Culture Hotel Co.*, 14 FSupp 977 (DC NY 1936), *aff'd*, 88 F2d 411 (2d Cir 1937); *Wells v. American Bureau of Engineering*, 285 Fed 371 (7th Cir 1922); *Cf. Norris v. No-Leak-O' Piston Ring Co.*, 271 Fed 536 (DC Md 1921), *aff'd*, 277 Fed 951 (3d Cir 1921).

*Company*<sup>39</sup> and *Select Theatres Corporation v. The Ronzoni Macaroni Co.*<sup>40</sup> each performance gives rise to a separate cause of action.

It is doubtful whether Congress intended that different standards or rules should be invoked for the infringement of the printing and publishing rights as compared with the infringement of performing rights. This difference is directly attributable to the radio infringement cases, particularly *Buck v. Jewel-La Salle Realty Company*.<sup>41a</sup> As we have discussed elsewhere, this decision imposes an onerous burden on a network and its affiliates who may innocently infringe a copyrighted song.<sup>41b</sup> If there is but one cause of action for the infringement of the printing and publishing rights without regard to the number of copies, there should be but one cause of action for the multiple infringement of performing rights. It is believed that this issue should be clarified by Congress or by the courts.

To return to the second issue before the Supreme Court in the *Westermann* case, viz., whether nominal damages could be assessed, it was held that while the trial court had a discretion in its conception of justice in the particular case to measure the damages to be paid, the assessment must be within the prescribed limitations and therefore could not be less than \$250 in each of the seven instances.<sup>42</sup>

<sup>39</sup> 51 FSupp 789 (DC NY 1943).

<sup>40</sup> 59 USPQ 288 (DC NY 1943).

<sup>41a</sup> 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *SESAC v. Hotel Statler*, 19 FSupp 1 (DC NY 1937).

<sup>41b</sup> *Infra* § 134a.

<sup>42</sup> *Westerman Co. v. Dispatch Printing Co.*, 249 US 100, 39 Sct 194, 63 LEd 499 (1919): "Both parties recognize that under the proofs the damages must be assessed under the alternative provision requiring the infringer, in lieu of actual damages and profits, to pay such damages as to the court shall appear to be just, etc. The fact that these damages are to be 'in lieu of actual damages' shows that something other than actual damages is intended—that another measure is to be applied in making the assessment. There is no uncertainty as to what that measure is or as to its limitations. The statute says, first, that the damages are to be such as to the court

shall appear to be just; next, that the court may, in its discretion, allow the amounts in the appended schedule, and finally that in no case shall they be more than \$5000 nor less than \$250 . . . . In other words, the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstance of the infringement and the like, is made the measure of the damages to be paid, but with the express qualification that in every case the assessment must be within the prescribed limitations—that is to say, neither more than the maximum nor less than the minimum"; To the same effect: *Toksvig v. Bruce Publishing Co.*, 181 F2d 664 (7th Cir 1950); *Amsterdam Syndicate of United States v. Fuller*, 154 F2d 342 (8th Cir 1946); *Interstate Hotel Co. v. Remick Music Corporation*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67

Since a court in assessing damages is precluded from awarding nominal damages, the next question tendered is whether a court is bound by the minimum of \$250, or may it follow the schedule of damages prescribed by the Act. In *Jewell-La Salle Realty Co. v. Buck*,<sup>43</sup> the defendant contended that plaintiffs in the absence of any proof of actual damages for infringement of a copyrighted musical composition, were entitled to only \$10 statutory damages; the plaintiffs claimed that \$250 was the minimum allowable under the statute. The Supreme Court held that the schedule prescribed by the statute was merely an aid to the court in awarding damages and that "the definite specification of a maximum and minimum in every case, is not contradicted in any way by these legislative suggestions as to what may be deemed reasonable allowances in cases falling within the prescribed limitations."<sup>44</sup> Thus the minimum award for any infringement, whether it is a "trivial pothole",<sup>45</sup> a "mere point of honor"<sup>46</sup> or "scarcely more than an irritation"<sup>47</sup> is \$250.

In the *Jewell-La Salle Realty Company* case, the Supreme Court stated that the provision which suggests \$10 for each infringing performance does not reduce the minimum allowance of \$250. If, however, more than 25 infringements are proved, and there is no showing as to actual loss, the court must allow the statutory minimum, and may in its discretion employ the scheduled \$10 a performance as a basis for assessing additional damages.<sup>48</sup>

The next question tendered is whether an appellate court may review the action of a trial judge in assessing statutory

SCT 622, 91 LEd 691 (1947); *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909 (1st Cir 1945); *Washington Publishing Co. v. Pearson*, 78 USApp DC 287, 140 F2d 465 (1944); *Johns & Johns Printing Co. v. Paull-Pioneer Music Corp.*, 102 F2d 282 (8th Cir 1939); *Russel & Stoll Co. v. Oceanic Electrical Supply Co.*, 80 F2d 864 (2d Cir 1936); *Dreamland Ballroom Inc. v. Shapiro Bernstein & Co.*, 36 F2d 354 (7th Cir 1929); *Witmark & Sons v. Calloway*, 22 F2d 412 (DC Tenn 1927); *Buck v. Bilkie*, 63 F2d 447 (9th Cir 1933); *Irving Berlin, Inc. v. Daigle*, 31 F2d 832 (5th Cir 1929); See also: *Advertisers Exchange v. Bay-*

*less Drug Co.*, 50 FSupp 169 (DC NJ 1943); *Doll v. Libin*, 17 FSupp 546 (DC Mont 1936); *Towle v. Ross*, 32 FSupp 125 (DC Ore 1940).

<sup>43</sup> 283 US 202, 51 SCT 407, 75 LEd 978 (1931).

<sup>44</sup> *Id.*

<sup>45</sup> Judge Hough dissenting in *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 281 Fed 83 (2d Cir 1922), cert den, 259 US 581, 42 SCT 464, 66 LEd 1074 (1922).

<sup>46</sup> *Fisher v. Dillingham*, 298 Fed 145, 152 (DC NY 1924).

<sup>47</sup> *Id.*

<sup>48</sup> *Op cit supra*, note 43.

damages. In *Douglas v. Cunningham*, the trial judge awarded the maximum statutory damages. On appeal, the award was reduced to \$250.<sup>49</sup> The Supreme Court for all practical purposes reinstated the \$5,000 award. It held that when the trial judge uses the prescribed legislative measure up to the maximum permitted by the statute, his action cannot be said to be unjust. "In other words, the employment of the statutory yardstick, within set limits, is committed solely to the court which hears the case, and this fact takes the matter out of the ordinary rule with respect to abuse of discretion."<sup>50</sup>

Several other aspects of the statutory damage clause warrant comment. It will be recalled that in the case of a newspaper reproduction of a copyrighted photograph, the damages cannot exceed \$200, nor be less than \$50. In the *Cory* case, defendant invoked this exception, claiming that the publication of plaintiff's copyrighted photograph in *Physical Culture Magazine*, was a publication in a newspaper. The court, after examining the various authorities concluded that defendant could not invoke this exception since its magazine was at best a periodical, and could "by no stretch of the imagination be classified as a newspaper."<sup>51</sup>

It will be recalled that in the case of an innocent infringement of an undramatized or non-dramatic work by means of motion pictures, or the innocent infringement of a dramatic work by the same medium of entertainment, the maximum damages are \$100 and \$5,000, respectively. The courts have had no occasion to construe these clauses. It is believed that in order to invoke this exception, the courts would require a defendant to present "strong proof of innocence, i.e., of good faith if he is to limit his liability to the minimum sums stated in the Act."<sup>52</sup>

Where infringements have occurred after actual notice, the maximum limitations do not apply and the copyright proprietor may be awarded greater damages if he has been damaged in excess of \$5,000. The cases are in conflict on the issue

<sup>49</sup> *Cunningham v. Douglas*, 72 F2d 536 (1st Cir 1934).

<sup>50</sup> *Douglas v. Cunningham*, 294 US 207, 55 S Ct 365, 79 L Ed 862 (1935).

<sup>51</sup> *Cory v. Physical Culture Hotel Co.*, 14 F Supp 977 (DC NY 1936), *aff'd*, 88 F2d 411 (2d Cir 1937).

<sup>52</sup> *Ladas*, *International Protection of Literary and Artistic Property* (1939) 828. *Cf. Gross v. Van Dyk Gravure Co.*, 230 Fed 412 (2d Cir 1916).

of whether damages in excess of the maximum are to be computed on the basis of the schedule stated in the statute or on the basis of actual injury to the copyright proprietor. In *Schellberg v. Empringham* the court allowed statutory damages of \$8,000 for 8000 copies of infringing health circulars. Thus the court followed the schedule and allowed a recovery of \$1.00 for each of the infringing books.<sup>53</sup> In the *Sebring Pottery Company* case, although the infringing advertising card or circulars (which would be classified as a book) totalled 39,680, plaintiff claimed that its actual damages including loss of profits amounted to \$28,353.48. The court rejected plaintiff's claim of actual damages since its copyrighted work was distributed gratis and was not sold for its intrinsic worth. Although *Schellberg v. Empringham* was referred to, the court refused to assess damages at the rate of \$1.00 per infringement. Despite defendants continued infringement after notice, plaintiff was awarded \$2,500 as statutory damages. This amount was selected by the court since plaintiff, prior to the accounting which had been ordered, offered to settle the case for approximately \$2,500.<sup>54</sup> On the other hand, in *Turner & Dahnken v. Crowley*, defendants, who had gratuitously distributed 7,000 copies of plaintiff's copyrighted song were assessed \$7,000 in damages on the basis of \$1.00 for each and every copy, by the lower court. Although defendants continued the infringement after notice the appellate court refused to sustain the award of \$7,000.

“Appellees offered no proof of actual loss or of profits, but we gather from the testimony that at a retail price of 15 cents a copy for the song the profit of the plaintiff would not have exceeded 8 cents per copy. If, therefore the plaintiff had received 8 cents per copy upon 7,000 copies found in the possession of Turner & Dahnken her total damage would have been \$560, which we think would be a fair estimate. Plaintiff said that she expected and authorized orchestrations of her song to be used, but did not authorize use of it as made by defendant. The allowance of \$7,000 or \$1.00 per copy of the song and music, seems to have been based upon the view that \$1.00 per copy is a fixed sum, to be allowed under any circumstances

<sup>53</sup> *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929).

<sup>54</sup> *Sebring Pottery Co. v. Steubenville Pottery Co.*, 9 FSupp 384 (DC

Ohio 1934); Cf. *Advertisers Exchange Inc. v. Hinkley*, 95 USPQ 124 (8th Cir 1952).

of infringement after notice. But as we do not so construe the law, the duty of the court was to award damages as justified by the nature and circumstance of the case as developed upon the trial. Thus, while the discretion of the court may be used to award damages where no proof of actual damage is offered, yet the award should have relation to such interferences as are reasonably deducible from the whole case of infringement, and such damages are not to be awarded as based upon the idea of punishment." <sup>55</sup>

The *Empringham*, *Sebring* and *Turner & Dahnken* cases are not of much aid on the issue of whether the courts in levying damages in excess of \$5,000 may apply the schedule stated in the Copyright Code or are restricted to the actual injuries sustained by the copyright proprietor. The primary objection to the application of the schedule is that it results in the imposition of a penalty on the infringer. On the other hand, the statute specifically states that the maximum-minimum limitations, including the schedule are compensatory damages and not penalties. The courts have effectuated the intent of Congress in this regard.<sup>56</sup> Since Congress has prescribed fixed and arbitrary damages because of the difficulties of proving actual damages and profits, a copyright proprietor would be confronted with the same difficulties if he were restricted to actual damages beyond the \$5,000 maximum. Under these circumstances, it is believed that the copyright proprietor is entitled to unlimited statutory damages where the infringement wilfully continues after notice to cease. Hence the courts should apply the schedule stated in the statute rather than attempting to approximate the actual damages suffered by the copyright proprietor.

As stated previously, the concept of minimum statutory damages is the heart of the Copyright Code. They protect intangible rights of property in intellectual creations which are of substantial economic value to their creators and owners.

Statutory damages serve a duofold purpose: They prohibit the award of merely nominal damages because of the difficulties in proving actual damages and profits. Not only does the typical copyright infringement, if not every one, involve

<sup>55</sup> *Turner & Dahnken v. Crowley Co.*, 233 Fed 609, 613 (6th Cir 1916) 252 Fed 749 (9th Cir 1918). reversed on other grounds, 249 US

<sup>56</sup> *Westerman v. Dispatch Printing* 100, 39 Sct 194, 63 LEd 499 (1919).

indirect damages almost sure to be considerable, but in few cases would one sum of \$250 more than compensate the plaintiff for his time, trouble and expense in detecting, following up and prosecuting an infringement. Secondly, they furnish that deterrence so necessary for prospective infringers, namely, that when and if caught, it is not merely a matter of paying for its use or license values for only those infringements disclosed, such as ordinarily might have been contracted in the regular course of business, but that the infringer pays, in part at least, by the minimum statutory damages for the considerably greater damages incurred in investigating transgressions of this kind. Under this approach statutory damages are compensatory to the copyright proprietor and repay the latter for the detection and prosecution of infringements.

There can be no doubt that statutory damages serve as an effective deterrent to the unauthorized use of intellectual property. But they impose an onerous burden, particularly on the consumers of music, viz., motion picture exhibitors, radio and television stations, networks, restaurants, night clubs, hotels, etc. The harshness of this remedy is readily apparent since an innocent infringement does not absolve the consumer from liability. The minimum damage clause has been used on more than one occasion by the various performing rights societies as an effective club to compel consumers to take out music licenses.

The courts have held that even the slightest use of copyrighted music in connection with any transaction intended for profit would render the user liable.<sup>57</sup> The actual cases that went up to the Supreme Court involved large restaurants, hotels, radio stations and networks, but it is apparent that the same rule maintains regardless of the size of the enterprise. In other words, radio receiving sets used in a taxicab or bookblack stand, in view of the fact that the private profit motive is present in such use, whether or not it does in fact add to the profits of the enterprise, would fall within the rule. Logically the organ-grinder with his monkey, sub-

<sup>57</sup> *Infra* § 154. See: *Hawkes & Son Ltd. v. Paramount Film Service, Ltd.*, 1 Ch 593, 50 TLR 315 (1934); *Canadian Performing Right Society v. Canadian National Exhibition*, OR 610 (1934); *Hein v. Harris*, 175 Fed 875 (DC NY 1909), *aff'd*, 183 Fed 107 (2d Cir 1910); *Boosey v. Empire Music Co.*, 224 Fed 646 (DC NY 1915). *Cf. Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946) note 8.

sisting on the pennies of children, would likewise be liable if he should play copyrighted music without a license. More characteristic uses of the music occur in such institutions as drug stores, barber shops, beauty parlors, etc., where phonographs or receiving sets are used at least in part to attract customers, but furnish nothing for which the customer directly pays.<sup>58</sup>

Since 1919, when the *Westermann*<sup>59</sup> case was decided, there have been repeated proposals to revise or eliminate the minimum statutory damage clause.<sup>60</sup> Thus the Duffy bill eliminated the fixed minimum statutory damage fee and inserted in its place a mandate to the courts to make the minimum in such cases a sum sufficient to stop the infringement, and which should be adequate and reasonable in view of the circumstances of the case.<sup>61</sup> In other words, the courts

<sup>58</sup> But see *infra* § 134a.

<sup>59</sup> *Westerman Co. v. Dispatch Printing Co.*, 249 US 100, 39 S Ct 194, 63 LEd 499 (1919).

<sup>60</sup> *Infra*, §§ 133c and 134e. *Amsterdam Syndicate Inc. v. Fuller*, 154 F2d 342 (8th Cir 1946): "The fact that the demands of the plaintiffs [minimum statutory damages] appear in this case to be harsh and unreasonable can make no difference. The 'in lieu' provisions of the statute under which this action is brought are, in contemplation of law, 'just,' *Douglas v. Cunningham*, 294 US 207; and if in fact the awards compelled by the statute are 'unjust' and unreasonable, 'the remedy lies with Congress' and not with the courts."

<sup>61</sup> S 3047, 74th Cong 1st Sess 1936):

Sec. 17. Section 25 of such Act is hereby amended to read as follows:

"Sec. 25. (a) That if any person shall infringe the copyright in any work protected under the copyright laws of the United States, such person shall, subject to the stipulations of this section, be liable:

"(1) To an injunction restraining such infringement;

"(2) To pay such damages to the owner of the right infringed as he may have suffered due to the infringement, as well as all or such part of the profits which the infringer shall have made from such infringement as the court may decree to be just and

proper; and in proving profits the plaintiff shall be required to prove only sales, rentals, license fees, or any other revenue derived from any disposition of an infringing work, and the defendant shall be required to prove every element of cost which he claims;

"(3) To pay in lieu of the proved damages and profits provided for in the foregoing paragraph (2), such damages, not exceeding \$20,000 for all infringement by any one infringer up to the date of suit, as shall in the opinion of the court be sufficient to prevent their operation as a license to infringe, and as shall be just, proper, and adequate, in view of the circumstances of the case, but in case of a newspaper reproduction or a copyrighted photograph such damages shall not exceed the sum of \$200; *Provided*, That this paragraph shall have no application in respect of the infringement of architectural works, or models or designs for such works, unless by an infringer possessed of actual knowledge thereof: *Provided further*, That an unauthorized performance by radio broadcasting transmitted simultaneously by two or more connected stations shall be regarded as the act of one infringer.

"(b) In any action for infringement of copyright in any work covered by the provisions of this Act, the plaintiff must prove that at the time of alleged infringement the copy-

would be obliged to hear testimony as to how much the infringement is worth to the infringer and to impose damages at least sufficient to make the practice unprofitable.

righted work had been registered with the Register of Copyrights and, in case of a published work, that notice of copyright had been affixed to copies thereof circulated in the United States, or to the newspaper or periodical containing the same, before he is entitled to any remedy other than an injunction or the fair and reasonable value of a license, in a sum not more than \$1,000 or both, as determined by the court.

“(c) In case of the infringement of copyright in any work by any person or corporation engaged solely in printing, binding, or manufacturing such work in printed form (the word ‘printing’ as used in this section is defined to include photo-engraving, electrotyping, stereotyping, photogravure, gravure lithographing, or other processes used in the reproductive manufacture of such works in printed form, as well as all forms and methods of printing), where such infringer shall show that he was not aware that he was infringing and that he was acting in good faith, and that such infringement could not have been reasonably foreseen, the person aggrieved shall be entitled only to an injunction against future printing, binding, and manufacturing the same in printed form, and to the delivery up of all such printed, bound, and manufactured material, and shall not be entitled to any profit made by such infringer from his contract or employment to print, bind, or manufacture in printed form, or to damages, actual or statutory, against such infringer: *Provided*, That in case such printer is also the publisher, distributor, or seller of such creation, or in partnership or regularly engaged in business with such publisher, distributor, or seller, or is in anywise directly or indirectly interested in the publication, distribution, sale, or exploitation of such creation (other than as derived solely from his contract or employment merely to print, bind, or manufacture the same in printed form) or in any profits to be derived from such publication, distribution, sale, or exploita-

tion, then the person aggrieved shall be entitled to all the remedies provided by this Act, and the immunity granted by this subsection shall not apply.

“(d) In any action against publishers, distributors, or sellers of periodicals, magazines, or newspapers for infringement of copyright, the plaintiff shall not be entitled to enjoin the alleged infringement as to any matter claimed to infringe such copyright when any part of such material has, prior to the time when action was commenced, been included in any issue of such periodicals, magazines, or newspapers upon which the work of manufacture has actually begun, or to sequester, impound, or destroy any issue containing such alleged infringing matter, or the means for publishing such issue except upon proof to the satisfaction of the court that the manufacture of the issue containing such alleged infringing matter or the first installment thereof was commenced with actual knowledge that copyright subsisted in the work alleged to have been infringed.

“(e) Except in the case of an infringement by a publisher or distributor of a newspaper, magazine, or periodical, a broadcaster, or a motion-picture producer or distributor, who has acted innocently and in good faith, and except as otherwise provided in this Act, the infringer shall further be liable:

“(1) To deliver up, on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged to infringe a copyright;

“(2) To deliver up, on oath, for such disposition as the court may order, all the infringing copies, records, rolls, and other contrivances or devices, as well as all plates, molds, matrices, or other means for making such infringing copies.

“(f) Whenever the owner of the copyright in a musical composition has used or permitted the use of the copyrighted work upon the parts of musical instruments serving to reproduce me-

There is no rule of thumb solution for the economic and legal problems tendered by the minimum statutory damage clause. It is believed that the harshness of the minimum damage clause should be ameliorated, at least to the extent of reducing the liability of the consumer who effectuates an innocent infringement.

#### 164. COSTS AND ATTORNEY'S FEES.

Section 116 of the Code provides:

“§ 116: Costs; Attorney's Fees.—In all actions, suits, or proceedings under this title, except when brought by

mechanically the musical work, then in case of infringement of such copy-right by the unauthorized manufacture, use, or sale of interchangeable parts, such as disks, rolls, bands, or cylinders for use in mechanical music-producing machines adapted to reproduce the copyrighted music, no criminal action shall be brought, but in a civil action an injunction may be granted upon such terms as the court may impose, and the plaintiff shall be entitled to recover in lieu of profits and damages a royalty as provided in section 1, subsection (e) of this Act: *Provided*, That whenever any person in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work, relying upon the provisions of section 1, subsection (e) of this Act, as amended, he shall serve notice of such intention by registered mail upon the copyright proprietor at his last address disclosed by the records of the Copyright Office, sending to the Copyright Office a duplicate of such notice; and in case of his failure so to do the court may, in its discretion, in addition to sums hereinabove mentioned, award the complainant a further sum, not to exceed three times the amount provided by section 1, subsection (e), by way of damages, and not as a penalty, and also a temporary injunction until the full award is paid.

“(g) There shall be no liability, civil or criminal, under this Act, on the part of any person for the following:

“(1) The performance of a copy-

righted musical work by a recognized charitable, religious, or educational organization where the entire proceeds thereof, after deducting the reasonable cost of presenting the same, are devoted exclusively to charitable, religious, or educational purposes;

“(2) The auditory reception of any copyrighted work by the use of a radio receiving set, wired radio, or other receiving, reproducing, or distributing apparatus, or the performance, other than by broadcasting, of any copyrighted work by a coin-operated machine or machine mechanically or electrically operated or by means of a disk, record, perforated roll, or film, manufactured by or with the consent of the copyright owner or anyone claiming under him, except where admission fees, other than for the ordinary occupation by a guest of a hotel or lodging-house room, are charged to the place of operation or, in the case of restaurants cover charges distinct from the charges for food, or other minimum charges, are made;

“(3) The reproduction, manufacture, distribution, and sale of designs or patterns for wearing apparel or pictorial or other representations or illustrations of such designs, patterns, and wearing apparel;

“(4) The merely incidental and not reasonably avoidable inclusion of a copyrighted work in a motion picture or broadcast depicting or relating current events.

“(h) Rules and regulations for practice and procedure under this section shall be prescribed by the Supreme Court of the United States.”

or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney's fee as part of the costs."<sup>1</sup>

This section provides that full costs are mandatory in favor of the prevailing party.<sup>2</sup> Neither the statutes nor the federal cases define or explain who is the prevailing party. However, in a recent case, defendant who had filed a "contingent counterclaim", i.e., to be allowed only in the event that the plaintiff was held to have rights under his claim of copyright, successfully resisted plaintiff's suit. Defendant's contingent counterclaim was likewise dismissed. The court held that despite the dismissal of the counterclaim, the plaintiff lost the lawsuit, and that costs would be assessed against the former since defendant was the prevailing party.<sup>3</sup>

The mandatory assessment of costs against the losing party was ignored in an early case,<sup>4</sup> however, it is believed that this decision has been overruled.<sup>5</sup> Although the statute makes no provision for a complainant who is partially successful in his suit, the courts have held that where plaintiff prevails only in part, the costs will be divided.<sup>6</sup> On the other hand, the award of counsel fees is discretionary with the

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 116 (Supp 1951).

<sup>2</sup> HRep't No 2222, which accompanied HR 28192, 60th Cong 2d Sess (1909): "Section 40 [§ 116 of Copyright Code] reenacts section 972 of the Revised Statutes. The provision for full costs, which is found in the existing law, is necessary in view of the provisions of section 968 of the Revised Statutes, for under that statute when a plaintiff brings an action in a circuit court and recovers less than the sum or value of \$500, exclusive of costs, in a case which can not be brought there unless the amount in dispute, exclusive of costs, exceeds said sum or value, he shall not be allowed, but at the discretion of the court shall be adjudged to pay, costs. This section further provides that the court may award to the prevailing party a reasonable counsel fee as part of the costs" *Amsterdam v. Triangle Publications*, 189 F2d 104 (3d Cir 1951).

<sup>3</sup> *Official Aviation Guide Co. v.*

*American Aviation Associates, Inc.*, 162 F2d 541 (7th Cir 1947), cert den, 326 US 776, 66 S Ct 267, 90 L Ed 469 (1948).

<sup>4</sup> *Vernon v. Shubert*, 220 Fed 694 (DC NY 1915).

<sup>5</sup> *Detective Comics v. Bruns Publications*, 28 FSupp 399 (DC NY 1939), modified on other grounds, 111 F2d 432 (2d Cir 1940); *Witmark & Sons v. Calloway*, 22 F2d 412, 415 (DC Tenn 1927); *Fisher v. Dillingham*, 298 Fed 145 (DC NY 1924); *Witmark & Son v. Pastime Amusement Co.*, 298 Fed 470 (DC SC 1924), *aff'd*, 2 F2d 1020 (2d Cir 1924). But *cf.* *Marks Music Corporation v. Foullon*, 171 F2d 905 (2d Cir 1949).

<sup>6</sup> *Witmark & Sons v. Standard Music Roll Co.*, 213 Fed 532 (DC NJ 1914), *aff'd*, 221 Fed 376 (3d Cir 1915). Costs cannot be assessed against the United States. *Towle v. Ross*, 32 FSupp 125 (DC Or 1940). See also *Marks Music Corporation v. Foullon*, 171 F2d 905 (2d Cir 1949).

court.<sup>7</sup> To quote Judge Hough on the purpose and objectives of this statutory provision:

“The counsel fee provided for in the Copyright Act is merely a revival of old practice. I am not informed that it is known what reasons induce Congress to revive old practice in respect to copyrights only. Having therefore nothing but the text of the law to guide me, I do not regard the congressional provision as punitive and assume that the intent of Congress was merely to compensate counsel for professional labors. Consequently, I inquire not only into the extent of the professional labor known to the court, but the importance of the litigation, both as to the principle involved and the pecuniary magnitude of the case.”<sup>8</sup>

Other factors considered by the courts in determining the amount of the fee are the character of the infringement and surrounding circumstances, whether damages were incurred, promptness in ceasing the infringement and the vigor of the defense.<sup>9</sup> Where obscurity takes a long shot at success and fails, the prevailing party will be awarded legal fees commensurate with the work involved.<sup>10</sup> Thus in *Lewys v. O'Neill*, the legal fees totalled \$17,500.<sup>11</sup> In several cases where the statutory damages would be burdensome on the unsuccessful party, the courts have reduced or refused to allow counsel fees.<sup>12</sup>

<sup>7</sup> Official Aviation Guide Co. v. American Aviation Associates, 162 F2d 541 (7th Cir 1947) cert den, 326 US 776, 66 S Ct 267, 90 LEd 469 (1948); Shapiro Bernstein & Co. v. Vogel Music Co., 161 F2d 406 (2d Cir 1947), cert den, 331 US 820, 67 S Ct 1310, 91 LEd 1837 (1948); National Brass Co. v. Michigan Hardware Co., 75 FSupp 140 (DC Mich 1948); Advertisers Exchange v. Anderson, 144 F2d 907 (8th Cir 1944); Aldrich v. Remington Rand, Inc., 52 FSupp 732 (DC Tex 1942); Cain v. Universal Pictures Co., 47 FSupp 1013 (DC Cal 1942); Marks v. Leo Feist Inc., 8 F2d 460 (2d Cir 1925).

<sup>8</sup> Universal Film Mfg. Co. v. Coperman, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 S Ct 209, 59 LEd 433 (1914).

<sup>9</sup> Allegrini v. De Angelis, 68 FSupp 684 (DC Pa 1946), *aff'd*, 161 F2d 184 (3d Cir 1947); Nichols v. Universal Pictures Corporation, 45 F2d 119 (2d

Cir 1930), cert den, 282 US 902, 51 S Ct 216, 75 LEd 795 (1931); Schellberg v. Empringham, 36 F2d 991 (DC NY 1929); Marks v. Leo Feist Inc., 8 F2d 460 (2d Cir 1925); Witmark v. Pastime Amusement Co., 298 Fed 470 (DC SC 1924), *aff'd*, 2 F2d 1020 (4th Cir 1924).

<sup>10</sup> Lowenfels v. Nathan, 2 FSupp 73, 80 (DC NY 1933); Rosen v. Loew's Inc., 162 F2d 785 (2d Cir 1947): “In copyright we have become accustomed to actions without shadow of merit. Apparently the conviction of which the authors and composers cannot be disabused, extends to their assignees; that the finest gossamers of similarity can be made to serve. The prizes are large; the security of the foundation often seems to be in inverse proportion.”

<sup>11</sup> *Lewys v. O'Neill*, 49 F2d 603 (DC NY 1931).

<sup>12</sup> *Cf.* Shapiro Bernstein & Co. v. Veltin, 47 FSupp 648 (DC La 1942);

The cases listed in the margin furnish miscellaneous examples of fees allowed.<sup>13</sup> One or two cases warrant comment. In two cases, fees of \$10,000 were allowed because of the extensive work required of counsel.<sup>14</sup> In the ASCAP type of case, viz., for infringement of musical copyrights the fee usually ranges from \$50 to \$200.<sup>15</sup> In cases involving the infringement of dramatic works, catalogues and the like where more extensive preparation is required and the issues are more complex, the fees have ranged from \$1,000 to \$5,000.<sup>16</sup>

The courts in their discretion have disallowed fees. If the prevailing party has delayed the prosecution of his suit while the proposed infringer spent large sums in exploiting the infringing works, counsel fees will not be granted.<sup>17</sup> If the plaintiff prosecutes an infringement suit in good faith, but loses because of his failure to comply with the technical requirements of the statute,<sup>18</sup> or because the subject matter of the suit is lacking in copyrightability, counsel fees will be disallowed.<sup>19</sup> In another case, the extraordinary costs of attor-

Official Aviation Guide Co. v. American Aviation Associates, 162 F2d 541 (7th Cir 1947), cert den, 326 US 776, 66 S Ct 267, 90 L Ed 469 (1948); Jerome v. Twentieth Century-Fox Film Corporation, 71 FSupp 914 (DC NY 1947), *aff'd*, 165 F2d 784 (2d Cir 1947); Advertisers Exchange v. Anderson, 144 F2d 907 (8th Cir 1944); American Institute of Architects v. Fenichel, 41 FSupp 146 (DC NY 1941); Kraft v. Cohen, 38 FSupp 1022 (DC Pa 1941); Jewell La Salle Realty Co. v. Buck, 283 US 202, 51 S Ct 407, 75 L Ed 978 (1931); Advertisers Exchange v. Hinkley, 95 USPQ 124 (8th Cir 1952).

<sup>13</sup> Toksvig v. Bruce Publishing Co., 181 F2d 664 (7th Cir 1950): \$500; Burns v. Twentieth Century-Fox Film Corporation, 75 FSupp 986 (DC Mass 1948): \$250; Stoncesifer v. Twentieth Century-Fox Film Corporation, 48 FSupp 196 (DC Cal 1942), *aff'd*, 140 F2d 579 (9th Cir 1943): \$1000; Arnstein v. Broadcast Music Inc., 46 FSupp 379 (DC NY 1942), *aff'd*, 137 F2d 410 (2d Cir 1943): \$500; Burndy Engineering Co. v. Sheldon Service Corp., 127 F2d 661 (2d Cir 1942): \$2000; Cory v. Physical Culture Hotel Co., 88 F2d 411 (2d Cir 1937): \$2,500;

Sebring Pottery Co. v. Steubenville Pottery Co., 9 FSupp 384 (DC Ohio 1934): \$1,800; General Drafting Co. v. Andrews, 37 F2d 54 (2d Cir 1930): \$4000.

<sup>14</sup> Universal Pictures Co. v. Harold Lloyd Corporation, 162 F2d 354 (9th Cir 1947); Gumm v. Vogel Music Co., 158 F2d 516 (2d Cir 1946): copyright infringement suit which had seven causes of action.

<sup>15</sup> Cf. Remick Music Corporation v. Interstate Hotel Co., 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 S Ct 622, 91 L Ed 691 (1947); Buck v. Savoia Restaurant, 27 FSupp 289 (DC NY 1939); Buck v. Dacier, 26 FSupp 37 (DC Mass 1938); Buck v. Newsreels Inc., 25 FSupp 787 (DC Mass 1938); Buck v. Ridgeway, 25 FSupp 690 (DC Mass 1938).

<sup>16</sup> *Op cit supra*, notes 13 and 14.

<sup>17</sup> Haas v. Leo Feist Inc., 234 Fed 105 (DC NY 1916).

<sup>18</sup> Aldreih v. Remington Rand Inc., 52 FSupp 732 (DC Tex 1942); American Institute of Architects v. Fenichel, 41 FSupp 146 (DC NY 1941).

<sup>19</sup> Kraft v. Cohen, 38 FSupp 1022 (DC Pa 1941).

neys' fees were denied since the suit was hard fought and prosecuted in good faith, and it presented a complex problem in law.<sup>20</sup> In *Jerome v. Twentieth Century Fox Film Corporation*, the defendant, the prevailing party, requested attorneys' fees of \$30,000. The case lasted for three days, it required the taking of depositions and the submission of briefs and proposed findings. Defendant tendered novel special defenses which were decided adversely to it. The court commented on the fact that "this litigation had developed a very bitter feeling between opposing counsel" and that "the bitter animus of counsel for both sides has made this litigation pretty much of a personal feud". Counsel fees were disallowed, since in the opinion of the court the litigation could have been avoided if defendant had displayed a more generous and less technical attitude.<sup>21</sup>

Counsel fees are reviewable on appeal, but an appellate court will not reverse the lower court's award unless there has been an abuse of discretion.<sup>22</sup> An appellate tribunal may likewise award counsel fees to the prevailing party on appeal.<sup>23</sup>

There has been but one reported case, wherein a plaintiff sought costs and attorney fees against employees of the federal government who infringed plaintiff's copyrighted maps. Although the defendants were personally responsible for the infringement, costs and attorney fees were denied since the statute exempts officers of the United States from this liability. The court held although the defendants were technically not "officers", it would be contrary to the intent of Congress to absolve the higher administrative heads and assess costs and attorney fees to the clerk who did their bidding.<sup>24</sup>

<sup>20</sup> *Official Aviation Guide Co. v. American Aviation Associates*, 162 F2d 541 (7th Cir 1947), cert den, 326 US 776, 66 S Ct 267, 90 L Ed 469 (1948).

<sup>21</sup> *Jerome v. Twentieth Century-Fox Film Corporation*, 71 F Supp 914 (DC NY 1947), *aff'd*, 165 F2d 784 (2d Cir 1948).

<sup>22</sup> *Jerome v. Twentieth Century-Fox Film Corporation*, 165 F2d 784 (2d Cir 1948); *Official Aviation Guide Co. v. American Aviation Associates Inc.*, 162 F2d 541 (7th Cir 1947), cert den, 326 US 776, 66 S Ct 267, 90 L Ed

469 (1948); *Hartfield v. Peterson*, 91 F2d 998 (2d Cir 1937); *Hendricks v. Thomas Publishing Co.*, 242 Fed 37 (2d Cir 1917).

<sup>23</sup> *Id.* Cf. *Sheldon v. Metro-Goldwyn Pictures Corporation*, 106 F2d 45 (2d Cir 1939), *aff'd*, 309 US 390, 60 S Ct 681, 84 L Ed 825 (1940); *Sheldon v. Metro-Goldwyn Pictures Corporation*, 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 S Ct 835, 80 L Ed 1392 (1936).

<sup>24</sup> *Towle v. Ross*, 32 F Supp 125 (DC Or 1940).

**Chapter XVII**  
**OTHER REMEDIES FOR INFRINGEMENT OF**  
**COPYRIGHT**

- § 170. Introduction.
- 171. Remedies for Infringement of Common Law Copyright.
  - 172. Jurisdiction of Federal Courts: General Discussion.
    - 172a. Jurisdiction of Federal Courts: Joinder of Causes.
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  - 175. Criminal Infringement.
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**170. INTRODUCTION.**

In addition to the monetary remedies available to the owner of statutory copyright, the statute prescribes the following additional remedies:

- a) injunction;
- b) impounding and destruction of infringing copies;
- c) criminal liability and
- d) prohibition against importation of prohibited works.

Since the use of the foregoing remedies, particularly injunction and impounding and destruction of infringing copies are dependent on the jurisdiction of the federal courts and the rules promulgated by the Supreme Court, implementing the same, we shall first discuss the role and functions of the state and federal courts in copyright infringement suits.

**171. REMEDIES FOR INFRINGEMENT OF COMMON LAW COPYRIGHT.**

Actions based on common law copyright are brought in the state courts.<sup>1</sup> Of course if there is diversity of citizenship

<sup>1</sup> E.g. *Golding v. RKO Pictures Inc.*, *Weitzenkorn v. Lesser*, 231 P2d 889 35 Cal2d 690, 221 P2d 95 (1950); (CalApp 1951); *Columbia Pictures*

and the matter in controversy exceeds \$3000, a common law action may be tried in the federal courts.<sup>2</sup> But under the teachings of *Erie Railroad Company v. Tompkins*, all common law copyright actions are governed by local law.<sup>3</sup> In a suit for infringement of common law copyright, plaintiff must prove the damages resulting from such copying; however, there is no limit to the damages which may be secured in this class of litigation.<sup>4</sup> In addition to the monetary remedy of damages, the common law copyright proprietor may obtain an injunction, delivery up of infringing copies, the appointment of a receiver, and an accounting of the profits.<sup>5</sup>

The federal courts have exclusive jurisdiction of infringement suits under the Copyright Code. This will be discussed in the next section.

## 172. JURISDICTION OF FEDERAL COURTS: GENERAL DISCUSSION.

Section 1338(a) of the Judicial Code gives the district courts "original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases."<sup>1</sup>

The federal courts do not have jurisdiction over all cases

*Corporation v. Krasna*, 70 USPQ 560 (NYSCt 1946); *Benelli v. Hopkins*, 197 Misc 877, 95 NYS2d 668 (1950).

<sup>2</sup> *Wilkie v. Santley Bros.*, 13 FSupp 136 (DC NY 1935), *aff'd*, 91 F2d 978 (2d Cir 1937), cert den, 302 US 735, 58 Sct 120, 82 LEd 568 (1937), affirmed on reargument, 94 F2d 1023 (2d Cir 1938); *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 Sct 1197, 89 LEd 1983 (1945); *Dieckhaus v. Twentieth Century-Fox Film Corporation*, 54 FSupp 425 (DC Mo 1944), reversed, 153 F2d 893 (8th Cir 1946), cert den, 329 US 716, 67 Sct 46, 91 LEd 621 (1946).

<sup>3</sup> 304 US 64, 58 Sct 817, 82 LEd 1188 (1938). The federal courts are required to apply state law and follow the decisions of the lower federal courts. See *Boston Casualty Co. v. Bath Iron Works, Corp.*, 136 F2d 31 (1st Cir 1943); *Stentor Electric Mfg. Co. v. Klaxon Co.*, 125 F2d 820 (3d Cir 1942), cert den, 316 US 685, 62

Sct 1284, 86 LEd 1757 (1942); *Zephyr American Corporation v. Bates Mfg. Co.*, 128 F2d 380 (3d Cir 1942). *Cf. Blanc v. Lantz*, 83 USPQ 137 (CalSuper 1949), discussed *passim* § 203a; *Triangle Publications Inc. v. New England Newspaper Publishing Co.*, 46 FSupp 198 (DC Mass 1942).

<sup>4</sup> *Shafter, Musical Copyright* (2d Ed 1939) 111, 126.

<sup>5</sup> *Cf. Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 Sct 38, 54 LEd 150 (1909); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (1834); *Maxwell v. Goodwin*, 93 Fed 665 (CC III 1899). In *Press Publishing Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 Sct 40, 41 LEd 367 (1896), it was held that exemplary or punitive damages may be awarded. See also *Weil, Copyright Law* (1917) 449 ff.

<sup>1</sup> Act of June 25, 1948, 62 STAT 931, 28 USCA § 1338(a).

that may involve rights in or to copyright.<sup>2</sup> The scope and extent of the jurisdiction exercised by federal courts in copyright cases is illustrated by the recent case of *Security First National Bank v. Republic Pictures Corporation*.<sup>3</sup> Plaintiff was the chattel mortgagee under a chattel mortgage executed by a motion picture producer to secure the repayment of a loan of \$35,000. The mortgage covered among other items of personal property, all copyrights on the story, treatment, script, continuity and manuscript composition of the motion picture photoplay entitled "A Song For Miss Julie" together with the right to copyright and all rights to its renewal. The motion picture producer defaulted in the payment of the loan. Plaintiff then instituted foreclosure proceedings in the federal district court; it purchased at public auction the rights covered by the chattel mortgage for \$5000 and subsequently recorded the certificate of sale on foreclosure in the Copyright Office.

Since a controversy had arisen between the plaintiff and the defendant as to the rights acquired on foreclosure, plaintiff instituted an action for declaratory judgment<sup>4</sup> in which it petitioned the court to declare that the property covered by the chattel mortgage included the right to the copyright of the story. The defendant challenged the jurisdiction of the court to foreclose the chattel mortgage as to the copyright. Defendant contended that the controversy was a non-federal matter and that the proper forum for the foreclosure of the mortgage was the state court.

Judge Yankwich in holding for the plaintiff, spelled out

<sup>2</sup> Cf. *Laning v. National Ribbon & Carbon Paper Mfg. Co.*, 125 F2d 565, 566 (7th Cir 1942): "Unfortunately the line separating cases which arise under the patent laws of which only the federal courts have jurisdiction, . . . from cases which do not so arise but merely involve a question of patent law, of which the state courts have jurisdiction, is not as clearly demarcated as might be wished. It is clear, however, that not every case involving a patent is one 'arising under the patent . . . laws.'" See also: *Field v. True Comics Inc.*, 89 NYS2d 35 NYSupCt (1949); *Meredith v. Smith*, 145 F2d 620 (9th Cir 1944); *Musher Foundation v. Alba Trading*

*Co.*, 127 F2d 9 (2d Cir 1942), cert den, 317 US 641, 63 Sct 33, 87 LEd 517 (1942); *MacGregor v. Westinghouse Electric & Mfg. Co.*, 45 FSupp 236 (DC Pa 1942), *aff'd*, 130 F2d 870 (3d Cir 1942). See also: *Wells v. Universal Pictures Co.*, 166 F2d 690 (2d Cir 1948); *Gay v. Robbins Music Corp.*, 38 NYS2d 337 (NYSupCt 1942).

<sup>3</sup> 97 FSupp 360 (DC Cal 1951).

<sup>4</sup> Cf. *Broadcast Music Inc. v. Taylor*, 65 USPQ 503 (NYSup Ct 1945) for a discussion of the remedy of declaratory judgment for copyright infringement suits; *Hammitt v. Warner Bros.*, 84 FSupp 28 (DC NY 1949), *aff'd*, 176 F2d 145 (2d Cir 1949).

the criteria governing the original jurisdiction of federal courts in copyright actions:

1. Federal jurisdiction may be invoked in copyright actions to vindicate a right or privilege claimed under the Copyright Code.<sup>5</sup> Thus an action to recover damages for infringement of copyright or to enjoin its enforcement is a suit arising under an Act of Congress.<sup>6</sup> Similarly a federal court retains jurisdiction of a suit to enforce a right secured by the copyright laws "although it incidentally draws in question the validity, interpretation and effect of a contract through which the complainant derives title."<sup>7</sup> In an action to enjoin copyright infringement a federal right is still asserted, although the court is required to determine the rights of the parties under a license agreement set up as a defense.<sup>8</sup>

2. Federal jurisdiction in copyright cases cannot be invoked where the right asserted is non-federal. "It may not be invoked where the right asserted is non-federal, merely because the plaintiff's right to sue is derived from federal law or because the property involved was obtained under federal statute. The federal nature of the right to be established is decisive—not the source of the authority to establish it."<sup>9</sup> Thus actions on contracts relating to copyright which do not call for a construction of copyright laws are non-federal matters.<sup>10</sup> A suit to recover royalties agreed to be paid an

<sup>5</sup> Puerto Rico v. Russel & Co., 288 US 476, 483, 53 S Ct 447, 77 LEd 903 (1933); Gully v. First National Bank, 299 US 109, 112, 57 S Ct 96, 81 LEd 70 (1936): "To bring a case within the statute, a right or immunity created by the Constitution or laws of the United States must be an element, and an essential one of the plaintiff's cause of action. . . . The right or immunity must be such that it will be supported if the Constitution or laws of the United States are given one construction or effect, and defeated if they receive another." See also: Lehman v. Babor, 9 FRD 109 (DC NY 1949); Broadcast Music Inc. v. Buck, 34 NYS2d 337 (NYSup Ct 1942), *aff'd*, 264 AppDiv 750, 35 NYS2d 265 (1943); Loew's Inc. v. Superior Court of Los Angeles County, 18 Cal2d 419, 115 P2d 983 (1941).

<sup>6</sup> Southern Music Publishing Co. v. Walt Disney Productions, 73 FSupp

580 (DC NY 1947); Basevi v. Edward O'Toole Co., 26 FSupp 41 (DC NY 1939); Cohan v. Richmond, 86 F2d 680 (2d Cir 1936).

<sup>7</sup> Wooster v. Crane & Co., 147 Fed 515, 516 (8th Cir 1906); Gay v. Robbins Music Corporation, 38 NYS2d 337 (NYSup Ct 1942).

<sup>8</sup> Harms & Frances v. Stern, 229 Fed 42 (2d Cir 1910); Harper Bros. v. Klaw, 232 Fed 609 (DC NY 1916).

<sup>9</sup> Puerto Rico v. Russel & Co., 288 US 476, 483, 53 S Ct 447, 77 LEd 903 (1933).

<sup>10</sup> Shultis v. McDougal, 225 US 561, 32 S Ct 704, 56 LEd 1205 (1912); Shoshone Mining Co. v. Rutter, 177 US 505, 20 S Ct 726, 44 LEd 864 (1900); Blackburn v. Portland Gold Mining Co., 175 US 571, 20 S Ct 222, 44 LEd 276 (1900); Starin v. New York, 115 US 248, 6 S Ct 28, 29 LEd 388 (1885); Wells v. Universal Pictures, 166 F2d 690 (2d Cir 1948). See Yankwich,

author out of the proceeds and sale of a copyrighted production is not one arising under the copyright laws and hence is not within the jurisdiction of a federal court.<sup>11</sup> A complaint which, although charging infringement of copyright and praying for an injunction and an accounting, was in reality a suit to enforce a contract between an author and publisher, was not a justiciable case for the federal courts.<sup>12</sup> Finally, the state courts are authorized to resolve contractual disputes between the parties, although the interpretation of the copyright laws may be incidental to the adjudication, provided that such interpretation "is not of the essence of the action."<sup>13</sup> Thus a state court in an action by a receiver to determine whether an assignment of copyright was made in fraud in creditors, could incidentally decide who was the copyright proprietor of the work.<sup>14</sup> In this connection, the incidental jurisdiction exercised by a state court in determining title to copyright would be binding on a federal court in a suit for copyright infringement.<sup>15</sup>

3. A third element suggested by Judge Yankwich to determine whether the federal courts have jurisdiction is the adequacy or inadequacy of the state remedies. An adjudication by a state court of a contractual dispute between an author and publisher would be conclusive and binding on the federal courts.<sup>16</sup> But the foreclosure of a copyright mortgage would not be. Statutory copyright as we have discussed elsewhere consists of a bundle of incorporeal rights which are separate and distinct from the physical substance which reflects a set of intellectual ideas;<sup>17</sup> it is a creature of Congress which does not exist in any state.<sup>18</sup> Statutory copy-

Jurisdiction and Procedure of the Federal District Courts (1941) 1 FRD 453.

<sup>11</sup> *Danks v. Gordon*, 272 Fed 821 (2d Cir 1921); *Benelli v. Hopkins*, 197 Misc 877, 95 NYS2d 668 (1950).

<sup>12</sup> *Silver v. Holt*, 84 Fed 809 (CC Mass 1895).

<sup>13</sup> *Security-First National Bank v. Republic Pictures Corporation*, 97 FSupp 360, 366 (DC Cal 1951); *Benelli v. Hopkins*, 197 Misc 877, 95 NYS2d 668 (1950); *Haworth v. Nystrom*, FCas No 6,251 (CC Pa 1879).

<sup>14</sup> *Dorf v. Denton*, 33 USPQ 24 (DC NY 1937). To the same effect: *Broadcast Music Inc. v. Taylor*, 65 USPQ 503 (NYSupCt 1945); *Hoyt v. Bates*,

81 Fed 641 (CC Mass 1897). But *cf.* *King v. Marks Music Corporation*, 56 FSupp 446 (DC NY 1944).

<sup>15</sup> *Dorf v. Denton*, 33 USPQ 24 (DC NY 1937).

<sup>16</sup> *Id.*

<sup>17</sup> *Security First National Bank v. Republic Pictures Corporation*, 97 FSupp 357 (DC Cal 1951); *Holmes v. Hurst*, 174 US 82, 19 SCt 606, 43 LEd 904 (1879). See Yankwich, *Originality in the Law of Intellectual Property* (1951) 8 FRD 457, 458 ff.

<sup>18</sup> *Id.* *Security-First National Bank v. Republic Pictures Corporation*, 97 FSupp 360, 367.

right is co-extensive with the United States and as was said in *Stevens v. Gladding*: "There is nothing in any Act of Congress, or in the nature of the rights themselves to give them locality anywhere, so as to subject them to the process of the courts having jurisdiction limited by the lines of states and districts."<sup>19</sup> The foreclosure of a copyright mortgage in the state courts would "carry nothing more than the right to the physical possession of the property to which the copyright attaches, that is, the film. The decree of the state court would not insure a merchantable title, co-extensive with the territorial limits of the United States. And, as already appears, that is of the very essence of copyright."<sup>20</sup>

In the final analysis, whether a state or federal court has jurisdiction depends upon the allegations of the complaint. If the plaintiff seeks to enforce a right based on the copyright laws the federal courts have jurisdiction.<sup>21</sup> Conversely if the bill does not allege a violation of the rights secured by the Copyright Code, and in the absence of diversity of citizenship and jurisdictional amount, the proper forum is a state court.<sup>22</sup> The jurisdiction of a state court is invoked where the issue of copyright infringement is incidental to the dispute between the parties or is offered as a defense by the defendant.<sup>23</sup>

As a general rule, for the district courts to exercise jurisdiction of suits of a civil nature, the matter in controversy must exceed the sum or value of \$3,000 exclusive of interests and costs and must be between citizens of different states.<sup>24</sup> Diversity of citizenship and jurisdictional amount are not prerequisites to litigation in the federal courts to enforce rights under the copyright statutes.<sup>25</sup> Although no time limit

<sup>19</sup> *Stevens v. Gladding*, 17 How 447, 451, 15 LEd 155 (1854).

<sup>20</sup> *Op cit supra*, note 18 at 368.

<sup>21</sup> *Press Publishing Co. v. Monroe*, 164 US 105, 17 Sct 40, 41 LEd 367 (1896); *United States v. American Bell Telephone Co.*, 159 US 548, 16 Sct 69, 40 LEd 255 (1895); See also: *Lehrman v. Babor*, 9 FRD 109 (DC NY 1949); *Wooster v. Crane & Co.*, 147 Fed 515 (8th Cir 1915); *Parissi v. General Electric Co.*, 97 FSupp 333 (DC NY 1951). And see Karp, *Copyright Litigation* (1952) at 143, 165 in 7 *Copyright Problems Analyzed*.

<sup>22</sup> *Outcault v. Lamar*, 135 AppDiv 110, 119 NYSupp 930 (1909).

<sup>23</sup> *Id.* See *Danks v. Gordon*, 272 Fed 821 (2d Cir 1921); *Wooster v. Crane & Co.*, 147 Fed 515 (8th Cir 1906). See also: *Dorf v. Denton*, 33 USPQ 24 (DC NY 1937).

<sup>24</sup> *Moore's Commentary on the Judicial Code* (1949) 87; *Elgin Laboratories v. Utility Mfg. Co.*, 26 FSupp 918 (DC Ill 1939).

<sup>25</sup> *Broadcast Music Inc. v. Taylor*, 65 USPQ 503 (NYSupCt 1945); *Loew's Incorporated v. Los Angeles Superior Ct.*, 18 Cal2d 419, 115 P2d

is prescribed for civil actions for infringement, the courts apply the statute of limitations for tort actions as prescribed by the law of the state where suit is brought.<sup>26</sup>

### 172a. JURISDICTION OF FEDERAL COURTS: JOINDER OF CAUSES.

Section 1338(b) of the Judicial Code provides:

“The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws.”<sup>1</sup>

This subsection is derived from *Hurn v. Oursler*<sup>1a</sup> which warrants detailed discussion. The plaintiff sued for an injunction, damages and an accounting, alleging: (1) that the defendant had infringed plaintiff's copyrighted play; (2) that these acts constituted unfair competition, (3) and that during the pendency of the suit, plaintiff amended his bill and applied the allegation of unfair competition to a later uncopyrighted revision of the play. The trial court found no infringement of copyright and concluded that the court was accordingly without jurisdiction to entertain the allegation of unfair competition, the parties being citizens of the same state. The Circuit Court of Appeals affirmed the decree of dismissal. The Supreme Court in modifying the decree held that the federal courts had jurisdiction of the claim premised on unfair competition, although the claim for copyright infringement was not proved. The third claim, i.e., unfair competition resulting from the uncopyrighted version of the play was dismissed. This was a separate “cause of action” and could not be the basis of a suit in the federal courts because of the absence of diversity of citizenship.

(1941); *Advertisers Exchange v. Bayless Drug Store*, 3 FRD 178 (DC NJ 1942); *King v. Marks Music Corporation*, 56 FSupp 446 (DC NY 1944); *Harper Bros. v. Klaw*, 232 Fed 609 (DC NY 1916).

<sup>26</sup> *Local Trade-Marks v. Price*, 170 F2d 715 (5th Cir 1948), *aff'g*, 73 FSupp 907 (DC Ala 1947); *McCaleb v. Fox Film Corporation*, 299 Fed 48 (5th Cir 1924); *Brady v. Daly*, 175

US 148, 20 Sct 62, 44 LEd 109 (1897). See also *Pathe Exchange v. Dalke*, 49 F2d 161 (4th Cir 1931); *Carew v. Melrose Music*, 92 FSupp 971 (DC NY 1950); *Von Tilzer v. Vogel Music Co.*, 53 FSupp 191 (DC NY 1943), *aff'd* 158 F2d 516 (2d Cir 1944).

<sup>1</sup> Act of June 25, 1948, 62 STAT 931, 28 USCA § 1338b.

<sup>1a</sup> 289 US 238, 53 Sct 586, 77 LEd 1148 (1933).

To quote from the majority's opinions on claims (1) and (2):

"The distinction to be observed is between a case where two distinct grounds in support of a single cause of action are alleged, one only of which presents a federal question, and a case where two separate and distinct causes of action are alleged, one only of which is federal in character. In the former, where the federal question averred is not plainly wanting in substance, the federal court, even though the federal ground be not established, may nevertheless retain and dispose of the case upon the nonfederal ground; in the latter it may not do so upon the nonfederal cause of action. The case at bar falls within the first category. The bill alleges the violation of a single right; namely, the right to protection of the copyrighted play. And it is this violation which constitutes the cause of action. Indeed, the claims of infringement and unfair competition so precisely rest upon identical facts as to be little more than the equivalent of different epithets to characterize the same group of circumstances."<sup>2</sup>

The Supreme Court, while admitting that "a cause of action may mean one thing for one purpose and something different for another", stated that, "for the purpose of determining the bounds between state and federal jurisdiction," a cause of action "does not consist of facts . . . but of the unlawful violation which the facts show."<sup>3</sup>

The significance of the doctrine of *Hurn v. Oursler* is that the federal courts still retain jurisdiction of the unfair competition count, although the claim based on copyright infringement may be wanting in substance. For the most part, a cause of action alleging infringement of copyright is joined with an unfair competition count based on the same facts.<sup>4</sup>

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> E.g. *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951); *Jerome v. Twentieth Century-Fox Film Corp.*, 58 FSupp 13 (DC NY 1944). Cf. *Rudolf Lesch Fine Arts v. Metal*, 51 FSupp 69 (DC NY 1943); *Triangle Publications, Inc. v. New England Newspaper Publishing Co.*, 46 FSupp 198 (DC NY 1942). Cf. *Millstein v. Leland Hayward Inc.*, 10 FRD 198

(DC NY 1950); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947); *Block v. Plant*, 87 FSupp 49 (DC Ill 1949). An action for infringement of copyright may be joined with an action for infringement of common law trade-mark, *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688 (2d Cir 1938). Cf. *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941); *Collins v. Metro-Goldwyn Pictures Corp.*, 106 F2d 83 (2d

Although the federal claim may not be proved, the federal courts retain jurisdiction for the purpose of passing upon the unfair competition count.<sup>5</sup>

The doctrine of *Hurn v. Oursler* has not fared too well in the courts, particularly in the Second Circuit Court of Appeals.<sup>6</sup> The Supreme Court in its decision referred to such concepts as "cause of action", "ground" and "right" in defining the bounds of federal jurisdiction. These concepts have rendered the doctrine of *Hurn v. Oursler* indefinite and have caused difficulties with respect to its application to new factual situations. The courts, particularly those in the Second Circuit, have restricted the doctrine to facts identical with *Hurn v. Oursler*.<sup>7</sup> Thus where a plaintiff will rely on the same facts to prove infringement and unfair competition, the *Hurn v. Oursler* doctrine is applicable.<sup>8</sup> But where an infringement count is joined with an unfair competition count for misappropriation of a program title<sup>9</sup> or book title,<sup>10</sup> it has been held that the second claim was a separate cause of action unrelated to the first count.<sup>11</sup> Similarly the courts

Cir 1939). An action for infringement of copyright may be joined with a patent infringement count: *French Renovating Co. v. Ray Renovating Co.*, 170 F2d 945 (6th Cir 1948).

<sup>5</sup> *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688 (2d Cir 1938). See cases cited *op cit supra* note 4.

<sup>6</sup> See Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) 1924 for an excellent discussion on this topic. See also *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 59 S Ct 191, 83 LEd 195 (1938). *Cf.* *Kleinman v. Betty Dain Creations*, 189 F2d 54 (2d Cir 1951) with *Schreyer v. Casco Products Corp.*, 190 F2d 92 (2d Cir 1951).

<sup>7</sup> *Zalkind v. Scheinman*, 139 F2d 895, 902 (2d Cir 1943) per Judge Frank: "As we read the *Oursler* and *Nu-Enamel* cases, it is not sufficient that both claims require identical proof of certain facts; federal jurisdiction of the nonfederal claim fails if, in addition to the facts supporting the federal claim, plaintiff, to sustain the nonfederal claim, must rely on substantial proof not relevant to the fed-

eral claim." But see dissenting opinions of Judge Clark in *Musher Foundation v. Alba Trading Co.*, 127 F2d 9, 11 (2d Cir 1942), cert den, 317 US 641, 60 S Ct 514, 84 LEd 1008 (1940); *Lewis v. Vendome Bags*, 108 F2d 16, (2d Cir 1939), cert den, 309 US 660, 60 S Ct 514, 84 LEd 1008 (1940); *Collins v. Metro-Goldwyn Pictures Corp.*, 106 F2d 83 (2d Cir 1939); Note, (1952) 100 UofPaLRev 585.

<sup>8</sup> *Jerome v. Twentieth Century-Fox Film Corporation*, 58 FSupp 13 (DC NY 1944); *Triangle Publications v. New England Publishing Co.*, 46 FSupp 198 (DC Mass 1942); *Landstorm v. Thorpe*, 189 F2d 46 (8th Cir 1951).

<sup>9</sup> *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941).

<sup>10</sup> *Collins v. Metro-Goldwyn Pictures Corp.*, 106 F2d 83 (2d Cir 1939).

<sup>11</sup> See also: *Millstein v. Leland Hayward Inc.*, 10 FRD 198 (DC NY 1950); *Weissman v. Radio Corporation of America*, 80 FSupp 612 (DC NY 1948); *Arnstein v. Porter*, 154 F2d 464, cert den, 330 US 851, 67 S Ct 1096, 91 LEd 1294 (1947).

have refused to pass upon a cause of action based on infringement of common law copyright when joined with a statutory copyright count.<sup>12</sup>

It is believed that section 1338(b) is not only consistent with *Hurn v. Oursler*, but expands that doctrine. Under section 1338(b) a federal court will have jurisdiction of the claim of unfair competition when the claim under the copyright, patent or federal trade-mark law is substantial and related to the claim of unfair competition. The latter claim need not be based on the same facts.<sup>13</sup> All that is required is that there be a real factual or legal relationship between the two claims.<sup>14</sup> This construction of the statute "is intended to avoid 'piecemeal' litigation and to enforce common-law and statutory copyright, patent and trade-mark rights by specifically permitting such enforcement in a single civil action in the district court."<sup>15</sup>

#### 172b. JURISDICTION OF FEDERAL COURTS: APPLICABILITY OF RULES OF CIVIL PROCEDURE FOR DISTRICT COURTS.

The Copyright Act of 1909 authorized the Supreme Court to prescribe the "rules and regulations for practice and procedure" in copyright infringement suits.<sup>1</sup> The Supreme Court adopted the existing rules of equity practice "so far as they may be applicable."<sup>2</sup> Rule 2 required "a copy of the alleged infringement of copyright, if actually made, and a copy of the work alleged to be infringed, should accompany the petition, or its absence, explained; except in cases of alleged infringement by the public performance of dramatic and dramatico-musical compositions, the delivery of lectures, sermons, addresses, and so forth, the infringement of copyright upon sculptures and other similar works and in any case where it is not feasible."<sup>3</sup>

<sup>12</sup> *Weissman v. Radio Corporation of America*, 80 FSupp 612 (DC NY 1948).

<sup>13</sup> Moore's Commentary on the Judicial Code (1949) 150. See also Wechsler, Federal Jurisdiction and the Revision of the Judicial Code (1948) 13 *Law & Contemp. Problems* 216, 232.

<sup>14</sup> *Cf. Schreyer v. Casco Products*

Corp., 89 FSupp 177 (DC NY 1950) *aff'd*, 190 F2d 921 (2d Cir 1951); Moore's Commentary on the Judicial Code (1949) 150.

<sup>15</sup> Reviser's Notes to 28 USCA § 1338b, *supra* note 1.

<sup>1</sup> Act of March 4, 1909, 35 STAT 1081, 17 USCA § 25 (Supp 1951).

<sup>2</sup> 17 USCA § 25 at p 139.

<sup>3</sup> *Id.* at 140.

When the Rules of Federal Procedure were adopted, they were made applicable to copyright infringement suits.<sup>4</sup> The revision and codification of the Judicial Code in 1949 as set forth in § 2072 makes the Rules of Civil Procedure for the District Courts govern the “forms of process, writs pleadings, and motions” in copyright infringement suits:

“§ 2072. *Rules of civil Procedure for District Courts.*

The Supreme Court shall have the power to prescribe, by general rules, the forms process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the territory of Alaska in civil actions.

Such rules shall not abridge, enlarge or modify any substantive right and shall preserve the right of trial by jury as at common law and as declared by the Seventh Amendment to the Constitution.

Such rules shall not take effect until they have been reported to Congress by the Chief Justice at the beginning of a regular session and until after the close of such session.

All laws in conflict with such rules shall be of no further force or effect after such rules have taken effect. Nothing in this title anything therein to the contrary notwithstanding, shall in any way limit, supersede, or repeal any such rules heretofore prescribed by the Supreme Court.”<sup>5</sup>

#### 172c. JURISDICTION OF FEDERAL COURTS: VENUE.

Section 1400(a) of the Judicial Code provides:

“§ 1400. *Patents and Copyrights.*

(a) Civil actions, suits, or proceedings arising under any Act of Congress relating to copyrights may be instituted in the district in which the defendant or his agent resides or may be found.”<sup>1</sup>

Subsection (a) is derived from § 35 of the Copyright Act of 1909.<sup>2</sup> Section 35 was repealed when Congress enacted the Copyright Code in 1947; its substance was carried forward as § 111 of the Copyright Code.<sup>3</sup> Section 111 was repealed

<sup>4</sup> 28 USCA § 723c.

<sup>2</sup> Act of March 4, 1909, 35 STAT

<sup>5</sup> Act of June 25, 1948, 62 STAT 1084.

961, amended May 24, 1949, 63 STAT

104, amended July 18, 1949, 63 STAT 652.

446, 28 USCA § 2072.

<sup>1</sup> Act of June 25, 1948, 62 STAT

936, 28 USCA § 1400(a).

when the Judicial Code was enacted in 1948, hence § 1400(a) governs venue for copyright infringement suits.<sup>4</sup>

The last clause of § 1400(a) viz., "in the district in which the defendant or his agent resides or may be found" has been construed by the courts in several recent decisions. Section 1400 applies to a corporate defendant doing continuous business in the district, thus the person representing the corporation would be a sufficient agent for valid service of process.<sup>5</sup> In *Mc Devitt v. Dorsey*, it was held that service of process on a resident of Hollywood California who was temporarily "found" in Cleveland Ohio was valid. The court held: "While it is true that there is respectable authority to the effect that mere service of process upon a nonresident defendant within a District does not render the defendant 'found' in such District, nevertheless the plain meaning of the words of the statute should be relied upon and adopted rather than to search for limitations upon such plain meaning."<sup>6</sup>

It is very doubtful whether the phrase "found" would authorize service of process upon an individual who is temporarily present in a district. Thus in *Lumiere v. Wilder Inc.*, the Supreme Court held that jurisdiction in a copyright infringement suit was not acquired over a corporation in a district where it had no office, and was not engaged in business, by serving its president who was temporarily present but was not transacting corporate business. The Supreme Court left open the question of "whether under the copyright act, service upon an agent would be effective as upon one 'found,' if it appeared that the agent when served was transacting some business for defendant within the jurisdiction, but was there only temporarily and had his place of business elsewhere."<sup>7</sup> It is believed that in order to effectuate service

<sup>4</sup> *Op cit supra* note 1. Moore's Commentary on the Judicial Code (1949) 184: "While § 1400(a) has carried forward the former provision governing the venue of a copyright suit, since it is in part geared to residence, § 1391 (c) [of the Judicial Code] should be recalled in the case of a corporate defendant."

<sup>5</sup> *Backer v. Gonder Ceramic Arts*, 90 FSupp 737, 738 (DC NY 1950). But *cf.* *Metallizing Engineering Co. v. Metallizing Co. of America*, 57 USPQ 106 (DC NY 1943). See also

Moore's Commentary on the Judicial Code (1949) 179.

<sup>6</sup> *McDevitt v. Dorsey*, 67 FSupp 818 (DC Ohio 1946). *Contra*, *Metallizing Engineering Co. v. Metallizing Co. of America*, 57 USPQ. 106 (DC NY 1943); *Deutsch v. Times Publishing Corp.*, 38 FSupp 957 (DC NY 1940); *Cargill v. Mark's Credit Clothing Co.*, 29 FSupp 725 (DC NY 1939).

<sup>7</sup> *Lumiere v. Wilder Inc.*, 261 US 174, 43 Sct 312, 67 LEd 596 (1923). To the same effect: *Deutsch v. Times Publishing Corp.*, 38 FSupp 957 (DC

under the foregoing circumstances, more than an isolated act of business must be involved.<sup>8</sup> The defendant or his agent who is present within the jurisdiction of a federal court must be engaged in a consistent pattern of regular business activity in order for the service to be valid.<sup>9</sup>

### 172d. JURISDICTION OF COURTS: PARTIES' PLAINTIFF.

Section 101 of the Copyright Code specifies the remedies which are available "if any person shall infringe the copyright in any work."<sup>1</sup> This provision imposes two limitations which are pertinent to this discussion: relief is not available for any wrong other than infringement of copyright;<sup>2</sup> secondly and more importantly, the theory of indivisibility of copyright requires the owner or copyright proprietor to be a necessary party to any suit for infringement.<sup>3</sup>

We have discussed elsewhere the concept of indivisibility of copyright, viz., that the transfer of less than all of the rights conferred by section 1 of the Copyright Code makes the transferee a "mere licensee," entitled to less judicial aid than an "assignee" or copyright proprietor.<sup>4</sup>

The theory of indivisibility of copyright which requires the copyright proprietor to be joined as a necessary party to any

NY 1940); *Cargill v. Mark's Credit Clothing Co.*, 29 FSupp 725 (DC NY 1939).

<sup>8</sup> *Goldberg v. Southern Builders Inc.*, 184 F2d 345 (App DC 1950); *Frye v. Batavia (NY) Veteran's Administration Employees Credit Union* No. 189, 8 FRD 334 (DC DC 1943); *Hutchinson v. Chase & Gilbert*, 45 F2d 139 (2d Cir 1930); *McNeal-Edwards Co. v. Frank Young Co.*, 42 F2d 362 (1st Cir 1930); *Zimmers v. Dodge Bros. Inc.*, 21 F2d 152 (DC Ill 1927).

<sup>9</sup> *International Shoe Company v. State of Washington*, 326 US 310, 317, 66 Sct 154, 90 LEd 95 (1945) . . . "single or isolated items of activities in a state in the [foreign] corporation's behalf are not enough to subject it to suit on causes of action unconnected with the activities there. *St. Clair v. Cox*, *supra*, [106 US] 359, 360; *Old Wayne Life Ass'n v. McDonough*, 204 US 8, 21; *Frene v. Louisville Cement Co.*, *supra*, [77 US App

DC, 129, 134 F2d] 511, 515 and cases cited. To require the corporation in such circumstances to defend the suit away from its home or other jurisdiction where it carries on more substantial activities has been thought to lay too great and unreasonable burden on the corporation to comport with due process".

See also: *Whitehead v. Atlantic Life Insurance Co.*, 60 FSupp 255 (DC Pa 1945).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 101 (Supp 1951).

<sup>2</sup> *Goldwyn Pictures Corporation v. Howell Sales Co.*, 282 Fed 9 (2d Cir 1922); cert den, 262 US 755, 43 Sct 703, 67 LEd 1217 (1923); *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994 (DC NY 1915).

<sup>3</sup> *Infra* § 53.

<sup>4</sup> *Id.* And see *Fulda*, Copyright Assignments and the Capital Gains Tax (1949) 245, 247.

suit for infringement is derived from a similar doctrine in the field of patent law. Thus in *Waterman v. Mackenzie*, the issue tendered was whether a transferee of a patent could sue in his own name.<sup>5</sup> Like the copyright proprietor, the owner of a patent has "the exclusive right to make, use, and vend the invention or discovery."<sup>6</sup> The Supreme Court held that "an assignment or transfer short of one of these is a mere license, giving the licensee no title in the patent and no right to sue at law in his own name for infringement."<sup>7</sup>

The doctrine of *Waterman v. Mackenzie* has been applied to the copyright cases. This is illustrated by *Witmark & Sons v. Pastime Amusement Co.*<sup>8</sup> Plaintiff has assigned its small performing or non-dramatic rights in its copyrighted musical composition "Kiss Me Again" to ASCAP. Plaintiff sued defendant, a motion picture exhibitor, for infringement of its copyright. The first question tendered the court was whether the plaintiff could maintain this suit for infringement since it had assigned its non-dramatic rights in the song to ASCAP. The court held that the plaintiff and not ASCAP was the "proprietor" of the copyright and hence the proper party to assert the claim for infringement. In reaching this conclusion, it was pointed out that the plaintiff had not parted with his entire interest in the copyright, but that the copyright had been only partially assigned. The court's obvious implication that ASCAP being a mere licensee and not a "proprietor", would not have been able to maintain a suit for infringement, was supported by earlier authorities. For example in *New Fiction Publishing Company v. Star Company*,<sup>9</sup> the author and copyright owner of a play assigned to the plaintiff the "serial rights," which included all rights to publish, except the right to publish the play as a book and the right of dramatic performance. Plaintiff printed the play in his magazine but shortly before the issue containing the play was put in circulation, defendant printed substantial portions of the play in his newspaper. In dismissing plaintiff's suit

<sup>5</sup> *Waterman v. Mackenzie*, 138 US 252, 11 SCT 334, 34 LEd 923 (1891).

<sup>6</sup> Act of May 23, 1930, 46 STAT 376, 35 USCA § 40.

<sup>7</sup> *Waterman v. Mackenzie*, 138 US 252, 11 SCT 334, 34 LEd 923 (1891); *United States v. General Electric Co.*, 272 US 476, 47 SCT 192, 71 LEd 362

(1926). See Mr. Justice Frankfurter dissenting in *Commissioner of Internal Revenue v. Wodehouse*, 337 US 369, 419, 69 SCT 1120, 93 LEd 1419 (1949).

<sup>8</sup> 298 Fed 470 (DC SC 1924), *aff'd*, *per curiam*, 2 F2d 1020 (4th Cir 1924).

<sup>9</sup> 220 Fed 994 (DC NY 1915).

for infringement, the court held that "less than an assignment of the entire copyright cannot carry the causes of action . . . which the act accords to the owner or assignee." This interpretation of the statute was based on the language of the provisions governing assignment and infringement suits. Assignments must be executed by the proprietor; <sup>10</sup> similarly only a "proprietor" may sue for infringement.<sup>11</sup> The court reasoned that since the author had sold only a limited right to plaintiff and another limited right to a theatrical manager, he obviously did not intend completely to divest himself of his copyright by assignment. The fear of multiple suits against the alleged infringer has prompted the courts to require the copyright proprietor to be joined as a party plaintiff. "They (the remedies) here sought were not intended to be cumulative, so as to subject a defendant to more than one recovery for the redress of one wrong."<sup>12</sup>

We have discussed elsewhere the interpretive problems confronting the courts in distinguishing between a true assignment of all rights or a mere license of less than all of the rights.<sup>13</sup> Although the earlier cases are in conflict,<sup>14</sup> the great weight of authority is to the effect that the assignee of a specific right cannot sue in his own right; he must join the copyright proprietor as a party plaintiff.<sup>15</sup>

Although a licensee lacks the necessary legal title for the purpose of instituting an infringement suit, he enjoys an equitable title which furnishes him adequate protection. Here again the copyright law has followed the path marked out by the patent law. In *Littlefield v. Perry*,<sup>16</sup> the Supreme Court considered the situation of a licensee whose rights had been violated by the licensor, the patent owner. The absurdity of

<sup>10</sup> 61 STAT 652 (1947), 17 USCA § 28 (Supp 1951). *Infra* § 51.

<sup>11</sup> *Op cit supra*, note 1.

<sup>12</sup> *New Fiction Publishing Co. v. Star Co.*, 220 Fed 994, 997 (DC NY 1915).

<sup>13</sup> *Infra* § 54.

<sup>14</sup> *Roberts v. Myers*, 20 FCas 898 (CC Mass 1860); *Aaronson v. Fleckenstein*, 28 Fed 74 (CC Ill 1886). See also *Tams v. Witmark*, 30 NY Misc 293 (1900), *aff'd*, 48 AppDiv 632 (1900); *Aaronson v. Baker*, 43 NJEq 565, 12 Atl 177 (1888).

<sup>15</sup> *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909 (1st Cir 1945); *Marks Music Corp. v. Vogel Music Co.*, 140 F2d 268 (2d Cir 1944); *Leo Feist Inc. v. Young*, 138 F2d 972 (7th Cir 1943); *SESAC v. WCAU Broadcasting Co.*, 25 FSupp 385 (DC Pa 1938); *Buck v. Royal Palms Inc.*, 23 FSupp 29 (DC Mass 1938); *Buck v. Virgo*, 22 FSupp 156 (DC NY 1938); *Buck v. Elm Lodge*, 83 F2d 201 (2d Cir 1936).

<sup>16</sup> 21 Wall 205, 22 LEd 577 (1875).

the argument that the licensee's inability to sue should bar relief against his licensor was met by the statement that in this case, the person who should have protected the licensee against all infringement had himself become an infringer. He, the infringer, "held the legal title to his patent in trust for his licensees. He has been faithless to his trust, and courts of equity are always open for the redress of such a wrong. This wrong is an infringement."<sup>17</sup> In *Independent Wireless Telegraph Company v. Radio Corporation of America*,<sup>18</sup> the Supreme Court applied the general principle that "a cestui que trust may make an unwilling trustee a defendant in a suit to protect the subject matter of the trust," and concluded that, "the implied obligation of the licensor to allow the use of his name (as co-plaintiff) is indispensable to the enjoyment by the licensee of the monopoly which by personal contract the licensor has given. . . . If there is no other way of securing justice to the exclusive licensee, the latter may make the owner . . . a co-plaintiff without his consent in the bill against the infringer."<sup>19</sup>

These rules have been applied by the courts in the copyright cases. Thus in *Page & Co. v. Fox Film Corporation*, the court held that "it is immaterial whether the plaintiff's rights be considered to be merely contractual or to involve the grant of a proprietary interest in the copyright. . . . As an exclusive licensee, the plaintiff could invoke the rule of the *Independent Wireless Telegraph Company* case; he . . . could compel the copyright proprietor, as a trustee to sue for an infringement, even if no interest was transferred to the plaintiff."<sup>20</sup>

The rule of compulsory joinder of the owner-licensor has been employed by ASCAP to enforce the nondramatic rights

<sup>17</sup> *Id.* at 233.

<sup>18</sup> 269 US 459, 46 S Ct 166, 70 L Ed 357 (1926).

<sup>19</sup> *Id.* at 469. See also: *Field v. True Comics Inc.*, 89 FSupp 611, 613 (DC NY 1950).

<sup>20</sup> *Page & Co. v. Fox Film Corporation*, 83 F2d 196, 198 (2d Cir 1936). To the same effect: *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924); *Browne Music Co. v. Fowler*, 290 Fed 751 (2d Cir 1923); *Witwer v. Harold Lloyd Corp.*, 46 F2d 792 (DC Cal 1930),

reversed on other grounds, 65 F2d 1 (9th Cir 1933), cert dismissed, 296 US 669, 54 S Ct 94, 78 L Ed 1507 (1933); *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938); *Schellberg v. Empringham*, 36 F2d 991 (DC NY 1929); *Cf. Southern Music Publishing Co. v. Walt Disney Productions*, 73 FSupp 580 (DC NY 1947); *Harms v. Stern*, 229 Fed 42 (DC NY 1915), reversed, 231 Fed 645 (2d Cir 1916).

assigned it by its members. Following the *Witmark* case, it has been consistently held that ASCAP, as a licensee, could bring suit for infringement only by compelling the copyright proprietor to be joined as a party plaintiff, the rationale being that only in this way could a defendant be protected from harassment by successive law suits.<sup>21</sup>

The Federal Rules of Civil Procedure which govern copyright infringement suits, have liberalized the rules dealing with the joinder of parties.<sup>22</sup> Thus in the "extreme case" where the copyright proprietor is the infringer or contributory infringer, a licensee in his own name may sue the copyright owner for breach of trust;<sup>23</sup> if the copyright proprietor is hostile and refuses to join, the licensee may sue and join the owner as a party defendant.<sup>24</sup> If the copyright proprietor is beyond the service of process and refuses to join, and thus the court is unable to get jurisdiction over him, the licensee may join him as an involuntary plaintiff "because the license carries with it the implied authority to use the licensor's name in infringement actions."<sup>25</sup>

As stated previously, a few courts have ignored the rule that the legal owner must always be a plaintiff in an infringement

<sup>21</sup> *Op cit supra*, note 15.

<sup>22</sup> FRCP 17a. "REAL PARTY IN INTEREST. Every action shall be prosecuted in the name of the real party in interest; but an executor, administrator, guardian, trustee of an express trust, a party with whom or in whose name a contract has been made for the benefit of another, or a party authorized by statute may sue in his own name without joining with him the party for whose benefit the action is brought; and when a statute of the United States so provides, an action for the use or benefit of another shall be brought in the name of the United States." FRCP 19a "NECESSARY JOINDER. Subject to the provisions of Rule 23 and of subdivision (b) of this rule, persons having a joint interest shall be made parties and be joined on the same side as plaintiffs or defendants. When a person who should join as a plaintiff refuses to do so, he may be made a defendant, or in proper cases, an involuntary plaintiff." See also: *Field*

*v. True Comics Inc.*, 89 FSupp 611 (DC NY 1950); *SESAC v. WCAU Broadcasting Co.*, 46 USPQ 198 (DC Pa 1940).

<sup>23</sup> *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924); *Ted Browne Music Co. v. Fcwler*, 290 Fed 751 (2d Cir 1923). See also 3 Moore's Federal Practice (2d Ed 1948). *Cf. Marks Music Corp. v. Vogel Music Co.*, 140 F2d 268 (2d Cir 1944); *Hoffman v. Santly Joy Inc.*, 51 FSupp 778 (DC NY 1943).

<sup>24</sup> *Field v. True Comics Inc.*, 89 FSupp 611, 613 (DC NY 1950); *Independent Wireless Telegraph Co. v. Radio Corporation of America*, 269 US 459, 46 SCT 166, 70 LEd 357 (1926); *Radio Corporation of America v. Emerson*, 296 Fed 51 (2d Cir 1924); *Deitel v. Chisholm*, 42 F2d 172 (2d Cir 1930), cert den, 282 US 873, 51 SCT 78, 75 LEd 771 (1930).

<sup>25</sup> 3 Moore's Federal Practice, (2d Ed 1948) 1360; *Field v. True Comics Inc.*, 89 FSupp 611 (DC NY 1950).

suit. In 1860 a licensee who possessed the exclusive right of public performance of a play for only a limited period and a limited territory, enjoined an infringer without designating the author as co-plaintiff.<sup>26</sup> In a later case, where the copyright was taken out by the publisher pursuant to an agreement that the publisher hold it only as a trustee for the benefit of the author, the latter has "full equitable title" and may bring suit in his own name not only against an unfaithful trustee, but also against third persons.<sup>27</sup> Not only may the equitable owner holding title in trust maintain an action for infringement,<sup>28</sup> but a co-owner of copyright may sue alone against an infringer.<sup>29</sup>

It is believed that the new Rules of Federal Procedure remedy many of the difficulties formerly attendant the joinder of parties plaintiff or defendant. Under Rule 19, a licensee may join a copyright proprietor as a party plaintiff or defendant. Even if the copyright proprietor is outside the court's jurisdiction, the licensee may join the owner as an involuntary plaintiff.

### 172e. JURISDICTION OF COURTS: PARTIES' DEFENDANT.

We have discussed elsewhere the doctrine and principles of contributory infringement. Since infringement of copyright is a tort, all persons concerned or who participate therein are jointly and severally liable.<sup>1</sup> Thus the publisher,<sup>2</sup> printer,<sup>3</sup> binder,<sup>4</sup> vendor,<sup>5</sup> are proper parties defendant since

<sup>26</sup> *Roberts v. Myers*, 20 FCas 898, No 11,906 (CC Mass 1860); *Aronson v. Fleckenstein*, 28 Fed 75 (CC Ill 1886).

<sup>27</sup> *Bisel v. Ladner*, 1 F2d 436 (3d Cir 1924).

<sup>28</sup> *Ted Browne Music Co. v. Fowler*, 290 Fed 751, 753 (2d Cir 1923).

<sup>29</sup> *Shapiro, Bernstein & Co. v. Vogel Music Co.*, 73 FSupp 165 (DC NY 1947); *Vogel Music Co. v. Miller Music, Inc.*, 272 AppDiv 571, 74 NYS2d 425 (1947); See also *Field v. True Comics Inc.*, 89 FSupp 611 (DC NY 1950); *Widenski v. Shapiro, Bernstein & Co.*, 147 F2d 909 (1st Cir 1945); *Marks Music Corp. v. Vogel Music Co.*, 140 F2d 268 (2d Cir 1944); *Hoffman v. Santly-Joy Inc.*, 51 FSupp 778 (DC NY 1943).

<sup>1</sup> *Infra* § 156.

<sup>2</sup> *Sammons v. Larkin*, 38 FSupp 649 (DC Mass 1941); *American Code Co. v. Bensinger*, 282 Fed 829 (2d Cir 1922); *Belford Clark & Co. v. Scribner*, 144 US 488, 12 SCT 734, 36 LED 514 (1892).

<sup>3</sup> *Id.*

<sup>4</sup> *American Code Co. v. Bensinger*, 282 Fed 829 (2d Cir 1922); *Belford Clark & Co. v. Scribner*, 144 US 488, 12 SCT 734, 36 LED 514 (1892).

<sup>5</sup> *Id.* See also *Greene v. Bishop*, FCas No 5,763, 10 FCas 1128 (CC Mass 1858). See also: *Fishel v. Lueckel*, 53 Fed 449 (CC NY 1892); *Harper v. Shoppel*, 28 Fed 613 (CC NY 1886); *Stevens v. Gladding*, FCas No 13,399 (CC RI 1856); *Altman v. New Haven Union Co.*, 254 Fed 113 (DC Conn 1918). *Cf.* *Deutsch v. Arnold*, 98 F2d 686 (2d Cir 1938).

their acts constitute an infringement of the printing and publishing rights. Similarly the producer,<sup>6</sup> sponsor,<sup>7</sup> network<sup>8</sup> and all stations<sup>9</sup> broadcasting an unauthorized copyrighted dramatic work or song are proper parties' defendant.

### 173. INJUNCTION.

Section 101(a) of the Copyright Code provides that "if any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable to an injunction restraining such infringement." <sup>1</sup> This clause has been implemented by sections 112 and 113:

"§ 112. *Injunctions; Service and Enforcement.*—Any court mentioned in section 1338 of Title 28 or judge thereof shall have power, upon complaint filed by any party aggrieved, to grant injunctions to prevent and restrain the violation of any right secured by this title, according to the course and principles of courts of equity, on such terms as said court or judge may deem reasonable. Any injunction that may be granted restraining and enjoining the doing of anything forbidden by this title may be served on the parties against whom such injunction may be granted anywhere in the United States, and shall be operative throughout the United States and be enforceable by proceedings in contempt or otherwise by any other court or judge possessing jurisdiction of the defendants." <sup>2</sup>

"§ 113. *Transmission of Certified Copies of Papers for Enforcement of Injunction by Other Court.*—The clerk of the court, or judge granting the injunction, shall, when required so to do by the court hearing the application to enforce said injunction, transmit without delay to said court a certified copy of all the papers in said cause that are on file in his office." <sup>3</sup>

The jurisdiction exercised by federal courts to enjoin infringement of copyright exists independently of the express

<sup>6</sup> *Select Theatres Corporation v. Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*; *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Buck v. Jewell La-Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>9</sup> *Id.*; *Associated Music Publishers*

*Inc. v. Debs Memorial Radio Fund Inc.*, 141 F2d 852 (2d Cir 1944), cert den, 323 US 766, 65 Sct 120, 89 LEd 613 (1945).

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 101(a) (Supp 1951).

<sup>2</sup> *Id.*, 17 USCA § 112 (Supp 1951) as amended by Public Law No 248, 82d Cong 1st Sess 65 STAT 710 (1951).

<sup>3</sup> *Id.*, 17 USCA § 113 (Supp 1951).

statutory provisions set forth in the copyright statutes. Injunctions were granted "on the well-established equitable principle that a court of equity will protect a legal right where the remedy at law is inadequate."<sup>4</sup>

Section 112 is broader than section 101(a). The former permits the courts to grant injunctive relief for not only actual infringements, but to "prevent and restrain the violation of any right secured by this title." Thus anticipated infringements may, in a proper case, be restrained.<sup>5</sup> It is believed that this section authorizes the courts to enjoin affixation of a fraudulent notice of copyright and the importation of piratical copies of copyright works.<sup>6</sup>

A neat question is tendered whether the provision that "any party aggrieved" may apply for an injunction, broadens the equitable jurisdiction of the federal courts by increasing the number of persons who may petition for injunctive relief. This is related to the question of who is a proper party to sue for copyright infringement.<sup>7</sup> In an early case it was held that a non-exclusive licensee of mechanical reproduction rights was a party aggrieved who could enjoin an infringer without designating the copyright proprietor as a party plaintiff.<sup>8</sup> This decision has been overruled. The phrase "any party aggrieved" refers to "any party who has a cause of action."<sup>9</sup> In other words this phrase does not create a new cause of action; it confers and extends the equitable jurisdiction of federal courts to copyright matters.<sup>10</sup>

Section 112 permits an injunction to be served anywhere in the United States and application may be made to any federal district to enforce the writ.

The following principles govern the issuance of injunctions:

<sup>4</sup> Sheldon v. Moredall Realty Corp., 22 FSupp 91 (DC NY 1938); American Code Co. v. Bensinger, 282 Fed 829 (2d Cir 1922).

<sup>5</sup> Eliot v. Geare-Marston, Inc., 30 FSupp 301 (DC Pa 1939); Historical Publishing Co. v. Jones Bros. Publishing Co., 231 Fed 638 (3d Cir 1916). Cf. Universal Pictures Corp. v. Marsh, 36 FSupp 241 (DC WVa 1940). See Weil, Copyright Law (1917) 520.

<sup>6</sup> *Passim* §§ 175a and 175b. Cf. Penn Sport-service v. Goldstein, 35 FSupp 706 (DC Pa 1940).

<sup>7</sup> *Infra* § 172d.

<sup>8</sup> Aeolian Co. v. Royal Music Roll Co., 196 Fed 926 (DC NY 1912).

<sup>9</sup> Goldwyn Pictures Corp. v. Howells Sales Co., 282 Fed 9 (2d Cir 1922), cert den, 262 US 755, 43 Sct 703, 67 LEd 1217 (1923); See also Interstate Hotel Co. v. Remick Music Corp., 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947).

<sup>10</sup> *Id.*

Proof of actual damages is not necessary for the issuance of an injunction; however, evidence of threatened damages is required.<sup>11</sup> Usually discontinuance of the infringement before suit is brought bars injunctive relief.<sup>12</sup> There are a few cases to the contrary.<sup>13</sup> An injunction will not be granted where the amount of infringing matter compared to the remainder of the defendant's work is slight and insignificant.<sup>14</sup> Even if the infringing matter, though insignificant and slight, pervades the entire work, an injunction will not be granted because separation is impossible.<sup>15</sup> On the other hand if the infringing matter can be removed, the injunction will issue, but it does not apply to the entire work; it is restricted to the infringing portions. "The doctrine of 'confusion of goods' which has sometimes been invoked to suppress an entire publication is not applicable where the infringing portions can be pointed out and separately condemned."<sup>16</sup> But if the pirated portions cannot be separated from the non-infringing matter, the entire work will be enjoined.<sup>17</sup> Although plaintiff could obtain adequate relief via an accounting for damages, and despite the substantial investment of the defendant, an injunction will issue in the case of a willful infringement.<sup>18</sup> Finally, several of the cases have denied injunctions to copyright proprietors because they were guilty of piracy or because their

<sup>11</sup> *MacMillan Co. v. King*, 223 Fed 862 (DC Mass 1914); *Fishel v. Lueckel*, 53 Fed 499 (CC NY 1892). See also *Historical Publishing Co. v. Jones Bros. Publishing Co.*, 231 Fed 638 (3d Cir 1916).

<sup>12</sup> *Smith v. Wilkinson*, 97 F2d 506 (1st Cir 1938); *Sheldon v. Moredall Realty Corp.*, 95 F2d 48 (2d Cir 1938); *Cravens v. Retail Credit Men's Ass'n*, 26 F2d 833 (DC Tenn 1924); *Hartford Printing Co. v. Hartford Directory & Publishing Co.*, 146 Fed 332 (DC Conn 1906).

<sup>13</sup> *Cf. Gilmore v. Anderson*, 38 Fed 846 (DC NY 1899); *Decker Cohn Co. v. Etchison Hat Co.*, 225 Fed 135 (DC Va 1915).

<sup>14</sup> *Cravens v. Retail Credit Men's Ass'n*, 26 FSupp 833 (DC Tenn 1924); *Dun v. Lumberman's Credit Ass'n*, 209 US 20, 28 S Ct 335, 52 L Ed 663 (1908); *Lawrence v. Dana*, FCas No 8,136 (CC Mass 1869).

<sup>15</sup> *West Publishing Co. v. Lawyers*

*Cooperative Publishing Co.*, 53 Fed 265 (DC NY 1893); *Webb v. Powers*, FCas No 17, 323, 29 FCas 511 (CC Mass 1847).

<sup>16</sup> *West Publishing Co. v. Lawyers Cooperative Publishing Co.*, 64 Fed 360, 364 (DC NY 1894); *Anderson Co. v. Baldwin Law Publishing Co.*, 27 F2d 82 (6th Cir 1928); *West Publishing Co. v. Thompson Publishing Co.*, 169 Fed 833 (DC NY 1909); *Webb v. Powers*, FCas No. 17,323, 29 FCas 511 (CC Mass 1847). See also *Williams v. Smythe*, 110 Fed 961 (DC Penn 1901).

<sup>17</sup> *Dam v. Kirke La Salle Co.*, 166 Fed 589 (DC NY 1908), *aff'd*, 175 Fed 902 (2d Cir 1910); *Sampson & Murdock v. Seaver-Radford Co.*, 140 Fed 539 (1st Cir 1905).

<sup>18</sup> *Page & Co. v. Fox Film Corp.*, 83 F2d 196 (2d Cir 1936); *Webb v. Powers*, FCas No 17,323, 29 FCas 511 (CC Mass 1847).

activities offended the law. Thus a federal court refused to restrain future threatened infringements of musical compositions by motion picture exhibitors. The court denied equitable relief to plaintiffs who were members of ASCAP because the grant of such relief would serve to continue practices by the copyright proprietors which were in violation of the anti-trust laws and which would extend their monopolistic control of copyright beyond its proper scope.<sup>19</sup>

The grant or denial of a preliminary injunction in copyright infringement cases is governed by general equitable principles. The latter may be noted briefly.

If a federal court has jurisdiction to grant an injunction by final decree, it has jurisdiction to grant a preliminary injunction.<sup>20</sup>

The real basis for the grant of a preliminary injunction is the maintenance of the status quo.<sup>21</sup> Although the grant or denial of a preliminary injunction is a matter confided to the sound discretion of the trial courts,<sup>22</sup> the latter require a plaintiff to make a prima facie showing of right.<sup>23</sup> Plaintiff must allege in his moving papers that the denial of the injunction will result in irreparable harm to his business.<sup>24</sup> A court is more inclined to grant a preliminary injunction where the infringement is substantial and the infringer has attempted to pass off his product for the copyrighted work.<sup>25</sup> A federal court has stated that preliminary injunctions are granted more readily in dramatic than in other cases because the delay

<sup>19</sup> *Witmark & Sons v. Jensen*, 80 FSupp 843 (DC Minn 1948); *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948). *Cf.* *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (DC Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947).

<sup>20</sup> *American Code Co. v. Bensinger*, 282 Fed 829 (2d Cir 1922).

<sup>21</sup> *Id.* *Gibbs v. Bueck*, 307 US 66, 59 Sct 459, 82 LEd 638 (1938); *Bordens Farm Products Co. v. Ten Eyck*, 297 US 251, 59 Sct 453, 80 LEd 669 (1936).

<sup>22</sup> *Id.*

<sup>23</sup> *Houghton Mifflin Co. v. Stackpole Sons*, 104 F2d 306 (2d Cir 1939), cert den, 308 US 597, 60 Sct 131, 84 LEd 499 (1940); *American Code Co.*

*v. Bensinger*, 282 Fed 831 (2d Cir 1922); *Bisel Co. v. Bender*, 190 Fed 205 (2d Cir 1911); *Da Prato Statuary Co. v. Guiliani Statuary Co.*, 189 Fed 90 (CC Minn 1911); *Lampert v. Hollis Music Inc.*, 105 FSupp 3 (DC NY 1952).

<sup>24</sup> *Chandler Co. v. Penn Paper Products*, 88 FSupp 753 (DC NY 1950); *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948).

<sup>25</sup> *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948); *New Jersey Motor List Co. v. Barton Business Service*, 57 F2d 353 (DC NJ 1931); *Ladd v. Axnard*, 75 Fed 703, 733 (CC Mass 1896). *Cf.* *Hoague Sprague Corporation v. Meyer Co.*, 27 FSupp 176 (DC NY 1928); *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938).

involved in waiting for a final decree would generally amount to a denial of justice.<sup>26</sup> The more recent cases have not pressed this distinction. If plaintiff will suffer irreparable injury and the injury to defendant by reason of the injunction is not disproportionate to the benefit derived by complainant, the writ will issue.<sup>27</sup> In other words, the courts will balance the conveniences viz., the gains and losses of the parties and sometimes also the injury to the public in determining whether to grant or deny a preliminary injunction.<sup>28</sup> To quote Judge Learned Hand in *International Film Service Co. v. Associated Producers*:<sup>29</sup>

“The court imposes the chances of loss upon those who deliberately steal the name. But such is not this case; the defendant is quite innocent of plagiarism and finds itself unwittingly in peril of losing much of its investment to protect the plaintiff against an extremely doubtful and probably insubstantial loss. Nothing in the books requires a court to give such an injunction, especially a preliminary injunction. On the other hand, it has been repeatedly said that the defendant’s loss must be balanced against the plaintiff’s gain, and that a sufficient disproportion will put the plaintiff to his action.”<sup>30</sup>

#### 174. IMPOUNDING AND DESTRUCTION OF INFRINGING COPIES.

Section 101(c) and (d) furnish the copyright proprietor a third remedy for infringement. An infringer is required:

“(c) Impounding during action.—To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged to infringe a copyright;

“(d) Destruction of infringing copies and plates.—To deliver upon oath for destruction all the infringing copies or devices, as well as all plates, molds, matrices, or other

<sup>26</sup> *Chappell & Co. Ltd. v. Fields*, 210 Fed 864 (2d Cir 1914).

<sup>27</sup> *Chandler Co. v. Penn Paper Products*, 88 FSupp 753 (DC NY 1950); *Sampson & Murdock Co. v. Seaver-Radford Co.*, 129 Fed 761 (CC Mass 1904); *West Publishing Co. v. Lawyers Cooperative Publishing Co.*, 53 Fed 265 (DC NY 1893).

<sup>28</sup> *Set-O-Type Co. v. American Multigraph Co.*, 55 F2d 800 (6th Cir

1932); *Rudge-Whitworth v. Houk Mfg. Co.*, 221 Fed 678 (DC NY 1914); *New England Engineering Co. v. Oakwood Street Ry. Co.*, 71 Fed 52, 53 (CC Ohio 1895): “Preliminary injunctions are granted upon a balance of convenience.”

<sup>29</sup> 273 Fed 585 (DC NY 1921).

<sup>30</sup> *International Film Service Co. v. Associated Producers*, 273 Fed 585, 588 (DC NY 1921).

means for making such infringing copies as the court may order.”<sup>1</sup>

The foregoing sections have been implemented by Section 2072 of the Judicial Code, which authorizes the Supreme Court “to prescribe, by general rules, the forms of process, writs, pleadings and motions, and the practice and procedure of the district courts of the United States in civil actions.”<sup>2</sup>

Subsections (c) and (d) were incorporated into the Act in 1909.<sup>3</sup> Prior to the 1909 revision, Congress prescribed no form of action for seizure. However, infringing copies of maps, photographs, and pictures (but not books) were seized by an action “in the nature of replevin.”<sup>4</sup> Both the prior law and the statute now in force preclude the issuance of a writ of attachment, since the remedies prescribed by law are exclusive and preclude common-law remedies.<sup>5</sup>

Subsection (c) furnishes interlocutory relief; it is ancillary to subsection (d) since it is the means of assuring the eventual destruction of all infringing articles.<sup>6</sup> Subsection (d) thus furnishes final relief. Both subsections are constitutional and are declaratory of the law, since a court exercising equitable jurisdiction has inherent power aside from the statute to order the destruction of infringing copies.<sup>7</sup>

Impounding and destruction are not limited to “plates, molds, (and) matrices.”<sup>8</sup> The breadth of the statute is indicated by the power given the courts to impound “all articles alleged to infringe a copyright” and to destroy “all the infringing copies or other devices” as well as “other means for making such infringing copies.” Thus infringers of copy-

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 101(c) and (d) (Supp 1951).

<sup>2</sup> Act of June 25, 1948, 62 STAT 961, as amended May 24, 1949, 63 STAT 104, amended July 18, 1949, 63 STAT 446, 28 USCA § 2072.

<sup>3</sup> Act of March 4, 1909, 35 STAT 1081. HRep't No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909): “Subsection (c) and (d) constitutes new legislation, but it is believed that some legislation of this kind is necessary in dealing with infringers.”

<sup>4</sup> Stern v. Remick Co., 164 Fed 781, 782 (DC NY 1908); Bolles v. Outing Co., 175 US 262, 264, 20 Sct 94, 44 L.Ed 156 (1899).

<sup>5</sup> Cf. Dixon v. Corinne Runkel Stock Co., 214 Fed 418 (DC NC 1914).

<sup>6</sup> Jewelers Circular Publishing Co. v. Keystone Publishing Co., 274 Fed 932 (DC NY 1921), *aff'd*, 281 Fed 83 (2d Cir 1922), cert den, 259 US 581, 42 Sct 464, 66 LEd 1074 (1922); Cf. Lampert v. Hollis Music Inc., 105 FSupp 3 (DC NY 1952).

<sup>7</sup> Weil, Copyright Law (1917) 484, 485.

<sup>8</sup> Sub-Contractors Register, Inc. v. McGovern's Contractors and Builders Manual Inc., 69 FSupp 507 (DC NY 1946).

righted songs recorded on motion picture film were required to deliver to the clerk of the court for impounding the negative and positive prints of the film or other material containing copies of the composition.<sup>9</sup> The flexibility of these remedies is illustrated by a recent case. Defendant, who had infringed a copyrighted catalogue by appropriating cuts and script material, was required to block out such drawings or cuts, together with the script or legend; defendant also surrendered all plates, molds and other matter used in producing the infringing matter.<sup>10</sup>

As stated above, the Supreme Court has prescribed rules for impounding and destruction.<sup>11</sup>

Rule 3 authorizes application for seizure to be made upon the institution of any action, suit or proceeding, or at any time thereafter, and before the entry of final judgment or decree. The application may be made by plaintiff, his authorized agent or attorney. The application must be supported by an affidavit which sets forth the number, location and value of the articles seized. The affidavit must be accompanied by a bond executed by at least two sureties and approved by the court or a commissioner thereof.<sup>12</sup>

The bond must be at least twice the reasonable value of the articles sought to be seized, the specific amount to be fixed by the court. It is conditioned upon the prompt prosecution

<sup>9</sup> Domestic Music Corp. v. Wyngate, 66 FSupp 82 (DC NY 1946); Crown Feature Film Co. v. Bettis Amusement Co., 206 Fed 362 (DC Ohio 1913); Universal Film Mfg. Co. v. Copperman, 206 Fed 69 (DC NY 1913).

<sup>10</sup> Perkins Marine Lamp & Hardware Co. v. Goodwin Stanley Co., 86 FSupp 630 (DC NY 1949).

<sup>11</sup> *Op cit supra*, note 2. Rule 2 is self-explanatory:

“A copy of the alleged infringement of copyright, if actually made, and a copy of the work alleged to be infringed, should accompany the petition, or its absence be explained; except in cases of alleged infringement by the public performance of dramatic and dramatico-musical compositions, the delivery of lectures, sermons, addresses, and so forth, the infringement of copyright upon sculptures and other similar work and in any case where it is not feasible.”

<sup>12</sup> *Id.*, Rule 3:

“Upon the institution of any action, suit or proceeding, or at any time thereafter, and before the entry of final judgment or decree therein, the plaintiff or complainant, or his authorized agent or attorney, may file with the clerk of any court given jurisdiction under section 34 [now § 1338(a) of the Judicial Code, *infra* § 172] of the act of March 4, 1909, an affidavit stating upon the best of his knowledge, information and belief, the number and location, as near as may be, of the alleged infringing copies, records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the copyright, and the value of the same, and with such affidavit shall file with the clerk a bond executed by at least two sureties and approved by the court or a commissioner thereof.”

of the suit, the return of the articles if adjudged non-infringing, if the action abates or is discontinued, and for payment of damages to defendant which the court may award to him against the plaintiff or complainant.<sup>13</sup> In the *Copperman* case, the court awarded damages to the successful defendant whose film had been seized. The court which heard witnesses on this issue awarded as damages, the profits lost to defendant by reason of his being unable to exhibit the film after seizure.<sup>14</sup>

On the filing of the affidavit and bond, and the approval of the bond, the clerk issues a writ directed to the marshal of the district where the infringing articles are located. The writ may issue to any marshal of the United States directing him to seize and hold such infringing copies subject to the order of the court.<sup>15</sup>

Rule 5 authorizes the marshal to seize the infringing articles, "using such force as may be reasonably necessary," and to serve upon the defendant a copy of the affidavit, writ and bond.<sup>16</sup>

<sup>13</sup>*Id.*, Rule 4:

"Such bond shall bind the sureties in a specified sum, to be fixed by the court, but not less than twice the reasonable value of such infringing copies, plates, records, molds, matrices, or other means for making such infringing copies, and be conditioned for the prompt prosecution of the action, suit or proceeding; for the return of said articles to the defendant, if they or any of them are adjudged not to be infringements, or if the action abates, or is discontinued before they are returned to the defendant; and for the payment to the defendant of any damages which the court may award to him against the plaintiff or complainant. Upon the filing of said affidavit and bond, and the approval of said bond, the clerk shall issue a writ directed to the marshal of the district where the said infringing copies, plates, records, molds, matrices, etc., or other means of making such infringing copies shall be stated in said affidavit to be located, and generally to any marshal of the United States, directing the said marshal to forthwith seize and hold the same subject to the order of the court

issuing said writ, or of the court of the district in which the seizure shall be made."

<sup>14</sup>*Universal Film Mfg. Co. v. Copperman*, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 SCT 209, 59 LEd 433 (1914).

<sup>15</sup>Rule 4, *op cit supra*, note 4.

<sup>16</sup>Rule 5:

"The marshal shall thereupon seize said articles or any smaller or larger part thereof he may then or thereafter find, using such force as may be reasonably necessary in the premises, and serve on the defendant a copy of the affidavit, writ and bond by delivering the same to him personally, if he can be found within the district, or if he cannot be found, to his agent, if any, or to the person from whose possession the articles are taken, or if the owner, agent, or such person cannot be found within the district, by leaving said copy at the usual place of abode of such owner or agent, with a person of suitable age and discretion, or at the place where said articles are found, and shall make immediate return of such seizure, or attempted seizure, to the court. He shall also attach to said articles a tag or label stating the fact of such seizure

Within three days after seizure, the defendant may file notice of exceptions with the clerk, that he opposes the amount of the bond, the sureties or both. If exceptions are not filed within the prescribed time, the sufficiency of the bond and sureties cannot be questioned. If the court sustains the exceptions, it may order plaintiff to execute a new bond or if this is not done within a time prescribed by the court, the property seized is returned to the defendant.<sup>17</sup> In the *Copperman* case, defendant excepted to the amount of the bond and the sufficiency of the sureties. The court increased the bond to \$500.<sup>18</sup>

Within ten days, the attorney for plaintiff must serve on the defendant or his attorney, notice of the justification of the sureties.<sup>19</sup>

If the defendant does not except to the bond, he may apply to the court for the return of the articles seized by filing an affidavit which alleges that the articles seized do not infringe plaintiff's copyright.<sup>20</sup> The filing of exceptions to a bond, resulting in a larger bond, does not authorize a defendant to demand the return of the alleged infringing articles, until after a hearing on the matter.<sup>21</sup>

and warning all persons from in any manner interfering therewith."

Rule 6:

"A marshal who has seized alleged infringing articles, shall retain them in his possession, keeping them in a secure place, subject to the order of the court."

<sup>17</sup> Rule 7:

"Within three days after the articles are seized, and a copy of the affidavit, writ and bond are served as hereinbefore provided, the defendant shall serve upon the clerk a notice that he excepts to the amount of the penalty of the bond, or to the sureties of the plaintiff or complainant, or both, otherwise he shall be deemed to have waived all objection to the amount of the penalty of the bond and the sufficiency of the sureties thereon. If the court sustain the exceptions it may order a new bond to be executed by the plaintiff or complainant, or in default thereof within a time to be named by the court, the property to be returned to the defendant."

<sup>18</sup> *Op cit supra*, note 14.

<sup>19</sup> Rule 8:

"Within ten days after service of such notice, the attorney of the plaintiff or complainant shall serve upon the defendant or his attorney a notice of the justification of the sureties, and said sureties shall justify before the court or a judge thereof at the time therein stated."

<sup>20</sup> Rule 9:

"The defendant, if he does not except to the amount of the penalty of the bond or the sufficiency of the sureties of the plaintiff or complainant, may make application to the court for the return to him of the articles seized, upon filing an affidavit stating all material facts and circumstances tending to show that the articles seized are not infringing copies, records, plates, molds, matrices, or means for making the copies alleged to infringe the copyright."

*Cf.* *Crown Feature Film Co. v. Bettis Amusement Co.*, 206 Fed 362 (DC Ohio 1913).

<sup>21</sup> *Universal Film Mfg. Co. v. Copperman*, 206 Fed 69 (DC NY 1913),

On the application filed by defendant requesting the return of the alleged infringing articles, the court in its discretion, after such hearing as it may direct, may order such return upon the filing by the defendant of a bond conditioned for the delivery of said specified articles to abide the order of the court.<sup>22</sup>

Only copies and other articles in the possession of the infringer may be seized for impounding and destruction. Thus a marshal cannot seize copies of a book which have been sold to persons not infringers.<sup>23</sup> Similarly copies in the possession of bailees of the defendant may not be seized or impounded.<sup>24</sup> In this connection the statute distinguishes between the seizure of a piratical copy imported into this country and a domestic infringement. In the former, all piratical copies imported may be seized and destroyed in the hands of any one.<sup>25</sup> On the other hand, a piratical copy not imported, which is sold, cannot be seized in the hands of one who is not an infringer.<sup>26</sup>

#### 175. CRIMINAL INFRINGEMENT.

Section 104 of the Copyright Code provides:

“§ 104. *Willful Infringement for Profit.*—Any person who willfully and for profit shall infringe any copyright secured by this title, or who shall knowingly and willfully aid or abet such infringement, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment for not exceeding one year or by a fine of not less than \$100 nor more than \$1,000, or

*aff'd*, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 SCt 209, 59 LEd 433 (1914).

<sup>22</sup> Rule 10:

“Thereupon the court in its discretion, after such hearing as it may direct, may order such return upon the filing by the defendant of a bond executed by at least two sureties, binding them in a specified sum to be fixed in the discretion of the court, and conditioned for the delivery of said specified articles to abide the order of the court. The plaintiff or complainant may require such sureties to justify within ten days of the filing of such bond.”

Rule 11:

“Upon the granting of such application and the justification of the sureties on the bond, the marshal shall immediately deliver the articles seized to the defendant.”

<sup>23</sup> *Jewelers Circular Publishing Co. v. Keystone Publishing Co.*, 274 Fed 932 (DC NY 1921), *aff'd*, 281 Fed 83 (2d Cir 1922), cert den, 259 US 581, 42 SCt 464, 66 LEd 1074 (1922); *Foreign & Domestic Music Corp. v. Licht*, 196 F2d 627 (2d Cir 1952).

<sup>24</sup> *Id.*

<sup>25</sup> 61 STAT 652 (1947), 17 USCA §§ 107 and 108 (Supp 1951). *Passim* § 156.

<sup>26</sup> *Op cit supra*, note 24.

both, in the discretion of the court: *Provided, however, That nothing in this title shall be so construed as to prevent the performance of religious or secular works such as oratorios, cantatas, masses, or octavo choruses by public schools, church choirs, or vocal societies, rented, borrowed, or obtained from some public library, public school, church choir, school choir, or vocal society, provided the performance is given for charitable or educational purposes and not for profit.*"<sup>1</sup>

The first part of this section is derived from legislation enacted in 1870 which provided that one unlawfully performing or representing any copyrighted dramatic or musical composition would be guilty of a misdemeanor and upon conviction thereof would be imprisoned for a period not exceeding one year.<sup>2</sup> The 1909 revision extended this provision to all copyrights and materially modified the sentence imposed by adding the alternative penalty of fine. A court in its discretion may levy a fine of not less than \$100 nor more than \$1000.<sup>3</sup>

The second part of § 104 which authorizes the performance of religious and secular works for educational and charitable purposes and not for profit, absolves those who control or give the performance from either civil or criminal liability.<sup>4</sup>

Criminal liability for infringement is restricted to willful infringement for profit. Obviously an innocent infringer

<sup>1</sup> 61 STAT 652 (1947). 17 USCA § 104 (Supp 1951).

<sup>2</sup> RS § 4966 (Act of July 8, 1870, c 230, 16 STAT 214) as amended by Act of January 6, 1897, c 4, 29 STAT 481.

<sup>3</sup> HRep't No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909).

<sup>4</sup> *Ibid.*: "The existing law provides that any person publicly performing a dramatic or musical composition without the consent of the proprietor of the copyright shall be liable for damages of not less than \$100 for the first and \$50 for every subsequent performance, and this prohibition covers cases of public performances where the performance is not for profit. We have provided in this section that where the public performance is given by public schools, etc., for educational and charitable purposes and not for profit, it may be done without subjecting

those who give the performance to any suit for damages, and we further provide that the music used for the performance may be rented, borrowed, or obtained from public libraries or other public schools." *Cf.* John Church Co. v. Hilliard Hotel Co., 221 Fed 229 (2d 1915), reversed on other grounds in Herbert v. Shanley, 242 US 591, 37 S Ct 232, 61 L Ed 511 (1917): "This proviso must contemplate the charge of an admission fee, because if the performance is really 'not for profit,' it would be perfectly lawful, both under section 1(c) and under the prior provision of section 28 itself. We must attribute a more plausible intention to Congress. We think it was to permit certain high-class religious and educational compositions to be performed at public concerts where an admission fee is charged, provided the proceeds are applied to a charitable or educational purpose."

as well as those who derive no pecuniary or other benefit from the infringement, although civilly liable, would not be prosecuted under this provision.<sup>5</sup>

There have been but two or three reported cases involving criminal infringement. In *Marx v. United States*, the appellate court affirmed a jury verdict that the Marx Brothers had willfully infringed and aided and abetted the infringement of a copyrighted dramatic composition. The court held that there was sufficient evidence to support the charge of willful infringement since the defendants were familiar with the complaining witness' copyrighted composition a year prior to their broadcast and that the infringement was prepared by an employee of the defendants who examined the copyrighted composition.<sup>6</sup>

The *Marx Brothers* case warrants further discussion because the criminal infringement was effectuated by the broadcast of a pirated version of the copyrighted work. The decision is significant insofar as the indictment was based on the willful appropriation of a program idea.<sup>7</sup> Thus the defendants claimed that there was a fatal variance between the copyrighted work charged to have been pirated and the version which was broadcast. The court held that there was no substantial variance since the basic situation in the copyrighted material and in the broadcast script was the same. "The development of the idea and the manner of expression were not only markedly similar, but were in many respects substantially identical. The law is well established that where the labors of an author are substantially and injuriously appropriated by another, an infringement occurs."<sup>8</sup>

In *United States v. Backer*, the evidence sustained the counts of willful infringement. Defendant willfully copied copyrighted figurines by taking such figurines to a third party with instructions to make the copies resemble the copyrighted works, yet avoiding any "copyright trouble." The court held that the evidence of willful copying to produce the figurines to sell for profit was overwhelming.<sup>9</sup>

Section 104 is restricted by § 115 which provides that

<sup>5</sup> Cf. Weil, Copyright Law, (1917) 497 ff.

<sup>6</sup> Marx et al v. United States, 96 F2d 204 (9th Cir 1938).

<sup>7</sup> *Passim* § 250 et seq.

<sup>8</sup> *Op cit supra* note 6.

<sup>9</sup> *United States v. Backer*, 134 F2d 533, (2d Cir 1943). See also *United States v. Schmidt*, 15 FSupp 804, (DC Pa 1936).

criminal proceedings must be commenced within three years "after the cause of action arose."<sup>10</sup> Section 115 is applicable also to prosecutions based on abuse of the copyright notice, with fraudulent intent,<sup>11</sup> or knowingly issuing or selling or importing copies of any article bearing a false notice of copyright.<sup>12</sup>

There is no statute of limitations prescribed by the statute for bringing civil actions for infringement of copyright. The general rule followed by the courts is to apply the statute of limitations for tort actions as prescribed by the law of the state where suit is brought.<sup>13</sup>

With but three reported criminal infringement cases, it would appear that the Government seldom if ever prosecutes infringers for violating § 104 of the Copyright Code. The paucity of criminal prosecutions can be attributed to the effectiveness of the various civil remedies furnished by the statute. Since the civil remedies are equally if not more effective than criminal infringement actions, aggrieved copyright proprietors have no occasion to solicit the aid or assistance of the federal district attorney.

#### 175a. CRIMINAL INFRINGEMENT: FALSE NOTICE OF COPYRIGHT.

The Copyright Code imposes criminal liability for a fraudulent notice of copyright or the removal or alteration of a copyright notice. Four classes of acts are prohibited by § 105:

- 1) the insertion or impression of a copyright notice or words to the same effect in or upon any uncopyrighted article;
- 2) the removal or alteration of the copyright notice upon any article duly copyrighted;
- 3) the issue or sale of any article bearing a notice of United States copyright which has not been copyrighted in this country;

<sup>10</sup> 61 STAT 652, 17 USCA (Supp 1951) § 115: "No criminal proceeding shall be maintained under the provisions of this section unless the same is commenced within three years after the cause of action arose."

<sup>11</sup> *Ibid.*, § 115.

<sup>12</sup> *Ibid.*, §§ 106 and 107. See *passim* §§ 175a and 175b.

<sup>13</sup> *McClaine v. Rankin*, 197 US 154, 25 Sct 410, 49 LEd 702, (1905);

*McCaleb v. Fox Film Co.*, 298 Fed 48 (5th Cir 1924); See also, *Local Trademarks, Inc. v. Price*, 170 F2d 715 (5th Cir 1948), *aff'g*, 73 FSupp 907 (DC Ala 1947); *Carew v. Melrose Music*, 92 FSupp 971 (DC NY 1950); *Von Tilzer v. Vogel Music Co.*, 53 FSupp 191 (DC NY 1943), *aff'd*, 158 F2d 516 (2d Cir 1944); *Pathe Exchange v. Dalke*, 49 F2d 161 (4th Cir 1931).

4) the importation of any article bearing a United States copyright notice which has not been copyrighted in this country.<sup>1</sup>

The first two acts constitute a misdemeanor punishable by fine of not less than \$100 and not more than \$1000. The second two acts result in the imposition of a fine in the amount of \$200.

Section 105 applies to works which are susceptible of copyright protection. Thus a false notice of copyright on a work which is not a proper subject of copyright is not prohibited by the statute.<sup>2</sup> The prior law required that the false notice of copyright contain all the essential elements of a notice.<sup>3</sup> Thus a false notice which omitted the date of copyright absolved the defendant from criminal liability.<sup>4</sup> It is believed that the use of the phrase "words of the same purport" was intended to cure this deficiency in the statute. Thus if the false notice is affixed on other than the title page or the page immediately following, the statute is applicable.<sup>5</sup> Section 105 cannot be invoked against a defendant for affixing a false notice outside the continental limits of the United States;<sup>6</sup> however the importation of a work bearing such false notice subjects the defendant to a \$100 fine.<sup>7</sup> The court may in its discretion impose a \$100 fine for each article bearing a false copyright notice.<sup>8</sup>

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 105 (Supp 1951): "§ 105. FRAUDULENT NOTICE OF COPYRIGHT, OR REMOVAL OR ALTERATION OF NOTICE.— Any person, who, with fraudulent intent, shall insert or impress any notice of copyright required by this title, or words of the same purport, in or upon any uncopyrighted article, or with fraudulent intent shall remove or alter the copyright notice upon any article duly copyrighted shall be guilty of a misdemeanor, punishable by a fine of not less than \$100 and not more than \$1,000. Any person who shall knowingly issue or sell any article bearing a notice of United States copyright which has not been copyrighted in this country, or who shall knowingly import any article bearing such notice or words of the same purport, which

has not been copyrighted in this country, shall be liable to a fine of \$100."

<sup>2</sup> *Rosenbach v. Dreyfuss*, 2 Fed 217 (DC NY 1880).

<sup>3</sup> RS 4963, as amended by Act of July 8, 1870, 16 STAT 214, as amended by Act of March 3, 1891, 26 STAT 1109 and as amended by Act of March 3, 1897, 29 STAT 694.

<sup>4</sup> *Hoertel v. Raphael Tuck & Sons*, 94 Fed 844 (CC NY 1899).

<sup>5</sup> *Cf. Rigney v. Raphael Tuck & Sons*, 77 Fed 173 (CC NY 1896).

<sup>6</sup> *McLoughlin v. Raphael Tuck & Sons*, 191 US 267, 24 Sct 105, 48 LED 178 (1903).

<sup>7</sup> *Op cit supra*, note 1.

<sup>8</sup> *Cf. Taft v. Stephens Lithographing & Engraving Co.*, 38 Fed 28 (CC Mo 1889), *same case*, 39 Fed 781 (CC Mo 1889).

**175b. PROHIBITION AGAINST IMPORTED WORKS BEARING FALSE NOTICE OF COPYRIGHT OR PIRATICAL COPIES OF COPYRIGHTED WORKS.**

Sections 106 to 109 inclusive prohibit the importation of works bearing a false copyright notice or piratical copies of copyrighted work. A "piratical" copy has reference to an infringing copy of work protected by the Copyright Code; it does not include infringement of works which are copyrighted in foreign countries.<sup>1</sup>

Section 106 quoted in the margin is self-explanatory; it encompasses *all* copyrighted works.<sup>2</sup>

Section 107<sup>3</sup> implements the manufacturing clause<sup>4</sup> by prohibiting the importation of books printed abroad. This section does not prohibit the importation of the following classes of piratical copies:

"(a) To works in raised characters for the use of the blind.

(b) To a foreign newspaper or magazine, although containing matter copyrighted in the United States printed or reprinted by authority of the copyright proprietor, unless such newspaper or magazine contains also copyright matter printed or reprinted without such authorization.

(c) To the authorized edition of a book in a foreign language or languages of which only a translation into English has been copyrighted in this country.

(d) To any book published abroad with the authorization of the author or copyright proprietor when imported

<sup>1</sup> Ladas, *International Protection of Literary and Artistic Property* (1939) 834.

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 106 (Supp 1951):

"§ 106. IMPORTATION OF ARTICLE BEARING FALSE NOTICE OF PIRATICAL COPIES OF COPYRIGHTED WORK.—The importation into the United States of any article bearing a false notice of copyright when there is no existing copyright thereon in the United States, or any piratical copies of any work copyrighted in the United States, is prohibited."

<sup>3</sup> *Id.*, 17 USCA § 107 (Supp 1951):

"§ 107. IMPORTATION, DURING EXISTENCE OF COPYRIGHT, OF PIRATICAL COPIES OR OF COPIES NOT PRODUCED IN ACCORDANCE WITH SECTION 16 OF THIS

TITLE.—During the existence of the American copyright in any book the importation into the United States of any piratical copies thereof or of any copies thereof (although authorized by the author or proprietor) which have not been produced in accordance with the manufacturing provisions specified in section 16 of this title, or any plates of the same not made from type set within the limits of the United States, or any copies thereof produced by lithographic or photoengraving process not performed within the limits of the United States, in accordance with the provisions of section 16 of this title, is prohibited". . . .

<sup>4</sup> The "Manufacturing Clause" (17 USCA § 16) is discussed *infra* § 67.

under the circumstances stated in one of the four subdivisions following, that is to say:

First. When imported, not more than one copy at one time, for individual use and not for sale; but such privilege of importation shall not extend to a foreign reprint of a book by an American author copyrighted in the United States.

Second. When imported by the authority or for the use of the United States.

Third. When imported, for use and not for sale, not more than one copy of any such book in any one invoice, in good faith by or for any society or institution incorporated for educational, literary, philosophical, scientific, or religious purposes, or for the encouragement of the fine arts, or for any college, academy, school, or seminary of learning, or for any State, school, college, university, or free public library in the United States.

Fourth. When such books form parts of libraries or collections purchased en bloc for the use of societies, institutions, or libraries designated in the foregoing paragraph, or form parts of the libraries or personal baggage belonging to persons or families arriving from foreign countries and are not intended for sale: *Provided*, That copies imported as above may not lawfully be used in any way to violate the rights of the proprietor of the American copyright or annul or limit the copyright protection secured by this title, and such unlawful use shall be deemed an infringement of copyright.”<sup>5</sup>

<sup>5</sup> *Op cit supra*, note 3; HRep't No 2222 which accompanied HR 28192, 60th Cong 2d Sess (1909):

“Section 31 [§ 107 of the Copyright Code] prohibits the importation into the United States of any piratical copies or of any copies whatever which have not been produced in accordance with the manufacturing provisions specified in this act, but that except as regards piratical copies the prohibition shall not apply in certain cases, viz.: (a) To works in raised characters for the use of the blind. This is a reenactment of existing law.

(b) To foreign newspapers or magazines containing copyright matter, upon certain conditions. This is a substantial reenactment of existing law.

(c) To the authorized edition of a book in a foreign language of which only a translation has been copyrighted in this country. This, too, is the substantial reenactment of existing law.

“Subdivisions first and third of subsection (d) can be considered together. Prior to the act of March 3, 1891, works by foreign authors could not be copyrighted in this country unless the authors resided here at the date of publication, and hence the right of importation into this country was without limitation or restriction so far as the copyright laws were concerned. Under the provisions of that act the right to take out a copyright in this country was given to foreign authors. That act as originally drawn provided that no books except for colleges and institutions of learning could be imported into this country without the consent of the copyright proprietor, and that even for such institutions of learning only in limited numbers. A compromise was made, and the bill as enacted into law excepted from the prohibition of importation articles named in paragraphs 512 to 516, inclusive, of the

Section 108 implements §§ 106 and 107; it authorizes the seizure, forfeiture and destruction of works prohibited importation by the statute. A proviso clause permits the return of "authorized editions of copyright books imported in the mails or otherwise . . . to the country of export whenever it is shown to the Secretary of the Treasury, in a written application, that such importation does not involve wilful negligence or fraud."<sup>6</sup>

McKinley bill. All these articles, which include books for libraries, institutions of learning etc. were and ever since have been on the free list in the tariff bills. In addition to these exceptions the act of March 3, 1891, excepted from the prohibition of importation two copies of a book at any one time by any person, for use and not for sale, upon payment of the tariff duty.

"Another exception, found in that law but not made in this bill, was that of books, engravings, etc., printed and bound and manufactured more than twenty years before the date of importation. The American copyright proprietors and publishers insisted that this was an illogical exception and that no books copyrighted in this country ought to be imported without the consent of the copyright proprietor here. On the other hand, those interested in libraries and in institutions of learning objected to any change in the existing law, which gave them right of importation. The committee sought to find a fair middle ground between these conflicting interests. The right of importation for individual use is confined by the provision in the bill to books by foreign authors, and the number which may be imported at any one time is reduced from two to one; and the privilege heretofore accorded to libraries and institutions of learning, etc., to import was changed so that they could import only one book in any one invoice, but no further restriction, such as is applied to importation for individual use, was placed upon the importations for libraries, etc. They are still permitted to import a book by a foreign author or a foreign reprint of a book by an American author. Your committee believe

that this is a fair and equitable solution of this rather troublesome question.

"Subdivision second, which refers to importation of copyrighted books, etc., for the United States Government, is reenactment of existing law and is, of course, without any restriction. Subdivision fourth changes in some respects the existing law. The law now provides that books or libraries or parts of libraries and other household effects of persons or families from foreign countries, if actually used abroad by them not less than one year and not intended for any other person or persons nor for sale, are not prohibited importation and are on the free list in the tariff bill."

<sup>6</sup> 17 USCA § 108 (Supp 1951):

"§ 108. FORFEITURE AND DESTRUCTION OF ARTICLES PROHIBITED IMPORTATION.—Any and all articles prohibited importation by this title which are brought into the United States from any foreign country (except in the mails) shall be seized and forfeited by like proceedings as those provided by law for the seizure and condemnation of property imported into the United States in violation of the customs revenue laws. Such articles when forfeited shall be destroyed in such manner as the Secretary of the Treasury or the court, as the case may be, shall direct: *Provided, however,* That all copies of authorized editions of copyright books imported in the mails or otherwise in violation of the provisions of this title may be exported and returned to the country of export whenever it is shown to the satisfaction of the Secretary of the Treasury, in a written application, that such importation does not involve wilful negligence or fraud."

Section 109 quoted in the margin is self-explanatory.<sup>7</sup>

717 USCA § 109 (Supp 1951):

“§ 109. IMPORTATION OF PROHIBITED ARTICLES; REGULATIONS; PROOF OF DEPOSIT OF COPIES OF COMPLAINANTS.

—The Secretary of the Treasury and the Postmaster General are hereby empowered and required to make and enforce individually or jointly such rules and regulations as shall prevent the importation into the United States of articles prohibited importation by this title, and may require, as conditions precedent to exclusion of any work in which copyright is claimed, the copyright proprietor or any person claiming actual or potential injury by reason of actual or contemplated importations of copies of such work

to file with the Post Office Department or the Treasury Department a certificate of the Register of Copyrights that the provisions of section 13 of this title have been fully complied with, and to give notice of such compliance to postmasters or to customs officers at the ports of entry in the United States in such form and accompanied by such exhibits as may be deemed necessary for the practical and efficient administration and enforcement of the provisions of sections 106 and 107 of this title.”

For customs regulations affecting copyrighted works, see, Howell, *The Copyright Law* (1948) 268-269.

## Chapter XVIII

### THE COPYRIGHT OFFICE

- § 180. The Copyright Office: Quasi-Judicial Functions.
- 181. The Copyright Office: Administrative Functions.
- 182. The Copyright Office: Organization and Divisions.

#### 180. THE COPYRIGHT OFFICE: QUASI-JUDICIAL FUNCTIONS.

Chapter III of the Copyright Code deals with the administration of the Copyright Office.<sup>1</sup>

Section 201 provides that the Register of Copyrights shall perform all the duties relating to the registration of copyrights under the direction and supervision of the Librarian of Congress.<sup>2</sup>

An opinion of the Attorney General, rendered on January 28, 1941 has clarified the relationship and control exercised by the Librarian of Congress over the Copyright Office.<sup>3</sup> An application for registration was submitted to the Copyright Office, supported by "sheets of thick black paper on cardboard with musical symbols, arabic numerals, etc., 'all obviously in the public domain' outlined by indentation, 'haphazard and at different angles without the slightest correlation as to form and substance, obviously for the purpose of being cut out and individually used in connection with some system or plan of facilitating the reading of music.'" The Copyright Office refused registration on the ground that the material was not subject to registration.

Applicant thereupon filed an "appeal" to the Librarian of Congress from this decision of the Copyright Office. The question tendered the Attorney General was whether § 201 of the Copyright Code required the Librarian to reexamine the decision of the Copyright Office. The Attorney General rendered a negative answer. Although the statute imposes

<sup>1</sup> 61 STAT 652 (1947), 17 USCA, Ch III—Copyright Office §§ 201 to 215 (Supp 1951).

<sup>2</sup> *Id.*:

"§ 201. COPYRIGHT OFFICE; PRESERVATION OF RECORDS.—All records and other things relating to copyrights required by law to be preserved shall be kept and preserved in the copyright

office, Library of Congress, District of Columbia, and shall be under the control of the register of copyrights, who shall, under the direction and supervision of the Librarian of Congress, perform all the duties relating to the registration of copyrights."

<sup>3</sup> 40 Op Atty Gen 263 (1941).

ultimate responsibility on the Librarian for the operations and results of the Copyright Office, the former is not required to examine or reexamine any decision of the Register on the merits of any case.<sup>4</sup> Since neither the statute nor any regulations implementing the same authorize an appeal from the Register of Copyright to the Librarian of Congress, the appeal at best is tantamount to a request for reconsideration by the Register.<sup>5</sup>

The next question presented is whether the Register of Copyrights exercises any discretionary powers in administering the Copyright Code. *Bouvé v. Twentieth Century-Fox Film Corporation*<sup>6</sup> discusses this question at some length. In this case, Twentieth Century-Fox Film Corporation sought to register pageproof of twenty contributions to periodicals bound together in book form as a book. The Copyright Office refused registration claiming that each contribution must be separately registered and that a separate fee be paid for each registration.

Twentieth Century thereupon petitioned the district court for a writ of mandamus to compel the Register to accept the application for registration. The district court's action in granting the writ, was affirmed on appeal.

The first question tendered the appellate court was whether the Register had any discretionary powers in administering the statute. The court rejected the contention that the Register was but a ministerial officer. On the contrary, the statute confers a wide range of powers upon the Register requiring the exercise of administrative discretion. Thus the authority to promulgate "rules and regulations for the registration of claims to copyright"<sup>7</sup> and the administration of such rules and regulations illustrates one phase of the discretionary powers of the Copyright Office. Another phase of the administrative discretion exercised by the Register is his refusal

<sup>4</sup> 39 Op Atty Gen No 80 (1933): "The theory underlying the vesting of an executive officer of numerous duties, varying in importance, is not that he will personally perform all of them, but rather that he will see to it that they are performed, the responsibility being his and he being chargeable with the result. The accomplishment of this is one of the highest responsi-

bilities of an executive and there is not, and in reason cannot be, any set formula by which it is to be done."

<sup>5</sup> 40 Op Atty Gen 263 (1941).

<sup>6</sup> 33 FSupp 462 (DC DC 1940), *aff'd*, 74 App DC 271, 122 F2d 51 (1941).

<sup>7</sup> 61 STAT 652 (1947), 17 USCA § 207 (Supp 1951).

to accept for deposit and registration "objects not entitled to protection under the law."<sup>8</sup> This is illustrated by the Register's refusal to accept for registration, phonograph records and other mechanical reproducing devices such as tapes, rolls, wire-recordings, discs, etc.<sup>9</sup> Similarly the Copyright Office has rejected as a work of art, a set of lower anterior false teeth, despite the artistic craftsmanship required to produce them.

As a practical matter the Copyright Office exercises for want of a better term, limited quasi-judicial functions.<sup>10</sup> These quasi-judicial powers may not be as sharply defined as in the case of other administrative agencies, viz., the Interstate Commerce Commission, Federal Communications Commission, Federal Trade Commission,<sup>11</sup> etc., but the Register obviously exercises such functions. Every application for copyright which is submitted tenders a preliminary issue of

<sup>8</sup> Cf. *Brown Instrument Co. v. Warner, Register of Copyrights*, 82 USAppDC 232, 161 F2d 910 (1947), cert den, 332 US 801, 68 Sct 101, 92 LEd 380 (1947) wherein the Register's refusal to copyright a calibrated graphic chart was affirmed on appeal. To the same effect: *Taylor Instrument Companies v. Fawley-Brost Co.*, 139 F2d 98 (7th Cir 1943), cert den, 321 US 785, 64 Sct 782, 88 LEd 1076 (1943).

<sup>9</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937) note 2. *Infra* §§ 38 and 84.

<sup>10</sup> Cf. *Humphrey's Executor v. United States*, 295 US 602, 628, 55 Sct 869, 79 LEd 1611 (1935). See: Dickinson, *Judicial Characteristics of Administrative Regulation* (1948), 23 NYULQRev 239; Note, *Judicial Nature of Administrative Tribunal* (1949) 24 NYULQRev 909; Davis, *Administrative Powers of Supervising, Prosecuting, Advising, Declaring, and Informally Adjudicating* (1949) 63 HarvLRev 193. It is an open question whether the Administrative Procedure Act, (Act of June 11, 1946, 60 STAT 237, 5 USCA §§ 1001 to 1011) may be invoked to review the administrative adjudications of the Copyright Office. A plausible argument can be made that § 1009(a) of the Adminis-

trative Procedure Act which recites that "any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute shall be entitled to judicial review thereof" authorizes an applicant whose claim for registration has been refused, to invoke the jurisdiction of the courts. Judicial relief, prior to the enactment of the Administrative Procedure Act was available either through a writ of mandamus (*Bouvé v. Twentieth Century Fox-Film Corporation*, 33 FSupp 462 (DC DC 1940), *aff'd*, 74 App DC 271, 122 F2d 51 (1941) or declaratory judgment joined with mandatory injunction (*Brown Instruments Co. v. Warner, Register of Copyrights*, 82 US App DC 801, 68 Sct 101, 92 LEd 380 (1947); *King Features Syndicate Inc. v. Bouvé, Register of Copyrights*, 48 USPQ 237 (DC DC 1940). The broad and all-inclusive language of § 1009 of the Administrative Procedure Act suggests that the remedies of mandamus, declaratory judgment and mandatory injunction are reinforced.

<sup>11</sup> Cf. Report of the Attorney General's Committee on Administrative Procedure, 77th Cong 1st Sess SDoc No 8 (1941) at pp 35 ff, 43 ff, 131 ff, 135 ff, 178 ff.

fact or a mixed question of law and fact—whether the work is the “writings of an author.”<sup>12</sup> Another issue of fact, law or a mixed question of law and fact is tendered to determine whether a work has been properly classified. There can be no doubt that the Register could properly reject a claim for registration where an applicant seeks to register a song as a motion picture photoplay.<sup>13</sup> For the most part, the proper classification of a work is usually effectuated by correspondence between the Copyright Office and the claimant.

But the powers and authority of the Register are not absolute. His acts are as much subject to judicial review and correction, if not more so, than other administrative officers and agencies.<sup>14</sup> Thus the courts exert the same quantum of control over the activities of the Copyright Office, as they do in reviewing the powers exercised by the Postmaster General in admitting articles into the mail,<sup>15</sup> by the Recorder of Deeds

<sup>12</sup> 61 STAT 652 (1947), 17 USCA § 4 (Supp 1951).

<sup>13</sup> *Cf.* *Bouvé v. Twentieth Century-Fox Film Corporation*, 74 App DC 271, 122 F2d 51 (1941): “If the deposited material was and is a book then the fee which was tendered was sufficient and appellant’s duty to register was imperative and unqualified. The only remaining question, therefore, is whether, within the meaning of the Act, the material is a book. This is a question of law and it is a question of law which must be answered not in terms of the Register’s power to classify material deposited with him, but in terms of his powers to refuse registration.” See also *King Features Syndicate, Inc. v. Bouvé*, 48 USPQ 237 (DC DC 1940): “The defendant, as Register of Copyrights, has no power to refuse or deny registration of a claim of copyright which is entitled to registration under the Copyright Act. Whether an applicant or claimant has complied with the law so that his claim is entitled to be registered raises questions of fact and law to be decided by the court; the Register of Copyrights has no power to decide such questions, especially when the deposit of copies and the application filed, when read together as they should be, are in apparent compliance with the act.”

<sup>14</sup> As stated in *op cit supra* note

10, the administrative actions of the Register of Copyrights are reviewable by mandamus, declaratory judgment and mandatory injunction. See *Bouvé v. Twentieth Century-Fox Film Corporation*, 33 FSupp 462 (DC DC 1940), *aff’d*, 74 App DC 271, 122 F2d 51 (1941); *Brown Instruments Co. v. Warner, Register of Copyrights*, 82 USApp DC 232, 161 F2d 910 (1947), cert den, 332 US 801, 68 Sct 101, 92 LEd 380 (1947); *King Features Syndicate Inc. v. Bouvé*, 48 USPQ 237 (DC DC 1940). The courts may exercise greater judicial supervision over the activities of the Copyright Office than an administrative agency like the Federal Communications Commission. This is because section 402(e) of the Communications Act of 1934 48 STAT 1093, 47 USCA § 402 (e) as amended by the Communications Act Amendments of 1952 incorporates the judicial review provisions of the Administrative Procedure Act. The latter is quoted in its entirety in *Warner Radio & Television Law* (1948) § 85.

<sup>15</sup> *Farley v. Heininger*, 70 App DC 200, 105 F2d 79 (1939); *Smith v. Hitchcock*, 226 US 53, 33 Sct 6, 57 LEd 119 (1912); *Bates & Guild Co. v. Payne*, 194 US 106, 24 Sct 595, 48 LEd 894 (1904). See also *Hannegan v. Esquire*, 327 US 146, 66 Sct 456, 90 LEd 586 (1946).

in recording instruments<sup>16</sup> and by the Register of the Land Office in determining whether public lands fall within the category of lands subject to sale and preemption.<sup>17</sup> In other words the determinations of the Register are reviewable for errors of law.<sup>18</sup> Thus, in the *Bouvé* case, whether the page proof of twenty contributions bound together constituted a book tendered a simple question of law. "And it is a question of law which must be answered, not in terms of the Register's power to classify material deposited with him, but in terms of his power to refuse registration. The relief asked in the District Court is not dependent upon classification. The government concedes that the Act does not expressly authorize the Register to determine whether an applicant has complied with the requirements imposed therein, as a condition of registration. But assuming that he has full power to classify deposited material, still, this gives him no power to refuse registration of a claim of copyright, which has already been secured by publication and notice; if the claim is based upon material which is actually the subject of copyright."<sup>19</sup>

The *Bouvé* case requires further clarification by the courts. Thus the two quotations in the margin from the court's opinion cannot be reconciled.<sup>20</sup> Furthermore to analogize the Register's duties and functions with the powers exercised by the Postmaster General, the Recorder of Deeds and the Register of the Land Office fails to take into account the wide range of selection within which discretion must be exercised by the Register of Copyrights.<sup>21</sup>

<sup>16</sup> *Dancy v. Clark*, 24 App DC 487 (1905).

<sup>17</sup> *Litchfield v. Richards, Register*, 76 US 575, 19 LEd 681 (1870).

<sup>18</sup> *Bouvé v. Twentieth Century Fox-Film Corporation*, 74 App DC 271, 122 F2d 51 (1941).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* "It seems obvious also, that the Act establishes a wide range of selection within which discretion must be exercised by the Register in determining what he has no power to accept. The formula which he must apply is a more difficult one than that of the Recorder of Deeds, upon which appellee relies by way of analogy. Nor would there seem to be any doubt that the Register may refuse to issue a certificate of registration until the re-

quired fee is paid and until other formal requisites of the Act have been satisfied." *Id.*: "The relief asked in the District Court is not dependent upon classification. The government concedes that the Act does not expressly authorize the Register to determine whether an applicant has complied with the requirements imposed therein, as a condition of registration. But assuming that he has full power to classify deposited material, still this gives him no power to refuse registration of a claim of copyright, which has already been secured by publication and notice; if the claim is based upon material which is actually the subject of copyright."

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

As stated previously the Register's determinations are subject to judicial review to the same extent as the decisions of the Federal Communications Commission, the Federal Trade Commission etc. As a matter of fact, the courts may exercise a broader judicial scrutiny over the Register's activities since the Copyright Code, unlike the Communications Act of 1934 and the Federal Trade Commission Act contain no provision that the findings of facts if supported by substantial evidence are conclusive on the courts.<sup>22</sup>

Obviously, the discretionary powers conferred upon the Register of Copyrights are not as extensive as the grants of legislative authority to the Federal Communications Commission and the Federal Trade Commission. The Copyright Office makes no determination as to the originality of a work; neither does it define such concepts as the "writings of an author,"<sup>23</sup> "publication,"<sup>24</sup> "copies not reproduced for sale,"<sup>25</sup> "notice of copyright,"<sup>26</sup> etc. Congress has confided the determination of these issues to the courts. Of course, if the notice of copyright is defective, e.g., the wording is faulty or the notice is misplaced, the Copyright Office will reject the application. For as was stated in the *Bouvé* case, the "Act establishes a wide range of selection within which discretion must be exercised by the Register." To be sure, the Register's discretionary functions are reviewable by the courts. But it is submitted that the Register is not a mere ministerial officer who must accept all applications for registration of copyright. The various provisions of the Copyright Code not only call for but demand the exercise of administrative discretion. This for want of better terminology may be described as the exercise of limited quasi-judicial functions.<sup>27</sup>

### 181. THE COPYRIGHT OFFICE: ADMINISTRATIVE FUNCTIONS.

Section 202 of the Copyright Code provides that the Librarian of Congress shall appoint the Register of Copyrights, an

<sup>22</sup> *Op cit supra*, note 14.

<sup>23</sup> 61 STAT 652 (1947), 17 USCA § 4 (Supp 1951).

<sup>24</sup> *Id.*, 17 USCA § 10 (Supp 1951).

<sup>25</sup> *Id.*, 17 USCA § 12 (Supp 1951).

<sup>26</sup> *Id.*, 17 USCA § 10 (Supp 1951).

See *National Comics Publications Inc. v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>27</sup> *Op cit supra*, note 10.

Assistant Register of Copyrights and such subordinate assistants as may from time to time be authorized by law.<sup>1</sup>

The Copyright Office performs the following duties and functions:

1. maintain, keep and preserve "all records and other things relating to copyrights required by law;"<sup>2</sup>

2. deposit all moneys received from the registration of copyrights "in some bank in the District of Columbia, designated for this purpose by the Secretary of the Treasury as a national depository," and submit "monthly reports to the Secretary of the Treasury and to the Librarian of Congress of the applied copyright fees for each calendar month, together with a statement of the remittances received, trust funds on hand, moneys refunded, and unapplied balances."<sup>3</sup>

3. submit an annual report to the Librarian of Congress which is printed in the annual report on the Library of Congress;<sup>4</sup>

4. "Subject to the approval of the Librarian of Congress, the Register of Copyrights shall be authorized to make rules and regulations for the registration of claims to copyright as provided by this title";<sup>5</sup>

5. provide and keep record books for the entry of copies of works deposited with the Copyright Office;<sup>6</sup>

6. issue to the claimant of a copyright, a certificate of registration under the seal<sup>7</sup> of the Copyright Office. The certificate of registration contains the following information: the name

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 202 (Supp 1951).

<sup>2</sup> *Id.*, 17 USCA § 201 (Supp 1951).

<sup>3</sup> *Id.*, 17 USCA § 203 (Supp 1951). Section 204 requires the Register "to give bond to the United States in the sum of \$20,000, in form to be approved by the General Counsel for the Department of the Treasury and with sureties satisfactory to the Secretary of the Treasury for the faithful discharge of his duties."

<sup>4</sup> *Id.*, 17 USCA § 205 (Supp 1951).

<sup>5</sup> *Id.*, 17 USCA § 207 (Supp 1951). The rules and regulations of the Copyright Office have been published in 37 FR Ch II, December 29, 1948, as amended on June 26, 1950. Part 201 deals with the following matters: § 201.1: Communications With Copy-

right Office; § 201.2: Information given by Copyright Office; § 201.3: Catalog of Copyright Entries; § 201.4: Assignments of copyright and other papers; § 201.5: Amendments to completed Copyright Office registrations and other records; § 201.6: Payment and refund of Copyright Office fees. Part 202, §§ 202.1 to 202.14 deal with Registration of Claims to Copyright. These regulations are printed in the Appendix.

<sup>6</sup> *Id.*, 17 USCA § 208 (Supp 1951).

<sup>7</sup> *Id.*, 17 USCA § 206 provides that "The seal used in the copyright office on July 1, 1909, shall be the seal of the copyright office, and by it all papers issuing from the copyright office requiring authentication shall be authenticated."

and address of the claimant, the title of the work, and the date of publication and of the deposit of copies of such work with the Copyright Office.<sup>8</sup> We have discussed elsewhere that the "certificate shall be admitted in any court as prima facie evidence of the facts stated therein;"<sup>9</sup>

7. index all copyright registrations and assignments, print "at periodic intervals" a catalog of the titles of works registered for copyright together "with suitable indexes"; to print at stated intervals a complete and indexed catalog for each class of copyright entries. "The current catalog of copyright entries and the index volumes herein provided for shall be admitted in any court as prima facie evidence of the facts stated therein as regards any copyright registration."<sup>10</sup>

Section 211 provides for the sale and distribution of catalog.<sup>11</sup>

<sup>8</sup> *Id.*, 17 USCA § 209 (Supp 1950):

"§ 209. CERTIFICATE OF REGISTRATION; EFFECT AS EVIDENCE; RECEIPT FOR COPIES DEPOSITED.—In the case of each entry the person recorded as the claimant of the copyright shall be entitled to a certificate of registration under seal of the copyright office, to contain the name and address of said claimant, the name of the country of which the author of the work is a citizen or subject, and when an alien author domiciled in the United States at the time of said registration, then a statement of that fact, including his place of domicile, the name of the author (when the records of the copyright office shall show the same), the title of the work which is registered for which copyright is claimed, the date of the deposit of the copies of such work, the date of publication if the work has been reproduced in copies for sale, or publicly distributed, and such marks as to class designation and entry number as shall fully identify the entry. In the case of a book, the certificate shall also state the receipt of the affidavit, as provided by section 17 of this title, and the date of the completion of the printing, or the date of the publication of the book, as stated in the said affidavit. The Register of Copyrights shall prepare a printed form for the said certificate, to be filled out in each case as above

provided for in the case of all registrations made after July 1, 1909, and in the case of all previous registrations so far as the copyright office record books shall show such facts, which certificate, sealed with the seal of the copyright office, shall, upon payment of the prescribed fee, be given to any person making application for the same. Said certificate shall be admitted in any court as prima facie evidence of the facts stated therein. In addition to such certificate the register of copyrights shall furnish, upon request, without additional fee, a receipt for the copies of the work deposited to complete the registration."

<sup>9</sup> *Id.* *Infra* § 61 ff.

<sup>10</sup> *Id.*, 17 USCA § 210 (Supp 1951).

<sup>11</sup> *Id.*, 17 USCA § 211 (Supp 1951):

"§ 211. SAME; DISTRIBUTION AND SALE; DISPOSAL OF PROCEEDS. The said printed current catalogs as they are issued shall be promptly distributed by the Superintendent of Documents to the collectors of customs of the United States and to the postmasters of all exchange offices of receipt of foreign mails, in accordance with revised list of such collectors of customs and postmasters prepared by the Secretary of the Treasury and the Postmaster General, and they shall also be furnished in whole or in part to all parties desiring them at a price to be determined by the Register of Copy-

Sections 212, 213 and 214, quoted in the margin are self-explanatory.<sup>12</sup> Section 215 prescribes the fees for registration of copyrights, assignments of copyrights, etc.<sup>13</sup>

rights for each part of the catalog not exceeding \$25 for the complete yearly catalog of copyright entries. The consolidated catalogs and indexes shall also be supplied to all persons ordering them at such prices as may be fixed by the Register of Copyrights, and all subscriptions for the catalogs shall be received by the Superintendent of Documents, who shall forward the said publications; and the moneys thus received shall be paid into the Treasury of the United States and accounted for under such laws and Treasury regulations as shall be in force at the time."

<sup>12</sup> *Id.*, 17 USCA §§ 212 to 214 (Supp 1951):

"§ 212. RECORDS AND WORKS DEPOSITED IN COPYRIGHT OFFICE OPEN TO PUBLIC INSPECTION; TAKING COPIES OF ENTRIES.—The record books of the copyright office, together with the indexes to such record books, and all works deposited and retained in the copyright office, shall be open to public inspection; and copies may be taken of the copyright entries actually made in such record books, subject to such safeguards and regulations as shall be prescribed by the Register of Copyrights and approved by the Librarian of Congress.

"§ 213. DISPOSITION OF ARTICLES DEPOSITED IN OFFICE.—Of the articles deposited in the copyright office under the provisions of the copyright laws of the United States, the Librarian of Congress shall determine what books and other articles shall be transferred to the permanent collections of the Library of Congress, including the law library, and what other books or articles shall be placed in the reserve collections of the Library of Congress for sale or exchange, or be transferred to other governmental libraries in the District of Columbia for use therein.

"§ 214. DESTRUCTION OF ARTICLES DEPOSITED IN OFFICE REMAINING UNDISPOSED OF; REMOVAL OF BY AUTHOR OR PROPRIETOR; MANUSCRIPTS OF UNPUBLISHED WORKS.—Of any articles undisposed of as above provided, to-

gether with all titles and correspondence relating thereto, the Librarian of Congress and the Register of Copyrights jointly shall, at suitable intervals, determine what of these received during any period of years it is desirable or useful to preserve in the permanent files of the copyright office, and, after due notice as hereinafter provided, may within their discretion cause the remaining articles and other things to be destroyed: *Provided*, That there shall be printed in the Catalog of Copyright Entries from February to November, inclusive, a statement of the years of receipt of such articles and a notice to permit any author, copyright proprietor, or other lawful claimant to claim and remove before the expiration of the month of December of that year anything found which relates to any of his productions deposited or registered for copyright within the period of years stated, not reserved or disposed of as provided for in this title. No manuscript of an unpublished work shall be destroyed during its term of copyright without specific notice to the copyright proprietor of record, permitting him to claim and remove it."

<sup>13</sup> *Id.*, 17 USCA § 215 (Supp 1951):

"§ 215. FEES.—The Register of Copyrights shall receive, and the persons to whom the services designated are rendered shall pay, the following fees:

For the registration of a claim to copyright in any work, except a print or label used for articles of merchandise, \$4; for the registration of a claim to copyright in a print or label used for articles of merchandise, \$6; which fees shall include a certificate of registration under seal for each work registered: *Provided*, That only one registration fee shall be required in the case of several volumes of the same book published and deposited at the same time.

For recording the renewal of copyright and issuance of certificate therefor, \$2.

**182. THE COPYRIGHT OFFICE: ORGANIZATION AND DIVISIONS.**

The Copyright Office is organized into five divisions:<sup>1</sup>

1. Register's Office.
2. Copyright Cataloging Division.
3. Examining Division.
4. Reference Division.
5. Service Division.

The Register of Copyrights aided by his staff of legal and clerical assistants is the technical and administrative head of the Copyright Office. He is responsible for interpreting and applying the provisions of the Copyright Code, the development of all rules and regulations for the registration of copyright claims, and for the registration and cataloging of all types of copyrightable material. The Register likewise advises Congress on the need for changes relating to the protection of all varieties of copyrightable property; he also assists in the preparation, revision and implementation of conventions and treaties dealing with copyright.

The Copyright Cataloging Division effectuates the responsibilities imposed upon the Register of Copyrights by the Copyright Code to fully index all copyright registrations and to prepare for printing the various catalogs of copyright entries.

The primary function of the Copyright Examining Division is to pass upon all claims for copyright registration. This Division is divided into five groups: books, music, renewals, correspondence and miscellaneous (smaller classes). The book group examines all books, pamphlets, periodicals, and serial publications. The miscellaneous group deals with dra-

For every additional certificate of registration, \$1.

For certifying a copy of an application for registration of copyright, and for all other certifications, \$2.

For recording every assignment, agreement, power of attorney, or other paper not exceeding six pages, \$3; for each additional page or less, 50 cents; for each title over one in the paper recorded, 50 cents additional.

For recording a notice of use, \$2, for each notice of not more than five

titles; and 50 cents for each additional title.

For any requested search of Copyright Office records, or works deposited, or services rendered in connection therewith, \$3 for each hour of time consumed."

<sup>1</sup> The source material for the organization and divisions of the Copyright Office has been obtained from Department and Divisional Manual No. 7, Copyright Office, Library of Congress (1950).

matic works, lectures, maps, works of art, reproductions of works of art, technical drawings, photographs, prints, and commercial prints and labels. The renewal group performs the work done on renewal applications, assignments and notices of use. The music and correspondence groups are self-explanatory.

We have discussed elsewhere the discretionary authority exercised by the Copyright Office in passing upon applications for registration of copyright and the role of the courts in reviewing the administrative actions of the Copyright Office.<sup>2</sup> We concluded that the statute established a wide range of selection within which discretion must be exercised by the Register in passing upon copyright claims.<sup>3</sup>

Prior to *Bouvé v. Twentieth Century-Fox Film Corporation*,<sup>4</sup> the policy of the Copyright Office was to consider an applicant as the plaintiff in a law suit and require him to prove his case and his right to registration. The *Bouvé* decision contains language which suggests that the Register has almost no power to refuse registration and that his functions approximate those of the Recorder of Deeds.

The current policy of the Copyright Office reflects a compromise between these two extreme positions. In the absence of a much-needed court adjudication defining and prescribing the authority and powers of the Register of Copyrights, the Copyright Examining Division has adopted a broad and liberal policy in accepting applications for registration. Thus, instead of requiring an applicant to prove his case, the Examining Division assumes the burden of proof when it recommends that a work is not copyrightable. In other words the Examining Division will register material if it is of the opinion that a court *might* reasonably hold that such material is copyrightable, even though the Division believes that the work is not subject to copyright protection.

This broad and liberal policy is intended to protect and safeguard the rights of the great majority of applicants who are not represented by counsel in their dealings with the Copyright Office. Since such applicants rely upon the "word of the Government," they seldom protest denial of copyright registration. The situation of an applicant who is represented

<sup>2</sup> *Infra* § 180.

<sup>3</sup> *Id.*

by counsel is not much better. He can appeal to the courts, but the latter are reluctant to grant mandamus or require an administrative officer to take affirmative action. In addition, in dealing with such material as motion pictures, books, newspapers, the element of time is important. The delay of two or three years before such litigation may be concluded may adversely affect the valuable property interests which are at stake.

This means that for all practical purposes the decision of the Examining Division as to the copyrightability of a work is final. In order to safeguard against any abuse of authority, the Copyright Office has devised internal procedures to protect the rights of applicants. Thus all applications which have been rejected are reviewed by the Chief or Assistant Chief of the Examining Division. They likewise hear all requests for reconsideration, accord an applicant or his counsel an opportunity to discuss the case at length, and will consider briefs or memoranda which are submitted.

Since comparatively few copyright cases reach the courts, the Examining Division is the important testing ground for copyrights in this country. The various problems confronting this Division warrant discussion, if only for the reason that it demonstrates the need for a broad and sweeping revision of the statute.

The volume of work handled by the Examining Division discloses the difficulties confronting the Copyright Office in administering an antiquated and out-moded statute. In many cases copyright is lost because the notice is misplaced, because the wrong name is given in the notice, or because an abbreviated form of notice is used where the full notice is required.<sup>5</sup>

The Copyright Office, over the years, has expanded the subject matter of works available for copyright protection. Thus the development of radio and television broadcasting caused the Copyright Office to revise its regulations and permit dramatic scripts designed for radio or television broadcasts to be registered as dramatic or dramatico-musical compositions.<sup>6</sup> In the fall of 1949, the Examining Division reg-

<sup>4</sup> 33 FSupp 462 (DC DC 1940), *aff'd*, 74 App DC 271, 122 F2d 51 (1941).

<sup>5</sup> *Infra* §§ 62 to 62b inclusive.

<sup>6</sup> 37 FR § 202.5 (1948). *Id.*

§ 202.13 and § 202.14 provide that television programs preserved on film may be registered as a motion-picture photoplay or motion pictures other than photoplays.

istered ten pieces of jewelry designed by Salvador Dali as "works of arts."<sup>7</sup> The development of "costume jewelry" has prompted the Copyright Office to register "artistic jewelry" as a work of art.<sup>8</sup>

Despite the innumerable judicial definitions and expositions of the concept of "publication,"<sup>9</sup> the Examining Division is still called upon to apply this term to new situations. In several instances, books have been printed with the name of the author in the copyright notice. The author dies after distribution to the trade but prior to the release date. The issue presented is whether registration shall be made in the name of the author or his representative, or whether copyright has been lost. The Examining Division was of the opinion that the death of an author prior to publication of a work should not defeat the claim of copyright; it permitted registration in the name of the author.

The foregoing represent but a few of the problems confronting the Examining Division; similar problems recur with frequency and on a continuing basis.

The role of the Copyright Examining Division cannot be underestimated in the development and administration of the Copyright Code. The decisions rendered by this Division have done much to shape the growth and development of copyright law in the United States; it furnishes the foundation on which the entire structure of copyright law is reared.

The functions of the Reference Division are three-fold:

1) The conduct and report, both written and oral of reference searches involving all claims to copyright of record in the Copyright Office. This phase of the Reference Division's operations is performed by the Reference Search Section.

2) The furnishing of general copyright information to the public by means of letters in answer to written inquiries and through personal interviews in the Information Office. This function is performed by the Information Office.

3) The securing of deposits, through search and correspondence, of works published with notice of copyright, which

<sup>7</sup> *Id.*, § 202.8.

<sup>8</sup> Sam B. Warner, *Copyrighting Jewelry* (1949) 31 *JPatOffSoc* 487; Hugin, *Copyrighting Works of Art*, *Id.*, 710.

<sup>9</sup> *Cf. Patterson v. Century Productions*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 S Ct 759, 82 L Ed 1114 (1939).

for one reason or another, have not been deposited as required by law. This phase of the Reference Division's operations is performed by the Compliance Section which commenced formal operations on August 1, 1948. This section inquires into unregistered claims to copyright. A large amount of material is published yearly with notice of copyright, but either through inadvertence or otherwise, copies, applications and fees are not sent to the Copyright Office as required by law for the vindication of the copyright. This may have the effect of inadequately protecting the copyright claimant; it likewise deprives the Library of Congress of copies of works which should flow into its collections through operation of the deposit provision of the law.<sup>10</sup>

The Compliance Section acts upon requests received from various divisions of the Library of Congress for specific material which they know was published with notice of copyright. On its own initiative, the section scans current publications with a view to discovering works published with notice of copyright. If such material is published with such notice, the Compliance Section checks the notice to determine whether it complies with the statute. A search is then conducted to discover whether the claims have been duly registered. If registration has not been effectuated, letters are written to claimants advising them of the requirements of the statute with respect to deposit and requesting compliance therewith.<sup>11</sup>

The last division to be discussed is the Copyright Service Division. The principal functions of this administrative and service unit may be briefly noted.

1. To receive, process and route to the Examining Division all copies deposited in connection with copyright registration and other copyright matters.
2. To assign and affix to the applications, certificates of registration, deposited copies and related records, the serial registration numbers which identify the specific registrations.
3. To have custody of and to maintain the card files of former applications, of official records of assignments, licenses of copyright ownership and all indexes thereto.

<sup>10</sup> 61 STAT 652 (1947), 17 USCA § 13 (Supp 1951).  
<sup>11</sup> *Id.*, 17 USCA § 14 (Supp 1951).

4. To have custody of and maintain the correspondence files of the Copyright Office.

5. To have custody of all official record books.

6. To have custody of printed copies of the Catalog of Copyright Entries and other publications sold by the Copyright Office.

7. To maintain permanent custody of copyright deposits neither returned nor transferred to the Library of Congress.

8. To maintain all records and accounts relating to fees received and charges made for copyright registrations and services.

9. To maintain the mail dispatch and messenger service of the Copyright Office.

## Chapter XIX

### INTERNATIONAL COPYRIGHT RELATIONS

- § 190. Introduction.
- 191. Berne Convention, Brussels Revision, 1948: General Discussion.
- 191a. Berne Convention, Brussels Revision, 1948: Basis of Protection.
- 191b. Berne Convention, Brussels Revision, 1948: Protection of Oral Works.
- 191c. Berne Convention, Brussels Revision, 1948; Protection of Cinematographic Works.
- 191d. Berne Convention, Rome Revision, 1928: Radio Rights.
- 191e. Berne Convention, Brussels Revision, 1948: Radio & Television Rights.
- 191f. Berne Convention, Brussels Revision, 1948: Mechanical Reproduction Rights.
- 192. Performing Rights in Mechanical Reproductions.
- 193. The Doctrine of Moral Rights (Le Droit Moral).
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- 195g. The Universal Copyright Convention: The Right to Translate.
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- 195j. The Universal Copyright Convention: Deposit, Ratification and Entry Into Effect of Convention.
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- 195r. The Universal Copyright Convention: Safeguards for Berne Convention.
- 195s. The Universal Copyright Convention: Safeguards for Pan-American Conventions.
- 196. The Universal Copyright Convention: Conclusion.

**190. INTRODUCTION.**

As stated elsewhere,<sup>1</sup> the Copyright Code protects the works of aliens who are domiciled in the United States at the time of the first publication of their writings. As to non-domiciled aliens, only those are entitled to secure copyright protection who are citizens or subjects of a foreign country with which reciprocal copyright relations have been established. Thus the benefits of the Copyright Code may be invoked by citizens and subjects of a foreign state or nation which comply with one of the three following reciprocal conditions:

1. The foreign state or nation grants to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens.

2. The foreign state or nation is party to an international agreement providing reciprocity by the terms of which the United States may become a party.

3. The foreign state or nation grants United States citizens copyright protection substantially equal to the protection accorded subjects of such foreign countries in the United States.<sup>2</sup>

The existence of reciprocity which is a political and factual determination, is based solely upon Presidential proclamation; it is not a matter which may be investigated or reviewed by the courts.<sup>3</sup>

As of January 1, 1952, the United States has entered into reciprocal copyright relations with fifty-three countries throughout the world.<sup>4</sup>

Under section 1(e) of the Copyright Code, the mechanical reproduction rights in musical compositions cannot be claimed by foreign authors unless the foreign state of which such author is a national, grants to citizens of the United States similar rights. In other words, a special Presidential proclamation is required determining the existence of reciprocal conditions under § 1(e) of the Copyright Code before a

<sup>1</sup> *Infra*, § 44.

<sup>2</sup> *Id.* See also, 61 STAT 652 (1947), 17 USCA § 9 (Supp 1951).

<sup>3</sup> *Bong v. Campbell Art Co.*, 155 Fed 116 (2d Cir 1907), *aff'd*, 214 US 236, 29 Sct 628, 53 LEd 979 (1909).

<sup>4</sup> The countries which have entered

into reciprocal copyright relations with the United States are listed in § 44. See also Bulletin published by State Department on August 1, 1951, listing Proclamations, Treaties and Conventions Establishing Copyright Relations.

foreign composer's mechanical reproduction rights will be protected in this country.<sup>5</sup>

As of January 1, 1952, proclamations have been issued by the President of the United States extending copyright reciprocity for mechanical reproduction rights to citizens of thirty foreign countries.<sup>6</sup>

Despite the existence of reciprocal copyright relations as outlined above, there has been a strong and concerted effort for at least a half a century for accession of the United States to international copyright organizations,<sup>7</sup> such as the Berne Conventions,<sup>8</sup> the Pan-American Union<sup>9</sup> and the proposed Universal Copyright Convention,<sup>10</sup> sponsored by UNESCO.

The factors which have prompted this movement for accession may be noted briefly:

The last half century has witnessed an enormous expansion of the economic and cultural value of literary and artistic works. New industries, such as motion pictures, radio and television are based upon the use of copyrightable material. American motion pictures, television film, phonograph records and recorded programs are exhibited and heard throughout the world. The writings of American authors, and this is not limited to fiction, but includes scientific, educational, medical etc., works are circulated throughout the world, either in the original or in translation. The culture of this country as reflected in the "writings" of American authors should be disseminated on a world-wide basis to aid the free exchange of ideas and information. Obviously American authors, playwrights, composers, motion picture producers, and others

<sup>5</sup> *Infra*, § 44. 61 STAT 652 (1947), 17 USCA § 1(e) (Supp 1951). See also: *Todamerica Musica v. Radio Corp. of America*, 171 F2d 369 (2d Cir 1949); *Portnondo v. Columbia Phonograph Co.*, 81 FSupp 355 (DC NY 1937).

<sup>6</sup> *Op cit supra*, note 4.

<sup>7</sup> Ladas, *The International Protection of Literary and Artistic Property* (1939) 856 ff, hereinafter designated as Ladas; Kilroe, *Lecture on International Copyright before Practising Law Institute, New York City* (1944) at 12, hereinafter designated as Kilroe, *International Copyright*; Kampfelman, *The United States and*

*International Copyright* (1947) 41 Am J Int'l Law 406; Solberg, *Copyright Law Reform* (1925) 35 Yale LJ 71.

<sup>8</sup> *Passim*, § 191 ff.

<sup>9</sup> *Passim*, § 194 ff. See also Warner, Sam B., "What Should We Do About International Copyright?" Address, delivered before the Patent Law Ass'n of Pittsburgh on April 20, 1949; Schulman, *Inter-American Copyright Relations—The Advisability of Ratification by the United States* (pamphlet, 1947); Bryce Rea Jr., *Some Legal Aspects of the Pan-American Copyright Convention of 1946* (1947) 4 Wash & Lee LRev 10.

<sup>10</sup> *Passim*, § 195 ff.

engaged in the commercial exploitation of literary and artistic works should secure the economic benefits concomitant with world-wide distribution of their works. It is believed that accession of the United States to an international copyright organization would help protect and secure economic benefits.

Secondly, most of the major countries of the world are members of either the Berne Conventions or the Pan-American Copyright Union. Although the United States has ratified the Buenos Aires Convention of 1910, the latter furnishes inadequate protection to its signatories since it is riddled with restrictions and reservations.<sup>11</sup> The United States, as the predominant power in world affairs should cast its lot with an effective international copyright organization, if only for the reason that its accession will aid the free flow and exchange of ideas and information. The adherence by the United States to an effective international copyright organization would lead to more uniform protection and would eliminate the special conditions and reservations which attach to bilateral agreements.

Finally the current reciprocal copyright relations between the United States and foreign countries do not furnish adequate protection to American authors.

One illustration will suffice. Under the Berne Convention, Rome Revision, 1928, an American author or motion picture producer, in order to obtain international copyright protection will simultaneously publish his work in the United States and in a Berne Convention country, usually Canada.<sup>12</sup> Simultaneous publication in the United States and Canada does result in copyright protection for the work in all countries which are members of the Berne Convention. However, several decisions of the courts of Holland have cast some doubt on whether the sale or exhibition of copies of a work in Canada by American authors or producers would result in copyright protection in the Netherlands. Thus Arthur H. Sarsfield Ward, a citizen of England and writing under the *nom de*

<sup>11</sup> *Passim*, § 194b.

<sup>12</sup> Article 4(3) of the Brussels (1948) revision of the Berne Convention provides that "A work shall be considered as having been published simultaneously in several countries which has been published in two or

more countries within thirty days of its first publication." See also Ladas, at 303 ff; *D'Almaine v. Boosey*, 1 Y&C 288 (1835); *Boosey v. Purday*, 4 ER 145 (1849); *Jeffreys v. Boosey*, 4 HLC 815 (1854); *Routledge v. Low* 3 HLC 100 (1868).

*plume* of Sax Rohmer, had written a story, entitled "The Daughter of Fu Manchu."<sup>13</sup> This story was originally published in Collier's Magazine which is printed in Springfield, Ohio; it was published simultaneously in Canada by copies which were offered for sale to the Canadian public. Publication was effected in Canada by the distribution of the weekly from a central point in Canada by a firm which distributes periodicals and other literature.

The defendant, De Combinat made an unauthorized publication in Holland of a Dutch translation of the story. Rohmer, thereupon brought an action for infringement under Article 4 of the Berne Convention, claiming that simultaneous publication in the United States and Canada gave the story copyright protection in Holland.

The so-called Cantonal Court at Rotterdam concluded that the defendant had infringed plaintiff's copyright and awarded him damages. On appeal to the National Court, the decision was reversed. The National Court held that distribution in Canada was not a publication within the meaning of the Berne Convention, hence the story did not enjoy the protection of the Convention in Holland.

An appeal was taken to the Hooge Raad at Hague, the highest court of Holland. The Hooge Raad in affirming the decision of the National Court, held that the distribution of the magazine in Canada was not a publication. Publication under the Berne Convention requires more than a mere issue of copies of a work to the public; it contemplates that the work be *edited* in Canada.<sup>14</sup>

<sup>13</sup> This case is discussed in detail in Kilroe, International Copyright at p 25 ff.

<sup>14</sup> Decision of Hooge Raad, June 26, 1936 quoted in Ladas at 308: "The periodical Colliers 'The National Weekly' is edited at Springfield in the United States of America, the distribution in Canada taking place simultaneously with that in the United States of America, not directly by the editor established at Springfield from that place but from a central point situated in Canada by another firm which makes a business of the distribution of such works. The District Court rightly considered that this way of distribution simply does not mean that

the periodical is also edited in Canada in the sense of Article 4 of the aforesaid Convention, either by the editor situated at Springfield, who forwards the copies required for distribution in Canada for that purpose to the aforesaid firm established there, or by the said firm itself." Article 4(4) of the original French text of the Rome (1928) revision of the Berne Conventions described "published works" "*(oeuvres publiées)*" as works which have been issued (*les oeuvres éditées*). Ladas who discusses the phrase *oeuvres éditées* in detail at p 294 ff, concludes that this phrase has reference to "the economic function of making copies of a work avail-

Although the Hooge Raad reversed this decision in 1941, in the "Gone With The Wind" case,<sup>15</sup> the Netherlands jurisprudence requires that simultaneous publication be *bona fide*. In other words, copyright protection in Holland will be extended to works of United States citizens only if the Canadian publisher who distributes the work has the real quality of a publisher, i.e., the quality of one who assumes the risks of publication. Thus a simple distribution of American works in a Berne Union country is not sufficient to insure copyright protection in Holland.<sup>16</sup>

The restrictions imposed by Holland in protecting American works have been employed by the State Department and authors to illustrate the need for United States participation in an effective international copyright organization.

The device of simultaneous publication does not necessarily furnish copyright protection to citizens of the United States in all Latin-American countries. Simultaneous publication would protect the writings of American authors in Brazil because that country is a member of the Berne Union. Since the United States, and some fourteen other Latin-American countries are signatories to the Buenos Aires Convention of 1910, this treaty would furnish copyright protection to the writings of United States citizens in all member countries without any additional formality, provided that the copyright is reserved.<sup>17</sup> However, the Buenos Aires Convention does not apply to mechanical reproduction rights. The latter require a special Presidential proclamation before these rights can be asserted by United States citizens in Latin-American countries.<sup>18</sup>

As stated above, not all Latin-American countries are signatories to the Buenos Aires Convention of 1910. Thus Mexico and Cuba have not ratified this treaty. Although these countries have established reciprocal copyright relations with the United States, it may still be necessary to register copy-

able to the public." He concludes that the decision of the Hooge Raad was wrong because it adapted a too narrow definition of the phrase, "*oeuvres éditées*."

<sup>15</sup> Kilroe, *International Copyright* at 27 ff.

<sup>16</sup> IV. UNESCO Copyright Bulletin

Nos 1-2 (1951) 151, note d. See also Saher, *Protection of American Copyright in the Netherlands—American-Netherlands Copyright Problems*. *World Trade Law Journal*, July, 1946.

<sup>17</sup> *Passim*, § 194b.

<sup>18</sup> *Id.*

righted works in Mexico and Cuba. Registration in non-Convention countries requires an examination into the laws of each country to determine the formalities for copyright protection. Such registration may entail the payment of substantial fees, additional copies of the work, consular certificates, powers of attorney and the employment of local counsel.<sup>19</sup>

The foregoing arguments have been advanced to support the accession of the United States to an international copyright organization.

Despite the persistent efforts of the State Department and other interested parties and organizations that the United States join the Berne Conventions and the Pan-American Convention of 1946, Congress has refused accession to these international copyright organizations. The opposition to accession can best be explained by a brief examination of the purposes, objectives and provisions of the Berne and Pan-American Conventions. A more detailed analysis will be made of the proposed Universal Copyright Convention, since there is greater likelihood that the United States may subscribe to this Convention.

We do not propose to examine section by section and paragraph by paragraph the provisions of the 1948 Brussels Revision of the Berne Convention or the various Pan-American Conventions, including the 1946 Inter-American Copyright Convention. This is beyond the scope of this chapter. We do, however, propose to discuss in detail those sections of international copyright conventions which deal with motion pictures, radio, television and mechanical reproduction rights.

#### **191: BERNE CONVENTION, BRUSSELS REVISION, 1948: GENERAL DISCUSSION.**

The first Berne Convention, concluded in Berne, Switzerland on September 9, 1886, traces its origins to the International Literary and Artistic Association founded in Paris in 1870 under the patronage of Victor Hugo.<sup>1</sup> This Associa-

<sup>19</sup> Schulman, *A Survey of International Copyright* (1950). Address delivered at a meeting on Copyright of the Patent, Trade-Mark and Copyright Section of the ABA at Washington, D. C., September 16, 1950.

<sup>1</sup> For the origin and history of the Berne Convention, see Ladas, at 71 ff; Kilroe, *International Copyright* at 2 ff; I UNESCO Copyright Bulletin (1948) 74-75.

tion devised the plan whereby an International Copyright Convention would replace the separate copyright treaties between and among the various European countries. Prior to the Berne Convention of 1886, authors in European countries could obtain international copyright protection for their works only on the basis of bilateral treaties between two countries.<sup>2</sup>

The International Literary and Artistic Association, at one of its annual congresses, decided to convene, on behalf of the Swiss Government, two international conferences, which met on September 8, 1884 and September 7, 1885. On September 9, 1886, their work produced the "International Union for the Protection of Literary and Artistic Works," popularly referred to as the Berne Convention, with ten member states.<sup>3</sup>

The Berne Convention has been revised periodically, as provided for in its constitution.<sup>4</sup> Revisions were effected at Paris in 1896 and at Berlin in 1908 to which an additional protocol was added at Berne in 1914. The Berne Convention was revised in Rome, in 1928<sup>5</sup> and has undergone its most recent revision at Brussels in June, 1948.<sup>6</sup> Some 40 countries are members of the Berne Convention, and this includes two countries in the Western Hemisphere—Canada and Brazil.<sup>7</sup>

The Berne Conventions which are in the form of multilateral treaties have established a union of states for the purpose of maintaining a comprehensive system of copyright on an international level for the benefit of their respective nationals. Prior to the Brussels revision, the Conventions relied for the most part on the domestic laws of the contracting countries or obtained protection of certain works by requiring the countries of the Union to adopt legislation to that effect. For

<sup>2</sup> Kampfelman, *The United States and International Copyright*, 41 *Am.J of Int'l Law* 406.

<sup>3</sup> *UNESCO Copyright Bulletin* (1948) 74-75; Kilroe, *International Copyright* at 3.

<sup>4</sup> Article XVII of the Berne Convention of 1886. The texts of the Berne Convention and the various revisions prior to 1948, as well as English translations appear in the appendices to Ladas at 1123. All references to the Berne Convention and revisions prior to 1948 are from Ladas. The Berne Bureau has published the

French and English texts of the Brussels (1948) revision of the Berne Convention. This will be designated hereafter as Brussels (1948) Text.

<sup>5</sup> Kilroe, *International Copyright* at 4 ff.

<sup>6</sup> For an excellent analysis of the Brussels (1948) Text see Baum, *The Brussels Conference for the Revision of the Berne Convention* (1949) translated by William S. Strauss of the Copyright Office. This will be designated hereafter as Baum.

<sup>7</sup> *UNESCO Copyright Bulletin* (1948) 10.

example article 2, section 4 of the 1928 Rome revision provided that "works of art applied to industry are protected so far as the domestic legislation of each country allows." To be sure, there were provisions which established common legislation for all member countries. This is illustrated by the protection accorded translation rights, cinematographic works and the right of public representation, execution and performance of dramatic, dramatico-musical, and musical works. But for the most part, protection under the earlier Berne Conventions was dependent on the municipal law of each member country.<sup>8</sup>

The Brussels revision has expanded the concept of international legislation. Copyright protection is derived from the Convention itself, rather than the internal legislations of the member countries. In other words the Brussels revision is for all practical purposes an international statute which furnishes uniform protection in all of the contracting countries.<sup>9</sup> This is illustrated by the following:

1. uniformity exists as to the works <sup>10</sup> and persons <sup>11</sup> protected, the period of protection in general,<sup>12</sup> and its mode <sup>13</sup>

<sup>8</sup> Ladas, 182 ff.

<sup>9</sup> I UNESCO Copyright Bulletin (1948) 10-11. Article 2(4) of the Brussels (1948) Text provides that "The works mentioned in this Article shall enjoy protection in all countries of the Union."

<sup>10</sup> Brussels (1948) Text, Article 2(1):

"The term literary and artistic works shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as: books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show, the acting form of which is fixed in writing or otherwise; musical compositions with or without words; cinematographic works and works produced by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works and works produced by a process analogous to photography; works of applied art; illustrations, geographical charts, plans, sketches and

plastic works relative to geography, topography, architecture or science."

<sup>11</sup> *Id.* Article 2(4):

"The works mentioned in this Article shall enjoy protection in all countries of the Union. This protection shall operate for the benefit of the author and his legal representatives and assignees."

<sup>12</sup> *Id.* Article 7(1): "The terms of protection granted by this Convention shall be the life of the author and fifty years after his death."

<sup>13</sup> *Id.* Article 7 and 7-bis:

"1. The term of protection granted by this Convention shall be the life of the author and fifty years after his death.

2. However, where one or more countries of the Union grant a term of protection in excess of that provided by paragraph 1, the term shall be governed by the law of the country where protection is claimed, but shall not exceed the term fixed in the country of origin of the work.

3. In the case of cinematographic and photographic works, as well as works produced by a process analogous to cinematography or photography and of works of applied art, the

and method of calculation.<sup>14</sup>

2. uniformity exists as to the right to make a collection of speeches,<sup>15</sup> the right of translation,<sup>16</sup> the right of public performance of dramatic, dramatico-musical and musical works,<sup>17</sup> the right of authorizing public recitation,<sup>18</sup> the right of adaptation,<sup>19</sup> the film rights,<sup>20</sup> and the moral right during the life of the author.<sup>21</sup>

3. uniformity exists in protecting the works of foreign authors<sup>22</sup> without any formalities and independently of the

term of protection shall be governed by the law of the country where protection is claimed, but shall not exceed the term fixed in the country of origin of the work.

4. In the case of anonymous and pseudonymous works, the term of protection shall be fixed at fifty years from the date of their publication. However, when the pseudonym adopted by the author leaves no doubt as to his identity, the term of protection shall be that provided in paragraph 1. If the author of an anonymous or pseudonymous work discloses his identity during the above-mentioned period, the term of protection applicable shall be that provided in paragraph 1.

5. In the case of posthumous works which do not fall within the categories of works included in paragraph 3 and 4 the term of the protection afforded to the heirs and the legal representatives and assignees of the author shall end at the expiry of fifty years after the death of the author.

6. The term of protection subsequent to the death of the author and the terms provided by paragraphs 3, 4 and 5 shall run from the date of his death or of publication, but such terms shall always be deemed to begin on the 1st January of the year following the event which gives rise to them.

Article 7 *bis*:

In the case of a work of joint authorship, the term of protection shall be calculated from the date of the death of the last surviving author."

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* Article 2-*bis* (3).

<sup>16</sup> *Id.* Article 8:

"Authors of literary and artistic works protected by this Convention shall have the exclusive right of making and of authorizing the translation

of their works throughout the term of protection of their rights in the original works."

<sup>17</sup> *Id.* Article 11:

"1. The authors of dramatic, dramatico-musical or musical works shall enjoy the exclusive right of authorizing: 1° the public presentation and public performance of their works; 2° the public distribution by any means of the presentation and performance of their works.

The application of the provisions of Articles 11 *bis* and 13 is always reserved.

2. Authors of dramatic or dramatico-musical works, during the full term of their rights over the original works, shall enjoy the same right with respect to translations thereof.

3. In order to enjoy the protection of this Article, authors shall not be bound, when publishing their works, to forbid the public presentation or performance thereof."

<sup>18</sup> *Id.* Article 11 *ter*: "Authors of literary works shall enjoy the exclusive right of authorizing the public recitation of their works."

<sup>19</sup> *Id.* Article 12: "Authors of literary, scientific or artistic works shall enjoy the exclusive right of authorizing adaptations, arrangements and other alterations of their works."

<sup>20</sup> *Passim*, § 191c.

<sup>21</sup> *Passim*, § 193.

<sup>22</sup> Brussels (1948) Text, Articles 4 and 5:

"1. Authors who are nationals of any of the countries of the Union shall enjoy in countries other than the country of origin of the work, for their works, whether unpublished or first published in a country of the Union, the rights which their respective laws do now or may hereafter grant to their

existence of protection in the country of origin of the works<sup>23</sup> and the protection of the content of periodicals<sup>24</sup> with the right of quotation reserved<sup>25</sup> and with credit to the source.<sup>26</sup>

nationals, as well as the rights specially granted by this Convention.

2. The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

3. The country of origin shall be considered to be, in the case of published works, the country of first publication, even in the case of works published simultaneously in several countries of the Union which grant the same term of protection; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country of which the legislation grants the shortest term of protection. In the case of works published simultaneously in a country outside of the Union and in a country of the Union, the latter country shall be considered exclusively as the country of origin.

A work shall be considered as having been published simultaneously in several countries which has been published in two or more countries within thirty days of its first publication.

4. For the purposes of Articles 4, 5 and 6, 'published works' shall be understood to be works copies of which have been issued and made available in sufficient quantities to the public, whatever may be the means of manufacture of the copies. The presentation of a dramatic, dramatico-musical or cinematographic work, the performance of a musical work, the public recitation of a literary work, the transmission or the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication.

5. The country of origin shall be considered to be, in the case of un-

published works, the country to which the author belongs. However, in the case of works of architecture or of graphic and plastic works forming part of a building, the country of the Union where these works have been built or incorporated in a building shall be considered as the country of origin."

Article 5:

"Authors who are nationals of one of the countries of the Union, and who first publish their works in another country of the Union, shall have in the latter country the same rights as native authors."

See also Article 6(1), (3) and (4).

<sup>23</sup> *Id.* Article 4(2), quoted in *op cit supra*, note 22.

<sup>24</sup> *Id.*, Article 9:

"1. Serial novels, short stories, and all other works, whether literary, scientific or artistic, whatever their purpose, and which are published in the newspapers or periodicals of one of the countries of the Union shall not be reproduced in the other countries without the consent of the authors.

2. Articles on current economic, political or religious topics may be reproduced by the press unless the reproduction thereof is expressly reserved; nevertheless, the source must always be clearly indicated. The legal consequences of the breach of this obligation shall be determined by the laws of the country where protection is claimed.

3. The protection of this Convention shall not apply to news of the day nor to miscellaneous information having the character of mere items of news."

<sup>25</sup> *Id.*, Article 10(1): "It shall be permissible in all countries of the Union to make short quotations from newspaper articles and periodicals, as well as to include them in press summaries."

<sup>26</sup> *Id.*, Article 10(3). "Quotations and excerpts shall be accompanied by an acknowledgment of the source and by the name of the author, if this name appears thereon."

Although the Brussels revision substantially increased the scope and extent of international legislation, the national law of the member countries condition and circumscribe various of the works and rights secured by the 1948 Convention. Thus the internal legislation of a country determines the extent of the application of their laws to works of applied art, industrial designs and models, as well as the conditions under which such works, designs and models shall be protected.<sup>27</sup> Although the Brussels revision protects oral works, the national law of a country may exclude wholly or in part from the protection afforded by the Convention "political speeches and speeches delivered in the course of legal proceedings."<sup>28</sup> It is "also a matter for legislation in Countries of the Union to determine the condition under which lectures, addresses, sermons and other works of the same nature may be reproduced by the press."<sup>29</sup> The extent to which excerpts from literary or artistic works may be quoted in educational or scientific publications or in chrestomathies is likewise governed by the internal legislation of a country.<sup>30</sup> The national law of a country may attach conditions and reservations to radio, television and recording rights.<sup>31</sup> Finally, the Brussels revision leaves to its member countries to determine the protection to be accorded political speeches,<sup>32</sup> translations of official texts of a legislative, administrative and legal nature,<sup>33</sup> the moral right after the death of an author,<sup>34</sup> the right to an interest in any sale of the work subsequent to the first disposal of the work by an author (*droit de suite*),<sup>35</sup> and the regulations governing "ephemeral" or radiophonic recordings.<sup>36</sup>

#### 191a. BERNE CONVENTION, BRUSSELS REVISIONS, 1948: BASIS OF PROTECTION.

One of the basic principles of the Berne Convention is that authors of a member country enjoy in countries other than

<sup>27</sup> *Id.* Article 2(5):

"It shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected."

<sup>28</sup> *Id.*, Article 2-*bis*.

<sup>29</sup> *Id.*, Article 2 *bis* (2).

<sup>30</sup> *Id.*, Article 10(2).

<sup>31</sup> *Id.* Article 11-*bis*; Article 13. See also *passim*, § 191c ff.

<sup>32</sup> *Id.*, Article 2-*bis* (1).

<sup>33</sup> *Id.*, Article 2(2).

<sup>34</sup> *Id.* Article 6-*bis* (2). See also, *passim*, § 193.

<sup>35</sup> *Id.* Article 14-*bis*. See also, *passim*, § 193.

<sup>36</sup> *Id.*, Article 11-*bis* (3). See also, *passim*, § 191c.

the country of origin of the work the same protection accorded nationals of such other countries as well as the rights specifically granted by the Convention itself. This means that the work of an English author which is distributed in France secures the advantages and benefits of the French copyright law.<sup>1</sup>

Copyright jurisprudence in the United States distinguishes between published and unpublished works. The former are protected by the Copyright Code when they are published, offered for sale or distributed generally to the public.<sup>2</sup> Unpublished works not registered under the Copyright Code,<sup>3</sup> are protected by common law copyright.<sup>4</sup> An author's property in his intellectual creation prior to publication is protected without complying with any formalities and is perpetual in duration.<sup>5</sup>

The Berne Convention does not distinguish between published and unpublished works. Protection is furnished to both classes of works. International protection of a work is obtained when the work is created and an author need not comply with any formalities either in the state of origin or in other member countries.<sup>6</sup>

Formalities have reference to copyright notice, deposit and registration of works. As stated above the Berne Convention countries have dispensed with formalities.<sup>7</sup> Article X of the Inter-American Copyright Convention of 1946<sup>8</sup> does not require registration, deposit or any other formality. However, in Article X it is provided:

“In order to facilitate the utilization of literary, scientific, and artistic works, the Contracting States agree to encourage the use on such works of the expression ‘Copyright’ or its abbreviation ‘Copr.’ or the letter ‘C’ enclosed within a circle, followed by the year in which protection begins, the name and address of the copyright owner, and the place of origin of the work. This information should

<sup>1</sup> UNESCO Copyright Bulletin (1948) 18.

<sup>2</sup> 61 STAT 652 (1947), 17 USCA §§ 10 and 26 (Supp 1951). *Infra* § 61.

<sup>3</sup> *Id.*, § 12. *Infra*, § 72.

<sup>4</sup> *Passim*, § 200 ff.

<sup>5</sup> *Id.*

<sup>6</sup> *Op cit supra*, note 1.

<sup>7</sup> *Id.* See also Ladas at 269 ff.

<sup>8</sup> The Inter-American Convention On The Rights Of The Author In Literary, Scientific and Artistic Works is published in full in a bulletin entitled “Copyright Protection In The Americas.” The treaty will hereinafter be referred to as “1946 Inter-American Convention”; the bulletin as “Pan-American Bulletin.”

appear on the reverse of the title page in the case of a written work, or in some accessible place according to the nature of the work, such as the margin, or the back, permanent base, pedestal or the material on which the work is mounted. However, notice of copyright in this or any other form shall not be interpreted as a condition of protection of the work under the provisions of the present Convention.”<sup>9</sup>

The basis for statutory protection under the United States Copyright Code is publication with notice.<sup>10</sup> This is a condition *sine qua non* for protection in several other countries such as Argentina, the Philippines, Guatemala and Salvador.<sup>11</sup>

Although copyright protection is secured in the United States by publication with notice, registration and deposit are conditions subsequent which must be effectuated within a reasonable period of time.<sup>12</sup> The administrative practice of the Copyright Office which scans publications to determine whether works have been registered and deposited, suggests that registration and deposit are conditions *sine qua non* for full protection in the United States.<sup>13</sup> The countries listed in the margin require deposit<sup>14</sup> and registration<sup>15</sup> in one form or another.

<sup>9</sup> Art X of 1946 Inter-American Convention.

<sup>10</sup> *Op cit supra*, note 2.

<sup>11</sup> II UNESCO Copyright Bulletin, No 2-3 (1949) 96-97.

<sup>12</sup> 61 STAT 652 (1947), 17 USCA § 11 (Supp 1951). *Infra* §§ 63 and 63b.

<sup>13</sup> *Infra*, § 182.

<sup>14</sup> *Op cit supra*, note 11 at 94:

“Deposit may be required for the acquisition of copyright, or only for its exercise, or merely as an administrative measure.

A. Deposit is a condition *sine qua non* of protection in Haiti, in Italy (for records, sketches of stage sets, and engineering plans), and in Peru.

B. Deposit is a required complement of registration, and failure to deposit has the same consequences as failure to register; this consequence being that there is in such case *no protection* in Argentina, Bolivia (except for painting and sculpture), Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Germany (only for industrial designs and patterns),

Philippines, Salvador, Spain (except for aliens), United States (after demand by the Register), Uruguay and in Venezuela; and such failure to deposit or to register means that *no action may be brought before the courts* in Brazil, Lebanon, Syria, Turkey (except for painting, sculpture and similar works) and the United States.

C. Deposit of the work must accompany the optional registration of the work (see 2 D) permitted in Australia, New Zealand, etc.

D. In certain countries, the deposit of the work is prescribed but failure to comply has no effect on the copyright. Its only consequence is a fine, or sequestration of a copy of the work or a similar penalty. That our list of such countries is not quite complete, is due to the fact that, in many countries, this question is dealt with outside of copyright law, and our information is therefore less complete.

Among countries that provide for such ‘administrative’ deposit are: Australia, Austria, Bulgaria, Canada, Czechoslovakia, Denmark, Egypt, Fin-

It is believed that the absence of any formalities in the Brussels Revision and Pan-American Copyright Convention of 1946 is a major obstacle to accession by the United States to these unions. If the United States were to subscribe to these conventions, it would require a revision of the Copyright Code eliminating the formalities prescribed by the Copyright Code for foreign works.<sup>16</sup> Accession would result in a dual system of copyright protection in this country. The works of citizens would not enjoy the benefits of the Copyright Code unless they were published with notice. On the other hand, the works of non-resident authors would be protected despite the absence of copyright notice or compliance with the formalities of deposit and registration. It is obvious that such a dual system of copyright protection would be inequitable, particularly to American authors. As long as domestic works must comply with the notice provisions of the Copyright Code, the same minimum standards should govern foreign works.<sup>17</sup>

With reference to article 4 of the Brussels revision, various amendments were made which clarified this section. Thus the country of origin in the case of published works was defined as the country of first publication.<sup>18</sup>

land, France, Germany, Great Britain, Greece, Guatemala, Hungary, Iceland, Iran, Ireland, Italy, Japan, Luxembourg, Mexico, New Zealand, Norway, Poland, Portugal, Rumania, Siam, Sweden, Switzerland, Union of South Africa, USSR and Yugoslavia.”

<sup>15</sup> *Id.* at 95:

“Many laws prescribe or permit registration either of works in general, or of certain works only, in a public register. Failure to fulfil this formality may have various consequences.

A. Registration of the work is a condition *since qua non* of protection in Argentina, Bolivia, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Philippines, Spain (except for aliens), United States (after demand by the Register that the work be registered), Uruguay and Venezuela.

B. Registration is required as a condition for bringing an action in Turkey (except for painting, sculpture and similar works), and the United States. For Lebanon and Syria, since this

question is considered there largely in connection with deposit, see 1 B above.

C. Registration is a condition *sine qua non* of protection in certain limited cases in Germany, for industrial designs and patterns, and in Mexico for titles, headings, type styles and editions of works in the public domain.

D. Registration is optional and has effect as a *prima facie* proof in Australia, Brazil (for printed works, etc.), Canada, Ireland (for artistic works which constitute a design), Italy, Mexico, New Zealand, Portugal, Union of South Africa (for the right of performance and presentation) and USSR.

It is possible, but not obligatory, to register certain works not reproduced for sale in the United States.”

<sup>16</sup> 61 STAT 652 (1947), 17 USCA §§ 9, 16, 22 and 23 (Supp 1951). See also *infra* §§ 44, 67 and 68.

<sup>17</sup> But see *Heim v. Universal Picturos Co.*, 154 F2d 480 (2d Cir 1946), discussed in detail, *infra*, § 61e.

<sup>18</sup> Brussels (1948) Text, Art 4(3).

Simultaneous publication was defined as works published in two or more countries within thirty days of first publication.<sup>19</sup>

The Brussels revision likewise amended its definition of published works. Published works are defined as:

- a) copies of which have been issued; and
- b) made available in sufficient quantities to the public;
- c) whatever may be the means of manufacture of the copies.<sup>20</sup>

The exhibition of dramatic, dramatico-musical or cinematographic works, the performance of musical works, the public recitation of a literary work and the transmissions by radio and television do not constitute a publication.<sup>21</sup> This is in accord with American copyright jurisprudence. As Arthur Fisher, Register of Copyrights points out, "no mention is made of phonograph records and whether the distribution of such records constitutes publication, remains uncertain. However, the English version of the paragraph defines published works 'as those of which copies have been made available to the public in sufficient quantities' whatever may be the means of manufacture. The French text cannot be reconciled with this English translation and under the terms of Article 31, in the event of conflict in the two texts, the French text prevails."<sup>22</sup>

Article 6 which regulates the protection of works of authors not belonging to a Union country warrants discussion.<sup>23</sup>

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*, Article 4(4):

"For the purposes of Article 4, 5 and 6, 'published works' shall be understood to be works copies of which have been issued and made available in sufficient quantities to the public, whatever may be the means of manufacture of the copies. The presentation of a dramatic, dramatico-musical or cinematographic work, the performance of a musical work, the public recitation of a literary work, the transmission or the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication."

<sup>21</sup> *Id. Infra*, 61 ff.

<sup>22</sup> Fisher, The 1948 Revision of the

Berne Convention (1949) X Fed Com Bar J. 53, 54.

<sup>23</sup> Brussels (1948) Text, Art 6:

"1. Authors who are not nationals of one of the countries of the Union, and who first publish their works in one of those countries, shall enjoy in that country the same rights as native authors, and in the other countries of the Union the rights granted by the present Convention.

2. Nevertheless, where any country outside the Union fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union, the latter country may restrict the protection given to the works of authors who are, at the date of the first publication thereof, nationals of the other country and are

Authors who are not nationals of the contracting states enjoy the same protection as native authors if their works are first published in Union countries. However, paragraph 2 provides that the works of non-union and non-domiciled authors will receive *limited* protection in Union countries, if the non-member state does not sufficiently protect the works of Union members.<sup>24</sup> This is the so-called retaliatory provision of the Berne Convention. Thus the English speaking countries have objected to the manufacturing clause of the Copyright Code which requires that copies in excess of 1500 of foreign works in the English language be printed in the United States.<sup>25</sup> The retaliatory provision would authorize England to impose a similar restriction on the works of American citizens. The Brussels revision added an amendment to this clause which increases its potential effectiveness. Other member countries are required to give the same limited protection to American works as England would.<sup>26</sup> "This may seem like harsh treatment for the non-union author. But it would seem that the provision is not unjust. If the Union grants protection throughout the Union to works of non-union authors appearing for the first time in a Union country, then it may be demanded that the country of origin of the author give sufficient protection to authors of the whole union, i.e., of all Union countries. The provision expresses the correct legal thought that the members of the Revised Berne Convention are welded together in a Union, a sort of copyright federation of countries. . . . Whatever treatment the non-union country gives to a member of one Union country, affects the Union itself. The non-union

not effectively domiciled in one of the countries of the Union. If the country of first publication avails itself of this right, the other countries of the Union shall not be required to grant to works thus subjected to special treatment a wider protection than that granted to them in the country of first publication.

3. No restrictions introduced by virtue of the preceding paragraph shall affect the rights which an author may have acquired in respect of a work published in a country of the Union before such restrictions were put into force.

4. The countries of the Union which restrict the grant of copyright in ac-

cordance with this Article shall give notice thereof to the Government of the Swiss Confederation by a written declaration specifying the countries in regard to which protection is restricted, and the restrictions to which rights of authors who are nationals of those countries are subjected. The Government of the Swiss Confederation shall immediately communicate this declarations to all the countries of the Union."

<sup>24</sup> *Id.*, Art 6(2).

<sup>25</sup> 61 STAT 652 (1947) as amended by 63 STAT 153 (1949), 17 USCA §§ 16, 22 and 23. *Infra*, §§ 67 and 68.

<sup>26</sup> *Op cit supra* note 23. Baum, at 20.

country cannot complain if all members of the Union exercise their right of retaliation even if the insufficiency of the protection affects only nationals of one particular member of the Union.”<sup>27</sup>

It is doubtful whether the contracting states will ever enforce the retaliatory provisions. Union countries would be reluctant to restrict protection to the same extent as the country which may exercise its right of retaliation, particularly when nationals in the former enjoy sufficient protection in a non-Union state.

**191b. BERNE CONVENTION, BRUSSELS REVISION 1948: PROTECTION OF ORAL WORKS.**

Article 2 paragraph 1 of the Brussels revision provides:

“(1) The term ‘literary and artistic works’ shall include every production in the literary scientific and artistic domain, *whatever may be the mode or form of its expression*, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show, the acting form of which is fixed in writing or otherwise; musical compositions with or without words; cinematographic works and works produced by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works and works produced by a process analogous to photography; works of applied art; illustrations, geographical charts, plans, sketches and plastic works relative to geography, topography, architecture or science.”<sup>1</sup>

The italicized phrase, “whatever may be the mode or form of its expression” furnishes protection to all of the above literary and artistic works which can be orally communicated to the public. This means that the Convention furnishes direct protection to all oral productions.<sup>2</sup>

Oral works were first protected by the Rome revision of 1928;<sup>3</sup> they were reenforced by Article 11-ter of the Brussels revision which provides that “Authors of literary works shall enjoy the exclusive right of authorizing the public recitation

<sup>27</sup> Baum at 20-21.

<sup>1</sup> Article 2(1) of Brussels (1948) Text.

<sup>2</sup> I UNESCO Copyright Bulletin (1948) 10, 20.

<sup>3</sup> Ladas at 210.

of their works." Recitation refers to the declamation or reading of a poem or any other literary work.<sup>4</sup>

The Inter-American Convention of 1946 protects oral works reduced to writing or in the form of recordings.<sup>5</sup>

Both the Brussels and Inter-American Convention as well as the countries listed in the margin prohibit the unauthorized broadcasting and recording of published writings.<sup>6</sup> In the

<sup>4</sup> *Op cit supra*, note 2.

<sup>5</sup> 1946 Inter-American Convention, Art II: "... In utilizing his work the author has the right to make the following uses of it, and such uses as may hereafter be known, in accordance with its nature:

(b) Represent, recite, exhibit, or perform it publicly:

(d) Adapt and authorize general or individual adaptation of it to instruments that serve to reproduce it mechanically or electrically; or perform it publicly by means of such instruments"; . . .

<sup>6</sup> II UNESCO Copyright Bulletin No 2-3 (1949) at 24-25:

"The right of public recitation of writings seems to be recognized by Australia, Austria, Chile (if for profit), Colombia (if for profit), Great Britain, Greece, Ireland, Mexico (if for profit), Netherlands, New Zealand, Norway (if for profit), Poland (if expressly reserved), Rumania (with restrictions), Spain (of published works only), Switzerland and Union of South Africa, and the same is presumed to be the case in Belgium, Bulgaria, Egypt and USSR.

Certain countries recognize this right of recitation only before publication of the work. Among these are Czechoslovakia, Denmark, Finland, Germany and Sweden.

The right seems to be protected in France, but we have found no cases on the subject. The situation in Turkey is rather unclear:

The following countries do not recognize this right: Argentina, Brazil, Canada, Hungary, Ireland, Italy, Portugal, United States, Uruguay, Venezuela and Yugoslavia.

"We treat this question under the

section on radio broadcasting of dramatic and musical works, for most countries settle the question of the broadcasting of writings in the same fashion as that of the broadcasting of dramatic and musical works. It is necessary here only to point to significant exceptions.

The United States does not protect published writings (in the sense in which we use writings here) against broadcasting. In other words: a novel, a poem, etc., if published, can be transmitted by radio without the consent of the author. (Oral, dramatic and musical works are protected against broadcasting.)

Bulgaria, U.S.S.R. and Yugoslavia do not seem in practice to recognize this right. (See section 3, 5.)

In as much as Argentina and Brazil assimilate broadcasting to public performance and presentation, but not to publishing or to recitation, it seems that only dramatic and musical works are protected against broadcasting, and that other literary works (novels, poems, etc.) could be broadcast without the author's consent. The position is obscure.

There are instances of lesser importance where protection is not given in certain very limited cases by countries which in general recognize this right; e.g. Austria (newspaper articles, fragments, educational broadcasts, news reporting), Hungary (newspaper articles), Mexico (news reporting), Sweden (educational and religious broadcasts, news reporting.)

The right of broadcasting is subject to compulsory license in Czechoslovakia (government stations), Finland (?) (published works), Japan (ditto), Norway (on demand), Poland (for public purposes).

In Mexico, a broadcast, though not previously authorized, is not punishable

United States, the former law permitted a poem, novel, etc., to be broadcast or recorded without the consent of the copyright proprietor.<sup>7</sup> As discussed elsewhere, § 1(c) of the Copyright Code was amended in 1952. This new amendment recognizes performing and recording rights in lectures, sermons, addresses and in other non-dramatic works.<sup>8</sup>

A neat question is tendered whether the Brussels and Inter-American Conventions prohibit the telecasting of works of art such as a painting or statue. It is believed that the transitory telecast of a work of art in the United States would not infringe a copyright proprietor's printing, publishing and vending rights.<sup>9</sup> On the other hand, the Brussels revision extends copyright protection to such works of art as drawings, painting, architecture, sculpture, etc., "whatever may be the mode or form of its expression."<sup>10</sup> In addition Article 11 *bis* provides that authors of literary and artistic works (and this includes works of art) shall have the exclusive right of authorizing the radio and television broadcasts of their writings. Both sections when read together suggest that the transitory telecasts of works of art may be protected against unauthorized reproduction. The same conclusion is suggested by Article II of the Inter-American Convention of 1946.<sup>11</sup>

But a recent article by the Solicitor of the British Broad-

if the user pays thereafter the royalties due within the time required."

"The question here is whether works whose principal intended purpose, whether or not it be the only one, is oral delivery or public recitation, such as sermons, lectures, speeches, addresses, etc., are protected against unauthorized public recitation.

To simplify the question, we are not examining separately the question of whether such works are protected against reduction writing or phonographic recording or radio broadcasting. We concern ourselves solely with the right of recitation.

This right seems recognized in Australia, Austria, Bulgaria, Canada, Czechoslovakia, Denmark, France, Germany, Great Britain, Iceland, Italy, Mexico, Netherlands, Norway, Sweden, Union of South Africa, United States (for profit, if statutes are applied), U.S.S.R. and Venezuela. Apart from the above countries, the laws of Bel-

gium, Dominican Republic, Ecuador, Hungary, Japan, Lebanon, Luxembourg, Poland and Yugoslavia all consider oral works among the works protected but they do not specifically mention oral delivery as a type of utilization subject to authorization by the author.

It seems, in conclusion, that Argentina, Brazil, Spain, Switzerland, etc., do not protect oral works."

<sup>7</sup> *Kreymborg v. Durante*, 21 USPQ 557 (DC NY 1934), *aff'd on rehearing*, 22 USPQ 248 (1934); *Corcoran v. Montgomery Ward & Co.*, 121 F2d 572 (9th Cir 1941), cert den, 314 US 687, 62 SCt 300, 86 L.Ed 550 (1942). *Infra*, §§ 122 and 154a.

<sup>8</sup> Public Law 575, 82d Cong 2d Sess (1952) 66 STAT 752. *Infra* §§ 121 and 122.

<sup>9</sup> This is discussed in detail in § 154a, *infra*.

<sup>10</sup> *Op cit supra*, note 1.

<sup>11</sup> *Passim*, 194b.

casting Corporation concludes that an unauthorized transitory telecast does not infringe the English Copyright Act. The Copyright Act of England which is a Berne Convention country "reserves to the copyright owner the right to produce or reproduce his work in any material form and the right to perform the work in public. The making of a film or photograph of a painting is clearly a reproduction in a material form but it surely cannot be argued that the momentary appearance of the image of a painting on the television screen constitutes a reproduction in a material form. It is difficult also to argue that the television showing of a painting constitutes a performance of the painting and it seems therefore that such showing does not require the consent of the owner of the copyright." <sup>12</sup>

To return to the protection of oral works accorded by the Berne, and Inter-American Conventions, it is believed that the Constitution of the United States may preclude protection to oral productions. The Constitution restricts copyright protection to the "writings" of authors. The Supreme Court has held that the phrase "writings" in the constitutional clause, embraces "all forms of writing, painting, engraving, etching, etc., by which the ideas in the mind of the author are given visible expression." <sup>13</sup> This suggests that Congress cannot furnish direct protection to oral works e.g., Congress cannot authorize the registration of oral works unless they have been reduced to tangible form in the form of writings. As soon as an oral work is reduced to an intelligible form of notation, there is no problem. The author may invoke and exercise the various rights secured by § 1 of the Copyright Code. But absent the reduction of the work to an intelligible form of a writing, it would appear that oral productions are outside the protection of the Copyright Code.

**191c. BERNE CONVENTION, BRUSSELS REVISIONS, 1948:  
PROTECTION OF CINEMATOGRAPHIC WORKS.**

Cinematographic works or motion pictures were first protected at the Berlin Conference of 1908.<sup>1</sup> Article 14 paragraph 2, protected motion pictures "as literary or artistic works

<sup>12</sup> E. C. Robbins, Solicitor of the British Broadcasting Corporation, *Some Legal Problems of Television in England* (1950) 1 Documentation and Information Bulletin, No 3 at 227.

<sup>13</sup> *Burrow-Giles Lithographic Co. v. Sarony*, 111 US 53, 4 S Ct 279, 28 L Ed 349 (1884).

<sup>1</sup> Ladas at 235-236.

when by the arrangement of the stage effects or by the combination of incidents represented, the author shall have given the work a personal and original character."<sup>2</sup> The Rome revision of 1928 modified this definition.<sup>3</sup>

The Brussels revision of 1948 for the first time, added to its list of "literary and artistic works," "cinematographic works and works produced by a process analogous to cinematography."<sup>4</sup>

Article 14 of the Brussels revision spells out in detail the various rights secured regarding cinematography. The Brussels text provides that authors of literary, scientific or artistic works shall have the exclusive right to authorize:

1. the film adaptation of the work;
2. the film reproduction of the work;
3. the distribution of the work thus adapted or reproduced;
4. the public presentation and performance of the work thus adapted or reproduced.<sup>5</sup>

As stated above, cinematographic works now enjoy the same protection as other literary and artistic works. The Rome revision of 1928 protected cinematographic production as literary and artistic works "when the author shall have given to the work an original character. If this character is lacking, the cinematographic production enjoys the same protection as photographic works."<sup>6</sup> The Brussels revision has deleted this requirement of originality. All cinematographic

<sup>2</sup> Quoted in Ladas at 236.

<sup>3</sup> Article 14, paragraph 2 of the Rome (1928) Text provided: "Cinematographic productions are protected as literary or artistic works when the author shall have given to the work an original character. If this character is lacking, the cinematographic production enjoys the same protection as photographic works."

<sup>4</sup> Brussels (1948) Text, Art 2(1).

<sup>5</sup> *Id.* Art 14:

"1. Authors of literary, scientific or artistic works shall have the exclusive right of authorizing: 1<sup>o</sup> the cinematographic adaptation and reproduction of these works, and the distribution of the works thus adapted or reproduced; 2<sup>o</sup> the public presentation and performance of the works thus adapted or reproduced.

2. Without prejudice to the rights of the author of the work adapted or reproduced, a cinematographic work shall be protected as an original work.

3. The adaptation under any other artistic form of cinematographic productions derived from literary, scientific or artistic works shall, without prejudice to the authorization of their authors, remain subject to the authorization of the author of the original work.

4. Cinematographic adaptations of literary, scientific or artistic works shall not be subject to the reservations and conditions contained in Article 13, paragraph 2.

5. The provisions of this Article shall apply to reproduction or production effected by any other process analogous to cinematography."

<sup>6</sup> *Op cit supra*, note 3.

productions, and this includes feature films, short subjects, cartoons, newsreels, etc., are protected as original literary and artistic works.<sup>7</sup>

Paragraph 3 of Article 15 of the Brussels text provides:

“The adaptation under any other artistic form of cinematographic productions derived from literary, scientific or artistic works shall, without prejudice to the authorisation of their authors, remain subject to the authorisation of the author of the original work.”

Dr. Baum has explained the purpose of this clause:

“The right to adapt to any other form of art a cinematographic work derived from a pre-existing work should be reserved to the author of that pre-existing work. In other words, if the idea is to use a sound film for production of a new sound film or to transcribe the music used in it on mechanical instruments, then the authorization of the author or authors of the initial work must be obtained.

“The basic idea of the new provision is correct. The doubts which the French proposal would have caused were eliminated by adding the words ‘without prejudice to the authorisation of their authors’ (i.e. authors of the cinematographic creations). This reservation was needed to express that a third person who wants to use a motion picture or parts thereof for an ‘adaptation in any other form’ needs not only the authorization of the original author but also the authorization of the person who has the copyright on the motion picture. This situation should not lead anyone to suppose that the original authors must always be asked for permission when a motion picture is to be used in the described manner. If he has transferred his cinematographic or mechanical works to the producer, the latter alone can give the authorization. This, of course, is only in case the *cinematographic* work is to be used for a new adaptation. If the compositions used in the film have been published and if they are to be transcribed on mechanical instruments, then authorization by the person who has the right as provided in Art. 13 and analogous provisions of national legislation is needed. Usually this will be the composer, the publisher or an organization supervising this right.”<sup>8</sup>

The copyright jurisprudence of the United States furnishes equivalent protection to American authors and composers.

<sup>7</sup> Brussels (1948) Text, Art 14(2),  
quoted in *op cit supra*, note 5.

<sup>8</sup> Baum at 62-63.

The copyright proprietor of motion picture film is usually the motion picture producer.<sup>9</sup> The latter may acquire by assignment the synchronization rights. Under those circumstances, permission need not be obtained from the composer of the musical work in the event that a third person desires to make an adaptation of a cinematographic work. The motion picture producer controls the cinematographic and synchronization rights, and the latter alone can give the authorization.<sup>10</sup> But where a film producer acquires synchronization rights via a license, which restricts such synchronization rights to a specific motion picture, any new adaptation of the film by a third party would require the consent of the producer and the copyright proprietor of the synchronization rights. Furthermore, the contractual relationships between the American Federation of Labor and the motion picture studios preclude the latter from using the sound track integrated in existing film on new film. The AFM requires the same number of musicians to be employed in recording music on film, although the music on both films is identical. The same practice prevails where motion picture film is to be exhibited in theatres and over television stations.<sup>11</sup>

Several of the Berne Convention countries by internal legislation have adopted the legal or compulsory license for recordings.<sup>12</sup> This is equivalent to the compulsory licensing provisions of the Copyright Code.<sup>13</sup> The Brussels text precludes national legislation which would permit compulsory licenses in the field of cinematographic works.

The last clause of Article 14 is self-explanatory. It provides that "the provisions of this article shall apply to reproduction or production effected by any other process analogous to cinematography."

Prior to the Brussels revision, the Berne Conventions contained no provision comparable to the doctrine of fair use in the United States.<sup>14</sup> However, either by explicit legislation, judicial decision or custom, practically all countries permitted the reasonable use of copyrighted works in the form of quotations, excerpts, or résumés for private studies, criticisms,

<sup>9</sup> *Infra*, 311.

<sup>10</sup> *Infra* § 136e.

<sup>11</sup> *Infra* § 146 ff.

<sup>12</sup> This is discussed in § 191e and § 192 *passim*.

<sup>13</sup> *Infra* §§ 131b and 131e.

<sup>14</sup> The doctrine of "fair use" is discussed in detail in § 157.

reporting, etc.; and, as in the United States, such organs of public information as newspapers, radio and newsreels may make a fair use of copyrighted works for the purpose of disseminating information and news to the general public.<sup>15</sup>

The Brussels text codified the doctrine of fair use into positive legislation. Thus short quotations from newspaper and magazine articles, even in the form of press reviews are lawful, provided they are accompanied by citation of source and the name of the author.<sup>16</sup>

The Brussels revision added a new concession to freedom of information. The legislation of the member countries may determine the conditions under which the recording, reproduction and the public communication of short fragments of literary or artistic works may be made for the purpose of reporting current events by means of photography, cinematography and radio and television broadcasts.<sup>17</sup>

The provisions of the Inter-American Convention of 1946 dealing with the protection of cinematographic works are not as detailed as the Brussels text. It is believed that both Conventions accord comparable protection to cinematographic

<sup>15</sup> II UNESCO Copyright Bulletin No 2-3 (1949) 82 ff.

<sup>16</sup> Brussels (1948) Text, Art 9 and 10:

"1. Serial novels, short stories, and all other works, whether literary, scientific or artistic, whatever their purpose, and which are published in the newspapers or periodicals of one of the countries of the Union shall not be reproduced in the other countries without the consent of the authors.

2. Articles on current economic, political or religious topics may be reproduced by the press unless the reproduction thereof is expressly reserved; nevertheless, the source must always be clearly indicated. The legal consequences of the breach of this obligation shall be determined by the laws of the country where protection is claimed.

3. The protection of this Convention shall not apply to news of the day nor to miscellaneous information having the character of mere items of news.

#### ARTICLE 10

1. It shall be permissible in all coun-

tries of the Union to make short quotations from newspaper articles and periodicals, as well as to include them in press summaries.

2. The right to include excerpts of literary or artistic works in educational or scientific publications, or in chrestomathies, in so far as this inclusion is justified by its purpose, shall be a matter for legislation in the countries of the Union, and for special arrangements existing or to be concluded between them.

3. Quotations and excerpts shall be accompanied by an acknowledgment of the source and by the name of the author, if this name appears thereon."

<sup>17</sup> *Id.* Art 10-bis:

"It shall be a matter for legislation in countries of the Union to determine the conditions under which recording, reproduction, and public communication of short extracts from literary and artistic works may be made for the purpose of reporting current events by means of photography, cinematography or by radio-diffusion."

productions.<sup>18</sup> Article VI of the Inter-American Convention permits "articles on current events in newspapers and magazines . . . [to be] reproduced by the press unless such reproduction is prohibited by a special or general reservation therein, but in any case the source from which they are taken must be cited clearly." The Inter-American Convention contains no clause which authorizes the recording, reproduction and public communication of short quotations of literary, scientific and artistic works by means of photography, cinematography and radio and television broadcasts for the purpose of reporting current events.

#### 191d. BERNE CONVENTION, ROME REVISION, 1928: RADIO RIGHTS.

The legal basis for the protection of radio broadcasting rights first appeared in Article 11-*bis* of the Rome revision of 1928.<sup>1</sup> Prior to the adoption of Article 11-*bis*, all of the countries with the exception of Austria<sup>2</sup> held that broadcasting was a reproduction or performance of a literary or musical work and hence was one of the exclusive rights protected by copyright. The English-speaking countries such as Australia<sup>3</sup> and England<sup>4</sup> reached this conclusion by judicial decision. Germany held that the exclusive right conferred upon an author to diffuse his work, comprehended broadcasting.<sup>5</sup> Italy, Sweden, Norway and Czechoslovakia enacted special legislation which recognized broadcasting as one of the author's prerogatives.<sup>6</sup>

The adoption of Article 11-*bis* represented a compromise between those countries which claimed that the exclusive right of radiobroadcasting should not be subject to any restrictions

<sup>18</sup> 1946 Inter-American Convention, Art II, III.

<sup>1</sup> Ladas at 476 ff.

<sup>2</sup> Ladas at 472, n 11. The Austrian Copyright Law (Law of April 9, 1936) invests the copyright proprietors with the exclusive right of radio-diffusion. For an excellent summary of the copyright laws of all countries throughout the world dealing with, radio, television, performing rights of artists, rights of record manufacturers, etc. see Straschnov, *Le Droit D'Auteur et Les Droits Connexes En Radiodiffusion* (1948)

115. This work which is available only in the French text, will hereinafter be cited as Straschnov.

<sup>3</sup> *Chappell v. Associated Radio of Australasia Ltd* [1925] Victoria LR 350.

<sup>4</sup> *Messenger v. British Broadcasting Co.*, [1927] 2 KB 543, reversed on other grounds, [1929] AC 151.

<sup>5</sup> Straschnov at 110 ff.

<sup>6</sup> Straschnov at 107 ff; Ladas at 472; II UNESCO Copyright Bulletin No 2-3 (1949) at 32.

whatsoever, and those nations which contended that the public interest in radiobroadcasting warranted the adoption of legislation restricting authors' rights.<sup>7</sup> The former contended that broadcasting rights should be exclusive and absolute without any restrictions such as compulsory or obligatory licenses. On the other hand, such countries as "Australia, New Zealand and Norway maintained that radio broadcasting was affected with a public interest. It purported to serve cultural and social interests of the public and the author's copyright should yield to such interests. These might require the broadcasting of entire works over the radio whereas the author might refuse to give his consent, or set such a price that broadcasting might become practically impossible. The Australian and New Zealand delegations saw in radio a means of national education and culture, and did not desire to prevent its development by a rigid text in the Convention. They were impressed by the complaints voiced in their countries against performing rights societies which disposed of the copyright in dramatic and musical works and authorized their execution only upon payment of excessive royalties. They saw a struggle between the monopoly held by these societies and the rights of the public and feared that the exercise of this monopoly in the matter of radio broadcasting would be prejudicial to the public interest."<sup>8</sup>

Article 11-*bis* as adopted in 1928 reflects a compromise between these two conflicting positions:

"(1) The authors of literary and artistic works enjoy the exclusive right to authorize the communication of their work to the public by radio diffusion.

"(2) It belongs to the national legislatures of the countries of the Union to regulate the conditions for the exercise of the right declared in the preceding paragraph, but such conditions shall have an effect strictly limited to the country which established them. They cannot in any case adversely affect the moral right of the author, nor the right which belongs to the author of obtaining an equitable remuneration fixed, in default of an amicable agreement by competent authority."<sup>9</sup>

The foregoing provision warrants comment.

First, it recognized that authors of literary and artistic

<sup>7</sup> Ladas at 476.

<sup>9</sup> Art 11-*bis* of Rome (1928) Text.

<sup>8</sup> *Id.* at 477.

works have the exclusive right to authorize the broadcasting of their works. As Ladas points out the phrase "communication to the public" indicates "that broadcasting over the radio is deemed by the Convention a mode distinct and sui generis of exploitation of the work, one which is not included in the traditional prerogatives of the author."<sup>10</sup>

Second, member countries by internal legislation may condition the exercise of this right in the public interest. For example music performed over broadcasting stations is subject to legal or compulsory license in the countries listed in the margin.<sup>11</sup> A compulsory license may be defined as a restriction upon the exclusive prerogatives of an author or composer which permits the utilization of works "even if unauthorized, upon giving of notice, or more simply still, upon payment of a fixed fee."<sup>12</sup> Compulsory licenses are applicable to restricted categories of works broadcast over the radio in certain countries. For example, a compulsory license is authorized in Colombia for the broadcast of published dramatic and musical works.<sup>13</sup> In Finland, any published work may be broadcast via a compulsory license.<sup>14</sup> Additional illustrations of countries which authorize compulsory licenses for broadcasting purposes are listed in the margin.<sup>15</sup>

Third, any restrictions adopted by a country are limited to the country which established them. For example, the laws of Italy have a sort of compulsory license system which authorizes record manufacturers, the EIAR, etc., to record programs for a single delayed broadcast.<sup>16</sup> This compulsory license system cannot be invoked in France by French record manufacturers or private broadcast stations in the case of Italian

<sup>10</sup> Ladas at 478.

<sup>11</sup> II UNESCO Copyright Bulletin, No 2-3 (1949) 88:

"*License for Radio Broadcasting.*

Such license is known in Colombia (published dramatic and musical works, public shows and concerts), Czechoslovakia (government stations), Finland (any published work), Italy (public shows and concerts, except for their premières), Japan (published works), Monaco (in case of disagreement), New Zealand? (music), Norway (upon request), and Poland (for public purpose). In Mexico, a broadcast not previously authorized is not punished if

the user pays the royalty due within a required time.

There are licenses in certain carefully defined cases in Austria (fragments and educational broadcasts or *Schulfunk*), Bolivia (printed music?), Sweden (educational and religious broadcasts, and broadcasts of public non-profit performances to which admission is free)."

<sup>12</sup> *Id.* at 86.

<sup>13</sup> *Op cit supra*, note 11.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Straschnov at 153 ff.

or French works. On the other hand, an Italian author whose work in broadcast from his native country, but is heard in France, has no cause of action in the latter country, on the ground that the broadcast is unlawful there.<sup>17</sup>

Fourth, any internal legislation enacted by a country restricting the broadcasting rights of an author "cannot in any case adversely affect the moral right of the author." The doctrines of moral right, (*le droit moral*) will be discussed, *passim*.<sup>18</sup>

Finally internal legislation must recognize that an author is entitled to an "equitable remuneration fixed, in default of an amicable agreement, by competent authority," when his work is broadcast. As Ladas points out, the remuneration should be effectuated by amicable agreement wherever possible; but in the absence of amicable agreement, it may be fixed by competent authority, and the latter may be non-judicial, such as an administrative body or bureau.<sup>19</sup>

The growth and development of broadcasting in the Berne countries tendered substantially the same questions which confronted the courts of this country. For example, what constitutes a rebroadcast of a work and does it require the consent of the author under section 11-*bis*?

Is the doctrine of second user as exemplified by *Buck v. Jewell-La Salle Realty Company*,<sup>20</sup> applicable in the Berne Union countries? The latter refer to it as the "loud speaker doctrine" and hold that the public diffusion of a radio broadcast by a radio receiver or loud speaker is a new communication to the public subject to a distinct authorization from the copyright proprietor.<sup>21</sup>

Another question tendered is the extent to which mechanical instruments may be used over broadcast stations. Thus in Europe, as in the United States, phonograph records and other mechanical devices, may bear a legend barring their use by broadcast stations. Is such a restriction valid?<sup>22</sup> More importantly, performing artists were and are asserting inter-

<sup>17</sup> Ladas at 485.

<sup>18</sup> *Passim*, § 193.

<sup>19</sup> Ladas at 486.

<sup>20</sup> 283 US 191, 51 S Ct 410, 75 L Ed 971 (1931). This case is discussed in detail, *infra* § 134a.

<sup>21</sup> Ladas at 480 ff.

<sup>22</sup> *Cf.* *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 L Ed 463 (1941), with *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937). These cases are discussed in detail, *passim*, § 215.

pretive rights in their renditions whether preserved on phonograph records or on film.<sup>23</sup>

The foregoing questions and others confronted not only the Union countries, but all other countries which utilize radio-broadcasting. The efforts of the Brussels Convention to resolve these questions warrants detailed analysis and discussion. These questions will be discussed in the following sections.

#### 191e. BERNE CONVENTION, BRUSSELS REVISION, 1948: RADIO & TELEVISION RIGHTS.

The Brussels text of Article 11-*bis* provoked the most controversy of the entire Brussels Conference. "More than once it seemed that, in view of the diverging opinions, all attempts to perfect the contents of the provision were destined to fail. That the Conference succeeded in finding a satisfactory solution—a solution which does justice to the authors and broadcasting companies—is due to the reasoning attitude of the delegations, and especially to the never-flagging energy of Mr. Bolla who presided over the sessions."<sup>1</sup>

Article 11-*bis* of the Brussels revision is quoted in its entirety:

"(1) Authors of literary and artistic works shall have the exclusive right of authorizing: 1° the radio-diffusion of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images; 2° any communication to the public, whether over wires or not, of the radio-diffusion of the work, when this communication is made by a body other than the original one; 3. the communication to the public by loudspeaker or any other similar instrument transmitting, by signs, sounds or images, the radio-diffusion of the works.

(2) It shall be a matter for legislation in the Countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but these conditions shall apply only in the Countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral right

<sup>23</sup> *Id.* See also *passim*, § 192.

<sup>1</sup> Baum at 33. See also: Straschnov at 80 ff; Arthur Fisher, Register of Copyrights, The 1948 Revision of the Berne Convention (1949) 10 FedCom BarJ 53, hereinafter designated as

Fisher; Homburg, Radio Broadcasting and the International Protection of Intellectual Rights (1949), 10 FedCom BarJ 59, hereinafter designated as Homburg.

of the author, nor to his right to obtain just remuneration which, in the absence of agreement, shall be fixed by competent authority.

(3) Except where otherwise provided, permission granted in accordance with the first paragraph of this Article shall not imply permission to record the work radio-diffused by means of instruments recording sounds or images.

It shall, however, be a matter for legislation in the Countries of the Union to determine the regulations for ephemeral recordings made by a broadcasting body by means of its own facilities and used for its own emissions. The preservation of these recordings in official archives may, on the ground of their exceptional documentary character, be authorized by legislation.”<sup>2</sup>

At the outset, it should be pointed out that Article 2 which defines the “literary and artistic works” protected, does not mention radio. Photographs, cinematographic works and works of the applied art are enumerated as literary and artistic works; but not so are radio broadcasts or phonograph records which are considered as a form of representation or performance to be authorized by the author as separate and distinct rights. In other words the legal basis of the Rome revision, that radio rights secured an author were sui generis, was followed by the Brussels Conference.<sup>3</sup>

The Brussels text amplified the right of radio diffusion by breaking it down into three separate and distinct rights:

1) *the radio diffusion of an author's literary or artistic works or their communication to the public by any other means of wireless diffusion of signs, sounds or images.* This clearly comprehends television. As a matter of fact the Inter-American Convention of 1946 specifically recites that a literary, scientific or artistic work may be diffused by means of “photography, telephotography, television, radio broadcasting,”<sup>4</sup> etc. Such countries as Colombia,<sup>5</sup> the Dominican Republic,<sup>6</sup> Italy,<sup>7</sup> Mexico,<sup>8</sup> Monaco,<sup>9</sup> Uruguay<sup>10</sup> make specific reference to television and recognize that it is in the nature of a representation or performing right of the author.

<sup>2</sup> Article 11-bis of Brussels (1948) Text.

<sup>3</sup> Straschnov at 80 ff.

<sup>4</sup> 1946 Inter-American Convention, Art II(e).

<sup>5</sup> Straschnov at 213.

<sup>6</sup> *Id.* at 217-219.

<sup>7</sup> *Id.*, at 153, 154.

<sup>8</sup> *Id.*, at 231.

<sup>9</sup> *Id.*, at 164-165.

<sup>10</sup> *Id.*, at 243.

The phraseology of the first clause of Article 11-*bis* warrants further discussion. The "exclusive right of authorizing" conferred upon authors indicates that the transmission and not the reception of broadcasts is the criterion of protection. In other words a broadcast or communication to the public is effected by the mere act of transmission.<sup>11</sup> This approach nullifies the decision of the German Supreme Court which held that the "facts of a 'communication' existed only when the radio waves had reached the receiver and had been intercepted by it."<sup>12</sup> American copyright jurisprudence, as exemplified by *Buck v. Jewell-La Salle Realty Company*<sup>13</sup> requires an affirmative act by the second user before liability can be imposed upon him.<sup>14</sup> Thus the second user must obtain the consent of the author in reproducing or recreating a copyrighted work. There has been no clear-cut adjudication by an American court that the mere act of broadcast reception by an ordinary receiver in a public place would infringe the performing rights of a copyrighted song. It is believed that the American courts would impose liability on the second user on the theory that the conversion of electro-magnetic waves into audible vibrations and their amplification constitute affirmative acts by such second user.<sup>15</sup>

2) *any communication to the public, whether over wires or not, of the radio-diffusion of the work, when this communication is made by a body other than the original one (that is, a body other than the original transmitting station.)* This means that the authorization given a broadcasting body is a blanket one and comprehends all installations such as relay stations which carry the program. However, a new authorization must be obtained from the copyright proprietor, where the communication of the broadcast work is "made by a body other than the one with which it originated." Thus specific authorization must be obtained from the author before his copyrighted work may be broadcast over another station whose emissions will be communicated to the public.

<sup>11</sup> Fisher at 55.

<sup>12</sup> Baum at 34.

<sup>13</sup> 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>14</sup> *Infra* § 134a.

<sup>15</sup> E.g., *SESAC v. New York Hotel Statler Co.*, 19 FSupp 1 (DC NY 1937);

*Buck v. Jewell LaSalle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

American copyright jurisprudence achieves the same result as this clause. As a matter of fact the penalties imposed upon a network which engages in an unauthorized broadcast are quite severe. Thus in *Law v. National Broadcasting Company*, the unauthorized performance of a copyrighted song on three different occasions with network hookups of 67, 66 and 85 stations, resulted in 218 infringing performances.<sup>16</sup>

The Berne countries do not have the equivalent of the American system of network broadcasting. But the principle of a single broadcast resulting in multiple performances, and requiring the consent of the copyright proprietor for each communication to the public is common to the jurisprudence of the United States as well as most other countries.

3) *the communication to the public by loudspeaker or any other similar instrument transmitting, by signs, sounds or images, the radio-diffusion of the work.* Receiving sets in public places are used to a much greater extent in Europe than in the United States. Prior to the explicit recognition of this right, practically all of the Berne countries held that the diffusion by a loudspeaker was a new and distinct communication to the public, juridically independent of the original broadcast and requiring the consent of the copyright proprietor.<sup>17</sup> This clause codifies into positive law the judicial pronouncements of the various countries.

As stated above, there is no clear-cut holding by any American court that the mere act of reception by a broadcast receiver infringes the performing rights secured by section 1(e) of the Copyright Code. In both *Buck v. La-Salle Realty Co.* and <sup>18</sup> *SESAC v. New York Hotel Statler Co.*,<sup>19</sup> the defendant hotels employed a master receiving set and retransmitted the programs to the individuals rooms in the hotels. Thus the hotels did much more than intercept a broadcast program; they enlarged the number of performances and thus made the program available to new and increased listening audiences.

The *Louis-Walcott* litigation<sup>20</sup> offers the closest analogy

<sup>16</sup> *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corp. v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>17</sup> Ladas at 480-482.

<sup>18</sup> 283 US 191, 51 Sct 410, 75 LEd 971 (1931).

<sup>19</sup> 19 FSupp 1 (DC NY 1937).

<sup>20</sup> This litigation was published in pamphlet form by the National Broadcasting Company, entitled "Proceedings in Philadelphia Actions in CP No 2 June Term, 1948, to Enjoin Commercial Uses of the Television Broadcast of the Louis-Walcott Fight."

to the European loudspeaker cases. In the former, a motion picture exhibitor, a hotel owner and two ball room operators proposed to charge the general public a fee for viewing televised pictures of a boxing bout. The fight was telecast over a network hookup and was sponsored by a national advertiser. None of the courts which enjoined the parties from telecasting or retelecasting the fight, rendered any written opinions. The plaintiffs, i.e., the contestants, the promoters, the network, stations and sponsors did not rely on the Copyright Code to protect their rights in the telecast. It is believed that they relied on the law of unfair competition or in all probability, common law copyright to protect the content of the sports broadcast. Common law copyright may be defined as a property right in an unpublished intellectual production; its similarity to statutory copyright is obvious.<sup>21</sup> The injunctions issued by the courts enjoining the defendants in the Louis-Walcott litigation from exhibiting telecasts of the fight, constitute for all practical purposes the extension of the "loudspeaker" doctrine to American copyright jurisprudence.

The second paragraph of Article 11-*bis* reaffirms the reservation introduced at the Rome Conference whereby national legislation is authorized to regulate the rights of radio-diffusion; such regulations or conditions apply only to those countries where they have been prescribed. As stated in the previous section, the doctrine of compulsory license is employed by several Berne countries not only for mechanical reproductions but for other categories of literary and artistic works. Thus a sort of compulsory broadcast license is authorized in Sweden for educational and religious broadcasts and for broadcasts of public non-profit performances to which admission is free.<sup>22</sup> In Italy, public shows and concerts may be broadcast subject to a compulsory or obligatory license.<sup>23</sup> A sort of compulsory license is authorized in Finland and Japan for the broadcasting of published works.<sup>24</sup>

Such internal legislation as may be adopted by a member country cannot impair the moral rights of authors nor their right to obtain a just remuneration, fixed in the absence of agreement by competent authority.

<sup>21</sup> This is discussed in substantial detail in §§ 201 and 202.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>22</sup> II UNESCO Copyright Bulletin, No 2-3 (1949) at 88.

Both subparagraphs of paragraph 3 are new; they provoked a substantial amount of controversy.

The broadcasting companies in the Berne countries are confronted with the same problems as the broadcasting industry in the United States. They desire to make audition recordings or recordings for delayed broadcasts because of the unavailability of the performing artist, etc., for a live broadcast or telecast.<sup>25</sup> Obviously, authors, performing artists and performing rights societies object to the unlimited and unrestricted use of programs preserved on mechanical reproductions, such as recordings or film.<sup>26</sup>

Paragraph 3 reflects a compromise solution between the interests of the broadcasting companies and the authors, performing artists and performing rights societies. The first subparagraph prescribes a rule of interpretation. If there is no provision dealing with mechanical reproductions of the work in the contract between the broadcasting company and the author, then without prejudice to the provision of the second subparagraph, such a mechanical reproduction is not permitted.

The second subparagraph of article 2 authorizes national legislation to prescribe regulations governing "ephemeral recordings" made by a broadcasting body with its own facilities for its own emissions. To paraphrase Judge Bolla's comments on this clause, it is optional with national legislation to declare whether or not authority to broadcast includes authority to make electrical transcriptions or kineoscope recordings for use in radio and television broadcasts without the consent of the author and without paying him a fee. National legislation must likewise define "ephemeral recordings" and define their juridical status.<sup>27</sup> Thus the law of Italy permits the broadcasting companies to make a single deferred recording; however, such recording must be destroyed after its designated use.<sup>28</sup> The final sentence of paragraph 3 permits the preservation of "ephemeral recordings" in national archives because of their exceptional documentary character. Member countries are given the necessary authority and freedom to regulate details, etc. To quote Judge Bolla:

<sup>25</sup> *Infra* § 138b.

<sup>26</sup> *Passim*, § 192 and §§ 215 and 216.

<sup>27</sup> Fisher at 56-57.

<sup>28</sup> Straschnov at 153 ff.

“If national legislation does not make use of the faculty granted to it, the contract between the broadcasting body and the author is to decide whether authority to record, and in the first case, whether it applies to ‘ephemeral recordings’ only or to others as well. If the interpretation of the contract throws no light on the intention of the parties on these points, it is presumed that the authority to broadcast does not include authority to record, even if the recording is merely ‘ephemeral.’”<sup>29</sup>

The use of the word “ephemeral” introduces a new concept in copyright jurisprudence. Since no agreement could be reached as to the terms “delayed recording,” “permanent recording” or “temporary recording” this metaphor was adopted as a compromise solution. Whether and to what extent the Union countries will promulgate special regulations for ephemeral recordings depends on the action of interested groups. If an agreement can be effectuated between the broadcasting companies and the International Office of Mechanical Publication (Bureau International de l’Edition Mécanique, B.I.E.M.) which supervises the mechanical rights, then such regulations may be unnecessary.

The extent to which the broadcasting industry may employ audition, deferred or delayed recordings in the United States is governed by contract with the copyright proprietor and by collective bargaining agreements with labor unions such as the AFM, American Federation of Radio Artists (AFRA) etc. In the case of dramatic as distinguished from musical works, the copyright proprietor has the exclusive right to have the work exhibited, performed or represented in any manner or by any method whatsoever.<sup>30</sup> This means that before a play can be communicated to the public, the radio or television station must obtain the consent of the copyright proprietor. The contract between the station and the author will spell out in detail the extent to which the former is authorized to mechanically reproduce a dramatic work. If there is no provision in the contract dealing with mechanical reproductions, the American courts in all probability will apply the same rule of interpretation as the Brussels Conference—mechanical recordings will not be permitted on the theory that licensing agree-

<sup>29</sup> *Op cit supra*, note 27.

<sup>30</sup> 61 STAT 652 (1947), 17 USCA § 1(d) (Supp 1951).

ments are construed in derogation of the rights of the grantee.<sup>31</sup>

The mechanical reproduction of music which will be discussed in greater detail in the next section is subject to the compulsory licensing provisions of the Copyright Code. The mechanical reproducing rights for music are controlled by the Music Publishers Protective Association (MPPA). This organization has convinced the radio and television industries that any music recorded on transcriptions or synchronized on film is outside the scope of the compulsory license provisions of the statute and requires the consent of the copyright proprietor. The latter is obtained for a prescribed fee. The MPPA imposes a special license fee in the case of audition or delayed recordings and for television programs preserved on film. The radio and television industries have acquiesced in these practices. As stated elsewhere, the exaction of license fees for the use of music on audition or delayed recordings and for television programs transmitted by film in lieu of live telecasts contravenes the purposes and objectives of the Copyright Code.<sup>32</sup>

The role of the MPPA in the radio and television industry is briefly chronicled here because the Berne countries have its counterpart in the B.I.E.M. which is likewise asserting mechanical reproduction subject to the restrictions and conditions of the Brussels text.

The provisions of the Inter-American Conference of 1946, dealing with radio and television are not as detailed as the Brussels text. The Washington Convention stipulates that the author has the exclusive right to diffuse his work "by means of photography, telephotography, television, radio broadcasting or by any other method now known or hereafter devised and which may serve for the reproduction of signs, sounds, or images."<sup>33</sup> The Washington Convention likewise protects all multiple performances resulting from a single broadcast.<sup>34</sup> Thus it comports with the European "loud-speaker" cases. But there is one important difference between

<sup>31</sup> *Infra*, § 52.

<sup>32</sup> *Infra*, 138b.

<sup>33</sup> The 1946 Inter-American Convention, Art II(e).

<sup>34</sup> *Id.*, Art II(g) "The author has the right to . . . [g] Reproduce it in any form, whether wholly or in part."

the Brussels revision and the Washington Convention. The former authorizes members of Union countries to adopt internal legislation restricting the exclusive right of radio-diffusion. As Homburg points out, this permits the doctrine of compulsory or obligatory license to infiltrate into the legislation of various countries.<sup>35</sup> The Washington Convention contains no specific article or clause permitting member countries to circumscribe the exclusive rights secured authors.<sup>36</sup> But for all practical purposes, if the United States were to adhere to the Inter-American Copyright Convention of 1946, it would result in the elimination of the compulsory licensing provisions from the Copyright Code.<sup>37</sup>

Article II(d) of the Washington Convention renders inapplicable the compulsory licensing provisions with regard to music composed by nationals of Latin-American countries.<sup>38</sup> This means that Latin-American composers are not restricted to a royalty fee of two cents per record in their negotiations with record manufacturers. On the other hand, citizens of this country and composers of any country outside of Latin-America would be subject to the compulsory licensing clause:<sup>39</sup>

“As soon as this situation became known, it is inconceivable that composers from the United States and Europe would not complain bitterly that they were being discriminated against. Their case would be so strong that Congress would probably repeal the compulsory licensing provision, because it would be unable to prevent discrimination against citizens in any other way.”<sup>40</sup>

<sup>35</sup> Homburg at 63.

<sup>36</sup> Homburg at 65-66 who makes a comparative study of the Berne (1948) Text and the 1946 Washington Convention implies that the latter precludes any nation from enforcing a compulsory licensing system, viz., . . . “The Mexican law of December 31, 1947, is flatly in opposition to the Washington Convention, although Mexico is one of the states which has ratified it. In both cases [referring to the Brussels (1948) Text and the legislation adopted by Mexico in 1947], the proponents of the compulsory license system have triumphed and the right of the author has been worsted in a test where the international law has been powerless to compel respect from the

local legislator.” See also Schulman, *The Advisability of Ratification by the United States of The Inter-American Convention on the Rights of the Author in Literary, Scientific and Artistic Works* (1947) at 25 ff.

<sup>37</sup> Warner, Sam R., *International Copyright and the Washington Convention* (Copyright Office, 1949) 12-13.

<sup>38</sup> Art II(d) of the 1946 Inter-American Copyright Convention: “. . . the author has the right to . . . adapt and authorize general or individual adaptations of it to instruments that serve to reproduce it mechanically or electrically; or perform it publicly by means of such instruments.”

<sup>39</sup> *Infra* § 131b.

<sup>40</sup> *Op cit supra* note 37 at 13.

**191f. BERNE CONVENTION, BRUSSELS REVISION, 1948: MECHANICAL REPRODUCTION RIGHTS.**

Article 13 of the Brussels text spells out the mechanical reproduction rights of authors in musical works:

“(1) Authors of musical works shall have the exclusive right of authorizing: 1° the recording of such works by instruments capable of reproducing them mechanically; 2° the public performance of works thus recorded by means of such instruments.

(2) Reservations and conditions relating to the application of the rights mentioned in the preceding paragraph may be determined by legislation in each Country of the Union, in so far as it may be concerned; but all such reservations and conditions shall apply only in the Countries which have prescribed them and shall not, in any circumstances, be prejudicial to the author’s right to obtain just remuneration which, in the absence of agreement, shall be fixed by competent authority.

(3) The provisions of the first paragraph of this Article shall not be retroactive and consequently shall not be applicable in a Country of the Union to works which, in that Country, may have been lawfully adapted to mechanical instruments before the coming into force of the Convention signed in Berlin on the 13th November 1908, and, in the case of a Country having acceded to the Convention since that date or acceding to it in the future, before the date of its accession.

(4) Recordings made in accordance with paragraphs 2 and 3 of this Article and imported without permission from the parties concerned into a Country where they are not lawfully allowed, shall be liable to seizure.”<sup>1</sup>

The first paragraph recognizes two distinct rights:

1. the exclusive right of authorizing the recording of musical works by instruments capable of reproducing them mechanically; and
2. the exclusive right of authorizing the public performance of works thus recorded.

One of the proposals submitted at the Brussels Conference was the recognition of a third right, viz., the right to distribute such instruments (“*Mise en circulation des dits instruments*”). The recognition of the right of “distribution” would furnish “the author a weapon against violation of his right by any-

<sup>1</sup> Brussels (1948) Text.

body, not only by persons with whom he has a contract: Thus, a more efficient legal protection takes the place of mere contractual protection.”<sup>2</sup>

The reasons which prompted the Conference to reject this right of “distribution” illustrate some of the problems confronting the Berne countries in dealing with mechanical reproduction rights. Had this right been recognized, it would mean that an additional fee or surtax would be assessed against broadcasters which used phonograph records manufactured for private consumption.<sup>3</sup>

Although the right of distribution was rejected, “the Reporter General was asked to mention in his report that the authors were still free to restrict ‘distribution.’ This was done by the remark that ‘authors may stipulate by contract that the distribution of record players or records may give rise to a right to a fee or royalty.’ This is an attribute of copyright, which should be mentioned here in passing as the source of a real ‘benefit.’”<sup>4</sup>

The Copyright Code likewise grants copyright proprietors mechanical reproduction rights. The performing rights in recorded works are separate and distinct from recording rights; they require the consent of the copyright proprietor.<sup>5</sup> The phonograph industry in the United States is confronted with the same problems as its counterpart in Europe. For many stations in the United States phonograph records and

<sup>2</sup> Baum at p. 44.

<sup>3</sup> *Id.* at 45-46: “Not only the Czech delegates but all delegations who were interested not only in the copyright aspect of the matter, but were also concerned with the broadcasting angle had realized that the acceptance of a right to ‘distribution’ by the Convention would have very dangerous consequences for the broadcasting companies. They knew that the already mentioned BIEM desires to get a so-called ‘surtax’, an additional manufacturing license fee from all broadcasters since records which the phonograph industry had manufactured for private consumption were being used in broadcasts. They also knew that in some countries (as in France and Switzerland) the payment of such manufacturing licenses were contractu-

ally stipulated between BIEM and the broadcasting companies. They were also informed that BIEM had sued the Belgium broadcasting company which had refused to recognize contractually the ‘surtax’ for damages to the amount of 10,000,000 frs. belg. On the other hand they were firmly convinced that the demands of BIEM were without basis in the existing law, and they considered that the limitation of sale (for private use only) which had been imposed on the record manufacturers by contract, was without effect as far as they were concerned; and that the right to sell or distribute had been ‘used up’ as soon as the record had passed into the hands of the record wholesaler or retailer.”

<sup>4</sup> Baum at 46.

<sup>5</sup> *Infra* §§ 131b and 131c.

other forms of recorded music furnish the basic program fare. Despite the efforts of record manufacturers to restrict the use of phonograph records for home consumption, it has been held that neither statutory nor common-law copyright, unfair competition, the right of privacy nor equitable restrictions attached to records, preclude their use over broadcasting stations.<sup>6</sup>

The second paragraph of Article 13 authorizes national legislation to attach conditions and restrictions to the exclusive rights conferred by the first paragraph. The principal form of limitation adopted by several of the Union countries is the compulsory or obligatory license or the system of royalties.<sup>7</sup> The United States was the first country to adopt this system.<sup>8</sup> It has been and is employed by several Union countries in the same or a modified form.<sup>9</sup> Thus Canada has a compulsory license system whereby any person may, upon payment of the royalties prescribed by the statute, make mechanical contrivances by which musical, literary or dramatic works may be mechanically performed, provided that such mechanical reproductions are made by and with the consent of the copyright proprietor.<sup>10</sup>

The compulsory license system adopted by a member country has no extra-territorial effect. Thus phonograph records manufactured in Switzerland are subject to the compulsory license provisions of Swiss law. But these conditions are not enforceable in France. If such records were lawfully imported into France, they would infringe the author's French copyright.<sup>11</sup> In this connection it should be pointed out that Aus-

<sup>6</sup> RCA Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1941). This is discussed *passim*, § 215.

<sup>7</sup> UNESCO Copyright Bulletin, No 2-3 (1949.) 88: "This sort of [compulsory] license [for mechanical recording] is granted by Australia, Austria, Bulgaria, Canada, Germany, Great Britain, Ireland, Lebanon, New Zealand, Siam, Switzerland, Syria, Union of South Africa and United States. In Italy, such license exists for recording for a single deferred radio transmission."

<sup>8</sup> *Infra*, § 131b.

<sup>9</sup> *Op cit supra*, note 7.

<sup>10</sup> Fox, Canadian Copyright Law (1944) 197.

<sup>11</sup> Ladas at 432-433: "The compulsory license has no effect outside the particular country. Thus a musical work which is protected in Germany against adaptations on mechanical instruments, with the restriction of the compulsory license, is protected in France without any restriction. This follows clearly from Article 13, pars. 2 and 4. Consequently a phonographic record made in Germany by virtue of the compulsory license provisions of the law, and therefore lawfully, if imported into France would be an infringement of the author's French copyright."

tria, Czechoslovakia, Germany and Switzerland not only employ the compulsory license system, but their internal legislation provides that the public performance of musical works for profit effected by mechanical means, is free of any need for authorization.<sup>12</sup>

The Brussels text effected a new amendment to the second paragraph. It provides that the conditions and reservations adopted by a country restricting the mechanical and public performing rights in recordings "shall in no case affect the author's right to obtain an equitable remuneration which, in case no agreement can be reached, shall be fixed by competent authority." This clause will require such countries as Switzerland and Germany to amend their domestic legislation. The former permits mechanical reproductions of musical works to be performed publicly and for profit without any authorization from the copyright proprietor. The general report of the Conference states that this amendment is "incompatible with the system of obligatory licenses and that in any case it reinforces greatly the position of the author in relation to the record publisher in an equitable negotiation of their rights."<sup>13</sup>

The implementation of Article 13 by domestic legislation cannot impair the moral rights of authors.

The third and fourth paragraphs of Article 13 are reproduced verbatim from the Rome revision.

The rights secured by the first paragraph of Article 13 became effective when the Berlin Convention of 1908 was ratified. In the case of countries which acceded to the Berlin Convention after 1908, the paragraph provides that it is effective from the date when the country of origin of the work and the country where protection is sought ratified the Berlin Convention. "For instance, Sweden did not accede to the Berlin Convention until 1920, while France ratified the Convention in 1910, and Italy acceded in 1914. French and Italian musical works could be adapted to musical instruments in Sweden up to 1920, and the same works could continue to be adapted in Sweden after 1920, under the third paragraph of Article 13. But such adaptations made in Sweden could not be imported into Switzerland after 1910 if the adaptations

<sup>12</sup> Baum, -47 ff. Straschnov at, 110.      <sup>13</sup> Baum at 48.  
115, 182, and 185.

were of French works, because France and Switzerland became bound by the Berlin Convention in 1910 or after 1914 if their adaptations were Italian works, because Italy and Switzerland became bound by the same Convention in 1914."<sup>14</sup>

In the case of countries which accede to the Convention at some future date, Article 13 is inapplicable to musical works mechanically reproduced prior to the date of their accession.

The fourth paragraph is self-explanatory. It would permit a Swiss composer whose works may be mechanically reproduced in his native country via compulsory license, to seize such records unlawfully imported into France.<sup>15</sup>

As discussed in the previous section, it is believed that the principle of national treatment authorizes contracting States to the 1946 Inter-American Convention to enforce such compulsory licensing systems as may be in effect in member states.

## 192. PERFORMING RIGHTS IN MECHANICAL REPRODUCTIONS.

When Congress enacted the Copyright Act of 1909, it conferred upon composers the right to mechanically reproduce their musical compositions.<sup>1</sup> The grant of this right did not extend copyright protection to the mechanical devices per se since such devices were not considered as the "writings" of an author.<sup>2</sup> And the Copyright Office has consistently refused to accept for registration such mechanical reproductions as phonograph records, rolls, discs, tapes, etc.<sup>3</sup>

Although the Copyright Code cannot be invoked to protect the contributions of record manufacturers and performing artists in mechanical reproductions, the latter have attempted to assert proprietary rights in records by common-law copyright, unfair competition and the right of privacy.<sup>4</sup> We have discussed elsewhere and in greater detail, the reasons which have prompted the Second Circuit of Appeals to deny protection to the proprietary and interpretive rights asserted by record manufacturers and performing artists respectively.<sup>5</sup>

<sup>14</sup> Ladas at 422 ff.

<sup>15</sup> *Op cit supra*, note 11.

<sup>1</sup> 61 STAT 652 (1947), 17 USCA § 1(e) (Supp 1951).

<sup>2</sup> *Infra*, § 131b and § 131c.

<sup>3</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937).

<sup>4</sup> *Id.* Cf with *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940).

<sup>5</sup> *Passim*, § 215.

The Berne and other countries have been confronted with the same demands by the phonograph industry and performing artists. As early as the Berlin Conference of 1908, various proposals were advanced to protect manufacturers of instruments reproducing music by mechanical means against the unauthorized exploitation of their products.<sup>6</sup> Protection was requested by record manufactures because phonograph records and other mechanical reproductions entailed not only technical and artistic skill, but their production required large outlays of monies. Thus Britain at the Berlin Conference inquired "whether it would not be desirable to include in the Convention a provision specifically giving international copyright protection, in suitable cases to gramophone discs, pianola rolls, a.s.o." It was pointed out, however 'that the subject was on the borderline between industrial property and copyright, and might conceivably be held to belong more properly to the former category!'"<sup>7</sup>

The Berlin Conference did not include mechanical reproductions within its definition of "literary and artistic works"; however, it recognized that authors had the exclusive right to authorize "the adaption of these works to instruments serving to reproduce them mechanically."<sup>8</sup> Since the Berne Conventions furnish minimum standards and permit member countries to supplement such protection by internal legislation,<sup>9</sup> Great Britain by the Copyright Act of 1911 extended copyright protection to phonograph records and similar instruments.<sup>10</sup> Germany by legislation enacted on May 22, 1910<sup>11</sup> and implemented by judicial decisions<sup>12</sup> recognized that a performer had a quasi-copyright in his recording, but that in the absence of provisions to the contrary, these performing rights were transferred by tacit agreement to the record manufacturers.<sup>13</sup> It is believed that the laws of Switzerland<sup>14</sup> and Norway<sup>15</sup> are in accord with German copyright jurisprudence.

<sup>6</sup> Ladas at 419 ff.

<sup>7</sup> Baum at 49.

<sup>8</sup> Berlin (1908) Text.

<sup>9</sup> Ladas at 189.

<sup>10</sup> Fox, Canadian Copyright Law (1944) 172; Straschnov at 142.

<sup>11</sup> Straschnov at 110 ff.

<sup>12</sup> See Rights of Performers in Broadcasting, Television and the Me-

chanical Reproduction of Sounds, brochure published by International Labour Office, Geneva, 1949, and hereinafter designated as ILO Report at 51.

<sup>13</sup> Straschnov at 113-114; ILO Report at 53.

<sup>14</sup> Straschnov at 182; ILO Report at 60.

<sup>15</sup> Straschnov at 166.

The nineteen-twenties witnessed an enormous expansion and use of mechanical reproductions in Europe. Prior to the advent of radio, the record manufacturers were primarily concerned with preventing competitors from imitating their product. The development of the broadcasting industry, resulting in a tremendous increase in the use of recorded music prompted the phonograph industry to shift its attack. Record manufacturers desired to be compensated for the use of their products in radio broadcasts and public performances.

Performing artists were likewise claiming additional remuneration for their interpretive renditions, which were now preserved in tangible and durable form. In 1926, the Second Congress of the International Union of Musicians requested the International Labor Office (ILO) to examine the problems of performer's rights and seek a solution.<sup>16</sup> The ILO deferred action on this request, since one of the proposals submitted to the Berne Convention, Rome revision, 1928, was to accord protection to performing rights.<sup>17</sup>

At the Rome Conference, the Italian administration and the Berne Office proposed the adoption of two clauses concerning performer's rights. The first, relating to radio broadcasting provided that "artists who execute literary or artistic works enjoy the exclusive right to authorize the diffusion of their performances by means of telegraphy with or without wire, or any other process analogous thereto and use to transmit sounds or images." The second, which dealt with the mechanical reproduction of music, stated that "when a musical work is adapted to mechanical instruments with the aid of interpretative artists, the latter also shall benefit from the protection which the adaptation enjoys."<sup>18</sup>

The Rome Conference rejected these proposals since the majority were of the opinion that the Convention was intended to safeguard the rights of authors and not performers. In addition, several of the delegations contended that interpretive renditions by performers lacked true intellectual effort or at best reflected second-hand creative ability.<sup>19</sup> France, which neither recognizes nor protects performing rights, pointed out

<sup>16</sup> ILO Report at 31.

<sup>17</sup> *Id.*

<sup>18</sup> Pforzheimer, Copyright Protection for the Performing Artist in his

Interpretive Rendition (1939) First Copyright Law Symposium 9, 32 ff; Ladas at 426 ff.

<sup>19</sup> ILO Report at 32.

that "the measures which might be taken in the national legislations to protect the rights of the performers, may seriously injure the very principle of copyright, if they tried to assimilate to the original authors, the performers which are only interpreters and whose mode of protection therefore must be essentially different."<sup>20</sup>

The Rome Conference made it clear that its refusal to protect performing rights should not be construed as a condemnation of the principle of protection for interpretive rights which might be embodied in an instrument other than the Berne Convention. Accordingly, it adopted a resolution of the Italian delegation that the Governments which had participated in the work of the Conference should consider the possibility of adopting measures with a view to safeguarding the rights of performers.<sup>21</sup>

The International Labor Office then took up the study of this problem and pursued it with the collaboration of various international organizations concerned with the question of performers' rights. Commencing in 1928, various international organizations urged that performing rights be given international recognition and protection. The International Wireless Congress (Rome 1928) concluded that performers' rights should be regulated by an international convention. The Third International Stage Congress (Barcelona 1929) set forth certain claims of performers and requested that they be submitted to the International Labor Office for examination and for the preparation of proposals to be recommended to all Governments.<sup>22</sup>

The various authors' organizations, such as the International Confederation of Societies of Authors and Composers, and the International Association of Arts and Letters expressed hostility to any mention of performers' right in the proposed Brussels Conference which was scheduled in 1936 and was postponed to 1948.<sup>23</sup>

In the meanwhile a fresh attempt had been made to deal with the question of performers' rights and a number of related rights by means of an arrangement in connection with the Berne Convention. A meeting of experts was convened at

<sup>20</sup> Pforzheimer, *op cit supra*, note 18 at 35.

<sup>21</sup> I.L.O. Report at 32.

<sup>22</sup> *Id.* at 32-33.

<sup>23</sup> Pforzheimer, *op cit supra*, note 18 at 37-39.

Samaden in April, 1939 by the International Institute for the Unification of Private Law for the purpose of examining a proposed draft to be placed before the Brussels Conference for the Revision of the Berne Conference.<sup>24</sup>

This meeting, recognizing that protection for the performer and manufacturer were closely related, amalgamated the provisions of the proposed draft concerning performers and manufacturers of records and similar products. By the terms of this draft, the contracting countries would agree to protect the rights of performing artists as well as of manufacturers. Artists were to be equitably compensated for radio and television broadcasts of their performances, whether recorded on discs, wire, or film, etc. This provision applied in the case of a retransmission or recording of a transmitted or recorded performance. Unless otherwise agreed, the right might not be exercised in the case of a specific contract for the transmission and recording of their performances. The Samaden draft recognized the performing artist's moral right to object to the utilization of his interpretive renditions, where such utilization would be prejudicial to his honor or his reputation. National legislation would determine who should enjoy such rights, the period of protection, etc.<sup>25</sup>

In preparation for the International Labor Conference to be held at Geneva, in June 1940, the ILO published a detailed report on performers' rights in broadcasting, television and the mechanical reproduction of sounds.<sup>26</sup>

World War II prevented the 1940 Conference from meeting and from undertaking the study of performers' rights.

With the termination of hostilities, the International Congress of Record Manufacturers joined forces with the various performing artists associations and organizations for the purpose of establishing international regulations analogous to authors' rights for the protection of performing artists and the record industry.<sup>27</sup>

In the program adopted for the Brussels Conference in 1948, the Belgian delegation and the Berne Office proposed that there be introduced into the Convention a statement of princi-

<sup>24</sup> ILO Report at 36.

<sup>25</sup> *Id.*

<sup>26</sup> Report: "Rights of Performers in Broadcasting Television and the

Mechanical Reproduction of Sounds," published by International Labour Office, Geneva, 1939.

<sup>27</sup> ILO Report at 37.

ple in favor of the protection of performers. This would take the form of a clause providing that the interpretation of a work would be protected in a manner to be prescribed by the national legislation of each country of the Union.<sup>28</sup> Great Britain also proposed a new paragraph to Article 13 which, without prejudice to the rights of the author of the original work, would extend to phonograph manufacturers and performing artists, the exclusive right to permit the reproduction of their products in any form whatsoever.<sup>29</sup> The British proposal, as Dr. Baum points out, did not require that mechanical reproductions be protected like original works. "Great Britain abandoned the demand to consider the mechanical instrument equal with the original work and demanded from the owner of the master record an exclusive right to permit its reproduction and the right to an equitable remuneration in all cases in which the instrument was used for a public performance (*'présentation publique'*) or a public broadcast (*'communication au public'*) by radio or otherwise. The form of this proposal does not touch on the question of the legal nature of the protection which is to be recognized. If the conference had agreed with the British point of view, then national legislation would have been entitled to give copyright protection or some sort of industrial protection as a 'related right' (*'droit voisin'*). Britain no doubt realized the fact that the proposed provision did not belong in the Convention because it was not necessarily a norm of copyright; that, however, need not have been the reason to abandon a solution which had been recognized as appropriate for the Convention. After all, the present convention protects photographs and the 'program' wanted to introduce protection for performing artists and protection of titles—two matters which are no more closely related to copyright than is the phonograph record."<sup>30</sup>

The majority of the Brussels Conference were still of the opinion that protection of performing rights and of the record industry was outside the scope of the Berne Convention. The Brussels text makes no reference to interpretive rights; however, the Conference expressed the wish that, in view of the artistic nature of the interpretations of performers, the study

<sup>28</sup> *Id.* at 37–38.

<sup>29</sup> Baum at 49.

<sup>30</sup> *Id.* at 52.

of rights analogous to authors' rights should be actively pursued, with special reference to the protection of performing artists.<sup>31</sup>

The ILO in collaboration with other organizations listed in the margin,<sup>32</sup> has pursued this study. In 1949 it published a report which discussed in detail the rights of performers in broadcasting, television and the mechanical reproduction of sounds. This report suggests that a Committee of Experts convene and draw up a number of principles which would constitute the basic standards governing the rights of performers. The following principles have been set forth in the report for the guidance and consideration of the Committee of Experts:

A performer is defined as "any person interpreting or performing in virtue of a contract for the hire of services or any other agreement, literary, musical or other type of artistic works, when such interpretation or performance is carried out for the purposes of recording or sound or visual broadcast."<sup>33</sup>

The term "recording" is defined as "the fixing by any procedure of an artistic interpretation or performance on records, film, ribbon, wire or any other medium for the reproduction of sound or images."<sup>34</sup>

The definition of the term "broadcast" is the same as that employed in the International Radio Conference, Atlantic City, 1947: "a radio-communications service of transmissions to be received directly by the general public; this service may include transmissions of sounds or transmissions by television, facsimile or other means."<sup>35</sup>

The report discusses the wide-spread use of deferred broadcasts, i.e., the broadcasting of performances which were made previously and the transmission of which for timing or technical reasons, must be delayed. The Brussels text refers to one category of deferred broadcasts as "ephemeral recordings."<sup>36</sup> The report suggests that if an international definition is

<sup>31</sup> ILO Report at 38. The 1946 Inter-American Convention does not refer to performers' rights either.

<sup>32</sup> French Confederation of Professional Workers, International Confederation of Professional Workers, Advisory Committee on Salaried Employees and Professional Workers, the National Committee on the Status of Profes-

sional Workers in France; International Congress of Record Manufacturers, Federation of Phonographic Industries; International Broadcasting Organization.

<sup>33</sup> ILO Report at 78.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> This is discussed in § 191e, *infra*.

impossible, it might be desirable for national legislation to define the operation and determine its effects on the rights of performers. "On this supposition, however, it nevertheless would seem useful to stipulate that any recording made for deferred broadcast could not be preserved in official archives unless it had an exceptional documentary interest and has been previously neutralised, for example by a label or other convenient means."<sup>37</sup>

The ILO report recognized that to base performers' rights on the same or similar footing as authors' rights would not only cause confusion but would incur the hostility of authors. Accordingly it was recommended that any international regulations be premised on the principle of work done by performing artists and to avoid any possible misunderstanding or ambiguity, it was suggested that the rights asserted by performers would in no way affect the exclusive rights of the author in his literary or artistic work.<sup>38</sup>

The juristic philosophy which protects interpretive rights on the theory of work done supplies the basic premise for the recognition of the following subsidiary performing rights:

a) *The right of authorization.* This refers to the exclusive right of the performer to authorize the recording, the reproduction, broadcasting and telecasting by mechanical, radio-electric or other means of his interpretations as well as the public utilization of recordings, broadcasts or telecasts of such interpretations. Copyright jurisprudence has always considered the exclusive right of authorization as a prerogative of authors. The ILO report suggested that the exclusive rights of authors and performers could exist side-by-side and did not necessarily conflict. If interpretive rights were premised on the notion of work done, the performer in disposing of the product of his work, could secure a fair economic benefit from such performance. If the performer's right of authorization is conceived as separate and distinct from that of the author, the former would be in a favorable position for negotiating in respect to his recording, broadcasting or telecasting of his interpretations.<sup>39</sup>

In this connection the copyright jurisprudence of such

<sup>37</sup> ILO Report at 79.

<sup>39</sup> *Id.* at 80-81.

<sup>38</sup> *Id.*

countries as Germany,<sup>40</sup> Czechoslovakia,<sup>41</sup> Mexico,<sup>42</sup> Great Britain,<sup>43</sup> Switzerland<sup>44</sup> and Lichenstein<sup>45</sup> recognize that the performer has the right of authorization. Austria recognizes the performing right as a related and broad right.<sup>46</sup> In Hungary, the performer asserts a broad right of authorization with regard to the multiple copying, publication and circulation of recordings, including sound broadcasts.<sup>47</sup>

The Report then concluded with the following observations on the right of authorization:

“Bearing in mind, the various aspects of the problem, it would undoubtedly be useful to examine the desirability of providing for the performer to have the right to prohibit: (a) the recording of a direct performance without his previous authorisation; (b) any public utilisation of clandestine recordings made unbeknown to the performer and without his prior authorisation; (c) the broadcasting of any recording of a performance without his prior authorisation, except in the case of a deferred broadcast, and providing that his authorisation had been obtained when the recording of his performance to this end was made; (d) the broadcasting of a direct performance without his prior authorisation.”<sup>48</sup>

b) *the moral right*. This term as applied to performers is intended to enforce respect for the personal contribution made by the artist in interpreting a work. Thus the performer would have an obvious interest in having his name mentioned on any recording of his performance or any reproduction of such performance. Austria and Italy have incorporated this principle into their jurisprudence; the former by legislation enacted in 1936,<sup>49</sup> the latter by decree, which was subsequently incorporated into general legislation in 1941.<sup>50</sup>

<sup>40</sup> Straschnov at 110.

<sup>41</sup> *Id.* at 185.

<sup>42</sup> *Id.* at 230.

<sup>43</sup> By the Act of July 31, 1925, 15 and 16 Geo 5 c 46, it is crime to record the performance of a dramatic or musical work without the consent in writing of the performer. This statute in furnishing a summary criminal remedy cannot be invoked by a performer in a civil suit for damages and injunction. Musical Performers Protection Ass'n v. British International Pictures, Ltd., 46

LTR 485 (1930); Gramophone Co. Ltd. v. Stephen Corwardine & Co., [1934] Ch. 450. See also Straschnov at 144.

<sup>44</sup> Straschnov at 182.

<sup>45</sup> *Id.* at 162.

<sup>46</sup> ILO Report at 80-81.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 81.

<sup>49</sup> Straschnov at 117; ILO Report at 81.

<sup>50</sup> Straschnov at 155.

The moral right asserted by a performer would enable the artist to oppose any alteration or defective reproduction of his performance since his reputation and consequently the economic value of his work would be affected thereby.<sup>51</sup> Such countries as Argentina,<sup>52</sup> Colombia,<sup>53</sup> Italy<sup>54</sup> and Uruguay<sup>55</sup> specifically prescribe the performer's right to have the form and quality of his performance respected.

c) *pecuniary right*. This concept is intended to assure the performer financial remuneration for recordings, radio and television transmissions, motion picture exhibition, etc. The laws of the following countries recognize the pecuniary rights of performers. The Argentine law spells out a pecuniary right for recordings and performances which are broadcast or retransmitted by radio or television.<sup>56</sup> Colombia,<sup>57</sup> Italy<sup>58</sup> and Uruguay<sup>59</sup> also recognize pecuniary rights in recordings and sound and visual broadcasting. In the absence of legislation, pecuniary rights are enforced by collective bargaining agreements in Great Britain, the United States, Austria, France, Hungary and Norway.<sup>60</sup>

The ILO report suggests that performers enforce their pecuniary rights by examining sales records of recordings of their interpretive renditions with a view to possible adjustments of contracts based on a fixed remuneration, or in the case of payment by percentage, the determination of sales figures. The report recommends that performers should not only be compensated for their direct performances, but they should also receive a separate remuneration for any recording, broadcast or telecast of their performances irrespective of whether the right of authorization is recognized. In this connection a recent decision in Uruguay held that a performer should receive a fee for each use of a commercial recording made by a radio broadcaster.<sup>61</sup>

d) *exercise of rights in the case of collective performances*. One of the most vexatious problems in this field, is where a

<sup>51</sup> *Passim* § 193.

<sup>52</sup> Pan-American Copyright Bulletin at 31.

<sup>53</sup> Straschnov at 212.

<sup>54</sup> *Op cit supra*, note 50.

<sup>55</sup> Straschnov at 243.

<sup>56</sup> *Op cit supra*, note 52.

<sup>57</sup> *Op cit supra*, note 53.

<sup>58</sup> *Op cit supra*, note 50.

<sup>59</sup> *Op cit supra*, note 55.

<sup>60</sup> ILO Report at 84.

<sup>61</sup> ILO Report at 70-71.

recording consists of a composite of individual performances, viz., the artistic renditions by an orchestra, choir or company of performers. The performing rights are usually exercised or controlled by one person or a body acting on behalf of the group. In several countries, national legislation deals with this problem. In Argentina, for example, the moral right of opposition is vested in the leader of the group. In Italy, the moral right is reserved to leading artists, and the fees payable to a group are paid to its representatives or to the institution or society to which it belongs. In Czechoslovakia, performing rights are asserted by the person conducting the group. In Uruguay the entrepreneur of the group exercises the performing rights.<sup>62</sup>

In other countries, the control of performing rights in group renditions are governed by collective bargaining agreements. In France, part of the fees paid by the French Broadcasting Corporation to the International Federation of the Phonographic Industry for the use of commercial recordings is assigned performers via the National Stage Federation. When a stage performance is broadcast, the fees are paid individually to each member of the company. In the case of a casual performance by a musical group over the facilities of the French Broadcasting Corporation, each member receives an individual fee; the compensation of the leader or conductor is twice that which is paid other members. In Great Britain, performers' rights are protected collectively.<sup>63</sup> In the United States, the record and television industries in addition to paying for the direct performances by musicians, contribute to the trust fund of the AFM.<sup>64</sup>

The foregoing discussion indicates the extent to which performing rights are recognized and the means by which they are enforced.

To summarize, the majority of the Berne countries vest in the record manufacturer or the film producer the exclusive right to control the dissemination of mechanical reproductions of sound and visual images. The English Copyright Act of 1911 extends copyright protection to sound recordings. A performer can assert no proprietary interest in his artistic

<sup>62</sup> *Id.* at 88 ff.

<sup>63</sup> *Id.*

<sup>64</sup> *Infra* §§ 145, 147 and 148.

rendition; however, the Dramatic and Musical Performers' Protection Act of 1925 gives the performer a summary criminal remedy where a person knowingly makes a record of such performance without the written consent of the interpretive artist.<sup>65</sup> Such countries as Austria,<sup>66</sup> Argentine<sup>67</sup> and Uruguay<sup>68</sup> furnish copyright or quasi-copyright protection to the performing artists. But the majority of the Berne and Pan-American countries either do not recognize performing rights, or if they are recognized, are transferred by operation of law to the record manufacturer or film producer.

### 193. THE DOCTRINE OF MORAL RIGHT (LE DROIT MORAL).

The doctrine of moral right which owes its origin and development of French copyright jurisprudence is an attribute of the personality of an author; it is independent of the author's pecuniary right in the economic exploitation of his work.<sup>1</sup>

An unsuccessful attempt was made to incorporate the doctrine in a modified form at the Berlin Conference of 1908.<sup>2</sup> The doctrine was incorporated in the Rome Convention in 1928<sup>3</sup> and was modified by the Brussels Conference:

Article 6-*bis* of the Brussels text provides:

“(1) Independently of the author's copyright, and even after the transfer of the said copyright, the author

<sup>65</sup> *Op cit supra*, note 43.

<sup>66</sup> Straschnov at 115.

<sup>67</sup> *Id.* at 205; Pan American Copyright Bulletin at 31.

<sup>68</sup> Straschnov at 243; Pan American Copyright Bulletin at 145.

<sup>1</sup> Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators* (1940) 53 *HarvLRev* 554; Michaelides-Nouaros, *The Moral Right of the Author: Study of French Law, of Comparative Law and of International Law* (Am. Ed. 1937); Ladas, at 575; II UNESCO Copyright Bulletin No 2-3 (1949) 58 ff; Note, *Moral Rights of Artists* (1949) 49 *ColLRev* 132; Note, *Moral Right Doctrine: Protection of the Artists' Interest in his Creation After Sale* (1951) 2 *AlaLRev* 267; Note, *Literary Property—Artist's Right to Prevent Destruction of his Work After Sale* (1951) *Wash ULQ* 124; Katz,

*The Doctrine of Moral Right and American Copyright Law: A Proposal* (1952) Fourth Copyright Law Symposium 79 ff.

<sup>2</sup> Ladas at 580.

<sup>3</sup> Rome (1928) Text: “(1) Independently of the patrimonial rights of the author, and even after the assignment of the said rights, the author retains the right to claim the authorship of the work as well as the right to object to every deformation, mutilation or other modification of the said work, which may be prejudicial to his honor or to his reputation.

(2) It is left to the national legislation of each of the countries of the Union to establish the conditions for the exercise of these rights. The means for safeguarding them shall be regulated by the legislation of the country where protection is claimed.”

shall have the right, during his lifetime, to claim authorship of the work and to object any distortion, mutilation or other alteration: thereof, or any other action in relation to the said work, which would be prejudicial to his honour or reputation.

(2) Insofar as the legislation of the Countries of the Union permits, the right granted to the author in accordance with the preceding paragraph shall, after his death, be maintained, at least until the expiry of the copyright, and shall be exercisable by the persons or institutions authorised by the said legislation.

The determination of the conditions under which the rights mentioned in this paragraph shall be exercised shall be governed by the legislation of the Countries of the Union.

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the Country where protection is claimed.”

The majority of the Berne countries protect the moral rights of authors by specific legislation.<sup>4</sup> France has no internal law on this subject, but its jurisprudence abounds in decisions which amply recognize the moral right.<sup>5</sup> Canada has reproduced almost verbatim article 6-*bis* of the Rome text in its copyright laws.<sup>6</sup> Great Britain has not specifically recognized the doctrine, however certain provisions of the Copyright Act of 1911 and its common law jurisprudence accord protection to the various rights secured by *le droit moral*.<sup>7</sup> The Swiss Civil Code protects moral rights by the privacy doctrine, libel law and unfair competition.<sup>8</sup>

The concept of moral right is not recognized in the United States. The Copyright Code contains no reference to this doctrine and several recent decisions have expressly repudiated this concept.<sup>9</sup> Several American decisions have indirectly applied this doctrine under the guise of unfair competi-

<sup>4</sup> II UNESCO Copyright Bulletin, No 2-3 (1949) 58 ff.

<sup>5</sup> *Id.*; Kilroe, International Copyright at 16.

<sup>6</sup> Fox, Canadian Copyright Law (1944) 569.

<sup>7</sup> Ladas at 894.

<sup>8</sup> *Op cit supra*, note 4.

<sup>9</sup> *Crimi v. Rutgers Presbyterian*

*Church in City of New York*, 194 Misc 570, 89 NYS2d 813 (1949); *Vargas v. Esquire Inc.*, 164 F2d 522 (7th Cir 1947); *Shostakovich v. Twentieth-Century-Fox Film Corp.*, 80 NYS2d 575 (SupCt 1948); *Meliodon v. Phila. School District*, 328 Pa 457, 195 Atl 905 (1938).

tion,<sup>10</sup> libel,<sup>11</sup> right of privacy<sup>12</sup> and equitable relief,<sup>13</sup> but the moral right as developed in continental jurisprudence is neither recognized nor protected by legislation or court decisions.<sup>14</sup>

<sup>10</sup> *Fisher v. Star Co.*, 188 AppDiv 964, 176 NYSupp 899 (1919), *aff'd*, 231 NY 414, 132 NE 133 (1921), cert den, 257 US 654, 42 S Ct 94, 66 LEd 419 (1921); *Prouty v. National Broadcasting Co.*, 26 FSupp 265 (DC Mass 1939); *Landa v. Greenberg*, 24 TLR 441 (Ch 1908). See also *Granz v. Harris*, 198 F2d 585 (2d Cir 1952).

<sup>11</sup> *D'Altomonte v. New York Herald Co.*, 154 AppDiv 453, 139 NYSupp 200 (1913), *aff'd*, 208 NY 596, 102 NE 1101 (1913); *Ben-oliel v. Press Publishing Co.*, 251 NY 250, 167 NE 432 (1929); *Drummond v. Altemus*, 60 Fed 338 (CC Pa 1894); *Clemens v. Press Publishing Co.*, 67 Misc 183, 122 NYSupp 206 (1910). *Cf.* *Locke v. Gibbons*, 164 Misc 877, 299 NYSupp 188 (1937), *aff'd*, 253 AppDiv 887, 2 NYS2d 1015 (1938); *Doyle v. Dillingham*, 53 Misc 383, 104 NYSupp 783 (1907). And see *Henry Holt & Co. v. Liggett & Myers Tobacco Co.*, 23 FSupp 302 (DC Pa 1938), wherein the Copyright Code was employed to protect the reputation of an author. This case is discussed in detail, *infra* § 157.

<sup>12</sup> *Ellis v. Hurst*, 66 Misc 235, 121 NYSupp 438 (1910).

<sup>13</sup> *Pound, Equitable Relief Against Defamation and Injuries to Personality* (1916) 29 HarvLRev 640.

<sup>14</sup> *Vargas v. Esquire Inc.*, 164 F2d 522 (7th Cir 1947):

"The conception of 'moral rights' of authors so fully recognized and developed in the civil law countries has not yet received acceptance in the law of the United States. No such right is referred to by legislation, court decision or writers.'"

"What plaintiff in reality seeks is a change in the law in this country to conform to that of certain other countries. We need not stop to inquire whether such a change, if desirable, is a matter for the legislative or judicial branch of the government; in any

event, we are not disposed to make any new law in this respect."

*Shostakovich v. Twentieth-Century Fox Film Corp.*, 80 NYS2d 575 (Sup Ct 1948):

"The wrong which is alleged here is the use of plaintiffs' music in a moving picture whose theme is objectionable to them in that it is unsympathetic to their political ideology. The logical development of this theory leads inexplicably to the Doctrine of Moral Right (53 Harvard Law Review). There is no charge of distortion of the compositions nor any claim that they have not been faithfully reproduced. Conceivably under the doctrine of Moral Right the court could in a proper case, prevent the use of a composition or work in the public domain, in such a manner as would be violative of the author's rights. The application of the doctrine presents much difficulty however. With reference to that which is in the public domain there arises a conflict between the moral right and the well established rights of others to use such works. . . . So, too, there arises the question of the norm by which the use of such work is to be tested to determine whether or not the author's moral right as an author has been violated. Is the standard to be good taste, artistic worth, political beliefs, moral concepts or what is it to be? In the present state of our law the very existence of the right is not clear, the relative positions of the rights thereunder with reference to the rights of others is not defined nor has the nature of the proper remedy been determined. Quite obviously therefore, in the absence of the infliction of a willful injury or of any invasion of a moral right, this court should not consider granting the drastic relief asked on either theory." See concurring opinion of Judge Frank in *Granz v. Harris*, 198 F2d 585 (2d Cir 1952).

The doctrine of moral right comprehends the following subsidiary rights:

1) *The Right of Secrecy.* This refers to the right of the author to decide whether and when his work shall be divulged to the public.<sup>15</sup> The right to secrecy is equivalent to the right "to publish" which is a prerogative of the author in the copyright laws of practically every country. The right of secrecy has its counterpart in the copyright jurisprudence of the United States. One of the rights secured by common law copyright is the right to control or prevent publication of the author's work.<sup>16</sup> But once a work is communicated to the public, common law copyright is terminated, and an author's rights are measured and defined by the Copyright Code.<sup>17</sup>

2) *Rights to Assert Authorship of the Work.* The following rights belong to this category:

- (a) if the authorship of a work is contested, or if the work is attributed to another person than its true author, the latter has the right to assert that he is the author;
- (b) the author has the right to require that his name appear on each copy of his work, and that his name be announced at each presentation, performance, recitation, broadcast, etc., of his work;
- (c) the author has the right to protect the application of his name to the work of another, or the representation of a copy of his work as the original work;
- (d) the author has the right to protest the substitution of another's name for his own on his work;
- (e) the author may require that his anonymity or his *nom de plume* be respected;
- (f) the author may require that his name appear on the work in the form which he chose;
- (g) authors of films may require that their names appear at showings of the film;
- (h) the author may require that when excerpts from his work are used, the source, with mention of his name, be indicated.<sup>18</sup>

<sup>15</sup> II UNESCO Copyright Bulletin, No 2-3 (1949) 60.

<sup>16</sup> E.g. *Ferris v. Frohman*, 238 Ill 430, 87 NE 327 (1909), *aff'd*, 223 US 424, 32 S Ct 263, 56 L Ed 492 (1912).

<sup>17</sup> *Passim*, § 201.

<sup>18</sup> *Opt cit supra* note 15 at 62.

The common law jurisprudence in the United States may be invoked to protect the right of authorship. Thus contracts requiring a motion picture producer to give screen credits to a writer will be enforced by the courts.<sup>19</sup> Similarly, the law of unfair competition and the privacy doctrine have been employed by authors to prohibit the use of their names in connection with the work of others.<sup>20</sup>

3) *The Right to the Integrity of the Work.* This right precludes any person from modifying the form, contents or title of a work. This denies the right to alter, abridge, delete, deform, mutilate or distort a work, whether in reproducing it, presenting, performing, broadcasting, translating or adapting it, including adaptations for films or sound recording.<sup>21</sup>

In the United States, the extent to which changes, additions, etc. may be made to a literary work is governed by contract between the parties. In case of a dispute the courts will interpret the contract.<sup>22</sup> One or two cases have suggested via dictum that the authority to modify a work for screen purposes is not unlimited. Thus the motion picture producer may add scenery, actions, characters etc. But the modification cannot go so far as to attribute to the author ideas which he does not believe and did not express originally. The power to modify cannot change a tragedy to a comedy or a philosophic essay to a farce.<sup>23</sup>

The paucity of case law on the right of the author to protect the integrity of his work is attributable to the fact that the motion picture, radio and television companies reserve to themselves by contract a free hand in modifying or altering works which they may acquire by purchase or license. It is believed that the courts will enforce and respect the unlimited right of alteration or modification spelled out in a contract.

The laws of several of the Berne countries impose restric-

<sup>19</sup> *Granz v. Harris*, 98 FSupp 906 (DC NY 1951) rev'd in part 198 F2d 585 (2d Cir 1952). Cf. *Harris v. Twentieth Century-Fox Film Corp.*, 43 FSupp 119 (DC NY 1942); *Lake v. Universal Pictures*, 95 FSupp 768 (DC Cal 1950).

<sup>20</sup> *Ellis v. Hurst*, 70 Misc 122, 128 NYSupp 144 (1910), *aff'd*, 145 App Div 918, 130 NYSupp 1110 (1911); *Eliot v. Jones*, 66 Misc 95, 120 NYSupp 898 (1910), *aff'd*, 140 AppDiv 911,

125 NYSupp 1119 (1910); *Lake v. Universal Pictures*, 95 FSupp 768 (DC Cal 1950); *Granz v. Harris*, 198 F2d 585 (2d Cir 1952).

<sup>21</sup> *Op cit supra*, note 15 at 64.

<sup>22</sup> Cf. *Dreiser v. Paramount Public Corp.*, (NYSupCt 1931) memorandum opinion.

<sup>23</sup> *Curwood v. Affiliated Distributors, Inc.*, 283 Fed 219 (DC NY 1922); *Packard v. Fox Film Corp.*, 207 App Div 311, 202 NYSupp 164 (1923).

tions on this aspect of the doctrine of moral right. Thus the laws of Austria, Czechoslovakia, Germany and the Netherlands provide that the author can object to only such modifications as are damaging to his reputation or honor.<sup>24</sup>

4) *Miscellaneous*. Brazil, France, Guatemala, Poland, Uruguay and Venezuela accord the author the right to make corrections in his work when a new edition is prepared.<sup>25</sup>

Several countries recognize a right to retract. Thus France, Portugal, Uruguay and Venezuela permit an author to withdraw his work from sale or use upon indemnification to interested parties.<sup>26</sup>

The jurisprudence of France and Great Britain recognize a right in the author to reply to unjustified criticisms of his work at the cost of the critic or the organ in which such criticism was published.<sup>27</sup>

The Polish law grants redress for the personal damage caused the author through the use of criticism to disparage the value of the work by deliberate falsification of the facts.<sup>28</sup>

The principal change effected in Article 6-*bis* by the Brussels Conference is that the moral rights of an author are protected not only during his life, but also after his death, at least until the termination of the copyright. The conditions of the exercise of these rights after the death of an author are governed by national legislation.<sup>29</sup>

The Brussels Conference in Article 14-*bis* incorporated into the Berne Convention for the first time, the "*droit de suite*" which is analogous in some respects to the doctrine of moral right. The "*droit de suite*" may be described as the inalienable right of an author to an interest in any sale of the work subsequent to its first disposal by the author.<sup>30</sup> This concept is applicable only to original works of art, e.g., paintings and

<sup>24</sup> *Op cit supra*, note 15 at 66.

<sup>25</sup> *Id.* at 66.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> Baum at 21 ff.

<sup>30</sup> Article 14-*bis* of Brussels (1948)  
Text:

"1. The author or, after his death, the persons or institutions authorized by national legislation shall, in respect of original works of art and original manuscripts of writers and composers, enjoy the inalienable right to an inter-

est in any sale of the work subsequent to the first disposal of the work by the author.

2. The protection provided by the preceding paragraph may be claimed in a country of the Union only if legislation in the country to which the author belongs so permits, and to the degree permitted by the country where this protection is claimed.

3. The procedure for collection and the amounts shall be matters for determination by national legislation."

sculptures and original manuscripts of writers and composers.<sup>31</sup>

The second paragraph of Article 14-*bis* leaves it to the discretion of the member countries as to whether the "*droit de suite*" shall be recognized.<sup>32</sup> As a matter of fact, the provisions in the Brussels text dealing with the "*droit de suite*", constitute an invitation to the countries to enact such laws as will make this right real and effective.<sup>33</sup>

The Berne Convention provides that the doctrine of moral right is inalienable. The Washington Convention of 1946 likewise recognize "*le droit moral*", however an author may "dispose of or waive this right in accordance with the provisions of the law of the State where the contract is made."<sup>34</sup> The Washington Convention does not accord protection to the "*droit de suite*".

It is believed that the doctrine of moral right is a major obstacle to accession by the United States to the Berne and Washington Conventions. The radio and motion picture industries have consistently opposed the infiltration of this doctrine into the jurisprudence of the United States since its recognition would completely disrupt the trade practices of these industries. The radio, motion picture and television industries must obviously adapt, condense and convert plays, novels, stories, etc. This frequently requires changes in the plot, theme, sequence and description of the characters in literary works. The doctrine of moral right would interfere with this right of adaption or change.<sup>35</sup>

The Board of Trade in England has voiced the same criticism against the moral right doctrine. In its report on International Copyright, prepared in 1935, for the use of the English Delegates at the Brussels Conference, they referred to the

<sup>31</sup> I UNESCO Copyright Bulletin (1948) 24-26.

<sup>32</sup> *Op cit supra*, note 30.

<sup>33</sup> Baum at 65 states that the "*droite de suite*" has been recognized in France, Belgium, Czochoslovakia, Poland and Italy. "Its legal nature is doubtful. In France it is usually not considered a 'real author's right' although numerous text writers consider it part of the author's rights."

<sup>34</sup> The 1946 Inter-American Convention, Art XI.

<sup>35</sup> See Testimony of Edwin P. Kilroe at Hearings before the Committee on Patents, 74th Cong 2d Sess 1012 (1936): Testimony of Sidney Kaye, *Id.* at 397 ff; Statement of Mr. Kilroe in Hearings before a Subcommittee of the Committee on Foreign Relations on Executive E, 75th Cong 2d Sess (1938) 19 et seq; Statement of Mr. Kaye, *Id.* at 29.

evidence submitted by the representatives of the British film production industry who claimed "that it is frequently essential in the making of a film to alter the story on which the film is based, and that if the author has strong feelings in regard to the form of his work, he can limit the right to alter it in the contract into which he enters for the licensing or assignment of his film rights. These witnesses urged that not only should the Belgian Government's proposed amendments not be adopted, but that the scope of the existing paragraph should be restricted by eliminating therefrom the provision which gives the author the right to object to any distortion, mutilation or other modification of his work which would be prejudicial to his honor or reputation."<sup>36</sup>

The primary objection to the doctrine of moral right is that it would introduce a subjective standard of liability into American copyright jurisprudence. A motion picture photoplay or radio or television adaptation is designed to have considerable entertainment value for the public. On the other hand the author may contend that the changes made in his literary work are prejudicial to his honor and reputation. Can an objective standard be formulated and applied by the courts which would protect an author's honor and reputation? To be sure, American courts in the field of torts have evolved the standard of due care premised on the conduct of the reasonable man. Our jurisprudence is replete with the standard of reasonableness which governs the judicial, quasi-judicial or administrative determinations of courts, administrative agencies, government officials, etc. But this standard of reasonableness has a backlog of history which furnishes a pattern of experience for courts, administrative agencies, government officials, etc.; and implicit in this pattern of experience are objective norms of conduct.

The doctrine of moral right lacks this backlog or pattern of experience, it would introduce subjective standards of conduct which could well plague the courts in their application to American copyright jurisprudence.<sup>37</sup>

There is one other aspect of the doctrine of moral right which

<sup>36</sup> Quoted in Kilroe, *International Copyright* at 18.

<sup>37</sup> *Cf. Crimi v. Rutgers Presbyterian Church* in *New York City*, 194 Misc

576, 89 NYS2d 813 (1949); *Shostakovich v. Twentieth Century-Fox Film Corp.*, 80 NYS2d 575 (SupCt 1948).

warrants criticism. It may well be that the doctrine of moral right has been employed as a subterfuge by authors to exact additional compensation from the users of literary and artistic works, viz., publishers, motion picture producers, the radio and television industries, etc. This approach has been suggested by continental jurists who contend that in the vast majority of cases, the moral right is but a convenient screen behind which lurk material and economic interests.<sup>38</sup> This is illustrated by the "Wonder Bar" case. Warner Brothers purchased the motion picture rights to "Wonder Bar" from a foreign publishing house to whom the authors had previously sold these rights. After paying a substantial sum to the publishing house, Warner's paid an additional sum to the authors for the right to change the story and interpolate music. After the picture had been in distribution in the United States and ready for distribution in foreign countries, the authors demanded an additional \$100,000 under the moral-right clause of the Rome Convention, threatening that if they did not receive an adjustment of the claim, they would enjoin distribution of the picture in Europe and seek money damages.<sup>39</sup>

The foregoing criticism of the moral right doctrine does not mean that it should be repudiated in its entirety if and when Congress considers again revisions of the Copyright Code.<sup>40</sup> Obviously, the adaptation and transformation of Arthur Miller's "Death of a Saleman" to the screen does not warrant its conversion from a tragedy to a comedy. On the other hand an author can adequately protect his reputation and honor by contract with the motion picture producer. However, it is believed, that before Congress enact any legislation which

<sup>38</sup> Strauss, Unauthorized Recording of Radio Broadcasts (1950) 11 Fed ConnBarJ 193, 205, n 60.

<sup>39</sup> Testimony of Edwin P. Kilroe, at Hearings before the Committee on Patents, 74th Cong 2d Sess 1012 (1936).

<sup>40</sup> E.g., S. 3047, 74th Cong 1st Sess (1933) section 41(v): "Independently of the copyright in any work secured under this Act, as amended, and even after the assignment thereof, the author retains the right to claim the authorship of the work as well as the right to object to every deformation, mutilation, or other modification of the said work which may be prejudicial to his

honor or to his reputation: *Provided, however,* that nothing in this paragraph shall limit or otherwise affect the right of full freedom of contract between the author of a work and an assignee or licensee thereof, or invalidate any express waiver or release by the author of any such rights or of any remedies or relief to which he might be entitled in consequence of a violation thereof, and the assignee or licensee of the author's moral right may, with the author's permission, make any change in the work which the author himself would have had a right to make prior to such assignment."

would recognize the moral right doctrine, whether in the form of Article 6-*bis* of the Berne Convention or preferably in a modified form whereby the author could dispose of and waive such right, an investigation should be made to determine how the doctrine has fared in other countries, the extent to which it has been abused, the remedies which have been employed to correct such abuses, etc. The results of this investigation should enable Congress to determine whether there is any justification for incorporating this concept into American copyright jurisprudence.

#### 194. PAN-AMERICAN COPYRIGHT PROTECTION.

##### 194a. PAN-AMERICAN COPYRIGHT PROTECTION: REGIONAL CONVENTIONS.

The international protection accorded author's rights in Europe was paralleled by a similar development in the western hemisphere.

Although not properly speaking a Pan-American agreement, the Montevideo Treaty of 1889 is generally considered as the first instrument establishing the Pan-American copyright system.<sup>1</sup> Of the seven South American countries which signed this treaty on January 11, 1889, only five ratified the Convention.<sup>2</sup>

The Montevideo Convention is modeled on the Berne Convention of 1886. It establishes certain minimum rights enjoyed by authors of the contracting countries irrespective of national law. This regional agreement follows the rule that the nature and extent of the rights of the author shall be governed on the basis of the national law of the country of origin.<sup>3</sup> This is the principle of the *lex soli* or law of territoriality. This means that an author's rights in foreign countries are measured by the rights secured him in the country of origin. The *lex soli* is in opposition to the *lex fori* or protection based on the law of the country where protection is claimed. The latter concept which is the basis of the Berne Conventions means that authors of country A enjoy in country B the same pro-

<sup>1</sup> Ladas at 635.

<sup>2</sup> *Id.* at 636: Paraguay, Peru Uruguay, Argentina and Bolivia. Brazil and Chile did not ratify the Convention.

<sup>3</sup> Pan-American Copyright Bulletin at 11, 187-189.

tection and the same legal remedies which country B grants its authors.<sup>4</sup>

The United States was not a party to the Montevideo Treaty of 1889. The Convention permitted adherences from countries outside the Western Hemisphere, but only subject to the acceptance by the respective signatory countries. In consequence, adherence from France, Spain and Belgium were accepted only by Argentina and Paraguay. Germany's adherence was accepted by Argentina, Paraguay and Bolivia, and Austria's, only by Argentina.<sup>5</sup>

The next regional agreement was the Caracas Convention of 1911. This Convention, which was ratified by Ecuador, Peru and Venezuela was similar to the Montevideo Treaty; however, it protected only citizens of the contracting countries and not all works, regardless of the nationality of the author, published in the territory of one of the parties. Article 2 of this treaty incorporated the principle of *lex soli*; and authors were required to comply with the formalities of each country besides the country of origin in order to obtain international copyright protection.<sup>6</sup>

Copyright relations in Central American countries were governed by the General Treaty of Peace and Amity of 1907, which contained the following clause:

“Article VII—Citizens of a signatory country who reside in the territory of another signatory country shall enjoy the right of literary, artistic and industrial property on the same terms and subject to the same requirements as native-born citizens.”<sup>7</sup>

This clause was retained in the 1923 Treaty which bore the same name and replaced the 1907 Treaty. Copyright protection in the Central American countries other than El Salvador which denounced the 1923 Treaty in 1935, is based on reciprocity.<sup>8</sup>

<sup>4</sup> Cf. Brussels (1948) Text. Art 4(1):

“Authors who are nationals of any of the countries of the Union shall enjoy in countries other than the country of origin of the work, for their works, whether unpublished or first published in a country of the Union, the rights which their respective laws do now or may hereafter grant to their

nationals, as well as the rights specially granted by this Convention.”

<sup>5</sup> Ladas at 636.

<sup>6</sup> Pan-American Copyright Bulletin at 11; Ladas at 637.

<sup>7</sup> Ladas at 638-639. The following countries ratified the 1907 Treaty: Costa Rica, Guatemala, Honduras, Nicaragua and Salvador.

<sup>8</sup> Pan-American Copyright Bulletin at 12.

### 194b. PAN-AMERICAN COPYRIGHT PROTECTION: PAN-AMERICAN CONVENTIONS.

The first Pan-American Convention on copyright protection was signed at Mexico City in 1902. The United States became a party to this Convention which was likewise adopted by Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua. The nature and extent of protection are governed by the laws of the country where protection is sought, i.e., the principle of the *lex fori* is followed. An author in order to obtain protection in foreign countries was required to comply with the formalities of deposit and registration through the instrumentality of the copyright office of his own country.<sup>1</sup>

The Mexico City Convention was revised at Buenos Aires on August 11, 1910<sup>2</sup>; it has the greatest number of adherents of all the Western Hemisphere Copyright Conventions.<sup>3</sup> This Convention abandoned the idea of forming a union for copyright protection. Article VI extends copyright protection to authors or legal representatives, whether "citizens or domiciled foreigners."<sup>4</sup> In addition the nature and extent of the protection are governed by the principle of *lex fori*.<sup>5</sup> With regard to formalities, article 3 provides that all formalities except those of the country of origin are abandoned, however in order to claim protection, "there shall appear in the work a statement that indicates the reservation of the property right."<sup>6</sup>

The Buenos Aires Convention was revised at Habana in 1928. Five countries—Costa Rica, Guatemala, Panama, Nicaragua and Ecuador—ratified this Convention. The following changes were effectuated at Habana:

<sup>1</sup> Pan-American Copyright Bulletin at 12; Ladas at 639-40.

<sup>2</sup> The convention signed at the Third International Conference of American States held at Rio De Janeiro in 1906 incorporated the provisions of the Convention of Mexico City and provided for the establishment of two copyright bureaus for the registration of intellectual works: one at Rio de Janeiro and the other at Habana. These bureaus were never established because of the failure

of a sufficient number of countries to ratify the Convention.

<sup>3</sup> Pan-American Copyright Bulletin at 13.

<sup>4</sup> Convention on Literary and Artistic Property signed at Buenos Aires, July 12-August 30, 1910, published in Pan-American Copyright Bulletin at 199, Art 6th.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*, Art 3rd.

“(1) an apparent reversion to the system of the *lex loci* regarding the rights not stipulated in the Convention;

“(2) additions to the works expressly protected, among them being ‘arts applied to any human activity whatever’;

“(3) the requirement that the author shall indicate on his work, in addition to the statement of reservation of copyright, the name of the person in whose favor the reservation is registered, the country of origin (the country in which the first publication was made or those in which simultaneous publications were made), as well as the year of the first publication;

“(4) a stipulation that in transferring his work the author assigns only the right of reproduction and enjoyment and retains the moral right (to oppose any reproduction or public exhibition of his work in altered, mutilated or revised form), which he cannot alienate.”<sup>7</sup>

Despite the various Inter-American Conventions, copyright relations were considered unsatisfactory and inadequate. Pursuant to a resolution adopted at the Seventh International Conference of American States at Montevideo in 1933, a Committee was appointed to study the possibility of reconciling the Berne-Rome and Buenos Aires systems. In 1938 this Committee prepared a comparative study of copyright protection in Latin America with a statement of recommendations. This comparative study, together with the reports and preliminary draft Convention was considered at the Eighth International Conference of the American States held in Lima Peru in December 1938. It was there resolved to transmit the recommendations to the Pan-American Union for the preparation of a draft convention. The Lima Conference also recommended that the member states of the Pan-American Union send delegates to the Diplomatic Conference which the Belgian Government had convoked for 1939 for the revision of the Berne Convention.<sup>8</sup> This conference did not meet because of the outbreak of World War II.

Despite the war, efforts to improve copyright relations in the Western Hemisphere continued. In 1942, the Governing Board of the Pan-American Union, pursuant to resolution adopted by the Second American Conference of National Committees on Intellectual Cooperation, which met at Habana in 1941, approved the proposal that a special conference of

<sup>7</sup> Pan-American Copyright Bulletin    <sup>8</sup> *Id.*, 14-15.  
at 13.

experts be convoked at Washington for the purpose of drafting a definitive copyright convention.<sup>9</sup>

World War II postponed this convention until 1946. We have discussed in the previous sections in conjunction with the Berne Convention, Brussels Revision of 1948, various provisions of the Inter-American Copyright Convention signed at Washington, D.C. on June 22, 1946.<sup>10</sup>

It is believed that the United States will not ratify the Washington Convention of 1946 for the same reasons which preclude its accession to the Berne Convention. These objections may be briefly noted.

1. *The Absence of Formalities.* Although a copyright proprietor in the United States must comply with the formalities of notice and with the conditions subsequent of deposit and registration, a foreign author's work would be protected in this country "without requiring registration, deposit or other formality."<sup>11</sup> This results in a dual system of copyright protection in the United States which would be inequitable and operate to the disadvantage of United States nationals.

2. *Protection of Oral Works.* Included in the literary, scientific and artistic works protected by the Convention are "written or recorded versions of lectures, addresses, lessons, sermons and other works of a similar nature."<sup>12</sup> By Article II, an author has the exclusive right to "(b) Represent, recite, exhibit, or perform . . . [literary, scientific or artistic works] publicly." It is extremely doubtful whether copyright protection can be accorded to oral works in the United States.<sup>13</sup>

3. *The Doctrine of Moral Right.* It is believed that any attempt to incorporate into our jurisprudence the moral right doctrine would be strenuously opposed by the motion picture,

<sup>9</sup> *Id.*, 16 ff.

<sup>10</sup> For a discussion of the 1946 Inter-American Convention see: Schulman, *Inter-American Copyright Relations—the Advisability of Ratification by the United States* (pamphlet, 1947); Warner, Sam B., *International Copyright and The Washington Convention* (1949); Bryce Rea, Jr., *Some Legal Aspects of the Pan-American Copyright Convention of 1946* (1947) 4 Wash & LeeLRev 10.

<sup>11</sup> The 1946 Inter-American Copyright Convention, Art IX:

"When a work created by a national of any Contracting State or by an alien domiciled therein has secured protection in that State, the other Contracting States shall grant protection to the work without requiring registration, deposit, or other formality. Such protection shall be that accorded by the present Convention and that which the Contracting States now accord to their nationals or shall hereafter accord in conformity with their laws."

<sup>12</sup> *Id.*, Art III.

<sup>13</sup> *Infra*, § 191b.

radio and television industries.<sup>14</sup> The Washington texts permits an author to dispose of or waive his moral right by a contract valid in a country in which it is made.<sup>15</sup> Under Article IX, the law of the country where protection is sought, i.e., *lex fori*, is the primary legal source of protection.<sup>16</sup> Thus a foreign author may waive his moral right in the United States, but would such a waiver preclude suit in another contracting country which recognizes and enforces this doctrine? If the moral right is inalienable in Argentina and Brazil, an author can make a persuasive argument that the waiver of *le droit moral* is a nullity in the foregoing countries.

4. *Works in the Public Domain.* This objection is applicable to both the Berne and Washington Conventions. Adherence to either Convention may result in works which are in the public domain being protected for the first time. For example certain literary or artistic works which are protected in France or Brazil may be in the public domain in the United States. If such works are given retroactive protection it may result in a vast body of rights being removed from the public domain. The Berne Convention has been plagued with this problem of retroactivity. Article 18 of the Brussels text, which is a verbatim reproduction of the corresponding provision in the Rome revision attempts to deal with this problem.<sup>17</sup> The difficulties tendered by retroactivity can be illustrated by a

<sup>14</sup> *Infra*, § 193.

<sup>15</sup> *Op cit supra*, note 11, Art XI:

"The author of any copyrighted work, in disposing of his copyright therein by sale, assignment, or otherwise, retains the right to claim the paternity of the work and to oppose any modification or use of it which is prejudicial to his reputation as an author, unless he has consented or consents, before, at the time, or after the modification or use is made, to dispose of or waive this right in accordance with the provisions of the law of the State where the contract is made."

<sup>16</sup> *Op cit supra*, note 11.

<sup>17</sup> Brussels (1948) Text, Art 18:

"1. This Convention shall apply to all works which at the moment of its coming into force have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.

2. If, however, through the expiry of the term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.

3. The application of this principle shall be in accordance with the provisions contained in special Conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each in so far as it is concerned, the manner in which the said principle is to be applied.

4. The above provisions shall apply equally in the case of new accessions to the Union, and in the event of protection being extended by the application of Article 7 or by abandonment of reservations."

hypothetical case. Thus country A which may desire to accede to the Berne Convention has a vast body of foreign works which are in the public domain. These foreign literary or artistic works may be in the public domain because the term of copyright protection in country A is shorter than in the Berne countries or because country A did not accord copyright protection to choreographic or architectural works. But these works are protected in a Union country. Paragraph 3 of Article 18 suggests that this problem of retroactivity be handled by special conventions between countries of the Union, or in the absence of such provisions, each nation is to determine for itself the manner of its application. The countries listed in the margin have entered into bipartite treaties which contain provisions on retroactivity<sup>18</sup>; but on the other hand there are an equal number of countries wherein no legislative provision exists with regard to the application of Article 18 to works previously published.<sup>19</sup>

Another objection which is a facet of this problem of retroactivity is the fact that the duration of copyright protection is not uniform throughout the world. The Brussels text added a uniform term of protection—the life of the author and fifty years thereafter.<sup>20</sup> The duration of copyright protection in the Washington Convention is governed by the law of the contracting country where the protection was originally obtained.<sup>21</sup> As indicated in the margin the duration of copyright protection for countries in the Western Hemisphere varies.<sup>22</sup> This would impose an additional burden on Ameri-

<sup>18</sup> Ladas at 354: Austria, Belgium, Denmark, France, Germany, Great Britain, Hungary, Italy, Japan, the Netherlands, Portugal, Spain and Sweden.

<sup>19</sup> *Id.* at 353-4: "In a number of countries, no legislative provisions exist with regard to the application of the Convention to works previously published. These are: Brazil, Danzig, France, Liberia, Monaco, Syria, Lebanon and Tunis. What the situation is in these countries, it is difficult to say with any precision.

<sup>20</sup> Brussels (1948) Text, Art 7(1).

<sup>21</sup> *Op cit supra*, note 11, Art VIII:

"The duration of the copyright protection shall be governed by the law of the Contracting State in which the

protection was originally obtained, but it shall not exceed the duration fixed by the law of the Contracting State in which the protection is claimed. In case the law of any Contracting State grants two successive periods of protection, the duration of the protection with respect to that State shall include, for the purposes of the present Convention, the aggregate of both periods."

<sup>22</sup> Argentina: life of the author and thirty years thereafter; Bolivia: life of the author and thirty years thereafter; Brazil: life of the author and sixty years thereafter; Chile: life of the author and twenty years thereafter; Colombia: life of the author and eighty years thereafter; Costa Rica: life of

can authors who may desire to make extensive use of foreign works. Since foreign works would not be required to comply with any formalities including date of publication, an American author would not know whether the work is copyrighted or is in the public domain.<sup>23</sup>

The Washington Convention attempts to deal with the problem of retroactivity by paragraph 2 of Article 17 quoted in the margin.<sup>24</sup> The criticism which was made of the corre-

the author and fifty years thereafter; Cuba: life of the author and eighty years thereafter; Dominican Republic: life of the author and thirty years thereafter; Ecuador: life of the author and fifty years thereafter; El Salvador: life of the author and twenty-five years thereafter; Guatemala: perpetual; Haiti: life of the author, then to widow for the remainder of her life and then after her death to author's children for a twenty-year term; Honduras: no specific provision governing the term of copyright. The period of protection is akin to that of patents, which grants terms of ten, fifteen or twenty years from the date the patent was issued; Mexico: life of the author and twenty years thereafter; Nicaragua: perpetual; Panama: life of author and eighty years thereafter; Paraguay: no provisions on duration of copyright; Peru: life of author and twenty years thereafter; Uruguay: life of author and forty years thereafter; Venezuela: life of author and thirty years thereafter.

<sup>23</sup> Warner, Sam B., *International Copyright and the Washington Convention* (1949) 6-7:

"For well over a hundred years, the rule in the United States has been no copyright notice, no copyright. Whenever a scholar or other person has desired to make a copy of an extract from a book, his method of operation has been to look in the book and see if it contained a copyright notice. If it did not, he has copied it freely. If it contained a notice dated between twenty-eight and fifty-six years ago, he has had to consult the *Catalog of Copyright Entries* for the appropriate year to determine whether the copyright has been renewed. If the book is under copyright, the would-be user has known that he must consult the records of the Copy-

right Office to make sure that the person named in the copyright notice still holds the copyright, and then secure the consent of this record holder of the copyright. As a large proportion of the literary and scientific works published each year in the United States, including almost all newspapers, never secure copyright protection, the value of this easy and certain method of determining whether a work is under copyright protection is very great.

If the United States should ratify the Washington Convention in its present form, American scholars could never rely on the absence of a copyright notice as showing that the book or other work was not under copyright protection, even if it were published in the United States. The Washington Convention makes the nationality and domicile of the author, not the place of publication, the criteria of what law is applicable. If a citizen of Mexico or any other country that had ratified this convention and provides for copyright on creation should have his book published in New York without a copyright notice, that book would be under copyright protection in the United States by virtue of the convention. Thus, if the convention were ratified by the United States, the value to American citizens of our copyright notice would be greatly lessened."

<sup>24</sup> *Op cit supra*, note 11, Art XVII 2:

"No liability shall attach under the provisions of the present Convention for lawful uses made or acts done in a Contracting State in connexion with any literary, scientific, or artistic work prior to the date such work became entitled to protection in that State under the provisions of the present Convention; or in respect to the continuance in that State of any utilization lawfully undertaken prior to such

sponding clause in the Berne Convention is equally, if not more, applicable to the Washington text. A vast body of works presently in the public domain in some country may acquire protection for the first time and industrial users of such works could be subjected to copyright infringement suits with their attendant liabilities.

5. *Titles.* Article XIV of the Washington Convention accords copyright protection to the title a work which "has become internationally famous" and "has thereby acquired such a distinctive character as to become identified with that work alone."<sup>25</sup>

The program for the Brussels Conference included a proposal to protect the titles of literary and artistic works. The Conference rejected this proposal because the protection of titles was considered outside the scope of a copyright convention. Another factor which prompted the Brussels Conference to exclude titles from copyright protection was the fact that the jurisprudence of most countries accord protection to titles on the principles of unfair competition.<sup>26</sup>

We have discussed elsewhere the reasons and policy which have prompted American courts to deny copyright protection to titles.<sup>27</sup> American courts protect titles via the law of unfair competition.<sup>28</sup> In addition program and other service mark titles are furnished statutory protection by the Lanham Act.<sup>29</sup>

The monopolistic privilege conferred by the Copyright Code should not be extended to withdraw the words and phrases comprising a title, from general circulation, particularly when the law of unfair competition furnishes an adequate remedy. Furthermore an isolated word or phrase does not necessarily reflect the intellectual and creative effort which is a condition of copyright protection. These objections are equally applica-

date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction, circulation, or performance of any such work."

<sup>25</sup> *Id.*, Art XIV:

"When a copyright work has become internationally famous and its title has thereby acquired such a distinctive character as to become identified with that work alone, that title

cannot be attached to another work without the consent of the author. This prohibition shall not extend to the use of such a title on other works that are so different in kind or character as to preclude any possibility of confusion."

<sup>26</sup> Baum at 68 ff.

<sup>27</sup> *Passim*, § 231a.

<sup>28</sup> *Passim*, § 233.

<sup>29</sup> *Passim*, § 240 ff.

ble to the international protection of titles by a copyright convention.

6. *Compulsory License Provision.* Adherence by the United States to the Washington Convention would in all probability result in the elimination of the compulsory licensing provisions from the Copyright Code.<sup>30</sup>

We have discussed elsewhere the factors which prompted Congress to incorporate into the Copyright Act of 1909, the compulsory license clause. Congress feared the establishment of a mechanical music trust and accordingly made mechanical reproductions available to other record manufacturers upon payment of a royalty fee of two cents per record to the copyright proprietor of the song.<sup>31</sup>

It has been suggested that the conditions which prompted Congress to incorporate the principle of obligatory license into our copyright jurisprudence no longer prevail; that with over twenty record manufacturers actively engaged in business, the danger of one company monopolizing all of the record business is non-existent.<sup>32</sup>

But the fact that most of the European countries have adopted the obligatory licensing system for the mechanical reproduction of music suggests, that the former serves a salutary purpose and is in the public interest. It is believed that the compulsory licensing systems in use in continental countries are intended to curb the possible abuses of performing rights societies and agencies engaged in the collection of mechanical royalties.<sup>33</sup>

In this country, ASCAP's activities have required the intervention of the Department of Justice and the courts to correct abuses which had developed in its licensing of music.<sup>34</sup> On the other hand, it is believed that the activities of the MPPA which control and license the mechanical reproduction rights have not been subjected to corrective action by the courts because the compulsory licensing provisions make music available to the public on an equal and non-discriminatory basis.<sup>35</sup> It is conceivable that the elimination of the compulsory license clause from the Copyright Code could result in the develop-

<sup>30</sup> Warner, Sam B., *International Copyright and the Washington Convention* (1949) 12-14.

<sup>31</sup> *Infra*, § 131b.

<sup>32</sup> Schulman, *op cit supra*, note 10.

<sup>33</sup> *Cf.* Shafter, *Musical Copyright* (2d Ed 1939) 325.

<sup>34</sup> *Infra*, § 136 ff.

<sup>35</sup> *Infra*, § 138b.

ment of abusive practices which could hinder the marketing of mechanical reproductions.

Such inventions as the long-playing record, wire-recordings, tapes, etc. have resulted in substantial changes in the field of mechanical reproductions. It is believed that these changes warrant Congress in re-examining the compulsory license clause and effectuating revisions in the statute. This does not mean that the system of compulsory licenses should be eliminated. As stated above, the potential abuses of an unfettered licensing system may demand some sort of a compulsory license clause. Congress may revise the royalty fee of two cents per record upwards or establish an agency to prescribe reasonable royalty fees.

But this much is clear: The phonograph and radio industries have strenuously opposed the Washington Convention because it would eliminate the compulsory license clause. Similarly, the "juke-box" industry has and will oppose accession to the Washington Convention because the latter would eliminate this exemption.

#### 195. THE UNIVERSAL COPYRIGHT CONVENTION: BASIS OF.

Article 27 of the Declaration of Human Rights adopted by the United Nations in 1948, provides in part:

"1. Everyone has the right to freely participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

"2. Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author."<sup>1</sup>

To implement Article 27, and particularly subparagraph 2, the first General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) held at Paris, France in November-December 1946 decided that it would consider the problem of improving copyright on a world-wide basis.<sup>2</sup>

At its session in July 1947, the Executive Board of UNESCO resolved to implement that decision and to convene a provi-

<sup>1</sup> For the full text of the Universal Declaration of Human Rights, see II UNESCO Copyright Bulletin, No 1 (1949) 88 ff. <sup>2</sup> I UNESCO Copyright Bulletin (1948) 62.

sional committee of experts to make a preliminary study of the universality of copyright.<sup>3</sup>

This Committee which met in Paris in September 1947 promulgated a series of recommendations which were subsequently adopted by the General Conference which convened in Mexico City in October 1947.<sup>4</sup> To effectuate these resolutions, a special section on copyright was organized within UNESCO. The draft of a universal copyright convention was deferred until UNESCO had completed its comparative study and examination of copyright questions and conditions throughout the world. The General Conference likewise adopted the resolution that a Committee of Experts convene from time to time and preferably in different places, to be responsible for putting the comparative studies thus collected to use, and for preparing a draft of a universal convention to be submitted to the various states whether members or not. It was finally recommended that an international General Conference would be convened to consider, discuss and possibly adopt the draft texts drawn up by the UNESCO Committee of Experts.<sup>5</sup>

The UNESCO section on copyright commenced its task of collecting and classifying the documentation on copyright. UNESCO was aided in this task by the various international organizations which had undertaken studies looking toward a universal copyright convention. Thus the Rome Convention of the Berne Union in 1928 had recommended that an attempt be made to create a world-wide Convention. This recommendation was followed in September 1928 by a resolution of the Assembly of the League of Nations, requesting its council to investigate the desirability of a general and universal agreement for the protection of intellectual property. At the request of the League, the International Institute at Rome for the Unification of Private Property, and referred to as the Rome Institute, made an intensive comparative study of the Berne and Habana Conventions. Later, that Institute and the International Institute of Intellectual Cooperation, popularly referred to as the Paris Institute, appointed a Committee of Experts to consider the problems of international

<sup>3</sup> *Id.*, at 72.

<sup>4</sup> The Recommendations of the Committee of Experts are reproduced in

I UNESCO Copyright Bulletin (1948) at 82 ff.

<sup>5</sup> *Id.* at 82-84.

copyright. This Committee met in Paris in 1936, and considered a draft of a universal convention which had been prepared by the Rome and Paris Institutes. Previously, the Belgian Government had issued an invitation to the member nations of the Berne Union for a conference to be held at Brussels in 1936. The Committee of Experts recommended the postponement of that meeting so that a special conference might be called to precede and be separate from the meeting of the Berne Union. The purpose of this conference was to explore the possibilities of establishing a Universal Convention. The draft convention prepared by the Paris Institute was approved by the Committee of Experts and it was then circulated by the Belgian Government among the various nations of the world. The Committee of Experts subsequently reconvened at Brussels in 1938 and considered proposed solutions for a Universal Copyright Convention. World War II terminated this project.<sup>6</sup>

The foregoing studies, draft convention, etc. were made available to UNESCO. The latter's compilations and comparative studies have been published in the UNESCO Copyright Bulletins which are issued quarterly; they contain a wealth of information on the copyright laws, judicial and administrative decisions implementing such legislation, practices, etc. of the various countries of the world.

UNESCO's compilations and comparative studies of copyright were made available to the Committees of Experts, convened by UNESCO and which met in Paris in 1947<sup>7</sup> and 1949,<sup>8</sup> in Washington in 1950,<sup>9</sup> and in Paris again in 1951.<sup>10</sup>

We have previously discussed the recommendations of the Committee of Experts which met in Paris in 1947.<sup>11</sup>

The Committee of Experts which convened at Paris in July, 1949 recommended the adoption of a Universal Copyright Convention and enunciated the principles which should govern such a Convention. The Committee of Experts also recom-

<sup>6</sup> Schulman, *Universal International Copyright* (pamphlet, 1949) 10-11. See also *Report on the Status of International Protection at the Brussels Meeting of the Committee of Experts for the Study of Copyright*, (Columbia University Press 1948).

<sup>7</sup> I UNESCO Copyright Bulletin (1948) 82.

<sup>8</sup> II UNESCO Copyright Bulletin Nos 2-3 (1949) 162 ff.

<sup>9</sup> III UNESCO Copyright Bulletin Ncs 3-4 (1950) 9 ff.

<sup>10</sup> IV UNESCO Copyright Bulletin No 3 (1951) 3 ff.

<sup>11</sup> *Op cit supra*, note 5.

mended that a questionnaire be addressed to members and non-members of UNESCO soliciting their views as to the desirability of convening an inter-governmental conference for the purpose of drafting a new Universal Copyright Convention.<sup>12</sup>

The Third Committee of Experts, which met at Washington, D. C. from October 23 to November 4, 1950 considered the replies of the various governments to the questionnaires which had been circulated. The great majority of the countries expressed the view that the best solution for improving copyright protection on a world-wide basis could best be effectuated by the adoption of a new Universal Copyright Convention. Accordingly the Committee of Experts implemented in much greater detail the principles enunciated at the Paris meeting in 1949 for a Universal Copyright Convention.<sup>13</sup>

At the Sixth Session of UNESCO's General Conference which met in Paris from June 18 to July 13, 1951, the "Copyright Committee" of the Programme Commission of the General Conference, aided by thirty copyright specialists representing 24 countries prepared the preliminary draft of a Convention.<sup>14</sup>

The General Conference after having examined the draft, adopted the following resolutions relating to UNESCO's program in 1952 in the field of international copyright:

**"4.3 PROTECTION OF WRITERS AND ARTISTS**

4.31 Every Member State is invited to encourage a common study by the various interested groups of the ways of improving the protection of literary, artistic and scientific works, both in the domestic and international fields.

The Director-General is authorized:

"4.32 Firstly, to communicate to the Governments of all States whether Member States of Unesco or not, and to the Berne Bureau and the Pan American Union, the preliminary draft of a Universal Copyright Convention prepared by the Committee of Copyright Specialists at the Sixth Session of the General Conference, as well as the comments received; secondly, in conjunction with the Government of a Member State, to invite the above-mentioned Governments to an inter-governmental conference, to be

<sup>12</sup> *Op cit supra*, note 8. See also  
LII UNESCO Copyright Bulletin No 2  
(1950) 3 ff.

<sup>13</sup> *Op cit supra*, note 9.  
<sup>14</sup> *Op cit supra*, note 10.

held within the territory of the said State, for the purpose of preparing and signing such a Convention.”<sup>15</sup>

An inter-governmental conference was convened by UNESCO, commencing August 18, 1952 at Geneva for the preparation, and execution, of the final text of the Universal Copyright Convention. The Convention was signed by thirty-six nations on September 6, 1952.<sup>16</sup>

The text of the Universal Copyright Convention will be discussed in the following sections.

### 195a. THE UNIVERSAL COPYRIGHT CONVENTION: PRELIMINARY DISCUSSION.

As stated in the previous sections, there are in operation today, two international conventions concerning the law of copyright: the International Convention for the Protection of Literary and Artistic Works, commonly called the Berne Copyright Convention<sup>1</sup>; and the Pan-American Copyright Conventions.<sup>2</sup> The Berne Convention has 40 adherents, the Pan-American Convention of 1910 has fifteen.<sup>3</sup> Brazil and Canada are the only countries which participate in both Conventions.

The two conventions are in conformity on many points, but in some of the principal stipulations there is not only absence of agreement but direct conflict. For example, the Brussels text of the Berne Convention in expanding the concept of international legislation furnishes uniform protection on a substantial number of matters in all of the contracting countries.<sup>4</sup> On the other hand the Pan American Convention of 1910 does not constitute a union for copyright protection. The works of authors are protected in the signatory countries on the basis of national treatment or *lex fori*.<sup>5</sup> Again, the Berne Convention provides that “the enjoyment and the exer-

<sup>15</sup> *Id.* at 60.

<sup>16</sup> Document entitled “Universal Copyright Convention, Geneva Convention, September 6, 1952—Participating Countries and Signatories,” published October 2, 1952 by the Copyright Office. A total of 46 countries participated in the Convention.

<sup>1</sup> *Infra*, § 191 ff.

<sup>2</sup> *Infra*, § 194 ff.

<sup>3</sup> Pan-American Copyright Bulletin at 13. As of December 29, 1951, ten countries have ratified the 1946 Inter-American Copyright Convention: Bolivia, Brazil, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Nicaragua and Paraguay.

<sup>4</sup> *Infra*, §§ 191 and 191a.

<sup>5</sup> *Infra*, § 194b.

cise of such rights are not subject to any formality;”<sup>6</sup> the Buenos Aires Convention of 1910 requires as a condition for acquiring and maintaining copyright that the author comply with the formalities prescribed by the country of origin of the work. Moreover, the last sentence of Article 3 prescribes a uniform condition for all signatory countries. The owner of the copyright must affix a notice to the work reserving his right.<sup>7</sup>

The foregoing are the primary areas of conflict between the Berne and Pan-American Conventions. It is extremely doubtful whether both texts can be reconciled. In addition the Latin-American countries are reluctant to revise their national legislations to conform to the Brussels text and the Inter-American Conventions are open only to the American republics.

As discussed previously, it is extremely doubtful whether the United States would ever adhere to the Berne or Washington Conventions. The copyright jurisprudence of this country is premised on the doctrine of publication with notice. The United States would never accede to any international copyright convention which would require the elimination of this formality.<sup>8</sup> In addition there are constitutional objections to the protection of oral works.<sup>9</sup> Finally, any attempt to incorporate the doctrine of moral right into the copyright jurisprudence of the United States would be strenuously opposed.<sup>10</sup>

Thus the primary reason for establishing a new Universal Copyright Convention is the refusal of many countries to adhere to the Berne Conventions. Accession to the Berne Conventions would require major changes in national legislation. Several countries have not achieved that cultural stage in their development whereby they can subscribe to the high standards of protection spelled out in the Berne Conventions.<sup>11</sup> In this connection several of the countries in the Middle and Far East have no system of copyright protection.<sup>12</sup>

<sup>6</sup> Brussels (1948) Text, Art 4(2).

<sup>7</sup> Text of Convention (1910) on Literary and Artistic Property reproduced in Pan-American Copyright Bulletin at 199.

<sup>8</sup> *Infra*, § 61.

<sup>9</sup> *Infra*, § 191b.

<sup>10</sup> *Infra*, § 193.

<sup>11</sup> IV UNESCO Copyright Bulletins Nos 1-2 (1951).

<sup>12</sup> IV UNESCO Copyright Bulletin No 3 (1951), e.g., Ethiopia, Irak, Indonesia (?), Mongolia; Nepal, Saudi Arabia; Vietnam and Yemen.

Since all of the countries recognized the desirability of extending the orbit of copyright protection on a world-wide basis, the solution lies in a Universal Copyright Convention to which all nations can adhere without necessitating significant revisions in internal legislation. The philosophic basis of this proposed Convention is national treatment—that foreign authors will receive the same protection as is accorded nationals of the contracting states. This is a practical and workable solution which should appeal not only to those countries which subscribe to the Berne or Pan-American Conventions, but to all other countries of the world.

**195b. THE UNIVERSAL COPYRIGHT CONVENTION: PREAMBLE.**

The Contracting States,

Moved by the desire to assure in all countries copyright protection of literary, scientific and artistic works,

Convinced that a system of copyright protection appropriate to all nations of the world and expressed in a universal convention, additional to, and without impairing international systems already in force, will ensure respect for the rights of the individual and encourage the development of literature, the sciences and the arts,

Persuaded that such a universal copyright system will facilitate a wider dissemination of works of the human mind and increase international understanding.

Have agreed as follows:

The second paragraph warrants comment. It enunciates a policy that will not only safeguard the Berne Convention but all other multilateral and bilateral systems of copyright protection. Many governments feared that some of the Berne countries might withdraw from the Berne Convention if they believed that by ratifying the Universal Copyright Convention they had adequately fulfilled their international duties in the domain of copyright protection. This view also presupposed that the Universal Convention in the interests of gaining an easy and wide adherence, would necessarily provide less protection than that accorded by the Berne Convention, and wide-spread defections would on the whole weaken the structure of international copyright law. To forestall this possible development, the second paragraph not only enunciates a policy of safeguarding multilateral and bilateral conventions and treaties, but is intended to encourage continued

adherence and further adhesions to existing multilateral and bilateral agreements.<sup>1</sup> This declaration has been implemented by other provisions in the proposed draft which will be discussed *passim*.<sup>2</sup>

The preamble of the preliminary draft contained a clause, quoted in the margin,<sup>3</sup> which provided that the Universal Copyright Convention would be open to the adhesions of all countries, whether or not a member of UNESCO. Although this policy has not been spelled out explicitly in the preamble of the Convention adopted at Geneva, it is believed that the convention is open to all countries, including non-members of UNESCO.

### 195c. THE UNIVERSAL COPYRIGHT CONVENTION: OBLIGATION OF STATES TO PROTECT COPYRIGHT.

#### ARTICLE I

“Each Contracting State undertakes to provide for the adequate and effective protection of the rights of authors and other copyright proprietors in literary, scientific and artistic works, including writings, musical, dramatic and cinematographic works, and paintings, engravings and sculpture.”

Article I urges the contracting states to prescribe minimum provisions of protection for the categories of works to be protected. “Minima of protection” refers not only to categories of works protected, but includes such other concepts as the rights protected, unpublished works, persons protected, formalities, translation rights, duration of protection, etc.<sup>1</sup>

Both the Brussels and Washington Conventions contain an omnibus clause describing generally the works to be protected. The Brussels text protects “all productions in the literary, scientific and artistic domain, whatever the mode or form of expression”;<sup>2</sup> the Washington Convention prescribes protection for “any literary, scientific or artistic work that can be published or reproduced.”<sup>3</sup> Both Conventions specifically

<sup>1</sup> IV UNESCO Copyright Bulletin, Nos 1-2 (1951) 10 ff.

<sup>2</sup> *Passim*, §§ 195r and 195s.

<sup>3</sup> Preliminary Draft: “Have adopted the terms of this Convention which is open to adhesion by all countries of the world.”

<sup>1</sup> IV UNESCO Copyright Bulletin Nos 1-2 (1951) 35: “‘Minima of pro-

tection’ is a rather equivocal term. It clearly means ‘the least protection somebody should receive,’ but it begs the question as to who should receive this protection—the author, the diffusing industry or the public?”

<sup>2</sup> Brussels (1948) Text, Art 2(1).

<sup>3</sup> The 1946 Inter-American Copyright Convention, Art III.

furnish protection for books, pamphlets, writings, dramatic, musical and dramatico-musical works, choreographic works and pantomimes reduced to writing, photographic works, drawings, sculptures, etc. The Berne Convention protects architectural works and oral works such as lectures, sermons and addresses in their oral form.<sup>4</sup> The latter are protected by the Washington Convention in their written or recorded form and also when they are recited and performed.<sup>5</sup>

It is believed that the categories of work spelled out in Article I are protected by every nation in the world which has a system of copyright protection.<sup>6</sup>

Article I likewise urges effective protection for the "rights of authors." The Washington Convention contains a comprehensive enumeration of all possible uses of the works.<sup>7</sup> Although the Brussels text does not specify the right of publication or reproduction, the existence of this right has always been assumed in the contracting countries. The Berne Convention likewise imposes restrictions as to broadcasting and recording rights.<sup>8</sup>

Under the principle of national treatment, not only the works protected, but the rights secured an author will be governed by the law of the country where protection is sought. Thus Turkey does not extend copyright protection to photographs.<sup>9</sup> On the other hand the photographic product of a

<sup>4</sup> *Infra*, § 191b.

<sup>5</sup> *Op cit supra*, note 3, Art III.

<sup>6</sup> See II UNESCO Copyright Bulletin Nos 2-3 (1949) 18 ff.

<sup>7</sup> *Op cit supra*, note 3, Art II:

"Under the present Convention, Copyright comprises for the author of a literary, scientific, or artistic work the exclusive right to: use and authorize the use of his work, in whole or in part; transfer the right in any manner, in whole or in part; and transmit it by will or by operation of interstate laws. In utilizing his work the author has the right to make the following uses of it, and such other uses as may hereafter be known, in accordance with its nature:

(a) Publish it, either by printing or in any other form;

(b) Represent, recite, exhibit, or perform it publicly;

(c) Reproduce, adapt, or present it by means of cinematography;

(d) Adapt and authorize general or individual adaptations of it to instruments that serve to reproduce it mechanically or electrically; or perform it publicly by means of such instruments;

(e) Diffuse it by means of photography, telephotography, television, radio broadcasting, or by any other method now known or hereafter devised and which may serve for the reproduction of signs, sounds or images;

(f) Translate, transpose, arrange orchestrate, dramatize, adapt and, in general, transform it in any other manner;

(g) Reproduce it in any form, whether wholly or in part."

<sup>8</sup> *Infra*, §§ 191c and 191f.

<sup>9</sup> II UNESCO Copyright Bulletin, Nos 2-3 (1949) 38.

Turkish national would be protected in this country, provided it complied with the minimum formalities prescribed by the Universal Copyright Convention. In this country, the mechanical reproduction of music is subjected to the compulsory license clause of the Copyright Code.<sup>10</sup> A French composer would be governed by the same restriction if he markets his music via mechanical reproductions in this country.

Article I establishes no international legislation for the works protected or the rights secured. It has been drafted to conform to the principle of national treatment.

#### 195d. THE UNIVERSAL COPYRIGHT CONVENTION: FIELD OF APPLICATION AND NATIONAL TREATMENT.

##### ARTICLE II

“1. Published works of nationals of any Contracting State and works first published in that State shall enjoy in each other Contracting State the same protection as that other State accords to works of its nationals first published in its own territory.

2. Unpublished works of nationals of each Contracting State shall enjoy in each other Contracting State the same protection as that other State accords to unpublished works of its own nationals.

3. For the purpose of this Convention any Contracting State may, by domestic legislation, assimilate to its own nationals any person domiciled in that State.”

Article II spells out the principle of national treatment or assimilation. Foreign works whether published or unpublished receive the same treatment as national works. Thus the Universal Copyright Convention adopts the principle of *lex fori*. The principle of national treatment is applicable to published works:

- a) of citizens of any contracting countries, irrespective of the place of their first publication;
- b) to works first published in any contracting countries irrespective of the nationality of the author.

In the case of unpublished works, Article II applies to the nationals of any country irrespective of the place of their creation or location thereafter.

The third paragraph of Article III represents a concession to the United States and permits this country to retain in accordance with section 9 of the Copyright Code, the same

<sup>10</sup> *Infra*, § 131b.

formalities and other requirements with respect to nationals of other contracting countries domiciled in the United States, as this country imposes upon its own nationals. "This section coupled with subdivision 2 of Article III makes it possible for the United States to adhere to the Convention while still retaining the manufacturing clause with respect to all books and periodicals published in the United States, as well as all such works written by citizens of the United States or persons domiciled in the United States wherever first published."<sup>1</sup>

Article II of the preliminary draft had proposed that stateless authors permanently residing in a contracting country shall be considered nationals of that state.<sup>2</sup> The problem of stateless authors is dealt with in Protocol 1 annexed to the Convention. The protocol is self-explanatory:

**Protocol 1 annexed to the Universal Copyright Convention concerning the application of that Convention to the works of stateless persons and refugees**

"The States parties hereto, being also parties to the Universal Copyright Convention (hereinafter referred to as the "Convention") have accepted the following provisions:

1. Stateless persons and refugees who have their habitual residence in a State party to this Protocol shall, for the purposes of the Convention, be assimilated to the nationals of that State.

2. (a) This Protocol shall be signed and shall be subject to ratification or acceptance, or may be acceded to, as if the provisions of article VIII of the Convention applied hereto.

b) This Protocol shall enter into force in respect of each State, on the date of deposit of the instrument of ratification, acceptance or accession of the State concerned or on the date of entry into force of the Convention with respect to such State, whichever is the later."

The second protocol annexed to the Convention provides that Article II applies to works published and unpublished works of the United Nations, its specialized agencies or by the organization of American states:

**Protocol 2 annexed to the Universal Copyright Convention, concerning the application of that Convention to the works of certain international organizations**

<sup>1</sup> Report of the Chairman, Arthur E. Farmer, of the Subcommittee on Copyrights of the Committee to Cooperate with the United Nations and UNESCO, Respecting the Geneva Universal Copyright Convention, of the Section of Patent, Trade-Mark and Copyright Law, of the ABA (1952) hereinafter designated as Farmer Report.

<sup>2</sup> Art II, Clause III of Universal Copyright Convention. The preliminary draft contained the following clause: "(3) Stateless persons permanently residing in a Contracting State shall for the purpose of this Convention be considered nationals of that State.

The State parties hereto, being also parties to the Universal Copyright Convention (hereinafter referred to as the "Convention"),

Have accepted the following provisions:

1. (a) The protection provided for in article II(1) of the Convention shall apply to works published for the first time by the United Nations, by the Specialized Agencies in relationship therewith, or by the Organization of American States;

(b) Similarly, article II(2) of the Convention shall apply to the said organization or agencies.

As stated previously the philosophic basis of the Universal Copyright Convention is national treatment. But the objection to national treatment or *lex fori* is that if the national law provides a low standard of protection for its own citizens, the same low standard of protection would apply to foreigners too. The remedy for this is that higher standards of protection may be obtained by changing the national law, accession to the Berne Convention or by bilateral or multilateral treaties with other nations.

#### 195e. THE UNIVERSAL COPYRIGHT CONVENTION: FORMALITIES.

##### ARTICLE III

"1. Any Contracting State which, under its domestic law, requires as a condition of copyright, compliance with formalities such as deposit, registration, notice, notarial certificates, payment of fees or manufacture or publication in that Contracting State, shall regard these requirements as satisfied with respect to all works protected in accordance with this Convention and first published outside its territory and the author of which is not one of its nationals, if from the time of the first publication all the copies of the work published with the authority of the author or other copyright proprietor bear the symbol © accompanied by the name of the copyright proprietor and the year of first publication placed in such manner and location as to give reasonable notice of claim of copyright.

2. The provisions of paragraph 1 of this article shall not preclude any Contracting State from requiring formalities or other conditions for the acquisition and enjoyment of copyright in respect of works first published in its territory or works of its nationals wherever published.

3. The provisions of paragraph 1 of this article shall not preclude any Contracting State from providing that a person seeking judicial relief must, in bringing the action, comply with procedural requirements, such as that the complainant must appear through domestic counsel or that the complainant must deposit with the court or an administrative office, or both, a copy of the work involved in the litigation; provided that failure to comply with such requirements shall not affect the validity of the copyright, nor shall any such requirement be imposed upon a national of another Contracting State if such

requirement is not imposed on nationals of the State in which protection is claimed.

4. In each Contracting State there shall be legal means of protecting without formalities the unpublished works of nationals of other Contracting States.

5. If a Contracting State grants protection for more than one term of copyright and the first term is for a period longer than one of the minimum periods prescribed in article IV, such State shall not be required to comply with the provisions of paragraph 1 of this article III in respect of the second or any subsequent term of copyright.'<sup>a</sup>

Formalities of principal interest in the copyright field are as follows:

- 1) copyright notice;
- 2) deposit of copies;
- 3) registration; and
- 4) manufacturing requirements as exemplified by the Copyright Code of the United States.

Formalities have been divided into two broad classifications: constitutive formalities refer to such formalities as copyright notice or deposit and registration which must be complied with before an author can acquire or retain copyright; administrative formalities such as deposit and registration which must be complied with before protection of the courts can be sought.

The first paragraph of Article III introduces a new concept into copyright jurisprudence. It provides that foreign published works will be protected in all of the contracting countries if it bears a notice containing the symbol ©, the year of the first publication and the author's name, even though it might not have complied with the formalities which the country where protection is sought otherwise prescribes for domestic or foreign works.

This new international standard of copyright jurisprudence was proposed by the delegation from the United States at the third meeting of the Committee of Experts. Judge Wyzanski's remarks when he introduced this proposal warrant verbatim reproduction:

“Under the chairmanship of Mr. Bolla, we have been so successful in dealing with one of the obstacles in the way of a Universal Convention that I venture to ask the Committee now to consider another point which has seemed as though it might also be an obstacle—I refer to the

problem of formalities. Responding to the remarks which our Chairman has just made, I turn to the replies to the questionnaire, and I call particular attention to the reply given by the Government of the United States, on page 55, III, 2, which suggests that consideration should be given to a provision which would limit the form and extent of the requirements that any state may impose on a work of foreign origin. Since we all know that it is the formalities insisted upon by the United States that are regarded as one of the serious blocks, this reply by the Government of the United States, I think, deserves our careful attention.

In speaking about this problem, of course, I am talking as a member of this Committee and not as a representative or delegate of the Government of the United States. But perhaps it might be thought that I can read the answer of the Government with some understanding of its background. I think I would be correct if I informed this Committee, not as a spokesman for the United States but as an interpreter of the answer of the United States, that the Department of State of the United States, the Librarian of Congress of the United States and the Register of Copyrights are prepared to recommend to the Congress of the United States some measure which would, I hope, overcome this apparently insuperable obstacle. I have in front of me a written proposal which I hope will deal with this problem.

Before I come to read the text, may I call specifically to your attention the fact that the suggestion here presented is in no sense a restriction or condition upon copyright. What we are dealing with is the question whether a country will recognize that the author or proprietor of a copyright intends to claim his rights and does not intend to dedicate his rights to the public. We are not here dealing with a formality which is a condition of copyright, and in my reading I shall try to emphasize the points to make it even clearer. Also, I should point out that the suggestion which is made here is one which it seems to me can be thoroughly met not only by English speaking countries but also by non-English-speaking countries, for the declaration that a work is not dedicated to the public would take the form of a truly universal symbol, a symbol not hitherto used by the United States or, so far as I am aware, by any other country, except in connexion with works of art. The proposed method of declaring that something is not dedicated to the public would be the insertion or the affixation of the symbol © together with the date and the name of the claimant who

is not dedicating his work to the public. The language is as follows, and I shall read the English, though some of you have it in French:

“The inscription upon a published work of the symbol © with the name of the author or other copyright proprietor and the year of publication shall be deemed a declaration that the work is not dedicated to the public and shall by virtue thereof be sufficient to satisfy the provisions of the law of any contracting State which requires a notice or other condition of the commencement of copyright, provided that this provision shall not apply in respect of the work of which a national of such State is the author or which is first published in that State.

The said inscription shall be imprinted in a manner and a location reasonably designed to give notice of said reservation of copyright.

Again, having read this text, I point out that this is not a formality in order to acquire copyright. If the author or copyright owner does not intend to dedicate his work to the public, he inserts the symbol as notice of his intention but not in connexion with the formality of any law, and no law or any State could require of works published elsewhere by nationals of other countries any compliance with any domestic formality.

It perhaps would be appropriate if I said something specific about the stipulation that ‘this provision shall not apply in respect of the work of which a national of such State is the author or which is first published in that State’. After all, what we are here concerned with is a Universal Convention designed to make it possible for the works of other States to be protected in each State. We are not, in our labours, concerned at all with the rules which any State may set up domestically for its own citizens, its own nationals or in connexion with works published within its own territory. Those are domestic problems which each country is free to handle on such bases as it sees fit. They present no international or world ramifications which are the concern of Unesco, ourselves, or of any diplomatic organization, but are local and may be treated in the light of domestic problems and domestic considerations.

I shall not cover the whole ground unless I say something about a problem with which you are all familiar, though it may be local in its immediate manifestation—the problem of registration as it exists in the United States; how it would be clear, in my view, if this proposal which I have laid before you were adopted, that registration in the United States would in no sense be a condition

of universal world copyright. Of course any country may provide that before you bring suit in its courts, you must engage a member of the bar of that country—that you must have a local attorney before you can bring a local suit. Any country may provide that before you bring a local suit, you must file a local pleading. Any country may require the deposit of documents on which you are suing, either in a court or administrative agency or in both. In all those cases the requirement is purely procedural, having to do with the local methods of enforcement but having no substantive effect upon the copyright, which is recognized long before procedural steps are taken or judicial vindication is sought.

Now this proposition as I have laid it before you, is, it seems to me, in one sense a revolutionary advance. It recognizes for the first time that, so far as concerns world copyright, notice may not be made a formality. It is a proposal under which, if the author shows that he does not intend to dedicate his work to the public, his copyright is in truth a universal copyright. Thus it goes to the very heart of the objectives which we are considering at this table. I think it offers a way of overcoming what has been an obstacle, taking what was the 'stone in the way' and making it a cornerstone of the Convention." <sup>1</sup>

The first paragraph of Article III represents a concession by the Berne and other countries which require no formalities for copyright protection. This concession requires all contracting countries to incorporate into their copyright jurisprudence the equivalent of the doctrine of publication with copyright notice. The latter is the heart of the United States system of copyright protection.

The copyright notice spelled out by the Universal Convention will require revisions in the Copyright Code. The amendments which will be required (other than the amendment of the manufacturing clause) will not disrupt or substantially modify our system of copyright protection. It is believed that the commercial interests which exploit and market copyrighted works will not object to such amendatory legislation as may be introduced to conform the Copyright Code to the Universal Convention.

The following amendments will be required:

The entire system of reciprocal copyright relations will be

<sup>1</sup> III UNESCO Copyright Bulletin,  
Nos 3-4 (1950) 55-56.

eliminated from the Copyright Code. Congress will provide by specific legislation that foreign works will be accorded the same protection as domestic works, provided that the former complies with the notice provision as prescribed by the Universal Copyright Convention.<sup>2</sup>

Section 13 of the Copyright Code calls for deposit of a work with the Copyright office after publication with notice.<sup>3</sup> Section 14 authorizes the Register of Copyrights to enforce the deposit provision by demand;<sup>4</sup> failure to comply with the demand of the Register if enforced by the Department of Justice,<sup>5</sup> would result in the imposition of a penalty and the loss of the copyright.<sup>6</sup> The administrative practice of the Register of Copyrights, discussed elsewhere,<sup>7</sup> requires that works published with copyright notice be deposited in the Library of Congress. The deposit and demand provisions of the Copyright Code require modification or elimination as they relate to foreign works.

Sections 19<sup>8</sup> and 20<sup>9</sup> of the Copyright Code spell out the form and place of notice. Section 19 prescribes two forms of notice: in the case of printed literary, musical or dramatic works, the notice consists of the word "Copyright", or the abbreviation "Copr." accompanied by the name of the copyright proprietor and the year of publication. In the case of maps, works of art, photographs, prints, pictorial illustrations, etc., an alternative form of notice may be employed. This consists of the symbol © accompanied by the initials, monogram or mark of the copyright proprietor. Elsewhere on some accessible portions of such copies, must appear the name of the copyright proprietor.

Obviously section 19 must be amended so as to furnish copyright protection to printed foreign literary, musical and dramatic works in accordance with the notice provision of the Universal Copyright Convention. It would appear desirable to eliminate from our copyright jurisprudence two forms of notice. It is suggested that the form of notice spelled out in

<sup>2</sup> *Infra* §§ 44, 67 and 68.

<sup>3</sup> 61 STAT 652 (1947), 17 USCA § 13 (Supp 1951) and discussed, *infra*, § 63.

<sup>4</sup> *Id.* § 14, and discussed *infra*, § 63b.

<sup>5</sup> *Infra* § 63b.

<sup>6</sup> *Op cit supra*, note 4, § 14 of the Copyright Code.

<sup>7</sup> *Infra*, § 182.

<sup>8</sup> 61 STAT 652 (1947), 17 USCA § 19 (Supp 1951) and discussed *infra*, § 62a.

<sup>9</sup> *Id.*, § 20 and discussed *infra*, § 62b.

the Universal Copyright Convention be incorporated into our jurisprudence and be applicable to all categories of work. The simplicity of this proposal warrants its adoption.

Section 20 prescribes the place of notice. In the case of a book or other printed publication, the notice of copyright must appear on the title page or the page immediately following. We have discussed elsewhere that copyright is frequently lost because the notice is misplaced. The Universal Copyright Convention proposes that "this notice shall be placed in a manner and location designed to give reasonable notice of reservation of copyright." It is believed that both domestic and foreign works should comply with the above standard as to place of notice. Our courts should have no difficulty in defining what constitutes a "location designed to give reasonable notice of reservation of copyright."

Adherence by the United States to the Universal Copyright Convention would require an amendment to the manufacturing clause and the elimination of the provisions dealing with *ad interim* copyright. We have previously recommended that the manufacturing clause and other restrictions on foreign works published in the English language be deleted from the Copyright Code.<sup>10</sup> It is believed that the only interests which support the manufacturing clause are the printing and allied labor unions. The interests of the labor unions can be adequately protected by requiring works of United States citizens to be published in this country. There is no legal, moral or economic justification for the retention of the manufacturing clause in our copyright jurisprudence; it is a tariff device which has no place in the Copyright Code; it also discriminates against the works of foreign authors published in the English language.<sup>11</sup>

The first paragraph of Article III would dispense with initial registration of foreign works in the United States. The preliminary draft of the Universal Copyright Convention by implication required foreign authors to comply with the renewal provisions of the statute if they desired copyright protection for the second twenty-eight year term.<sup>12</sup> This is

<sup>10</sup> *Infra*, §§ 67 and 68. See also, Ashford, The Compulsory Manufacturing Provision (1952) Fourth Copyright Law Symposium (1952) 49 ff.

mittee on Copyrights before the ABA (1952) 19 ff.

<sup>12</sup> Article III of the Preliminary Draft.

<sup>11</sup> *Id.* See also Report of the Com-

because protection in the second term is an extension available only to the author or his family. A transferee cannot enjoy this protection in the absence of a *bona fide* contractual provision to that effect.<sup>13</sup>

The text of Universal Copyright Convention as adopted in Geneva, i.e., paragraph 5 of Article III explicitly requires foreign authors to comply with the renewal provisions of the Copyright Code. The term of copyright protection for a foreign work published with the appropriate copyright notice is 28 years. A foreign author seeking a second twenty-eight year term, must comply with § 24 of the Copyright Code.

The Report published by the Rapporteur<sup>14</sup> of the Copyright Committee which met as a working group under the auspices of the Sixth Session of the General Conference of UNESCO states:

“Replying to another question of the French delegate, concerning the requirement that the name of the copyright proprietor be placed on a new publication after the copyright had been transferred, the U. S. delegate replied that, in his view, it is the name of the present proprietor which should be affixed to a new publication because this would make it possible to trace the proprietor. Again a change in American law might be required.”<sup>15</sup>

Section 32 of the Copyright Code provides that where an assignment has been recorded, “the assignee *may* substitute his name for that of the assignor in the statutory notice of copyright prescribed by this title.”<sup>16</sup> In *Group Publishers Inc. v. Winchell*, it was held that section 32 was mandatory rather than permissive or hortatory and that an assignee was required to substitute his name for that of the assignor in the copyright notice to aid “in tracing . . . title if need be.”<sup>17</sup> This judicial construction of § 32 indicates that the Copyright Code does not require revision on this issue. But in view of the inadequacies of *Group Publishers Inc. v. Winchell*, discussed elsewhere,<sup>18</sup> it would appear desirable that Congress resolve this and other ambiguities by explicit legislation.

<sup>13</sup> *Infra* §§ 82 and 83.

<sup>14</sup> G. H. C. Bodenhausen of the Netherlands.

<sup>15</sup> IV UNESCO Copyright Bulletin, No 3 (1951) at 22.

<sup>16</sup> 61 STAT 652 (1947), 17 USCA § 32 (Supp 1951).

<sup>17</sup> *Group Publishers Inc. v. Winchell*, 86 FSupp 573 (DC NY 1949).

<sup>18</sup> *Infra* § 40.

The foregoing revisions to the Copyright Code should be effectuated not only because it would enable the United States to accede to the Universal Copyright Convention, but more importantly it would improve and simplify the administration of copyright. The juridical basis of the notice clause of the Universal Copyright Convention is premised on *Washingtonian Publishing Company v. Pearson*,<sup>19</sup> which holds that copyright protection is secured in the United States upon publication with notice; registration and deposit are conditions subsequent which may be effectuated at a later date. The incorporation of the notice clause in the Universal Copyright Convention is thus in accord with the philosophic basis of our copyright laws.

The first paragraph of Article III furnishes international legislation for *foreign* works only. The second paragraph authorizes a contracting state to prescribe additional formalities for the acquisition and enjoyment of copyright for the works of nationals wherever published or for works first published in its own territory. Thus the United States, absent amendatory legislation, will enforce the deposit, registration and manufacturing clause for domestic works. Similarly, such Latin-American countries as Bolivia, Chile, Costa Rica, Cuba and Ecuador will require that nationals comply with the deposit and registration provisions of their copyright laws.<sup>20</sup>

The third paragraph provides that any foreign author for copyright infringement seeking judicial relief in a contracting country must comply with the procedural requirements of such country. Thus the laws of some countries require a complainant to appear through domestic counsel. In the United States, Lebanon, Syria and Turkey, the protection of the courts cannot be invoked until deposit and registration have been effectuated.<sup>21</sup> The copyright laws of the United States add another requirement for judicial relief. A complainant must deposit with the court "a copy of the alleged infringement . . . and a copy of the work alleged to be infringed," or explain the absence of such deposit.<sup>22</sup>

The fourth paragraph of Article III provides that in each contracting state there shall be legal means of protecting, with-

<sup>19</sup> 306 US 30, 59 Sct 397, 83 LEd 470 (1939).

<sup>20</sup> IV UNESCO Copyright Bulletin, Nos 1-2 (1951) 20.

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

<sup>22</sup> *Infra* § 172b.

out formalities, the unpublished works of nationals of other contracting states. This provision recognizes common law protection as equivalent to statutory protection of unpublished works; it makes it unnecessary to amend the Copyright Code with respect to unpublished works.

### 195f. THE UNIVERSAL COPYRIGHT CONVENTION: DURATION OF PROTECTION.

Article IV, dealing with the minimum periods of protection which may be granted by a contracting state was one of the most difficult and controversial articles of the Convention.

Three courses of action were available to the Committee of Experts in dealing with the problem of duration of copyright:<sup>1</sup>

<sup>1</sup> The Committee of Experts proposed the following:

#### “ARTICLE IV

##### Proposition A.

“1. The duration of protection of a work shall be governed by the law of the Contracting State in which protection is claimed, in conformity with the provisions of Article II.

2. However, the term of protection for works protected under the present Convention shall not be less than one or the other of the following periods: either

- (a) 25 years from the date of the first publication of the work, or, as the case may be, its registration prior to publication, or,
- (b) the life of the author and 25 years after his death.

##### Proposition B.

1. The duration of protection of a work shall be governed by the law of the Contracting State in which protection is claimed, in conformity with the provisions of Article II.

2. However, the terms of protection for works protected under the present Convention shall not be less than one or the other of the following periods: either

- (a) 25 years from the date of the first publication of the work, or, as the case may be, its registration prior to publication, or,
- (b) the life of the author and 25 years after his death.

3. No Contracting State shall be obliged to accord protection for a term longer than that fixed by the law of the country of first publication of the work, and in the case of unpublished works, by the law of the country of which the author is a national.

In the case of simultaneous publication in two or more countries, the laws of which provide for different terms of protection, the shortest alone will be taken into consideration.

##### Proposition C.

(1) The duration of protection of the work shall be governed by the law of the country where protection is claimed, in conformity with the provisions of Article II.

(2) However, the terms of protection for the works protected under the present Convention shall not be less than the life of the author and 30 years after his death.

(3) No Contracting State shall be obliged to accord protection for a term longer than that fixed by the law of the country of first publication of the work, and, in the case of unpublished works, by the law of the country of which the author is a national.

In the case of simultaneous publication in two or more countries, the laws of which provide for different terms of protection, the shortest alone will be taken into consideration.’’

1. The Committee could recommend a uniform obligatory term for all contracting countries. This proposal is found in Article VII of the Brussels text which provides that the term of protection is the life of the author and fifty years after his death. This course of action was rejected by the Experts since the copyright laws of the countries of the world, listed in the margin furnish varying terms of protection.<sup>2</sup> Several of the countries which furnish shorter terms of protection were reluctant to extend the duration of copyright protection beyond that prescribed by their internal legislation. Since the Universal Copyright Convention is premised on the principle of national treatment, it is believed that the Committee of Experts gave little or no consideration to an obligatory minimum term.

2. The second solution which was adopted with varying modifications provided that the term of protection shall be governed by the law of the country in which protection is claimed. This means that all foreign works would be protected in the United States for two 28-year periods or 56-years. In order for a foreign author to invoke the second 28-year term, he would be required to comply with the renewal provisions of the Copyright Code.

2 IV UNESCO Copyright Bulletin, Nos 1-2 (1951) 23-24:

"Generally the period of copyright protection is counted from the death of the author (hereinafter called *p.m.a.*, or *post mortem auctoris*) and lasts:

80 years: in Colombia, Cuba and Spain.

60 years: in Brazil.

50 years: in Australia,\* Austria, Belgium, Canada,\* Chile, Costa Rica, Czechoslovakia, Denmark, Ecuador, Finland, France, Germany, Great Britain, Greece, Hungary, Iceland, Ireland,\* Italy, Lebanon, Luxembourg, Monaco, Netherlands, New Zealand,\* Norway, Poland, Syria, Union of South Africa \* and the Vatican.

40 years: in Uruguay.

30 years: in Argentina, Bolivia, Bulgaria, China, Dominican Republic, Japan, Rumania, Siam, Sweden, Switzerland, Turkey and Venezuela.

25 years: in Salvador.

20 years: in Haiti (for benefit of descendants, but only 10 years for the

benefit of third persons), Liberia, Mexico and Peru.

15 years: in U.S.S.R.

In Guatemala, Nicaragua and Portugal, the period of protection is unlimited.

In Yugoslavia, the protection endures after the death of the author during the life of the surviving spouse (or until re-marriage) and, for the children, until they have reached the age of 25.

In the United States, the period is 28 years, renewable for another 28 years, and commences upon publication of the work (hereinafter termed *p.p.o.*, or *post publicationem operis*). Unpublished works (unless registered) are protected without a time limit. A somewhat similar system is found in the Philippines where the period is 30 years, renewable for 30 years, and commences upon registration.

Some countries have special provisions in their laws according to which foreign works cannot be protected for a period longer than that prevailing in the country of origin (e.g., Argentina, Austria, Canada, Colombia, Dominican Republic, Netherlands and probably France)."

\* With compulsory license during the last 25 years.

The second solution which effectuates the principle of national treatment or *lex fori* has one disadvantage. It results in inequalities in international copyright relations. For example the authors of country A which grants a shorter term of protection enjoy the benefit of a longer term in country B; conversely, nationals of country B secure the short term of protection in country A. This means that works fall in the public domain at an earlier date in country A.

The third solution eliminates the inequalities resulting from the principle of national treatment by adopting the Rule of the Shorter Term. To use the above illustration: country A furnishes a shorter term than country B. A national of A seeking protection in B, secures the shorter term of protection prescribed by his country. Of course a national of B who seeks protection in A is governed by the shorter term of the latter country. Almost all conventions in widely varying terms and devices employ the Rule of the Shorter Term.<sup>3</sup>

The majority of countries in their replies to the questionnaire supported this rule. The United States opposed it on the ground that it was contrary to the principle of national treatment. Some countries feared that the shorter term might be abnormally short in other countries resulting in a very low standard of protection for their nationals. The former suggested a minimum term of term of protection.<sup>4</sup>

The Experts rejected the Rule of the Shorter Term. Their solution as exemplified by Propositions A, B and C was premised on the principle of national treatment.

Article IV as adopted by the Geneva Conference is quoted in its entirety:

#### ARTICLE IV

“1. The duration of protection of a work shall be governed, in accordance with the provisions of article II and this article, by the law of the Contracting State in which protection is claimed.

2. The term of protection for works protected under this Convention shall not be less than the life of the author and 25 years after his death.

However, any Contracting State which, on the effective date of this Convention in that State, has limited this term for certain classes of works to a period computed from the first publication of the work, shall be entitled to maintain these exceptions and to extend them to other classes of works. For all these classes the term of protection shall not be less than 25 years from the date of first publication.

<sup>3</sup> *Id.* at 24.

<sup>4</sup> *Id.*

Any Contracting State which, upon the effective date of this Convention in that State, does not compute the term of protection upon the basis of the life of the author, shall be entitled to compute the term of protection from the date of the first publication of the work or from its registration prior to publication, as the case may be, provided the term of protection shall not be less than 25 years from the date of first publication or from its registration prior to publication, as the case may be.

If the legislation of a Contracting State grants two or more successive terms of protection, the duration of the first term shall not be less than one of the minimum periods specified above.

3. The provisions of paragraph 2 of this article shall not apply to photographic works or to works of applied art: provided, however, that the term of protection in those Contracting States which protect photographic works or works of applied art in so far as they are protected as artistic works, shall not be less than ten years for each of said classes of works.

4. No Contracting State shall be obliged to grant protection to a work for a period longer than that fixed for the class of work to which the work in question belongs, in the case of unpublished works by the law of the Contracting State of which the author is a national, and in the case of published works by the law of the Contracting State in which the work has been first published.

For the purposes of the application of the preceding provision, if the law of any Contracting State grants two or more successive terms of protection, the period of protection of that State shall be considered to be the aggregate of those terms. However, if a specified work is not protected by such State during the second or any subsequent term for any reason, the other Contracting State shall not be obliged to protect it during the second or any subsequent term.

5. For the purposes of the application of paragraph 4 of this article, the work of a national of a Contracting State, first published in a non-Contracting State, shall be treated as though first published in the Contracting State of which the author is a national.

6. For the purposes of the application of paragraph 4 of this article, in case of simultaneous publication in two or more Contracting States, the work shall be treated as though first published in the State which affords the shortest term; any work published in two or more Contracting States within thirty days of its first publication shall be considered as having been published simultaneously in said Contracting States."

Section 1 of Article IV provides that the duration of protection shall be governed by the law of the contracting state in which protection is claimed. This reaffirms the philosophic basis of the Convention—national treatment.

The first paragraph of section 2 provides for a minimum term of protection—not less than the life of the author and 25 years after his death. But this minimum term of protection is subject to the following exceptions:

The second paragraph of section 2 furnishes a minimum term of protection of 25 years from the date of first publica-

tion of certain classes of work. This provision is intended to protect those Berne Convention countries, which, although they furnish protection for the life of the author plus a term of years, prescribe a limited term of protection for photographic<sup>5</sup> and cinematographic works,<sup>6</sup> recordings,<sup>7</sup> etc. A contracting country, which on the effective date of the Convention makes such exceptions, may maintain them and extend them to other classes of works.

The third paragraph of section 2 spells out the minimum term of protection for those countries, including the United States which compute the term of protection from the date of the first publication of the work or from its registration prior to publication.

The phrase "registration prior to publication" requires clarification. In the United States unpublished works may secure copyright protection.<sup>8</sup> The term of protection is initiated from the date of deposit.<sup>9</sup> An author may subsequently register his unpublished work as a published work. But the

<sup>5</sup> II UNESCO Copyright Bulletin (No 2-3, 1949) at 76 E.g. The duration is counted from the taking of the picture (making of the negative, creation of work, etc.) in the following countries and is:

50 years: Australia, Canada, Ireland, Great Britain, New Zealand, Union of South Africa.

50 years: Siam.

20 years: Austria (but if the photo is made before the expiration of this period, then protection expires only 20 years after publication), Italy, (in general).

10 years: Japan (in general), Poland (for series, 50 years after death of publisher).

The duration is counted from the date of fulfilment of formalities and extends for 40 years in Italy for technical or artistic photographic reproductions, and for 10 years in Denmark.

There are special rules in China, Japan and Norway.

<sup>6</sup> *Id.*: E.g. A few countries have special rules for duration of protection of films. These are the most important:

There is protection upon publication of the work (*post publicationem operis, p.p.o.*) for:

50 years: Netherlands.

30 years: Argentina, Italy (but if film is not published within 5 years, then duration extends for 30 years after the *fabrication*).

25 years: Bulgaria.

20 years: Dominican Republic.

10 years: China, U.S.S.R.

<sup>7</sup> *Id.* at 78:

A few countries provide special rules for duration of protection of phonograph records (and similar works).

The period commences *from the date of manufacture* of the record and lasts:

50 years: Australia, Canada, Great Britain, Ireland, New Zealand and Union of South Africa.

30 years: Austria (if record be published before expiration of this period, protection extends for 30 years *p.p.o.* and Siam.

The period begins to run *from fulfilment of formalities* and last 40 years in Spain, and 30 years in Italy, with a maximum of 40 years after manufacture of the record.

<sup>8</sup> 61 STAT 652 (1947), 17 USCA § 12 (Supp 1951).

<sup>9</sup> *Infra* § 72.

term of protection is not extended by this re-registration of the work. The 28 or 56-year term begins to run from the date of deposit in the case of unpublished works and unpublished works which may be converted into published works. This accounts for the use of the phrase, "registration prior to publication."

The last paragraph of section 2 will be discussed in connection with section 4 of Article IV.

Section 3 implements the exception spelled out in paragraph 2 of section 2. Certain of the Berne Convention countries furnish a shorter term of protection for photographic works<sup>10</sup> and works of the applied art.<sup>11</sup> Some countries furnish no protection to these classes.<sup>12</sup> Thus the United States does not furnish copyright protection to works of the applied art.<sup>13</sup> To remedy this situation, section 3 provides that if a contracting state gives protection to these classes of works, the minimum term of protection spelled out in section 2 is not applicable; the term of protection shall be not less than ten years.

Section 4, in conjunction with the last paragraph of section 2 modifies the principle of national treatment by introducing the doctrine referred to as "comparison of terms."<sup>14</sup> This is but another name for the Rule of the Shorter Term.

This section provides that no other contracting country; e.g., France is required to protect a work first published in the United States for more than the period of statutory protection in the United States, although France grants its own nationals

<sup>10</sup> *Op cit supra*, note 5.

<sup>11</sup> II UNESCO Copyright Bulletin (No 2-3, 1952) at 36:

"Legislation or jurisprudence, or both, assure protection of works of applied art in: Argentina, Australia (if less than 50 copies, etc.), Belgium, Canada, Czechoslovakia, Dominican Republic, Egypt (?), Finland, France, Germany, Great Britain (if less than 50 copies; above this number there are special provisions), Hungary, Iceland, Italy, Luxembourg, Netherlands, Norway, Poland, Sweden, Switzerland, Union of South Africa, Uruguay and Yugoslavia (with compulsory license)."

<sup>12</sup> *Id.* at 37:

"The following countries, on the other hand, do not seem to grant an exclusive right of reproduction to the creator of works of applied art: Bo-

livia, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Ecuador, Japan, Lebanon, Mexico, Peru, Philippines, Portugal, Rumania, Siam, Spain, Turkey, United States (except in certain cases), and U.S.S.R. We underline the word 'seem' in the preceding sentence because the silence of the laws there enumerated does not indisputably mean that protection is refused. The great majority of those countries protect 'works of art'. Only a developed jurisprudence would settle whether and under what circumstances works of applied art are comprised in the term 'work of art'."

<sup>13</sup> *Stein v. Expert Lamp Co.*, 188 F2d 611 (7th Cir 1951), cert den, 342 US 829, 72 SCT 53 (1951).

<sup>14</sup> *Farmer Report.*

protection for the life of the author plus fifty years after his death. The same rule applies to unpublished works. Conversely a French work enjoys the shorter term of protection in this country.

The second paragraph of section 4 deals with those countries, such as the United States, which grant two successive terms of protection of 28 years. For the purposes of the Convention it is deemed to be a 56-year term. However, if the citizen of the United States fails to secure and maintain protection during the renewal term, no other contracting country is required to protect the work during the second term. On the other hand, the foreign author who has failed to comply with the renewal provisions of the Copyright Code is denied copyright protection for the second 28-year term in this country. But his work is still protected in the country of origin and in those countries which prescribe a term of protection based on the life of the author plus a fixed number of years.

Section 5 provides that in applying section 4, viz., the doctrine of "comparison of terms" or the Rule of the Shorter Term, the work of a national of a contracting state, first published in a non-contracting state, shall be treated as though first published in the contracting state of which the author is a national.

Section 6 which deals with simultaneous publication in two or more contracting countries adopts the philosophy of Article 4, section 3 and 4 of the Berne Convention, Brussels 1948. Revision, quoted in the margin.<sup>15</sup> Where a work is published in two states, the work shall be treated as though first published in the state which affords the shortest term. Furthermore, if a work is published in two or more contracting countries within

<sup>15</sup> Article 4, section 3 of the Brussels (1948) text:

"(3) The Country of origin shall be considered to be, in the case of published works, the Country of first publication, even in the case of works published simultaneously in several Countries of the Union which grant the same term of protection; in the case of works published simultaneously in several Countries of the Union which grant different terms of protection,

the Country of which the legislation grants the shortest term of protection. In the case of works published simultaneously in a Country outside the Union and in a Country of the Union, the latter Country shall be considered exclusively as the Country of origin.

A work shall be considered as having been published simultaneously in several Countries which has been published in two or more Countries within thirty days of its first publication."

30 days of its first publication, it shall be considered as having been published simultaneously in said contracting states.

The following comment on Article IV by Arthur Farmer, is pertinent:

“At this point it should be strongly emphasized that the minimum periods to which Article IV refer are, in fact, *minimum* periods of protection—they are not absolute or fixed periods of protection. They merely place a floor under the duration of copyright protection and insure that no State adherent to the Convention may, while in words subscribing to the theory of copyright protection, in fact nullify the protection contemplated by the Convention, by limiting it to a wholly inadequate period. Moreover, under the provisions of Article II (but subject to the limitations in Subdivision 1 of Article IV), if a State protects works of its own nationals for a period in excess of the minimums prescribed in Article IV, then it must extend like protection to the works of nationals of other Contracting States. Moreover, it is unlikely that Contracting States which extend protection for periods longer than the minimum periods prescribed by Article IV, will amend their domestic law to take advantage of the ‘comparison of terms’ provision of subdivision 4 of that Article.”<sup>16</sup>

#### 195g. THE UNIVERSAL COPYRIGHT CONVENTION: THE RIGHT TO TRANSLATE.

Most countries recognize the exclusive right of the author or copyright proprietor to translate or have translated his work and impose no restrictions on such right. Some countries, e.g., China and Russia and perhaps Bolivia, Ecuador, Japan, Peru and Salvador do not recognize this right.<sup>1</sup> Some of the countries in the Middle and Near East have no internal system of copyright protection because of the desirability of permitting free translations of foreign works into their national languages.<sup>2</sup>

Between these two extremes lie the countries which recognize the right to translate but impose restrictions, e.g., that if the work is not translated within ten years from its first publication, the right lapses and nationals of such countries as Greece, Iceland, Ireland, Japan and Nicaragua may translate

<sup>16</sup> Farmer Report.

<sup>1</sup> IV UNESCO Copyright Bulletin, right Bulletin, Nos 2-3 (1949) 24.  
<sup>2</sup> *Id.* See also II UNESCO Copy-  
right Bulletin, Nos 1-2 (1951) 26.

such foreign work without the consent of or remunerating the author or copyright proprietor.<sup>3</sup>

Such restrictions as are imposed on translation rights by the internal legislation of countries listed in the margin,<sup>4</sup> must be viewed from the following perspective. There are gradations and substantial differences in the cultural development of the nations of the world. It is to the obvious advantage of the "have-not" countries that foreign works, particularly those of a scientific, educational, etc. nature be translated in order that their national literature be enriched. Authors in the so-called "have" countries do not make their works available in the "have-not" countries because there is no market or because their size does not warrant commercial exploitation.

This is a sensitive spot in the field of international copyright relations. The rights of the authors must be balanced against the needs of those countries which are desirous of improving their cultural and economic standards. The latter should be permitted to draw upon the writings of foreign authors.

The Berne Convention recognized this problem. The original text protected translation rights for a ten-year term only.<sup>5</sup> In the Paris Protocol of 1896, it was recognized for the general term of duration for those languages into which the work was translated within ten years after publication of the original work.<sup>6</sup> Since the Berlin Revision in 1908, the translation right has been recognized as an exclusive right; it has the same term of protection as other rights and is not subject to any restrictions.<sup>7</sup>

The Committee of Experts at the Washington meeting recommended that authors have the exclusive right to translate or authorize the translation of their works throughout

<sup>3</sup> *Id.*

<sup>4</sup> *Op cit supra* note 1 at 26:

"Not recognizing the right to translate into the national language of the particular country (e.g., Panama, Turkey).

Recognizing the right for a shorter period than the general term of protection (e.g., Greece and Nicaragua recognize it for only 10 years after publication of the original).

Recognizing the right for a longer period, often the full general period, on the condition that the work has been translated within a shorter fixed

period after the publication of the original work (e.g., Bulgaria, Ireland, Japan, Luxembourg, Pakistan, Thailand). Prescribing special formalities for the preservation of the right (e.g., Argentina, Bulgaria, Dominican Republic, Nicaragua)."

<sup>5</sup> Art 5 of the Berne (1886) Text.

<sup>6</sup> Art 5 of the Paris (1896) Text.

<sup>7</sup> Art 2 and 5 of the Berlin (1908) Text. See also Ladas at 368 ff. The 1946 Inter-American Copyright Convention, by Article II also recognizes the right to translate; however there are no limitations as to its duration.

the whole period of their rights in the original works. However, contracting countries "might subject the exercise of this right to restrictions as far as concerns translations into the national, or into one of the national languages, of a work for which translation has not been authorized into such language within a prescribed period of time, commencing with the date of first publication. Appropriate measures must be established in order to assure a correct translation and guarantee an equitable remuneration to the copyright proprietor."<sup>8</sup>

The governmental replies to this proposal contained a great variety of suggestions. Some countries, e.g., Ceylon, Iraq, Ireland, Mexico and the Union of South Africa suggested that the contracting countries be allowed to make reservations as to the right to translate into their own national language.<sup>9</sup>

Others suggested free translation of works not translated into their national language within ten years.<sup>10</sup>

Italy, Norway and Israel proposed a system of compulsory licensing.<sup>11</sup>

The following is the text of the Universal Copyright Convention:

#### "ARTICLE V

1. Copyright shall include the exclusive right of the author to make, publish, and authorize the making and publication of translations of works protected under this Convention.

2. However, any Contracting State may, by its domestic legislation, restrict the right of translation of writings, but only subject to the following provisions:

If, after the expiration of a period of seven years from the date of the first publication of a writing, a translation of such writing has not been published in the national language or languages, as the case may be, of the Contracting State, by the owner of the right of translation or with his authorization, any national of such Contracting State may obtain a non-exclusive license from the competent authority thereof to translate the work and publish the work so translated in any of the national languages in which it has not been published; provided that such national, in accordance with the procedure of the State concerned, establishes either that he has requested, and been denied, authorization by the proprietor of the right to make and publish the translation, or that, after due diligence on his part, he was unable to find the owner of the right. A license may also be granted on the same conditions if all previous editions of a translation in such language are out of print.

If the owner of the right of translation cannot be found, then the

<sup>8</sup> III UNESCO Copyright Bulletin,  
Nos 3-4 (1950) 20.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>9</sup> IV UNESCO Copyright Bulletin,  
Nos 1-2 (1951) 27.

applicant for a license shall send copies of his application to the publisher whose name appears on the work and, if the nationality of the owner of the right of translation is known, to the diplomatic or consular representative of the State of which such owner is a national, or to the organization which may have been designated by the government of that State. The license shall not be granted before the expiration of a period of two months from the date of the dispatch of the copies of the application.

Due provision shall be made by domestic legislation to assure to the owner of the right of translation a compensation which is just and conforms to international standards, to assure payment and transmittal of such compensation, and to assure a correct translation of the work.

The original title and the name of the author of the work shall be printed on all copies of the published translation. The license shall be valid only for publication of the translation in the territory of the Contracting State where it has been applied for. Copies so published may be imported and sold in another Contracting State if one of the national languages of such other State is the same language as that into which the work has been so translated, and if the domestic law in such other State makes provision for such licenses and does not prohibit such importation and sale. Where the foregoing conditions do not exist, the importation and sale of such copies in a Contracting State shall be governed by its domestic law and its agreements. The license shall not be transferred by the licensee.

The license shall not be granted when the author has withdrawn from circulation all copies of the work.”

Section 1 provides that the right of translation is exclusive and will be afforded full protection.

The second section is permissive. A country may provide by its domestic legislation for a non-exclusive compulsory licensing system under prescribed conditions if a work is not published or translated into one of the country's national languages within seven years.<sup>12</sup>

<sup>12</sup> Farmer Report:

“The delegation of several user countries, however, contended that the minimum fixed term of protection should be no longer than three years, arguing that the development of their countries required ready access to works published in more advanced countries. In an effort to meet this plea, the possibility of a fixed term of protection of 4 years for scientific, technical and text books, with a fixed term of 10 years for other works, was considered. Not only was this proposal unacceptable to several countries, but it was finally conceded to be impracticable. After nearly two weeks of exploration, negotiation—and

deadlock—a minimum fixed term of protection for translations of *all* writings was finally set at seven years, subject to a rigidly controlled compulsory license system thereafter, and the payment of just compensation to the owner of the right of translation. Some idea of the difficulty of reaching this compromise may be gathered from the fact that it was not until shortly before noon of the day when the Convention was finally signed—and after agreement had been reached upon all the other twenty articles of the Convention—that the terms of Article V were finally accepted by the various delegations.

“Here again, it must be emphasized

The second paragraph of section 2 will result in the following:

a) If a translation of a work is published within seven years, the unrestricted right to translate will be protected for the full term.

b) If a translation of a work is not published within the prescribed period, the unrestricted right to translate will expire at the end of such period. The work is then subject to a system of non-exclusive compulsory licensing. This is premised on the philosophy that an applicant will make all reasonable efforts to communicate with the copyright proprietor and obtain his consent or authorization to translate the work.

c) The non-exclusive compulsory licensing system may only be invoked only if no authorized translation of the work has been published in the national language or languages of the contracting state and then only to a national of the contracting country in which the application is made.

d) The non-exclusive license can only be granted by a "competent authority" of that state.

e) As stated in paragraph (b) the applicant for a license must establish that he has requested, and been denied authorization by the proprietor of the right of translation to make and publish the translation; or that after due diligence on his part he was unable to find the owner of the right. If the latter cannot be found, the applicant for a license is required to send copies of his application to the publisher of the work; if the nationality of the owner of the right of translation is known, to the diplomatic or consular representative of the state of which the owner is a national or to the organization which may have been designated by the government of that state, viz., an author's society.

f) The license will not be granted for two months from the date of dispatch of the copies of the application.

g) The contracting country which adopts a system of com-

that the period of seven years absolute protection, followed by protection subject to compulsory license, is the *minimum* protection that can be granted by a Contracting State. These provisions will result in an appreciable increase both in the term and scope of protection of transition rights in

many of the user countries, while it is almost inconceivable that they will result in a lessening of the protection of translation rights granted by such Berne Convention countries as Great Britain, France, Germany, Switzerland, Italy and Spain."

pulsory licensing must assure to the owner of the translation rights just remuneration guarantees of solvency and *transmittal*<sup>13</sup> of such remuneration and a correct translation of the work.

h) The original title and the name of the author of the work must be printed on all copies of the translation.

i) The license is only valid for publication of the translation in the territory of the contracting state where it has been applied for; however, copies may be imported and sold in another contracting state, only if one of the national languages of that other state is the same language as that into which the work has been so translated, and if the domestic law of the other state makes provision for such licenses does not prohibit such importation and sale.

j) A licensee is precluded from transferring his license; a license shall not be granted if the author of the work has withdrawn all copies from circulation.

“To summarize, under the provisions of Article V protection of the right to translation is co-extensive with the duration of the copyright, subject only to provisions for compulsory license at the expiration of seven years from the date of first publication of the work. Further, it would seem that the conditions for the granting of the license, and the limitations upon its exercise, are such that only in extraordinary situations (and particularly when neither the owner of the right of translation nor the publisher can be found) will the compulsory license provisions be invoked. It is reasonable to expect that under these circumstances every effort will be made by the prospective publisher of a translation to negotiate with the owner of the right of translation for a license to publish the translation, before resort is had to the compulsory license provisions.”<sup>14</sup>

#### 195h. THE UNIVERSAL COPYRIGHT CONVENTION: PUBLICATION.

Article VI defines the concept of publication:

“Publication, as used in this Convention, means the reproduction in tangible form and the general distribution to the public, of copies of a work from which it can be read or otherwise visually perceived.”

<sup>13</sup> *Id.*: “It should be particularly noted that because of the underscored provision, the government of a Contracting state may not ‘block’ the compensation payable to the owner of the right of translation, but must permit it to be transmitted to the owner in the latter’s country.”

<sup>14</sup> *Id.*

The term "publication" requires definition because it has an impact on a variety of points in the text of the Universal Copyright Convention.

The term is employed in Article II which prescribes the principle of national treatment for "published works of nationals of any Contracting State and works first published therein. . . ."

The concept is used in Article III which spells out the minimum formalities for published works.

A definition of "publication" is likewise necessary for the provisions dealing with the duration of copyright protection and the right to translate. Finally, the concept is employed to distinguish between published and unpublished works.

Article VI although different in phraseology from the text of the Berne Convention, (Rome 1928)<sup>1</sup> produces the same results. Thus the concept is applicable to writings, sheet-music, etc. However the distribution of mechanical reproductions such as recordings, and performances effectuated on the stage and over radio and television stations are not comprehended by this definition. Similarly exhibitions of works of art are also excluded from this definition.<sup>2</sup>

#### 195i. THE UNIVERSAL COPYRIGHT CONVENTION: RETRO-ACTIVITY.

Article VII provides that the Universal Copyright Convention will not be retroactive in its application and protect works or the various rights in a work which are in the public domain.

#### ARTICLE VII

**"This Convention shall not apply to works or rights in works which, at the effective date of the Convention in a Contracting State where protection is claimed, are permanently in the public domain in the said Contracting State."**

<sup>1</sup> The Rome (1928) Text, by Art 4(4) "By 'published works' ('oeuvres publiées') must be understood, according to the present Convention, works which have been issued ('oeuvres éditées')." The Brussels (1948) Text in Art 4(4) defines "published works" as "works copies of which have been issued and made available in sufficient quantities to the public, whatever may be the means of manufacture of the copies."

<sup>2</sup> Brussels (1948) Text, Art 4(4):  
 "... The presentation of a dramatic, dramatico-musical or cinematographic work, performance of a musical work, the public recitation of a literary work, the transmission or the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication."

Under this article protection will be denied to works seeking protection in a signatory country but which have fallen into the public domain there, because of the short term of protection provided in that country—a term even shorter than that provided in the Convention.<sup>1</sup>

**195j. THE UNIVERSAL COPYRIGHT CONVENTION: DEPOSIT, RATIFICATION AND ENTRY INTO EFFECT OF CONVENTION.**

Article VIII dealing with deposit and ratification is self-explanatory:

**ARTICLE VIII**

“1. This Convention, which shall bear the date of September 6, 1952, shall be deposited with the Director-General of the United Nations Educational, Scientific and Cultural Organization and shall remain open for signature by all States for a period of 120 days after that date. It shall be subject to ratification or acceptance by the signatory States.

2. Any State which has not signed this Convention may accede thereto.

3. Ratification, acceptance or accession shall be effected by the deposit of an instrument to that effect with the Director-General of the United Nations Educational, Scientific and Cultural Organization.”

Deposit, ratification, acceptance or accession is effectuated with the Director General of UNESCO.

Article XXI which deals with the role and activities of the Director General of UNESCO must be read in conjunction with Article XVIII:

**ARTICLE XXI**

“The Director-General of the United Nations Educational, Scientific and Cultural Organization shall send duly certified copies of this

<sup>1</sup> Farmer Report:

“Article VII categorically denies retroactive effect to the Convention. This provision was adopted only after the most strenuous protests of many of the Berne Convention countries had been overcome by convincing them that any introduction of the concept of retroactivity, however limited, would probably result in the failure of the United States to ratify or accept the Convention. These countries, which included the so-called Nordic block, urged that works which had lost protection merely because of non-compliance with

formalities other than manufacture, and which had not been published or otherwise utilized in the Contracting State in which protection was claimed, should be accorded protection under the Convention. They argued that in the absence of intervening rights of third parties there was no sound reason for denying protection. It must be admitted that on principles of equity there was much to be said for this contention, but as a similar provision in the Inter-American Copyright Convention had prevented its ratification, no concession could be made.”

Convention to the States interested, to the Swiss Federal Council and to the Secretary-General of the United Nations for registration by him.

He shall also inform all interested States of the ratifications, acceptances and accessions which have been deposited, the date on which this Convention comes into force, the notifications under Article XIII of this Convention, and denunciations under Article XIV."

Article IX spells out clearly that the Convention is not self-executing; it comes into force three months after the deposit of twelve instruments of ratification, acceptance or accession, among which there must be those of four states which are not members of the Berne Convention.

#### ARTICLE IX

"1. This Convention shall come into force three months after the deposit of twelve instruments of ratification, acceptance or accession, among which there shall be those of four States which are not members of the International Union for the Protection of Literary and Artistic Works.

2. Subsequently, this Convention shall come into force in respect of each State three months after that State has deposited its instrument of ratification, acceptance or accession."

Article IX has been conditioned by the following protocol which in substance provides that any state may condition its ratification upon ratification by another state. "These provisions were inserted because of the fact—which must be faced frankly—that the Universal Convention is of value to the Berne Convention countries only as a bridge between their system of copyright protection and that of the United States and other Western Hemisphere countries. On the other hand, the Convention will be of the greatest benefit to the United States both as a simple and foolproof method of securing copyright in the Berne Convention countries, and in the Latin-American market."<sup>1</sup>

"Protocol 3 annexed to the Universal Copyright Convention concerning the effective date of instruments of ratification or acceptance of or accession to that Convention

States parties hereto,

Recognizing that the application of the Universal Copyright Convention (hereinafter referred to as the "Convention") to States participating in all the international copyright systems already in force will contribute greatly to the value of the Convention;

Have agreed as follows:

1. Any State party hereto may, on depositing its instrument of ratification or acceptance of or accession to the Convention, notify the

<sup>1</sup> Farmer Report.

Director-General of the United Nations Educational, Scientific and Cultural Organization (hereinafter referred to as "Director-General") that that instrument shall not take effect for the purposes of Article IX of the Convention until any other State named in such notification shall have deposited its instrument.

2. The notification referred to in paragraph 1 above shall accompany the instrument to which it relates.

3. The Director-General shall inform all States signatory or which have then acceded to the Convention of any notifications received in accordance with this Protocol.

4. This Protocol shall bear the same date and shall remain open for signature for the same period as the Convention.

5. It shall be subject to ratification or acceptance by the signature States. Any State which has not signed this Protocol may accede thereto.

6. a) Ratification or acceptance or accession shall be effected by the deposit of an instrument to that effect with the Director-General.

b) This Protocol shall enter into force on the date of deposit of not less than four instruments of ratification or acceptance or accession. The Director-General shall inform all interested States of this date. Instruments deposited after such date shall take effect on the date of their deposit."

#### 195k. UNIVERSAL COPYRIGHT CONVENTION: IMPLEMENTATION AND EFFECTIVENESS.

Article X which is new, is self-explanatory:

"1. Each State party to this Convention undertakes to adopt, in accordance with its Constitution, such measures as are necessary to ensure the application of this Convention.

2. It is understood, however, that at the time an instrument of ratification, acceptance or accession is deposited on behalf of any State, such State must be in a position under its domestic law to give effect to the terms of this Convention."

#### 195 l. THE UNIVERSAL COPYRIGHT CONVENTION: ADMINISTRATION.

Article XI deals with the administration of the Convention; it is self-explanatory:

"1. An Intergovernmental Committee is hereby established with the following duties:

- a) to study the problems concerning the application and operation of this Convention;
- b) to make preparation for periodic revisions of this Convention;
- c) to study any other problems concerning the international protection of copyright, in co-operation with the various interested international organizations, such as the United Nations Educational, Scientific and Cultural Organization, the International Union for the Protection of Literary and Artistic Works and the Organization of American States;

d) to inform the Contracting States as to its activities.

2. The Committee shall consist of the representatives of twelve Contracting States to be selected with due consideration to fair geographical representation and in conformity with the Resolution relating to this article, annexed to this Convention.

The Director-General of the United Nations Educational, Scientific and Cultural Organization, the Director of the Bureau of the International Union for the Protection of Literary and Artistic Works and the Secretary-General of the Organization of American States, or their representatives, may attend meetings, of the Committee in an advisory capacity.'

This article has been implemented by the following resolution which is likewise self-explanatory:

"RESOLUTION CONCERNING  
ARTICLE XI

The Intergovernmental Copyright Conference

Having considered the problems relating to the Intergovernmental Committee provided for in Article XI of the Universal Copyright Convention,

resolves

1. The first members of the Committee shall be representatives of the following twelve States, each of those States designating one representative and an alternate: Argentina, Brazil, France, Germany, India, Italy, Japan, Mexico, Spain, Switzerland, United Kingdom, and United States of America.

2. The Committee shall be constituted as soon as the Convention comes into force in accordance with article XI of this Convention;

3. The Committee shall elect its Chairman and one Vice-Chairman. It shall establish its rules of procedure having regard to the following principles:

- a) the normal duration of the term of office of the representatives shall be six years; with one third retiring every two years;
- b) before the expiration of the term of office of any members, the Committee shall decide which States shall cease to be represented on it and which States shall be called upon to designate representatives; the representatives of those States which have not ratified, accepted or acceded shall be the first to retire;
- c) the different parts of the world shall be fairly represented;

and expresses the wish that the United Nations Educational, Scientific and Cultural Organization provide its Secretariat.'

**195m. THE UNIVERSAL COPYRIGHT CONVENTION: REVISION OF CONVENTION.**

Article XII provides for periodic revisions of the Convention:

"The Intergovernmental Committee shall convene a conference for revision of this Convention whenever it deems necessary, or at the

request of at least ten Contracting States, or of a majority of the Contracting States if there are less than twenty Contracting States.''

Copyright law is one of the most rapidly developing branches of the law because of technical advances in the field of reproduction and diffusion of the products of the mind. The ingenuity which produces modern printing presses, the phonograph, motion pictures, radio, television, microfilm, ultrafax, facsimile, etc. creates a corresponding need for the development of copyright law. This is particularly true as to international copyright law since today the dissemination of works through modern means of communication is not easily hampered by political frontiers.

Thus, devices for adapting international conventions to changing needs must be made available.

There is another compelling reason for periodical revisions of a convention. As the contracting countries became more familiar with the problems, thinking and philosophy of the others, changes in the domestic law begin to reflect the influence of other national laws and of the convention itself and a need emerges for refining and perfecting the multilateral instrument which was necessarily rudimentary in its original conception.

The experience of the Berne Convention has demonstrated the wisdom of periodic revisions. The various Conferences resulting in the revisions of the Berne Convention, aided by an administrative organization, the Bureau of the Berne Union have made the Berne Convention a living reality of great usefulness to its signatories.

On the other hand, it may well be that the Pan-American Conventions have been sapped of vitality because they have no provisions for administrative bodies or revision.

All of the countries which expressed a view on this question believed that periodical conferences for possible revisions of the Universal Convention were desirable.<sup>1</sup> Accordingly, the text of the Universal Copyright Convention makes adequate provision for periodic revisions of the Convention.

<sup>1</sup> IV UNESCO Copyright Bulletin, Nos 1-2 (1951) 33-34.

**195n. THE UNIVERSAL COPYRIGHT CONVENTION: OVERSEAS TERRITORY.**

Article XIII is the so-called "Colonial" clause; it implements Article VIII. The text of Article XIII is self-explanatory:

"Any Contracting State may, at the time of deposit of its instrument of ratification, acceptance or accession, or at any time thereafter, declare by notifications addressed to the Director-General of the United Nations Educational, Scientific and Cultural Organization that this Convention shall apply to all or any of the countries or territories for the international relations of which it is responsible and this Convention shall thereupon apply to the countries or territories named in such notification after the expiration of the term of three months provided for in article IX. In the absence of such notification, this Convention shall not apply to any such country or territory."

**195o. THE UNIVERSAL COPYRIGHT CONVENTION: DENUNCIATION.**

Article XIV recognizes the right of any Contracting State to withdraw from the Convention upon compliance with the following conditions:

"1. Any Contracting State may denounce this Convention in its own name or on behalf of all or any of the countries or territories as to which a notification has been given under article XIII. The denunciation shall be made by notification addressed to the Director-General of the United Nations Educational, Scientific and Cultural Organization.

2. Such denunciation shall operate only in respect of the State or of the country or territory on whose behalf it was made and shall not take effect until twelve months after the date of receipt of the notification."

**195p. THE UNIVERSAL COPYRIGHT CONVENTION: JURISDICTIONAL CLAUSE.**

Article XV provides for the referral of disputes between or among Contracting States to the International Court of Justice:

"A dispute between two or more Contracting States concerning the interpretation or application of this Convention, not settled by negotiation, shall, unless the States concerned agree on some other method of settlement, be brought before the International Court of Justice for determination by it."

The only other copyright convention containing a jurisdictional clause is the Brussels Revision of the Berne Convention which is quoted in the margin.<sup>1</sup>

The International Court of Justice, referred to in Article XV is the principal judicial organ of the United Nations. Its Statute forms an integral part of the United Nations Charter. States which are not members of the United Nations may subscribe to the Statute of the International Court.<sup>2</sup>

The role and functions of the International Court of Justice may be briefly noted:

1. Only States may be parties in cases before the Court.
2. The jurisdiction of the Court may deal with matters specially provided for in treaties or conventions in force.
3. The jurisdiction of the Court may be recognized by the States in all legal disputes concerning the interpretation of a treaty.
4. The decision of the Court has no binding force except between the parties and in respect to that particular case.
5. If a State believes that it has an interest of a legal nature which may be affected by the decision in the case, it may submit a request to the Court to intervene in the proceedings.
6. Whenever the construction of a convention to which States other than those concerned in the case are parties is in question, the Registrar of the Court shall notify all such States forthwith. Every State so notified has the right to intervene in the proceedings; but if it uses this right, the construction given by the judgment will be equally binding upon it.
7. The Court may give an advisory opinion on any legal question at the request of whatever body may be authorized by or in accordance with the Charter of the United Nations to make such a request.<sup>3</sup>

<sup>1</sup> Brussels (1948) Text, Art 27-bis:

“A dispute between two or more countries of the Union concerning the interpretation or application of this Convention, not settled by negotiation, shall be brought before the International Court of Justice for determination by it, unless the countries concerned agree on some other method of settlement.

The country requesting that the dispute should be brought before the Court shall inform the International Office; the Office shall bring the matter to the attention of the other countries of the Union.”

<sup>2</sup> IV UNESCO Copyright Bulletin, Nos 1-2 (1951) 41.

<sup>3</sup> *Id.*

195q. **THE UNIVERSAL COPYRIGHT CONVENTION: OFFICIAL LANGUAGES.**

Article XVI deals with official languages and is self-explanatory:

“1. This Convention shall be established in English, French and Spanish. The three texts shall be signed and shall be equally authoritative.

2. Official texts of this Convention shall be established in German, Italian and Portuguese.

Any Contracting State or group of Contracting States shall be entitled to have established by the Director-General of the United Nations Educational, Scientific and Cultural Organization other texts in the language of its choice by arrangement with the Director-General.

All such texts shall be annexed to the signed text of this Convention.”

195r. **THE UNIVERSAL COPYRIGHT CONVENTION: SAFEGUARDS FOR BERNE CONVENTION.**

Article XVII effectuates the second paragraph of the Preamble to the Convention:

“1. This Convention shall not in any way affect the provisions of the Berne Convention for the Protection of Literary and Artistic Works or membership in the Union created by that Convention.

2. In application of the foregoing paragraph, a Declaration has been annexed to the present article. This Declaration is an integral part of this Convention for the States bound by the Berne Convention on January 1, 1951, or which have or may become bound to it at a later date. The signature of this Convention by such States shall also constitute signature of the said Declaration, and ratification, acceptance or accession by such States shall include the Declaration as well as the Convention.”

The Declaration referred to in the second paragraph provides as follows:

“The States which are members of the International Union for the Protection of literary and Artistic Works, and which are signatories to the Universal Copyright Convention,

Desiring to reinforce their mutual relations on the basis of the said Union and to avoid any conflict which might result from the co-existence of the Convention of Berne and the Universal Convention,

Have, by common agreement, accepted the terms of the following declaration:

- a) Works which, according to the Berne Convention, have as their country of origin a country which has withdrawn from the International Union created by the said Convention, after January 1, 1951, shall not be protected by the Universal Copyright Convention in the countries of the Berne Union;
- b) The Universal Copyright Convention shall not be applicable to the relationships among countries of the Berne Union insofar as it

relates to the protection of works having as their country of origin, within the meaning of the Berne Convention, a country of the International Union created by the said Convention."

The Universal Copyright Convention furnishes lower standards of protection than the Berne Convention. The Union countries feared that some of the member countries might withdraw from the Berne Convention if they believed that by ratifying the Universal Convention they had adequately fulfilled their international duties in the domain of copyright protection. To preclude wide-spread defections from the Berne Convention, the Declaration was incorporated into the Universal Copyright Convention as an integral part thereof, binding on all signatory members of the Universal Copyright Convention who are now or might later become members of the Berne Union.

Another compelling reason for the Declaration was the fact that the new ties created by the Universal Copyright Convention would, as to Berne countries, be superimposed on those already existing by virtue of the Berne Convention. This could result in many areas of conflict and ambiguity. The Declaration is intended to resolve such conflicts and ambiguities.

The Declaration governs the relationships between and among countries which are signatories to the Universal Copyright Convention and are also members of the Berne Union.

Subparagraph (a) imposes a sanction against countries which may withdraw from the Berne Union. They would be deprived of the benefits of both the Berne and Universal Conventions with respect to the remaining Berne countries.

Subparagraph (b) provides that the higher standards of protection furnished by the Berne Convention shall not be superseded by the lower standards prescribed by the Universal Copyright Convention in the Union countries.

#### **195s. THE UNIVERSAL COPYRIGHT CONVENTION: SAFEGUARDS FOR PAN-AMERICAN CONVENTIONS.**

Article XVIII deals with safeguards for the Pan-American Copyright Conventions. Article XVIII is self-explanatory:

"This Convention shall not abrogate multilateral or bilateral copyright conventions or arrangements that are or may be in effect exclusively between two or more American Republics. In the event of any

difference either between the provisions of such existing conventions or arrangements and the provisions of this Convention, or between the provisions of this Convention and those of any new convention or arrangement which may be formulated between two or more American Republics after this Convention comes into force, the convention or arrangement most recently formulated shall prevail between the parties thereto. Rights in works acquired in any Contracting State under existing conventions or arrangements before the date this Convention comes into force in such State shall not be affected."

#### 195t. THE UNIVERSAL COPYRIGHT CONVENTION: RESERVATIONS.

Article XX prohibits reservations to the Convention:

"Reservations to this Convention shall not be permitted."

This article is new; it warrants explanation.

The Committee of Experts at its third meeting had recommended that "except as otherwise specifically provided in this Convention, a State may not make its adherence subject to reservations."<sup>1</sup> The term, "reservation" refers to the adhesion to a convention accompanied by the declaration of a country executing such convention that it will not be bound in whole or in part by a certain provision. This, of course, produces the result that not all of the contracting countries are bound by the same set of rules.

In the earlier revisions of the Berne Convention, the Berlin (1908) text, for example, permitted countries to declare their intention to remain bound only by the texts of 1886 or 1896 on certain points, i.e., to make reservations. However, the only provision permitted by the Rome and Brussels revisions was that permitting newly adhering countries to be bound by the provision in the 1896 text relating to translation into the national language. Member countries which had previously made this or other reservations, were, of course permitted to retain their benefits.<sup>2</sup>

Today, there are six "reservation countries" as to the right to translate; two as to works of applied arts; two as to the right of performance; one as to architectural works; one as to formalities; one as to contents of newspapers; and one as to retroactivity.<sup>3</sup> The existence of reservations not only

<sup>1</sup> III UNESCO Copyright Bulletin, 3 *Id.*  
Nos 3-4 (1950) 12.

<sup>2</sup> IV UNESCO Copyright Bulletin,  
Nos 1-2 (1951) 31.

creates a varying set of rules but complicates the problem of applying the Convention on a uniform basis.

The experience of the Berne countries on this issue prompted a substantial number of countries to oppose any type of reservation. In this connection it should be stated that the Washington meeting of the Committee of Experts had rejected the principles of reservation and retaliation.<sup>4</sup> The latter term refers to the stipulation in the Berne Convention permitting countries to introduce retaliatory restrictions, based on reciprocity, as to works whose authors are not nationals of a contracting country.<sup>5</sup> This provision, introduced in the 1914 Protocol to the Berne Convention permits a reservation to the obligation to accord national treatment.<sup>6</sup>

The preliminary draft of the Universal Copyright Convention contained no express prohibition against reservations. The latter are effectuated indirectly i.e., a country declares that it will not be bound by a certain provision.

As stated previously, the Copyright Committee proposed that no country should be allowed to make reservations on any point "except as otherwise specifically provided" in the Universal Convention. The Committee of Experts made no such specific provisions, hence there is uniformity of regulations in the field of application and treatment, formalities, duration, right to translate and retroactivity. The diplomatic conference which adopted the Convention effectuated the recommendations of the Committee of Experts and excluded reservations from the text.<sup>7</sup>

#### 196. THE UNIVERSAL COPYRIGHT CONVENTION: CONCLUSION.

The Universal Copyright Convention is premised on two basic principles: any country which has a domestic copyright

<sup>4</sup> *Op cit supra* note 1.

<sup>5</sup> Brussels (1948) Text, Art 6. And see also, § 191a.

<sup>6</sup> *Op cit supra*, note 2 at 32.

<sup>7</sup> Farmer Report:

"This provision prevents emasculatation of the Convention by reservations, and makes it quite certain that among the Contracting States obligations and rights shall be equal in all respects. Several countries declared that adher-

ence to the Convention would be most difficult unless they could make a reservation as to Article V, dealing with translations, but it was the firm opinion of the delegation of the United States, in which the delegates of most of the leading copyright countries concurred, that adherence to the Convention with such a reservation would make the Convention of infinitely less value to the Contracting States."

law containing reasonable minimum standards may participate therein; and the principle of national treatment guarantees equal treatment to the citizens of each contracting nation and the nationals of all other adhering countries.

The minimum standards prescribed by the Convention were based on (to borrow a phrase from Mr. Francois Hepp, Director of UNESCO's Copyright Division,) a kind of "common denominator" to which all countries can readily subscribe. This so-called "common denominator" reflects the views of all countries; it has been expressed in terms sufficiently broad and general to avoid conflict with the domestic copyright laws of countries and of their bilateral and multilateral treaties. Finally, the principles adopted will insure to the author and to those industries to which he has by contract surrendered his legal rights for the broader distribution of his work, the fullest possible protection consistent with the widest possible circulation of works of literature and arts.

It is believed that accession by the United States is desirable<sup>1</sup> and can be effectuated without substantial revisions to the Copyright Code.

<sup>1</sup> Farmer Report:

"The more important advantages which would accrue to the United States from adherence to the Geneva Universal Copyright Convention may be summarized briefly as follows:

1. Works first published in the United States and works created by citizens and domiciliaries of the United States would be protected in all the Contracting States without any formalities whatever, or, at the most, with no greater formality than the imprinting of a copyright notice. It would no longer be necessary, should the principal Berne Convention countries adhere to the Universal Convention, as may be expected if the United States ratifies the Convention, to publish works simultaneously in the United States and in one of the Berne Convention countries. The breakdown of copyright protection for American works in the Netherlands would be remedied, and the threatened denial of such protection in other countries would be prevented.

2. Works of citizens of the United States would likewise obtain greatly

augmented protection in many of the Latin-American countries where, practically speaking, little or no protection is obtainable today.

3. The good-will gained by the United States in foreign countries would be incalculable. In such countries as France and Italy, for example, the authors' societies are extremely influential, and the realization of protection in the United States of the rights of the authors who are nationals of these countries might well find expression in better international relations between the United States and other Contracting States. At the least, ratification of the Convention by the United States would remove a source of major irritation against the United States presently felt by publishers and authors in foreign countries. Whatever may be the political significance of these groups in the United States, they wield considerable influence in their own countries."

For a contrary and critical view, see Warner, S. B. The UNESCO Copyright Convention (May 1952) WisLRev 493.

The desirability and wisdom of accession are obvious. The important role which the United States plays in the United Nations and UNESCO suggests that this country participate in the Universal Copyright Convention if only for the reason that it will effectuate the basic purposes and objectives of these international organizations. Adhesion to the Universal Copyright Convention will promote the free flow and exchange of information between and among nations of the world.

Accession to the Universal Copyright Convention will not require major revisions in our system of copyright jurisprudence. Thus the United States is not required to abandon its basic postulate of publication with copyright notice for either domestic or foreign works.<sup>2</sup> To be sure, the United States will have to amend the manufacturing and related clauses. But governmental and non-governmental agencies and organizations have long urged that these clauses be amended at least to the extent of making it inapplicable to foreign authors. The only organizations which favor the retention of the manufacturing clause in its present form are the printing and allied trade unions. It is believed that their economic interests are adequately protected if the manufacturing clause applied only to works published by nationals of this country.<sup>3</sup>

The reasons which precluded accession to the Berne and Washington Conventions are not obstacles to our adherence to the Universal Copyright Convention. The principle of national treatment does not require this country to protect oral works or to recognize the doctrine of moral right, *droite de suite*, etc.

In other words, adherence to the Universal Copyright Convention will not necessitate major revisions nor will it alter the basic framework of our system of copyright jurisprudence. The philosophic basis of the Copyright Code will be left intact.

In the light of the foregoing facts, the United States should participate in the Universal Copyright Convention.

<sup>2</sup> *Washingtonian Publishing Co. v. Pictures Co.*, 154 F2d 480 (2d Cir Pearson, 306 US 30, 59 S Ct 397, 83 1946).  
L.Ed 470 (1939). Cf. *Heim v. Universal* <sup>3</sup> *Infra* §§ 67 and 68.

# Book I: Part B

## Chapter XX

### PROTECTION OF THE CONTENT OF RADIO AND TELEVISION PROGRAMS BY COMMON LAW COPYRIGHT

- § 200. Introduction.
- 201. Definition of Common Law Copyright.
- 202. Rights Conferred by Common Law Copyright.
- 203. Publication: General Discussion.
- 203a. Publication Applied to Specific Situations.
- 203b. Radio and Television Broadcasting Not A Publication.
- 204. Equitable Servitudes.

#### 200. INTRODUCTION.

Common law copyright has reference to an individual's "right in his original, unpublished, intellectual productions,"<sup>1</sup> which are protected via the common law. Common law copyright antedates the copyright statutes<sup>2</sup> and can furnish the

<sup>1</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657 (ED NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941). *Cf. Loew's, Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983, 984 (1941): "There is no doubt that apart from statute the law recognizes certain rights of property in the original intellectual products of an author, which are entitled to the same protection as rights in any other species of property; that the author has the right of first publication and that such right is transferable."

*White v. Kimmel*, 94 FSupp 502, 504 (DC Cal 1950) *rev'd on facts*, 193 F2d 744 (9th Cir 1952): "The common law has long recognized a property right in the products of man's creative mind, regardless of the form in which they took expression." See also: *Meier Glass Co., Inc. v. Anchor Hocking Glass Corp.*, 95 FSupp 264 (DC Pa 1951); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904, 906 (DC Cal 1950); *Golding v. RKO Radio Pictures Inc.*, 193 P2d 153 (Cal App 1948), *aff'd*, 208 P2d 1 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 690, 221

P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 192 P2d 495 (Cal App 1948), *aff'd* 208 P2d 9 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 653, 221 P2d 73 (1950); *Johnston v. Twentieth Century-Fox Film Corporation*, 82 Cal App2d 796, 187 P2d 474 (1947); *Schleman v. Guaranty Title Co.*, 153 Fla 379, 15 So2d 754 (1943); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Pushman v. New York Graphic Society*, 287 N. Y. 302, 39 NE2d 249 (1942); *Echevarria v. Warner Bros. Pictures Inc.*, 12 FSupp 632 (DC Cal 1936); *Moore v. Ford Motor Co.*, 43 F2d 685 (2d Cir 1930); *Bobbs-Merrill Co. v. Straus*, 210 US 339, 28 SCt 722, 52 LEd 1086 (1908); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (1834). See *Note Common Law Copyright (1950)* 24 SoCalLRev 65; *Note, Literary Property (1950)* 38 CalLRev 332; *Note, Literary Property and Ideas (1947)* 20 SoCalLRev 371.

<sup>2</sup> *Duke of Queensberry v. Shelbeare*, 2 Eden 329, 28 Eng Rep 924 (Ch 1758); *Maeklin v. Richardson*, Amb 694, 27 Eng Rep 451 (Ch 1770); *Thompson v. Stanhope*, Amb 737, 27 Eng Rep 476 (Ch 1774); *Gee v. Pritchard*, 2 Swans

creative author adequate and complete protection within limits.<sup>3</sup>

The common law rights are protected independently of the statute until the creative author has permitted the contents of his work to be communicated generally to the public. As a matter of fact, section 2 of the Copyright Code expressly provides that statutory copyright will not annul or limit the enforcement of common law rights at law or in equity.<sup>4</sup> Similarly, it is believed that the applicable sections of the California Civil Code<sup>5</sup> dealing with common law copyright "are but codifications of the common law."<sup>6</sup>

Obviously the content of radio and television programs can be protected via common law copyright, provided of course there has been no general publication of the same. It is believed that the great bulk of radio programs other than a few network shows have not been copyrighted for two reasons: (1) the Copyright Office has refused to register phonograph records or electrical transcriptions,<sup>7</sup> and (2) common law copy-

403, 36 Eng Rep 670 (Ch 1818); Press Publishing Co. v. Monroe, 73 Fed 196, 51 LRA 353 (2d Cir 1896), writ of errors dismissed, 164 US 105, 17 SCT 40, 41 LEd 367 (1897); Loew's Inc. v. Superior Court of Los Angeles County, 18 Cal2d 419, 115 P2d 983 (1941); Baker v. Libbie, 210 Mass 599, 97 NE 109 (1912); Berry v. Hoffman, 125 PaSuper 261, 189 Atl. 516 (1937).

<sup>3</sup> *Passim*, § 202.

<sup>4</sup> 61 STAT 652 (1947), 17 USCA § 2 (Supp 1951): "Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor." This section in relation to the Copyright Code is discussed in greater detail in §§ 71 and 72.

<sup>5</sup> Calif. Civil Code § 980 (1949): "The author or proprietor of any composition in letters has an exclusive ownership in the representation or expression thereof as against all persons except one who originally and independently creates the same or a similar composition."

<sup>6</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 35 Cal2d 653, 221 P2d 73, 77 (1950). In the *Stanley* case, the court was construing § 980 prior to its amendment in 1949:

"The author of any product of the mind, whether it is an invention, or a composition in letters or art, or a design, with or without delineation, or other graphical representation, has an exclusive ownership therein, and in the representation or expression thereof, which continues so long as the product and the representations or expressions thereof made by him remain in his possession." Cal. Civ. Code § 980 (1941). "If the owner of a product of the mind intentionally makes it public, a copy or reproduction may be made public by any person, without responsibility to the owner, so far as the law of his state is concerned." *Id.* § 983. It is believed that the 1949 revision of § 980 does not alter the holding of the *Stanley* decision that § 980 is but a codification of the common law rule. *Cf. Note, Literary Property: Common Law Protection of Dramatic Works* (1950) 38 CalLRev 332.

<sup>7</sup> *Waring v. WDAS Broadcasting Station*, 327 Pa 443, 194 Atl 631, 634 n 2

right furnishes adequate protection since the programs are performed only once or twice.<sup>8</sup>

In all probability the great bulk of "live" television programs which will be presented only once or twice will not be copyrighted; common law copyright will afford adequate protection. This excludes copyright protection sought by independent writers and producers who purportedly invoke the benefits of the statute to protect their ideas and to secure a governmental record via copyright registration of their creative efforts. However television programs preserved on film and syndicated to stations will be registered with the Copyright Office as published motion picture-photoplays or as motion pictures other than a photoplay.<sup>9</sup>

### 201. DEFINITION OF COMMON LAW COPYRIGHT.

Common law copyright is independent of statute. An author's right in an unpublished manuscript is regarded as literary property at common law and is protected by the courts.<sup>1</sup> To quote Wittenberg

"The author produces more than his writing, for in the very act of creating he brings into existence a property right, in himself, in the work produced. The words, phrases, basic ideas, characters, situations, and incidents

(1937): "Plaintiff, in 1935, made application to the Register for a copyright on the 'personal interpretation by Fred Waring' of the musical composition 'Lullaby of Broadway' [phonograph record]. The application was rejected, the Register of Copyrights saying, *inter alia*: "There is not and never has been any provision in the Act for the protection of an artist's personal interpretation or rendition of a musical work not expressible by musical notation in the form of 'legible' copies although the subject has been extensively discussed both here and abroad.'"

<sup>8</sup> *But cf.* *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949), discussed in detail, *infra*, section 203a.

<sup>9</sup> 61 STAT 652 (1947), 17 USCA § 5 (Supp 1951): "The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs . . .

"(1) motion-picture photoplays.

"(m) motion-pictures other than photoplays."

<sup>1</sup> *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) *rev'd on facts*, 193 F2d 744 (9th Cir 1952); *Meier Glass Co. v. Anchor Hocking Glass Corp.*, 95 FSupp 264 (DC Pa 1951); *Stanley v. Columbia Broadcasting System*, 192 P2d 495 (CalApp 1948) *aff'd*, 208 P2d 9 (Cal 1949) *aff'd on rehearing*, 35 Cal2d 653, 221 P2d 73 (1950); *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 208 F2d 1 (Cal 1949) *aff'd on rehearing*, 35 Cal2d 690, 221 P2d 95 (1950); *Johnston v. Twentieth Century-Fox Film Corp.*, 82 CalApp2d 796, 187 P2d 474 (1947); *Dieckhaus v. Twentieth Century-Fox Film Corp.*, 54 FSupp 425 (ED Mo 1944), *rev'd*, 153 F2d 893 (8th Cir 1946), *cert den*, 329 US 716, 67 Sct 46, 91 LEd 621 (1946); *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), *cert den*, 325 US 862, 65 Sct 1197, 89 LEd 1983 (1945).

may all have had prior existence, but his arrangement of them, and the form in which he clothes them, are invested with a special right of property, so that he may thereafter claim his work to the exclusion of others. It is that right of exclusion which is the function of his property. For, insofar as he can prevent others from repeating what he has created and can determine the terms upon which others shall enjoy his work, he has property. The essence of that right is monopoly. It is the confirmation by law of a right in the owner to determine to whom, and under what conditions, his work shall be communicated.''<sup>2</sup>

In *Ferris v. Frohman*,<sup>3</sup> the Supreme Court of Illinois defined and explained common law copyright:

“At common law the author of a literary composition had an absolute property right in his production, which he could not be deprived of so long as it remained unpublished, nor could he be compelled to publish it. This right of property exists at common law in all productions of literature, the drama, music, art, etc., and the author may permit the use of his productions by one or more persons to the exclusion of all others, and may give a copy of his manuscript to another person without parting with his property in it. . . . ‘So, also, without forfeiting his rights, he may communicate his work to the general public when such communication does not amount to a publication within the meaning of the statute. . . . It may be transmitted by bequest, gift, sale, operation of law, or any mode by which personal property is transferred.’ . . . Upon the publication of the production the author’s common law rights ceased, and it became public property unless protected by statute.’’<sup>4</sup>

<sup>2</sup> WITTENBERG, THE PROTECTION AND MARKETING OF LITERARY PROPERTY 3 (1937). Cf. *Baker v. Libbie*, 210 Mass 599, 97 NE 109, 111 (1912): “The property right of an author has been described ‘as an incorporeal right to print [and, it should be added, to prevent the printing of, if he desires] a set of intellectual ideas or modes of thinking communicated in a set of words and sentences or modes of expression. It is equally detached from the manuscript or any other physical existence whatsoever.’ (Miller v. Taylor, 4 Burrows 2303 at 2396). It has been called also ‘the order of words in the . . . composition.’ (Jeffreys v. Boosey, 4 HLC 815, 867; Holmes v. Hurst, 174 US 82, 86, 19 SupCt 606, 43 LEd 904;

*Kalem v. Harper Bros.*, 222 US 55, 63, 32 SupCt 20, 56 LEd 92).’’

<sup>3</sup> 238 Ill 430, 87 NE 327 (1909), *aff’d*, 223 US 424, 32 SupCt 263, 56 LEd 492 (1912).

<sup>4</sup> 87 NE at 328. Cf. *Golding v. R.K.O. Radio Pictures, Inc.*, 193 P2d 153, 162 (CalApp 1948): “Respondents’ right is the common law right of an author in an unpublished manuscript. It is the sole right to decide by whom, when, where and in what form his manuscript shall be published for the first time; to restrain others from publishing it without permission and from using it without authority; to recover damages from those publishing it without his permission or using it without his authority.’’ In *Golding v. RKO*

Thus common law copyright comprehends every new and original product of mental labor embodied in writing or some other visible form which remains unpublished.<sup>5</sup> It has been extended to the following items: book,<sup>6</sup> manuscript,<sup>7</sup> dramas,<sup>8</sup> poems,<sup>9</sup> letters,<sup>10</sup> lectures,<sup>11</sup> musical compositions,<sup>12</sup> operas,<sup>13</sup>

Pictures, Inc., 208 P2d 1, 3 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 690, 221 P2d 95, 97 (1950) the court held that "Literary property in the fruits of a writer's creative endeavor extend to the full scope of his inventiveness. This may well include, in the case of a stage play or moving picture scenario, the entire plot, the unique dialogue, the fundamental emotional appeal or theme of the story, or merely certain novel sequences or combinations of certain hackneyed elements. It is, however, only the product of the writer's creative mind which is protectible."

<sup>5</sup> *Aronson v. Baker*, 43 NJEq 365, 12 Atl 177 (Ch 1888); *Palmer v. De Witt*, 47 NY 532 (1872); *Prince Albert v. Strange*, 2 DeG&S 652, 64 EngRep 293 (Ch 1848). See also *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) *rev'd on the facts*, 193 F2d 744 (9th Cir 1952).

<sup>6</sup> *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) *rev'd on the facts*, 193 F2d 744 (9th Cir 1952); *Holmes v. Hurst*, 174 US 82, 19 Sup Ct 606, 43 LEd 904 (1899); *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), *cert den sub nom. Hearst Magazines v. De Acosta*, 325 US 862, 65 S Ct 1197, 89 LEd 1893 (1945); *Dieckhaus v. Twentieth Century-Fox Film Corporation*, 54 FSupp 425 (ED Mo 1944), *rev'd on other grounds*, 153 F2d 893 (8th Cir 1945), *cert den*, 329 US 716, 67 S Ct 46, 91 LEd 621 (1946); *United States ex rel. Twentieth Century-Fox Film Corporation v. Bouvé*, 33 FSupp 462 (DC 1940), *aff'd*, 122 F2d 51 (DC Cir 1941); *Berry v. Hoffman*, 125 Pa Super 261, 189 Atl 516 (1937).

<sup>7</sup> *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) *rev'd on the facts*, 193 F2d 744 (9th Cir 1952); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (US 1834); *American Law Book Co. v. Chamberlayne*, 165 Fed 313 (2d Cir 1908); *Root v. Borst*, 142 NY 62, 36 NE 814 (1894); See also *Chamberlain*

*v. Feldman*, 84 NYS2d 713 (1949); *In re Diekens*, [1935] 1 Ch 267; *Prior v. Schuman*, 106 FSupp 469 (DC NY 1952).

<sup>8</sup> *Aronson v. Fleckenstein*, 28 Fed 75 (DC Ill 1886); *Maxwell v. Goodwin*, 93 Fed 665 (DC Ill 1899); *Up-roar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), *modified*, 81 F2d 373, (1st Cir 1936), *cert den*, 298 US 670, 56 S Ct 835, 80 LEd 1393 (1936); *Seltzer v. Sunbrock*, 22 FSupp 621 (SD Cal 1938); *Ferris v. Frohman*, 238 Ill 430, 87 NE 327, 43 LRA (NS) 639 (1909), *aff'd*, 223 US 424, 32 Sup Ct 263, 56 LEd 492 (1912); *Cole v. Phillips H. Lord, Inc.*, 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941); *Columbia Pictures Corp. v. Krasna*, 65 NYS2d 67 (Sup Ct 1946).

<sup>9</sup> *Press Publishing Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), *writ of error dismissed*, 164 US 105, 17 S Ct 40, 41 LEd 367 (1896); *Kreymborg v. Du-rante*, 22 USPQ 248 (SD NY 1934).

<sup>10</sup> *Folsom v. March*, 9 FCas 342, No 4,901 (CC Mass 1841); *Denis v. Le Clerc*, 1 Mart 297, 5 AMDec 712 (La 1811); *Baker v. Libbie*, 210 Mass 599, 97 NE 109, 37 LRA (NS) 944 (1912); *In re Ryan's Estate*, 115 Misc 472, 188 NYSupp 387 (Surr Ct 1921).

<sup>11</sup> *Nutt v. National Institute for the Improvement of Memory*, 28 F2d 132 (D Conn 1928), *aff'd*, 31 F2d 236 (2d Cir 1929); *Bartlett v. Crittenden*, 2 FCas 967, No 1,076 (CC Ohio 1849); *McDearmott Commission Co. v. Board of Trade of City of Chicago*, 146 Fed 961 (8th Cir 1906).

<sup>12</sup> *Wilkie v. Santley Bros. Inc.*, 91 F2d 978 (2d Cir 1937), *cert den*, 302 US 735, 58 S Ct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); *Casino Productions v. Vitaphone Corp.*, 163 Misc 403, 295 NYSupp 501 (1937); *McCarthy & Fischer, Inc. v. White*, 259 Fed 364 (SD NY 1919); *The Mikado Case*, 25 Fed 183 (CC SD NY 1885); *Arnstein*

paintings,<sup>14</sup> photographs,<sup>15</sup> cartoons,<sup>16</sup> plans of an architect,<sup>17</sup> trade papers,<sup>18</sup> ticker tape quotations,<sup>19</sup> radio script,<sup>20</sup> motion picture scenarios,<sup>21</sup> combination of ideas evolved into a radio program,<sup>22</sup> abstracts,<sup>23</sup> map,<sup>24</sup> musical rendition by

v. Marks Music Corp., 11 FSupp 535 (SD NY 1935), *aff'd*, 32 F2d 275 (2d Cir 1936); Stern v. Carl Laemmle Music Co., 74 Misc 262, 133 NYSupp 1082 (SupCt 1911), *aff'd mem.*, 155 AppDiv 895, 139 NYSupp 1146 (1st Dep't 1913); Carte v. Ford, 15 Fed 439 (DC Md 1883); Thomas v. Lennon, 14 Fed 849 (CC Mass 1883). In Supreme Records v. Decca Records Inc., 90 FSupp 904 (DC Cal 1950), common law copyright was extended to a musical arrangement.

<sup>13</sup> The Mikado Case, 25 Fed 183 (CCSD NY 1885); Ricordi & Co. v. Columbia Graphophone Co., 263 Fed 354 (2d Cir 1920); Brown v. Select Theatres Corp., 56 FSupp 438 (D Mass 1944); Aronson v. Baker, 43 NJEq 365, 12 Atl 177 (Ch 1888); Tams v. Witmark, 30 Misc 293, 63 NYSupp 721 (SupCt 1900), *aff'd mem.*, 48 AppDiv 632, 63 NYSupp 1117 (1st Dep't 1901).

<sup>14</sup> American Tobacco Co. v. Werckmeister, 207 US 284, 28 SupCt 72, 52 LEd 208 (1907); Gerlach-Barkow Co. v. Morris, 23 F2d 159 (2d Cir 1927); Pushman v. New York Graphic Society, Inc., 25 NYS2d 32 (SupCt 1941), *aff'd*, 287 NY 302, 39 NE2d 249 (1942); Ripley v. Findlay Galleries, 155 F2d 955 (7th Cir 1946), cert den, 329 US 755, 67 Sct 194, 91 LEd 666 (1947).

<sup>15</sup> Cory v. Physical Culture Hotel, 14 FSupp 977 (WD NY 1936), *aff'd*, 88 F2d 411 (2d Cir 1937); Press Publishing Co. v. Falk, 59 Fed 324 (CCSD NY 1894); Moore v. Rugg, 44 Minn 28, 46 NW 141 (1890).

<sup>16</sup> Detective Comics, Inc. v. Bruns Publications, Inc., 28 FSupp 399 (SD NY 1939), modified on other grounds, 111 F2d 432 (2d Cir 1940).

<sup>17</sup> Walsh v. St. Louis Exposition, 101 Mo 534, 14 SW 722 (1890); Wright v. Eisle, 86 AppDiv 356, 83 NYSupp 887 (2d Dep't 1903); Larkin v. Pennsylvania RR, 125 Misc 238, 210 NYSupp 374 (SupCt 1925), *aff'd*, 216 AppDiv 832, 215 NYSupp 875 (1st Dep't 1926).

<sup>18</sup> Burndy Engineering Co. v. Penn-Union Electric Corp., 25 FSupp 507 (WD Pa 1938); Jewelers' Mercantile Agency v. Jewelers' Weekly Publishing Co., 84 Hun 12, 32 NYSupp 41 (SupCt 1895), rev'd, 155 NY 241, 49 NE 872, 41 LRA 846 (1898).

<sup>19</sup> Chicago Board of Trade v. Christie Grain Co., 198 US 236, 25 SupCt 637, 49 LEd 1031 (1905); McDearmott Comm. Co. v. Chicago Board of Trade, 146 Fed 961 (8th Cir 1906); National Tel. News Co. v. Western Union Tel. Co., 119 Fed 294 (7th Cir 1902); F. W. Dodge Co. v. Construction Information Co., 183 Mass 62, 66 NE 204, 60 LRA 810 (1903).

<sup>20</sup> Uproar Co. v. National Broadcasting Co., 8 FSupp 358 (D Mass 1934), modified, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 Sct 835, 80 LEd 1393 (1936); Stanley v. Columbia Broadcasting System, Inc., 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949) *aff'd on rehearing*, 35 Cal2d 653, 221 P2d 73 (1950); Yackoe v. Fields, 66 CalApp2d 150, 151 P2d 906 (1944).

<sup>21</sup> Thompson v. Famous Players-Lasky Corp., 3 F2d 707 (ND Ga 1925); Universal Film Mfg. Co. v. Copperman, 212 Fed 301 (SD NY 1914), *aff'd*, 218 Fed 577 (2d Cir 1914); Golding v. RKO Radio Pictures, Inc., 193 P2d 153 (CalApp 1948), *aff'd*, 208 P2d 1 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 690, 221 P2d 95 (1950); Italiani v. Metro-Goldwin-Mayer Corp., 45 CalApp2d 464, 114 P2d 370 (1941); Barsha v. Metro-Goldwin-Mayer Corp., 32 CalApp2d 556, 90 P2d 371 (1939); Weitzenkorn v. Lesser, 231 P2d 889 (CalApp 1951).

<sup>22</sup> Kurlan v. Columbia Broadcasting System, 90 USPQ 266 (CalApp 1951); Kovacs v. Mutual Broadcasting System, 221 P2d 108 (CalApp 1950); Stanley v. Columbia Broadcasting System, Inc., 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949); Cole v. Phillips H. Lord, Inc., 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941); Yackoe

an orchestra,<sup>25</sup> a musical laugh,<sup>26</sup> performance by an actor or singer,<sup>27</sup> a color scheme,<sup>28</sup> the conception and design of a book,<sup>29</sup> a list of department store purchasers,<sup>30</sup> and various kinds of business systems<sup>31</sup> and ornamental and utilitarian designs.<sup>32</sup> Thus "an individual has a property right in his original, unpublished, intellectual productions."<sup>33</sup>

The scope and extent of common law copyright are well illustrated by several recent decisions.

In *Stanley v. Columbia Broadcasting System, Inc.*,<sup>34</sup> plaintiff, who had submitted a format, sample script and recording of a dramatic radio program to defendant, alleged piracy in a suit based on implied contract. Judgment was entered for the plaintiff by the court, which found substantial similarity not in the actual text of defendant's program but in its combination of ideas reduced to a concrete form. The court concluded that the two program formats were similar in that in each: "the program was entitled 'Hollywood Preview'; the title was repeated and emphasized throughout the production; the announcer introduced the master of ceremonies; the latter was prominent in motion pictures; he stated the title of the

*v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944). But *cf.* *Bowen v. Yankee Network, Inc.*, 46 FSupp 62 (D Mass 1942); *Grombach Productions, Inc. v. Waring*, 293 NY 609, 59 NE2d 425 (1944).

<sup>23</sup> *Clay County Abstract Co. v. McKay*, 226 Ala 394, 147 So 407 (1933).

<sup>24</sup> *Rees v. Peltzer*, 75 Ill 475 (1874).

<sup>25</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937). *Cf.* *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 L Ed 463 (1940); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950).

<sup>26</sup> *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949).

<sup>27</sup> *Waring v. Dunlea*, 26 FSupp 338 (DC NC 1939); *Savage v. Hoffman*, 159 Fed 584 (CC NY 1908); *Contra*, *Supreme Records Inc. v. Decca Records, Inc.*, 90 FSupp 904 (DC Cal 1950). *Cf.* *Chaplin v. Amador*, 93 Cal App 358, 269 Pac 544 (1928). See

*Keene v. Kimball*, 82 Mass 545, 551 (1860).

<sup>28</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657 (ED NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941).

<sup>29</sup> *Dutton & Co. v. Cupples & Leon*, 117 AppDiv 172, 102 NYSupp 309 (1st Dep't 1907).

<sup>30</sup> *Walley, Inc. v. Saks & Co.*, 266 AppDiv 193, 41 NYS2d 739 (1st Dep't 1943).

<sup>31</sup> *Meyer v. Hurwitz*, 5 F2d 370 ED Pa 1925; *Meccano Ltd. v. Wagner*, 234 Fed 912 (SD Ohio 1916); *Prest-o-Lite Co. v. Davis*, 209 Fed 917 (SD Ohio 1913), *aff'd*, 215 Fed 349 (6th Cir 1914).

<sup>32</sup> *Meier Glass Co. v. Anchor Hoeking Glass Corp.*, 95 FSupp 264 (DC Pa 1951).

<sup>33</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657, 658 (DC NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941).

<sup>34</sup> 192 P2d 495 (CalApp 1948), *aff'd* 208 P2d 9 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 653, 221 P2d 73 (1950).

play and the name of the star; the drama was presented; it was a play not previously seen in motion pictures; its authors were named; listeners were asked to express their opinions of the play.”<sup>35</sup>

The court concurred and quoted with approval from defendant’s closing brief that “‘plaintiff’s treatment, development and expression of its [sic.] ideas *resulted of course in the creation of a piece of literary property as evidenced by his script and audition recording. . . .*’”<sup>36</sup> Thus a “concrete combination of ideas” for a radio program is a protectible property interest at common law.<sup>37</sup>

In *Golding v. RKO Radio Pictures, Inc.*,<sup>38</sup> an action for infringement of common law copyright, the Supreme Court of California held that the “basic dramatic core” or “heart” of a play was a protectible property interest. This basic dramatic situation may consist of a paragraph or two or of two or three pages.<sup>39</sup> “[T]he real value of a story or play

<sup>35</sup> The quotation is from the lower court’s opinion, 192 P2d at 500.

<sup>36</sup> *Id.* at 503. (Italics and brackets in original). The California Supreme Court disposed of this contention in a single sentence: “It is conceded by the defendant in its brief that plaintiff’s plea had been reduced to the concrete form of a script format and recording. . . .” 208 P2d at 15. To the same effect: *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>37</sup> Thus the courts have found a protectible property right in slogans: “No Thanks, I smoke Chesterfield,” *Liggett & Meyer Tobacco Co. v. Meyer*, 101 IndApp 420, 194 NE 206 (1935); “A ‘Macy’ Christmas and a Happy New Year,” *Healey v. R. H. Macy & Co., Inc.*, 251 AppDiv 440, 297 NYSupp 165 (1st Dep’t 1937), *aff’d*, 277 NY 681, 14 NE2d 388 (1938); “The Beer of the Century,” *Ryan & Associates, Inc. v. Century Brewing Ass’n*, 185 Wash 600, 55 P2d 1053 (1936). *Contra*: *O’Brien v. RKO Radio Pictures, Inc.*, 68 FSupp 13 (SD NY 1946); *Thomas v. R. J. Reynolds Tobacco Co.*, 350 Pa 262, 38 A2d 61 (1944). When the court protects ideas, denominated as a “protectible property interest,” recovery is

had upon the theory of contract implied in fact or in law. See *Plus Promotion, Inc. v. RCA Mfg. Co.*, 49 FSupp 166 (SD NY 1943); *Stanley v. Columbia Broadcasting System, Inc.*, 208 P2d 9 (Cal 1949), *aff’d on reargument*, 35 Cal2d 653, 221 P2d 73 (1950). But in *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951) and *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950), the courts held that the tort theory of plagiarism could be invoked to protect a combination of ideas.

<sup>38</sup> 193 P2d 153 (CalApp 1948), *aff’d*, 298 P2d 1 (Cal 1949), *aff’d, on reargument*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>39</sup> The court described the basic situation of the play in the case as follows:

“The central dramatic situation or core in which the plaintiffs claim property is as follows: The action takes place on board a ship. Only one person aboard, a passenger, suspects the captain of being a murderer. He accuses the captain who neither admits nor denies the accusation, in fact, to his crew and passengers the captain clearly infers that his accuser is either guilty of hallucinations or himself desires to kill him. The accuser knows that he is subject to the captain’s

may have little to do with specific dialogues or sequence of scenes or locale and there is ample evidence tending to prove that the basic dramatic core of the plaintiff's play constitutes the truly original and valuable feature of it. . . ."<sup>40</sup>

It is not believed that the *Golding* opinion extends the principles of common law copyright so as to furnish protection to abstract ideas or generalized themes.<sup>41</sup> Neither common

whims and is in a position where he can be killed or imprisoned. The captain, sure of his authority, informs the accuser that he is free to try to convince anyone on board ship of the truth of his suspicions. The passenger tells his story to the first mate and to others on the ship but they refuse to believe him and instead suspect the passenger of hallucinations or malice. Finally, however, the captain becomes aware that he is suspected by at least one other person and he threatens to kill, or does kill that person as an intermeddler. Knowledge that his murders are about to be uncovered causes him to lose his mind and brings about his own undoing and death.

"In the plaintiffs' play this basic dramatic core was filled out by placing the passengers and crew upon a pleasure cruise and making the captain an imposer who has come to show his superiority to the man in whose shadow he has worked for years; this man is the person throughout who knows the captain's true identity. There are various other sub-characters who give body and filling to the central plot, but as testified to by both *Golding* and *Faulkner*, this matter was all superficial and could be changed in innumerable ways without affecting the literary property and its value.

"The moving picture '*Ghost Ship*' has its captain as the dominant figure of the story. The locale of the drama is on a freighter with members of the crew having the subordinate roles. The ship carries no passengers, and, to that extent, the minor characters are quite different from those in the play. However, the captain and his obsession with authority and the fact that no one aboard can successfully challenge his position is found in the picture, as is the dramatic struggle between the captain and his adversary, the one person who knows his true nature.

Basically, the psychological situation is that described by the plaintiffs as the dramatic core of their work."<sup>40</sup> 221 P2d 96-97.

<sup>40</sup> *Id.* at 98-99. To the same effect is *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>41</sup> *MacDonald v. DuMaurier*, 144 F2d 696, 700 (2d Cir 1944): "Ideas or basic plots are not protected by copyright. *Holmes v. Hurst*, 174 US 82, 86, 19 SupCt 606, 43 LEd 904; *Dymow v. Bolton*, [11 F2d 690] at 691; *Nichols v. Universal Pictures Corp.*, 2 Cir, 45 F2d 119, 121, cert den, 282 US 902, 51 SupCt 216, 75 LEd 795. Neither are isolated incidents, *Shipman v. RKO Radio Pictures*, 2 Cir, 100 F2d 533, 536; *Eichel v. Marcin*, DC, 241 F 404, 409; *Rush v. Oursler*, DC, 39 F2d 468, 472, 473; *Seltzer v. Sunbrook*, DC, 22 FSupp 621, 628, nor even groups of incidents following necessarily or naturally from the plot or environment. *Roe-Lawton v. Hal E. Roach Studios*, DC, 18 F2d 126, 127; *Cain v. Universal Pictures Co.*, DC, 47 FSupp 1013, 1017; *Crnstein v. Paramount Productions*, DC, 9 FSupp 896, 901. Such incidents, however, may be selected, arranged and stated in such manner as to constitute the author's expression of his plot or part thereof, and if so, that arrangement and mode of expression is protected by copyright. *Daly v. Webster*, 2 Cir, 56 F 483, 486, 487; *Dymow v. Bolton*, 2 Cir, 11 F2d 690, 691; *Sheldon v. Metro-Goldwyn Pictures Corp.*, 2 Cir, 81 F2d 49, 54, 55, cert den 298 US 669, 56 SupCt 835, 80 LEd 1392."

See also *Dellar v. Samuel Goldwyn, Inc.*, 150 F2d 612 (2d Cir 1945), cert den, 327 US 790, 66 Sct 802, 90 LEd 1016 (1946); *O'Brien v. RKO Radio Pictures, Inc.*, 68 FSupp 13 (SD NY 1946); *Gropper v. Warner Bros. Pictures, Inc.*, 38 FSupp 329 (SD NY

law nor statutory copyright may be invoked to withdraw ideas or materials from the stock of materials used by others.<sup>42</sup> There can be no monopoly in a basic idea since common law and statutory copyright protect only the form of expression in which a concept is clothed.<sup>43</sup> In the *Golding* case, the "basic dramatic core," although condensed to a few paragraphs in the court's opinion, had been reduced to a stage play and included scenes, incidents, characters, characterizations, motivation, treatment and full dramatic expression. Thus plaintiff's common law copyright reflected the form and substance of literary property.<sup>44</sup>

In the Louis-Walcott litigation,<sup>45</sup> one of the counts in the complaints alleged that the defendants' unauthorized telecasts of the boxing bout would violate plaintiffs' common law property rights. The plaintiffs in this case were the:

- (1) contestants;
- (2) the promoter;
- (3) the network;
- (4) the local station;
- (5) the sponsor.

1941); *Lewys v. O'Neill*, 49 F2d 603 (SD NY 1931); *Ornstein v. Paramount Productions, Inc.*, 9 FSupp 896 (SD NY 1935); See J. Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 469-470.

<sup>42</sup> Cf. Mr. Justice Brandeis, dissenting, in *International News Service v. Associated Press*, 248 US 215, 248, 250, 262, 39 SupCt 68, 63 LEd 211 (1918), that as a "general rule of law . . . the noblest of human productions—knowledge, truths ascertained, conceptions and ideas—become, after voluntary communication to others, free as the air to common use." See *Eichel v. Marcin*, 241 Fed 404, 408, 409 (SD NY 1913); *Carter v. Bailey* 64 Me 458, 461, 18 AmRep 273 (1874): "The doctrine that an author has a property right in his ideas and is entitled to demand for them the same protection which the law accords to the proprietor of personal property generally, finds no recognition either in the common law or in the statutes of any civilized country."

<sup>43</sup> See note 41 *supra*; see also *Grant*

*v. Kellogg Co.*, 58 FSupp 48 (SD NY 1944), *aff'd*, 154 F2d 59 (2d Cir 1945); *De Montijo v. 20th Century Fox Film Corp.*, 40 FSupp 133 (SD Cal 1941); *Brunner v. Stix, Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944).

<sup>44</sup> *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947).

<sup>45</sup> *Louis v. Walcott Litigation*, published in pamphlet form by the Nation Broadcasting Company, entitled, *Proceedings in Philadelphia Actions in CP No 1, June Term, 1948, to Enjoin Commercial Uses of the Television Broadcast of the Louis-Walcott Fight*. This litigation consists of the following cases: *Louis et al v. Richman, tr/as Broadwood Hotel Equity No 1803, Pa CP June, 1948*; *Louis v. Friedman, tr/as Lawndale Theatre, Equity No 1804, PaCt, June, 1948*; *Louis v. California Productions et al., NYSupCt, June, 1948*; *Twentieth Century Sporting Club, Inc. et al. v. Massachusetts Charitable Ass'n., Equity No 60,230, Mass.SuperCt June, 1948*.

The defendants consisted of a motion picture theatre owner, a hotel owner and ball room operators who intended to exhibit televised pictures of the fight and charge an admission fee. None of the courts which were involved in this litigation rendered any written opinions explaining the bases or reasons for the issuance of injunctions in all four cases.

There can be no doubt that a dramatic or news program is an "original, unpublished, intellectual program"<sup>46</sup> protected by common law copyright. A dramatic or dramatico-musical show constitutes a product of man's creative mind.<sup>47</sup> The editing of news for radio and television broadcasting which "reveals a peculiar power of portrayal and a felicity of wording and phrasing, well calculated to seize and hold the interest of the reader, which is quite beyond and apart from the mere setting forth of the facts"<sup>48</sup> would be protected by common law copyright.<sup>49</sup>

The more troublesome question is whether a sports broadcast is an "original, unpublished, intellectual production." It is doubtful whether the contestants, i.e., Louis and Walcott can assert a property right based on common law copyright. Neither statutory nor common law copyright extend protection to the "mere portrayal of an actor in a play, which is the creation of another, [and] is not, of itself, an independent creation."<sup>50</sup>

May the promoter of the fight, the network, station and sponsor assert a common law copyright in the telecast because of the technical and artistic skills required—viz., lighting effects, camera angles, integration and synthesis of sight and sound, all of which produce a finished television production? The Copyright Code does not furnish protection to mechanical devices used in a stage or motion picture production, e.g., drop curtains, screens, lighting, scenery or other mechanical con-

<sup>46</sup> Ketcham v. New York World's Fair Inc., 34 FSupp 657, (DC NY 1940), *aff'd* 119 F2d 422 (2d Cir 1941).

<sup>47</sup> *Cf.* Columbia Pictures Corp v. Krasna, 65 NYS2d 67 (Sct 1946); Seltzer v. Sunbrock, 22 FSupp 621 (DC Cal 1938); Ferris v. Frohman, 238 Ill 430, 87 NE 327 (1909), *aff'd*, 223 US 424, 32 Sct 263, 56 LEd 492 (1912).

<sup>48</sup> Chicago Record-Herald v. Tribune Ass'n, 275 Fed 797, 798 (7th Cir 1921).

<sup>49</sup> *Cf.* Supreme Records Inc. v. Decca Records Inc., 90 FSupp 904 (DC Cal 1950).

<sup>50</sup> *Id.* The extent to which the law of unfair competition may be invoked to protect characterizations is discussed *passim* § 231b.

trivances.<sup>51</sup> The refusal of the courts to extend statutory protection to mechanical devices is premised on the following:

a) the scenic effects are common devices used in dramatic productions and lack originality;<sup>52</sup>

b) scenic devices per se do not constitute the "writings of an author."<sup>53</sup>

Although common law copyright is not limited to the "writings of an author,"<sup>54</sup> there is a paucity of case law as to whether it extends to mechanical devices. In *RCA Mfg. Co. v. Whiteman*,<sup>55</sup> Judge Learned Hand expressed grave doubts that a phonograph manufacturer exercised intellectual skill or art in recording a musical performance on a phonograph record. On the other hand, in *Supreme Records Inc. v. Decca Records Inc.*,<sup>56</sup> an unfair competition action, wherein a non-exclusive licensee claimed that defendant misappropriated his arrangement of a song, Judge Yankwich assumed "that a common-law property right may be asserted to the arrangement in a recorded song, distinct from the right to the song itself, [and] in order that a particular arrangement be given recognition as such, the elements which the recorder has introduced must involve creative ability of a distinct kind."<sup>57</sup>

It is believed that common law copyright extends to mechanical devices which require creative and artistic skills.<sup>58</sup> Although the answer is not free from doubt, it is questionable whether a recording per se reflects the creative or artistic skills which are an attribute of statutory or common law copyright. The mechanical skills required for recording a performance are more closely allied to the field of patent protection.<sup>59</sup>

<sup>51</sup> *Barnes v. Miner*, 122 Fed 480, 484 (DC NY 1903); *Seltzer v. Sunbrock*, 22 FSupp 621 (DC Cal 1938); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950).

<sup>52</sup> *Barnes v. Miner*, 122 Fed 480, 484 (DC NY 1903).

<sup>53</sup> 61 STAT 652 (1947), 17 USCA § 4 (Supp 1951).

<sup>54</sup> This is discussed in § 202.

<sup>55</sup> 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940).

<sup>56</sup> 90 FSupp 904 (DC Cal 1950).

<sup>57</sup> *Id.* at 912-913.

<sup>58</sup> *Cf. Meier Glass Co. v. Anchor Hocking Glass Corp.*, 95 FSupp 264,

267 (DC Pa 1951): "Under the common law, the creator has an exclusive property right in designs for works of ornament or utility until publication is permitted."

<sup>59</sup> But *cf.* *Diamond and Adler, Proposed Copyright Revision and Phonograph Records* (1940) 11 AirLRev 29, 46-47:

"The second claim advanced by opponents of copyright in recordings is that the creation of a phonograph record involves no artistic effort or endeavor, but is merely a mechanical process. Attendance at a recording session of any one of the manufacturer's studios seems to negate this

On the other hand, it is believed that a radio or television broadcast is protected by common law copyright. A broadcast represents a commodity worthy of protection.<sup>60</sup> Intellectual effort and skill are required of the broadcaster in selecting and creating programs and producing them over the air. Thus a broadcaster is an "instrument for the purveying of intangible commodities consisting of entertainment, instruction, education and information;"<sup>61</sup> and he has a definite interest in excluding others from the unauthorized use of his intellectual product.<sup>62</sup>

To return to the *Louis-Walcott* litigation, it is believed that the promoter network, station and sponsor may assert a property interest in the telecast of a sports events because the latter constitutes an "original, unpublished, intellectual production."<sup>63</sup> A greater degree of creative and artistic skill

contention. Singers and musicians of outstanding talent and popular appeal must be chosen. Musical selections specially arranged to the style of the performer must be selected. The orchestra, soloists and vocalists must be placed in peculiar proximity or distance from the microphone. Innumerable rehearsals take place so as to adapt the rendition to the indigenous demands of recording technique. In order to obtain the most pleasing and artistic effects, certain instrumental choirs must be augmented, others reduced until the perfect recording "balance" is achieved. Pitch, volume, studio acoustics, even temperature must be regulated. Infinite care in arranging drapes must be taken to assure fidelity of tone and to exclude extraneous noise and vibration.

"When these elements are approved by the manufacturer's recording directors, the actual recorded performance begins. The first of what in many instances amounts to four or five master recordings is made. The fine sapphire stylus, ground with infinite care to avoid surface noises and other imperfections, bites into the soft wax disc, whose composition is the result of long years of experimentation and secret formulae. The electric current operating the recording machines must be carefully controlled to insure a uniform speed of turn-table rota-

tion. The pitch and volume of various instruments must be carefully "mixed" to assure a smooth and even result. In command of this entire process is the recording company's director who listens with the musical score before him, often interrupting the playing and instructing musicians, the solist and even the conductor in innumerable details of artistic technique not even apparent to these trained musicians and their conductor. Upon completion of these recordings the several master records which have been taken are played to a committee of experts, only the best being selected for presentation and sale to the public."

<sup>60</sup> Caldwell, *Piracy of Broadcast Programs* (1930) 30 CalLRev 1087; Willy Hoffman, 3 Archiv fur Funkrecht 541.

<sup>61</sup> Strauss, *Unauthorized Recording of Radio Broadcasts* (1950) XI Fed ComBarJ 193, 199.

<sup>62</sup> Oranje, *Rights Affecting the Use of Broadcasts* (Geistiges Eigentum, May/June 1938): "In the fact that the broadcaster produces something with a creative element which represents a *res intellectualis*, we see the right to protection of his work."

<sup>63</sup> *Ketcham v. New York World's Fair*, 34 FSupp 657 (DC NY 1940), *aff'd* 119 F2d 422 (2d Cir 1941).

is required for television than for recording. A finished television production, although it relies on mechanical devices such as cameras, etc. requires the individual efforts of many persons; a recording on the other hand is effectuated almost exclusively by mechanical processes.

There is as much a property right expressed in terms of creative and artistic skills in a finished television picture<sup>64</sup> as in a photograph or painting and the evanescent character of a telecast does not destroy its common law copyright.<sup>65</sup> In this connection, it is believed that any television program, including news and sports telecasts is protected by common law copyright. This is premised on the following: every telecast requires the use of technical and artistic skills; in addition a television program represents a real commodity worthy of protection.<sup>66</sup>

Another recent decision which warrants discussion is *Blanc v. Lantz*.<sup>67</sup> In this case, Mel Blanc, the plaintiff, claimed a protectible property interest in the "so-called musical laugh, 'Ha-ha-ha-ha-ha,' allegedly created by him and well known to the public as the laugh of that fictitious character, Woody Woodpecker." The court granted defendant's motion for judgment on the pleadings on the ground that there had been a publication of the musical laugh with a consequent loss of plaintiff's common law property right. The court assumed for the purposes of the motion that there was a common law property right in the musical laugh. In the concluding paragraphs of the opinion the court not only reaffirms its conclusion that the musical laugh is an original intellectual production but also suggests that plaintiff could copyright this "musical composition."

It is believed that the court reached the correct conclusion in dismissing the complaint, but not for the reasons stated in its opinion. It is doubtful whether the dissemination of plaintiff's musical laugh via radio broadcasts and on the sound

<sup>64</sup> In *Universal Film Mfg. Co. v. Copperman*, 218 Fed 577, 579 (2d Cir 1914) the court stated that there was a "common-law right of property in the intellectual conception of the scenario of the play expressed in words and in the intellectual conception of the photoplay expressed in actions."

<sup>65</sup> *Cf. Patterson v. Century Production, Inc.*, 93 F2d 489, 493 (2d Cir 1937), cert den, 303 US 655, 58 SCT 759, 82 LEd 1114 (1939).

<sup>66</sup> *Op cit supra*, notes 60-62.

<sup>67</sup> 83 USPQ 137 (CalSuperCt 1949).

track of motion pictures constitutes a general publication. This subject will be discussed subsequently.<sup>68</sup> Defendant's motion for judgment on the pleading required the court to assume that plaintiff's musical laugh constituted an original intellectual production. It is believed that if this issue were tried on the merits, the court might conclude that the musical laugh was not a protectible property interest.

It is doubtful whether plaintiff's laugh has the requisite length for common law copyright.<sup>69</sup> Of course length is not a prerequisite for common law copyright. A gem of literature reflecting originality may be compressed within a few words.<sup>70</sup> Thus such slogans as "Beer of the Century,"<sup>71</sup> "A Macy Xmas and a Happy New Year"<sup>72</sup> and "No Thanks, I Smoke Chesterfields"<sup>73</sup> have been considered original intellectual productions and protected under the theory of implied contract.<sup>74</sup> The slogan cases can be explained only on the basis

<sup>68</sup> See §§ 203 and 203a.

<sup>69</sup> *Maxwell v. Hogg*, LR 2 Ch 307, 318 (1867): "I apprehend, indeed, that if it were necessary to decide the point, it must be held that there cannot be what is termed copyright in a single word, although the word may be used as the fitting title for a book. The copyright contemplated by the Act must not be in a single word, but in some words in the shape of a volume, or part of a volume, which is communicated to the public, by which the public are benefited, and in return for which a certain protection is given to the author of the work. All arguments, therefore, for the purpose of maintaining this bill on the ground of copyright appear to me to fall to the ground." In *Sinanide v. La Maison Kosmeo*, 139 LT 365 (1928), plaintiff claimed copyright in the slogan, "Beauty is a social necessity, not a luxury." *Scrutton, L. J.*, speaking for the court, held there was no copyright in the phrase "because the matter in which copyright is claimed is too small for the court to attach any value to it." And see *Shafter, Musical Copyright* 215 *et seq.* 215 (2d ed 1939).

<sup>70</sup> *Cf.* concurring opinion of Greer, L. J., in *Sinanide v. La Maison Kosmeo*, 139 LT 365, 367 (1928): "I wish to guard myself against being taken to decide that there cannot be a

copyright in what is called a 'slogan.' A 'slogan' may, for instance, consist of an original composition in four lines of verse, in which there may be copyright; and the same may be said of an original composition in phrase." In *Heim v. Universal Pictures Co.*, 154 F2d 480, 487 n 8 (2d Cir 1946), Judge Frank suggested that statutory copyright might exist in the following phrases: "Euclid alone has looked on Beauty bare," or "Twas brillig and the slithy toves."

<sup>71</sup> *Ryan & Associates v. Century Brewing Ass'n*, 185 Wash 600, 55 P2d 1053 (1936).

<sup>72</sup> *Healey v. R. H. Macy & Co., Inc.*, 251 AppDiv 440, 297 NYSupp 165 (1st Dep't 1937), *aff'd*, 277 NY 681, 14 NE2d 388 (1938).

<sup>73</sup> *Liggett & Meyer Tobacco Co. v. Meyer*, 101 IndApp 420, 194 NE 206 (1935).

<sup>74</sup> *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 208 P2d 1 (Cal 1949) *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949); 35 Cal2d 653, 221 P2d 73 (1950); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944). But *cf.* *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950) and *Kur-*

that they had a substantial economic value to their users and that they were protectible via implied contract without regard to common law copyright. It is believed that neither common law nor statutory copyright should be invoked to protect plaintiff's musical laugh. It is "too small for the court to attach any value to it."<sup>75</sup> In other words the maxim, *de minimis non curat lex*, should be applicable—common law copyright will not be invoked to protect the trifle of a guffaw repeated five times.

The extent to which common law or statutory copyright may be invoked to protect a musical laugh, slogans, mottoes or the like requires clarification by the courts. A musical laugh containing but five notes does not represent a fully expressed idea. The latter, it is believed, suggests a minimum standard which may be employed as a yardstick for common law and statutory copyright. The basic philosophy of this minimum standard which would measure copyright by an original, fully expressed idea is the public policy which abhors monopolies in words, phrases and sounds which are removed from the English language.<sup>76</sup>

lan v. Columbia Broadcasting System, 90 USPQ 267 (CalApp 1951).

<sup>75</sup> *Sinanide v. La Maison Kosmeo*, 139 LT 365 (1928). And see *Wilkie v. Santly Bros.*, 91 F2d 978 (2d Cir 1937) cert den, 302 US 735, 58 SCT 120, 82 LEd 568 (1937); *Arnstein v. Marks Music Corp.*, 82 F2d 275 (2d Cir 1936). Shafter contends that "four bars of music constitutes the arbitrary minimum—a ridiculous standard; for this would place almost every popular song, no matter how original; under suspicion, simply because there are so few effective openings for these works. The average popular song is based upon a prescribed formula. It has three parts in the chorus: the opening strain, which usually runs for eight bars and is repeated for another eight; a 'middle' tune of eight bars, and a concluding eight, which repeats the first strain with little variation. The opening strain is composed of two phrases, each of four bars, which are not only similar or identical to each other, but are repeated in the first part and in the concluding eight bars. Thus, what began supposedly as four bars may

turn out to be eight, twelve, or sixteen. Therefore, if we are going to count bars and base our decision upon that, the entire method is falsified at the very outset." He suggests a test of "quality," but even "quality" requires a minimum standard. *Shafter, Musical Copyright* 215 (2d ed 1939).

<sup>76</sup> See the quotation from the dissenting opinion of Mr. Justice Brandeis in *International News Service v. Associated Press*, 248 US 215, 248, 250, 262, 39 SupCt 68, 63 LEd 211 (1918), *supra* note 42. Cf. Judge Wyzanski in *Triangle Publications v. New England Newspaper Publishing Co.*, 46 FSupp 198, 204 (D Mass 1942): "I could hardly be unmindful of the probability that a majority of the present justices of the Supreme Court of the United States would follow the dissenting opinion of Mr. Justice Brandeis in the *International News* case . . . because they share his view that monopolies should not be readily extended, and his faith that legislative remedies are to be preferred to judicial innovations for problems where adjustment of many competing interests is necessary."

## 202. RIGHTS CONFERRED BY COMMON LAW COPYRIGHT.

Common law copyright is frequently referred to as “copyright before publication” to distinguish it from “statutory copyright” or “copyright after publication.”<sup>1</sup> An author’s rights before publication are:

“The sole, exclusive interest, use, and control. The right to its name, to control, or prevent publication. The right of private exhibition, for criticism or otherwise, reading, representation, and restricted circulation; to copy, and permit others to copy, and to give away a copy; to translate or dramatize the work; to print without publication; to make qualified distribution. The right to make the first publication. The right to sell and assign her interest, either absolutely or conditionally, with or without qualification, limitation, or restriction, territorial or otherwise, by oral or written transfer.”<sup>2</sup>

As stated in the previous section, common law copyright is independent of statute. Section 2 of the Copyright Code confirms its existence.<sup>3</sup>

Common law copyright is thus an absolute incorporeal right which is protected to the same extent by the common law as other personal property.<sup>4</sup> This view considers common law copyright as a rule of property law based on the idea of creation through labor.<sup>5</sup> Continental jurisprudence on the other hand has abandoned the “property right” concept of common law copyright because of the difficulties of reconciling the generally accepted characteristics of an author’s right with the juristic conception of property.<sup>6</sup> The European view

<sup>1</sup> *Palmer v. DeWitt*, 47 NY 532, 7 AmRep 480 (1872). See Ball, *Law of Copyright and Literary Property* 471 *et seq.* (1944).

<sup>2</sup> *Harper & Bros. v. Donohue & Co.*, 144 Fed 491, 492 (CC ND Ill 1905).

<sup>3</sup> 61 STAT 652 (1947), 17 USCA § 2 (Supp 1951).

<sup>4</sup> *Commissioner v. Affiliated Enterprises*, 123 F2d 665 (10th Cir 1941), cert den, 315 US 812, 62 SCt 796, 86 LEd 1211 (1942); *Clay County Abstract Co. v. McKay*, 226 Ala 394, 147 So 407 (1933); *Baker v. Libbie*, 210 Mass 599, 97 NE 109 (1912). And see Schulman, *Outline of Common Law Copyright* (1949).

<sup>5</sup> Bowker, *The Copyright, Its Law*

and Its Literature 13 (1886); Drone, a *Treatise on the Law of Property in Intellectual Productions in Great Britain and the United States* 2 *et seq.* (1879); Weil, *American Copyright Law* 3 *et seq.* (1917).

<sup>6</sup> It should be pointed out that a substantial number of foreign countries draw no distinction between published and unpublished works, and the statutes furnishing such copyright protection have no dual system of common law and statutory copyright as exemplified by the United States. See 2 UNESCO Copyright Bull. [No. 2-3] 20 (1949). The present copyright law of Great Britain (Copyright Act, 1911, 1 & 2 Geo 5, c 46) abolished common

considers copyright before publication as a personal right of the author<sup>7</sup> or as a right *sui generis*<sup>8</sup> which must be distinguished from the traditional classification of rights. The juristic approach which considers common law copyright as an extension of the author's personality and would protect such rights via the privacy doctrine would solve many of the difficulties inherent in copyright law.<sup>9</sup> Anglo-American jurists have concluded that since a protectible property interest exists in an intellectual production on its creation, a creator's rights before publication will be treated as fullfledged property rights.<sup>10</sup>

Since common law copyright is governed by the rules of property law, it exists separate and apart from the physical substance in which it is embodied.<sup>11</sup> This is illustrated by the Mark Twain case which held that the possession of an unpublished manuscript which the defendant acquired by purchase, did not confer upon him the ownership or right of first publication of the literary property.<sup>12</sup> Viewed from this perspective, the courts have had no difficulty in finding a common law right

law copyright in unpublished works and conferred statutory copyright upon such unpublished works by § 1 (1). See Ladas, *The International Protection of Literary and Artistic Property* 882 (1938); *Infra* § 191 ff.

<sup>7</sup> See Ladas, *op cit supra* note 6, at 7 *et seq.*, particularly his discussion and analysis of the German theorists. This theory, i.e., that common law and statutory copyright reflect rights of personality, is the starting point for the recognition of the moral rights of an author. For a discussion of this concept see Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators*, 53 *HarvLRev* 554 (1940); UNESCO Copyright Bull. 58 *et seq.* (1949); *Infra* § 193.

<sup>8</sup> This is the French conception of *le droit moral* which attaches to the person of the author and is considered inalienable. See Ladas, *op cit supra* note 6, at 7.

<sup>9</sup> See Ladas, *op cit supra* note 6, at

4-5; Weil *op cit supra* note 5, at 105. Warren and Brandeis in *The Right of Privacy*, 4 *HarvLRev* 193, 205 (1890), have intimated that common law copyright may be protected via the right of privacy. But for the most part, American courts have not invoked the privacy doctrine to explain or justify common law copyright; *Infra* § 193.

<sup>10</sup> Weil, *op cit supra* note 5, at 105.

<sup>11</sup> *Italiani v. Metro-Goldwyn-Mayer Corp.*, 45 *CalApp2d* 464, 114 *P2d* 370 (1941); *Schleman v. Guaranty Title Co.*, 153 *Fla* 379, 15 *So2d* 754, 149 *ALR* 1029 (1944); *Kurfiss v. Cowherd*, 233 *MoApp* 397, 121 *SW2d* 282 (1938); *Pushman v. New York Graphic Society, Inc.*, 287 *NY* 302, 39 *NE2d* 249 (1942).

<sup>12</sup> *Chamberlain v. Feldman*, 84 *NYS2d* 713 (1949), 62 *HarvLRev* 1406; *cf.* *American Tobacco Co. v. Werekmeister*, 207 *US* 284, 28 *SupCt* 72, 52 *LEd* 208 (1907); *In re Dickens* [1935] 1 *Ch* 267.

in a concrete combination of ideas<sup>13</sup> evolved into a radio program or in an evanescent telecast.<sup>14</sup>

Common law copyright is governed by the same rules of transfer and succession and may employ the remedies accorded other personal property.<sup>15</sup> However, creditors cannot execute against an unpublished manuscript and publish it,<sup>16</sup> nor may the purchaser of an unpublished work at a bankruptcy sale.<sup>17</sup> It is doubtful, however, if the dictum which recites that literary property is not subject to taxation, would be binding on the Bureau of Internal Revenue.<sup>18</sup> The common law rights in an unpublished intellectual production can be sold outright or a limited interest may be licensed for a specific period of time.<sup>19</sup> A painting which is a species of common law copyright may be sold to one person with the proprietor retaining all common law rights, including the first right of publication, multiplication of copies and the right to obtain a copyright.<sup>20</sup>

<sup>13</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Cole v. Phillips H. Lord, Inc.*, 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941).

<sup>14</sup> *Cf. Patterson v. Century Production, Inc.*, 93 F2d 489 (2d Cir 1938), cert den, 303 US 655, 58 S Ct 759, 82 L Ed 1114 (1939).

<sup>15</sup> Thus an injunction may issue: *Chappell & Co. v. Fields*, 210 Fed 864 (2d Cir 1914); *National Tel. News Co. v. Western Union Tel. Co.*, 119 Fed 294 (7th Cir 1902); *Thomas v. Lennon*, 14 Fed 849 (CC Mass 1883); an action for conversion may lie: *Taft v. Smith*, 76 Misc 283, 134 NYSupp 1011 (Sup Ct 1912); and exemplary damages may be awarded for certain interferences: *Press Pub. Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 S Ct 40, 41 L Ed 367 (1896).

<sup>16</sup> *Bartlett v. Crittenden*, 2 FCas 967, No 1,076 (CC Ohio 1849); *Dart v. Woodhouse*, 40 Mich 399, 29 AmRep 544 (1879).

<sup>17</sup> *Berry v. Hoffman*, 125 PaSuper 261, 189 Atl 516 (1937).

<sup>18</sup> *Harper & Bros. v. Donohue*, 144

Fed 491, 492 (CC ND Ill 1905): "Such literary property is not subject either to execution or taxation, because this might include a forced sale, the very thing the owner has the right to prevent." This dictum was severely criticized by Weil as "the high water mark of the extraordinary claims sometimes asserted in connection with the subject. Property beyond governmental reach or regulation, would indeed be an astonishing phenomenon." Weil, *op cit supra* note 5, at 113-14.

<sup>19</sup> *Comm'r v. Wodehouse*, 337 US 269, 69 S Ct 1120, 93 L Ed 1419 (1949); *Hazard v. Columbia Broadcasting System, Inc.*, 150 F2d 852 (9th Cir 1945); *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (D Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 S Ct 622, 91 L Ed 691 (1946); *Grant v. Kellogg Co.*, 58 FSupp 48 (SD NY 1944), *aff'd*, 154 F2d 59 (2d Cir 1946); *Harris v. Twentieth Century Fox Film Corp.*, 43 FSupp 119 (SD NY 1942).

<sup>20</sup> *American Tobacco Co. v. Werckmeister*, 207 US 284, 28 Sup Ct 72, 52 L Ed 208 (1907); *cf. Pushman v. New York Graphic Society, Inc.*, 287 NY 302, 39 NE2d 249 (1942).

Common law copyright passes to the personal representatives of the deceased owner and may be bequeathed by will.<sup>21</sup>

Common law rights are relinquished or abandoned if statutory copyright is obtained.<sup>22</sup> This raises the important issues of similarities and differences between common law and statutory copyright.

The obvious differences may be noted briefly:

Common law copyright is perpetual whereas statutory copyright is for a definite term.<sup>23</sup>

Since common law copyright is an absolute property right, it cannot be copied, mechanically reproduced by any device, arranged, translated, adapted or performed by any means or through any medium without the consent of the proprietor.<sup>24</sup> The unauthorized use of a common law copyright may subject the tortfeasor to an action at law for damages; or equitable jurisdiction will be invoked to enjoin such unauthorized use with a decree for an accounting of the profits.<sup>25</sup> Copyright before publication thus prohibits any kind of unauthorized interference with unpublished works. Statutory copyright, on the other hand, permits a "fair use" of the copyrighted work without deeming it an infringement.<sup>26</sup> Common law

<sup>21</sup> *Folsom v. Marsh*, 9 FCas 342, No 4,901 (CC Mass 1841).

<sup>22</sup> *Loew's, Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Leven v. Schulman*, 178 Misc 763, 36 NYS2d 547 (SupCt 1942).

<sup>23</sup> *McCarthy & Fischer, Inc. v. White*, 259 Fed 364 (SD NY 1919); *Stanley v. Columbia Broadcasting System, Inc.*, 208 P2d 9, 13 (Cal 1949) *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Tompkins v. Halleek*, 133 Mass 32 (1882); *Palmer v. DeWitt*, 47 NY 532, 7 AmRep 480 (1872). Copyright Code, 17 USCA § 24 (Supp 1951), provides: "The copyright secured by this title shall endure for twenty-eight years from the date of first publication. . . . The proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years."

<sup>24</sup> *Maurel v. Smith*, 271 Fed 211 (2d Cir 1921), *aff'd* 220 Fed 195 (SD NY 1915); *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948),

*aff'd*, 208 P2d 1 (Cal 1949) *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949) *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Loew's, Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941); *Johnston v. Twentieth Century-Fox Film Corp.*, 82 CalApp2d 796, 187 P2d 474 (1947); *Pushman v. New York Graphic Society, Inc.*, 287 NY 302, 39 NE2d 249 (1942).

<sup>25</sup> *Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 SupCt 38, 54 LEd 150 (1909); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (US 1834); *Maxwell v. Goodwin*, 93 Fed 665 (CC ND Ill 1899). In *Press Publishing Co. v. Monroe*, 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 SCT 40, 41 LEd 367 (1896), it was held that exemplary or punitive damages may be awarded.

<sup>26</sup> The doctrine of "fair use" is discussed *infra* § 157.

copyright is enforceable in the state courts and there is no limit to the damages that may be secured in an infringement suit.<sup>27</sup> Statutory copyright is an exclusive federal matter with statutory damages prescribed on a minimum and maximum scale, where actual damages or profits cannot be ascertained.<sup>28</sup>

Statutory copyright requires formal notice and reservation of copyright as a condition precedent to registration.<sup>29</sup> Common law copyright has no such requirement.

Registration under the Copyright Code is prima facie evidence of ownership.<sup>30</sup> Common law copyright requires proof of prior authorship; this is considered its chief disadvantage. Another disadvantage of common law copyright is the technical legal concept of publication whereby common law rights are frequently lost because a proprietor unknowingly dedicates his work to the public.<sup>31</sup>

The few basic similarities between common law and statutory copyright may be noted briefly. Both furnish protection to the incorporeal property separate and apart from its tangible form.<sup>32</sup>

The same standards or tests for infringement resulting from unauthorized use are employed for common law<sup>33</sup> as

<sup>27</sup> Cf. *Loew's, Inc. v. Superior Court of Los Angeles County*, 18 Cal2d 419, 115 P2d 983 (1941).

<sup>28</sup> Copyright Code, 17 USCA § 101 (Supp 1951).

<sup>29</sup> Copyright Code, 17 USCA §§ 10, 11, 13 (Supp 1951). *Washington Publishing Co. v. Pearson*, 306 US 30, 59 SupCt 397, 83 LEd 470 (1939); *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Davenport Quigley Expedition v. Century Productions*, 18 FSupp 974 (SD NY 1937).

<sup>30</sup> *Freudenthal v. Hebrew Pub. Co.*, 44 FSupp 754 (SD NY 1942); *Edward B. Marks Music Corp. v. Stasny Music Corp.*, 1 FRD 720 (SD NY 1941).

<sup>31</sup> *Shafter, Musical Copyright* 108 *et seq.* (2d ed 1939).

<sup>32</sup> Copyright Code, 17 USCA §§ 27, 28 (Supp 1951); *Remick Music Corp. v. Interstate Hotel Co.*, 58 FSupp 523 (D Neb 1944), *aff'd*, 157 F2d 744 (8th Cir 1946), cert den, 329 US 809, 67 Sct 622, 91 LEd 691 (1947); *McClintic*

*v. Sheldon*, 182 Misc 32, 43 NYS2d 695 (SupCt 1943), rev'd on other grounds, 269 AppDiv 356, 55 NYS2d 879 (1st Dep't 1945). See notes 11 and 12 *supra*.

<sup>33</sup> *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 Sct 1197, 89 LEd 1893 (1945); *Dieckhaus v. Twentieth Century-Fox Film Corp.*, 54 FSupp 425 (ED Mo 1944), rev'd on other grounds, 153 F2d 893 (8th Cir 1946), cert den, 329 US 716, 67 Sct 46, 91 LEd 621 (1946); *Wilkie v. Santly Bros.*, 13 FSupp 136 (SD NY 1935), *aff'd*, 91 F2d 978 (2d Cir 1937), cert den, 302 US 735, 58 Sct 120, 82 LEd 568 (1937), *aff'd on reargument*, 94 F2d 1023 (2d Cir 1938); *Golding v. RKO Pictures, Inc.*, 201 P2d 1 (Cal 1949) *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950).

for statutory copyright.<sup>34</sup> Although the concept of infringement has been developed primarily in the field of statutory copyright, courts apply the same principles in cases dealing with common law copyright with but one exception previously noted. The doctrine of "fair use" is inapplicable to common law copyright.

Another similarity which exists is in the subject matter of common law<sup>35</sup> and statutory copyright.<sup>36</sup> Common law rights not only are as co-extensive as the subject matter of statutory copyright, but extend to certain original intellectual productions which cannot secure the protection and benefits of the Copyright Code. Thus a few courts have relied on common law copyright to protect phonograph records<sup>37</sup> and transcriptions<sup>38</sup> which preserve the interpretive performances of an orchestra, actors and singers.<sup>39</sup> On the other hand the Copyright Code cannot be invoked to protect mechanical devices such as phonograph records, tapes, wire-recordings,

<sup>34</sup> *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947); *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946); *Harold Lloyd Corp. v. Witwer*, 65 F2d 1 (9th Cir 1933), pet for cert dismissed, 296 US 669, 54 SCt 94, 78 LEd 1507 (1933); *MacDonald v. Du Maurier*, 75 FSupp 655 (SD NY 1948).

<sup>35</sup> See cases cited note 33 *supra*; and see section 201 *supra*, for the subject matter of common law copyright.

<sup>36</sup> Copyright Code, 17 USCA § 5 (Supp 1951): "Classification of Works for Registration.—The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs: "(a) Books, including composite and encyclopedic works, directories, gazettes, and other compilations.

"(b) Periodicals, including newspapers.

"(c) Lectures, sermons, addresses (prepared for oral delivery).

"(d) Dramatic or dramatico-musical compositions.

"(e) Musical compositions.

"(f) Maps.

"(g) Works of art; models or designs for works of art.

"(h) Reproductions of a work of art.

"(i) Drawings or plastic works of a scientific or technical character.

"(j) Photographs.

"(k) Prints and pictorial illustrations including prints or labels used for articles of merchandise.

"(l) Motion-picture photoplays.

"(m) Motion pictures other than photoplays.

"The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title, nor shall any error in classification invalidate or impair the copyright protection secured under this title."

<sup>37</sup> *Waring v. Dunlea*, 26 FSupp 338 (DC NC 1939); *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937). *Cf. Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950). *Contra RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 SCt 393, 85 LEd 463 (1940).

<sup>38</sup> *Waring v. Dunlea*, 26 FSupp 338 (DC NC 1939).

<sup>39</sup> *Ibid.*; *Savage v. Hoffmann*, 159 Fed 584 (CC SD NY 1908); *cf. Long v. Decca Records, Inc.*, 76 NYS2d 133 (SupCt 1947).

etc., because the latter are not considered the "writings of an author."<sup>40</sup>

As discussed elsewhere a telecast is not considered the "writings" of an author because of its evanescent character;<sup>41</sup> however, it does represent an original intellectual production because of the creative and artistic skills required to produce it.<sup>42</sup> The transitory character of a telecast does not destroy this protectible interest since common law copyright is an absolute property right which cannot be copied or reproduced by any device without the consent of the proprietor.<sup>43</sup>

Although the evanescent character of a telecast precludes the assertion or recognition of statutory copyright in a telecast per se,<sup>44</sup> the unauthorized performance of a copyrighted work may be forbidden and its lawful use protected. Thus the Copyright Office permits the registration of dramatic scripts designed for radio or television broadcasts<sup>45</sup> and of motion picture photoplays<sup>46</sup> and motion pictures other than photoplays intended for transmission by television.<sup>47</sup> The unauthorized telecast of a copyrighted drama would infringe the performing rights of the copyright proprietor.<sup>48</sup> On the other hand the unauthorized exhibition of a work of art protected by the Copyright Code is *damnum absque injuria* because the reproduction lacks permanency and hence is not a copy.<sup>49</sup>

<sup>40</sup> Copyright Code, 17 USCA § 1(e) (Supp 1951). See HRRep No 2222, 60th Cong 2d Sess 9 (1909): "It is not the intention of the committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer or copyright proprietor the control, in accordance with the provisions of the bill, of the manufacture and use of such devices." And see *Jerome v. Twentieth Century-Fox Film Corp.*, 67 FSupp 736 (SD NY 1946), *aff'd*, 165 F2d 784 (2d Cir 1948).

<sup>41</sup> *Infra* § 154a.

<sup>42</sup> *Infra* § 201.

<sup>43</sup> *Op cit supra* note 24.

<sup>44</sup> The test of copyrightability is that the subject matter be visible and susceptible of registration with the copyright office. A telecast is a visible expression but its transitory character precludes registration with the copyright office.

<sup>45</sup> Regulations of the Copyright Office, 37 Code Fed Regs § 202.5, found

in 13 Fed Reg 8650 (1948): "Dramatic and dramatic-musical compositions (Class D). This class includes works dramatic in character such as plays, dramatic scripts designed for radio or television broadcast, pantomimes, ballets, musical comedies and operas."

<sup>46</sup> *Id.* § 202.13: "Motion-picture photoplays (Class L). This class includes motion pictures, dramatic in character, such as features, serials, animated cartoons, musical plays, and similar productions intended for projection on a screen, or for transmission by television or other means."

<sup>47</sup> *Id.* § 202.14 "(Class M). This class includes non-dramatic motion pictures, such as newsreels, musical shorts, travelogues, educational and vocational guidance films, and similar productions intended for projection on a screen, or for transmission by television or other means."

<sup>48</sup> Copyright Code, 17 USCA § 1(d) (Supp 1951).

<sup>49</sup> *Infra* § 154a.

As far as television is concerned and subject to the exception noted above, both common law and statutory copyright prohibit its unauthorized uses and conversely protect its lawful uses. Common law copyright goes one step further and furnishes protection to the telecast per se, subject of course to the rule, *de minimis non curat lex*.<sup>50</sup> From a practical point of view, the concept of infringement other than the doctrine of "fair use" furnishes the same protection for both common law and statutory copyright.

The question of whether common law copyright and statutory copyright can exist concurrently in an intellectual production was raised in the landmark cases of *Millar v. Taylor*<sup>51</sup> and *Donaldson v. Beckett*.<sup>52</sup> It will be recalled that the Statute of Anne, enacted in 1709, provided that anyone who had already printed and published a book prior to April 10, 1710, which was the effective date of the act, should have a copyright for 21 years from that date; anyone who printed and published a book after that date should have a 14-year copyright.<sup>53</sup> In *Millar v. Taylor*, the Stationers' Company secured a temporary victory when the court of King's-Bench ruled that their perpetual common law copyright was not abrogated by the Statute of Anne. This triumph was shortlived. Five years later, in *Donaldson v. Beckett*, the House of Lords reversed *Millar v. Taylor* and concluded that the perpetual rights conferred by the common law were abrogated by the copyright statute.<sup>54</sup>

*Donaldson v. Beckett* has been followed by the American courts. This is illustrated by the fairly recent case of *Loew's, Inc. v. Superior Court of Los Angeles County*.<sup>55</sup> Plaintiff,

<sup>50</sup> *Id.*

<sup>51</sup> 4 Burr 2303, 98 EngRep 201 (KB 1769).

<sup>52</sup> 2 Brown P. C. 129, 1 EngRep 837, se 4 Burr 2408, 98 EngRep 257 (HL 1774). For an excellent analysis of these "landmark" cases see Kilroc, *Outline of Lecture on Copyright Legislation* (1944).

<sup>53</sup> 8 Anne c 19 (1709).

<sup>54</sup> The House of Lords answered five questions, establishing the following propositions: (1) that at common law the author of a book or literary composition had the sole right of first publishing and printing the same; (2) that publication did not take away the common law copyright of an author

in his work (this was dictum which was overruled in *Jeffreys v. Boosey*, 4 HL Cas 461 (1854), where the House of Lords held that at the common law, common law copyright does not survive publication); (3) that the Statute of Anne took away all of the author's common law rights and precluded him from every remedy not founded on the statute; (4) that the author of any literary composition, or his assignees, had the sole right of printing and publication in perpetuity under the common law; (5) that the right of perpetuity was taken away by the Statute of Anne.

<sup>55</sup> 18 Cal2d 419, 115 P2d 983 (1941).

Al Rosen, invoked the jurisdiction of a local state court, claiming that the picture, "The Mortal Storm," produced by Loew's infringed his unpublished dramatic composition and motion picture scenario, entitled "The Mad Dog of Europe." Loew's petitioned for the issuance of the peremptory writ of prohibition, directed against the Superior Court, claiming that the latter could not entertain this action since Rosen had copyrighted "The Mad Dog of Europe" as an unpublished work. The case turned on the issue of whether the federal courts had exclusive jurisdiction under the provisions of the copyright law. This issue was dependent on whether common law and statutory rights existed concurrently:

"The right of one who proceeds under the statute should thenceforth be measured by the provisions of the statute. The common law right exists until the statute has been invoked and rights created thereunder, or the common law right has otherwise been abandoned; and this is so in one case as in the other. The author has the right of election, that is, he may content himself with his common law copyright, or he may elect to substitute therefor the right afforded by the statute by complying with its provisions, whereupon the extent of his copyright and the remedies for infringement are governed by the statutory provisions. Rosen's election was made when he proceeded to secure protection of the dramatic rights in the composition under the copyright statute. He cannot make a different election now. There is no expression in any of the authorities that a common law and a statutory right may exist concurrently, as is here claimed. . . . 'No proposition is better settled than that a statutory copyright operates to divest a party of the common-law right.' *Jewelers' Mercantile Agency v. Jewelers' Weekly Publishing Co.*, 155 N. Y. 241, 247 . . . ; *Bobbs-Merrill Co. v. Straus*, 2 Cir., 147 F. 15 . . . ; *Société des Films Menchen v. Vitagraph Co.*, 2 Cir., 251 F. 258, 260; *Universal Film Mfg. Co. v. Copperman*, 2 Cir., 218 F. 577; *Cohan v. Robbins Music Corp.*, 244 App. Div. 697, 280 N. Y. S. 571 and cases cited."<sup>56</sup>

Thus the line of demarcation between common law and statutory copyright is "publication" and its legal consequences. Publication with notice is a condition precedent to statutory

<sup>56</sup> 115 P2d at 986. See also *Wheaton v. Peters*, 8 Pet 591, 8 Led 1055, (US 1834); *Leven v. Schulman*, 178 Misc 763, 36 NYS2d 547 (SupCt 1942).

But *cf.* *Blane v. Lantz*, 83 USPQ 137 (CalifSuperCt 1949). *cf.* *Warner Bros. Pictures Inc. v. Columbia Broadcasting System*, 102 FSupp 141 (DC Cal 1951).

copyright.<sup>57</sup> And general publication with or without the intent to dedicate the work to the public results in a loss or abandonment of common law rights.<sup>58</sup> Publication has a double-barreled significance which has no theoretical or logical basis of distinction other than the fact that statutory copyright is initiated by publication. The concept of publication which results in the loss of common law rights will be discussed in the following sections.

### 203. PUBLICATION: GENERAL DISCUSSION.

The term "publication" is a word of art; its meaning is none too clear. Generally speaking, it may be described as an act of the owner whereby the subject matter is made available to the general public under circumstances permitting copies to be made or which indicate an intention of rendering the work common property and imply an abandonment and dedication of the work to the general public.<sup>1</sup>

Many courts have divided the term "publication" into two classifications: general publication and limited or qualified publication.

A general publication consists of a disclosure, communication, circulation, exhibition or distribution of the work, tendered or given the general public, which implies an abandonment of the copyright or a dedication of the same to the general public.<sup>2</sup>

<sup>57</sup> Copyright Code, 17 USCA §§ 10, 12, 13 (Supp 1951).

<sup>58</sup> This will be discussed in the following sections.

<sup>1</sup> *Caliga v. Inter Ocean Newspaper Co.*, 215 US 182, 30 SupCt 38, 54 LEd 150 (1909); *Holmes v. Hurst*, 174 US 82, 19 SupCt 606, 43 LEd 904 (1899); *Wheaton v. Peters*, 8 Pet 591, 8 LEd 1055 (US 1834); *Grant v. Kellogg Co.*, 58 FSupp 48 (SD NY 1944), *aff'd* 164 F2d 59 (2d Cir 1946); *Krafft v. Cohen*, 32 FSupp 821 (ED Pa 1940), *rev'd*, 117 F2d 579 (3d Cir 1941); *D'Ole v. Kansas City Star Co.*, 94 Fed 840, 842 (CC WD Mo 1899); *Ladd v. Oxnard*, 75 Fed 703, 730 (CC Mass 1896); *Keene v. Wheatley*, 14 FCas 180, 198, No 7,644 (CC ED Pa 1861); *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd* 208

P2d 1 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 93 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949) 35 Cal2d 653, 221 P2d 73 (1950); *Pushman v. New York Graphic Society, Inc.*, 25 NYS2d 32 (SupCt 1941), *aff'd* 287 NY 302, 39 NE2d 249 (1942); *Berry v. Hoffman*, 125 PaSuper 261, 189 Atl 516 (1937); *Meier Glass Company v. Anchor Hocking Glass Corp.*, 95 FSupp 264 (DC Pa 1950); *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950), *rev'd on the facts*, 193 F2d 744 (9th Cir 1952). See also, *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>2</sup> *Id.*; *American Tobacco Co. v. Werekmeister*, 207 US 284, 28 Sct 72, 54 LEd 208 (1907); *Bartlett v. Crit-*

A "limited or qualified publication" on the other hand is "one which communicates a knowledge of its contents under conditions expressly or impliedly precluding its dedication to the public."<sup>3</sup> A limited publication may be regarded as one with restrictions and limitations on the use and enjoyment of the subject matter to a select number of persons, or a limited ascertained class, or for some particular occasion or definite purpose.<sup>4</sup>

In *Waring v. WDAS Broadcasting Station, Inc.*,<sup>5</sup> the court correctly set forth the applicable principles of law governing "limited" and "general" publication:

"The law has consistently distinguished between performance and publication,—between what is sometimes referred to as a 'limited' or 'qualified' and a 'general' publication. 'When the communication is to a select number upon condition, express or implied, that it is not intended to be thereafter common property, the publica-

tenden, 2 FCas 967, FCas No 1076 (CC Ohio 1849); Press Publishing Co. v. Monroe, 73 Fed 196, 199 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 S Ct 40, 41 LEd 367 (1896); Berry v. Hoffman, 125 PaSuper 261, 189 Atl 516 (1937). See Note, 35 HarvLRev 600 (1922): "Any communication or disclosure by the author which permits an unrestricted use of the subject matter by the public, or by those members of the public to whom it may be committed, is a general publication." In *National Comics Publications v. Fawcett Publications*, 191 F2d 594, 598 (2d Cir 1951), Judge Learned Hand held that abandonment of literary property must be effectuated "by some overt act which manifests his purpose to surrender his rights in the 'work' and to allow the public to copy it. . . . It is of course true that publication of a copyrightable 'work' puts that 'work' into the public domain except so far as it may be protected by copyright. That has been unquestioned law since 1774; and courts have often spoken of it as a 'dedication' by its 'author or proprietor.' That, however, is a misnomer, for 'dedication,' like 'abandonment' presupposes an intentional surrender. . . ."

<sup>3</sup> See cases cited in *op cit supra*, notes 1 and 2. See also: *Wreck-*

*meister v. American Lithographic Co.*, 134 Fed 321, 324 (2d Cir 1904); *Keene v. Wheatley*, FCas No 7644, 14 FCas 180, 191 (CC Pa 1861); *Jewelers Mercantile Agency v. Jewelers Weekly Publishing Co.*, 155 NY 241, 49 NE 872 (1898); *Abernethy v. Hutcheson*, 3 LJChRep 209 (1824); *Prince Albert v. Strange*, 2 De Gex & S. M., 652, 41 EngRep 1171 (1849); *Prince Albert v. Strange*, 1 Me & G 25, 64 EngRep 293 (1849).

<sup>4</sup> *White v. Kimmel*, 94 FSupp 502, 505 (DC Cal 1950) rev'd on the facts, 193 F2d 744 (9th Cir 1952): "A limited publication which communicates the contents of a manuscript to a definite 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 the loss of the author's common-law right to his manuscript"; *Heim v. Universal Pictures Co., Inc.*, 154 F2d 480, 486 (2d Cir 1946):

"The letter of November 4, 1940 from Cummins to Pasternak, enclosing a copy of the song, was not a publication or offering for sale in the United States. Nor were the playings of the song here, nor was the filing of the copy in the copyright office."

<sup>5</sup> 327 Pa 433, 194 Atl 631 (1937).

tion is then said to be limited. . . . In *American Tobacco Co. v. Werckmeister*, 207 U. S. 284, 28 S. Ct. 72, 52 L. Ed. 208, 12 Ann. Cas. 595, the applicable rule is quoted with approval from Slater on the Law Copyright and Trade Mark as follows: 'It is a fundamental rule that to constitute publication there must be such a dissemination of the work of art itself among the public as to justify the belief that it took place with the intention of rendering such work common property. . . .' 'The test is whether there is or is not such a surrender as permits the absolute and unqualified enjoyment of the subject-matter by the public or the members thereof to whom it may be committed.' *Werckmeister v. Amer. Lith. Co.* (C. C. A.) 134 F. 321, 68 L. R. A. 591, 596. *Berry v. Hoffman*, 125 Pa. Super. 261, 267, 268, 189 A. 516, 519. Thus the production of a play, *Ferris v. Frohman*, 223 U. S. 424, 32 S. Ct. 263, 56 L. Ed. 492, the delivery of a lecture, *Nutt v. National Institute, Inc., for the Improvement of Memory* (C. C. A.) 31 F. (2d) 236, the playing of a musical composition, *McCarthy & Fischer, Inc. v. White* (D. C.) 259 F. 364, the exhibition of a painting, *American Tobacco Co. v. Werckmeister*, 207 U. S. 284, 28 S. Ct. 72, 52 L. Ed. 208, 12 Ann. Cas. 595, a performance over the radio, *Uproar Co. v. National Broadcasting Co.* (D. C.) 8 F. Supp. 358, does not constitute a publication which operates as an abandonment to public use. In determining whether or not there has been such a publication, the courts look partly to the objective character of the dissemination and partly to the proprietor's intent in regard to the relinquishment of his property rights."<sup>6</sup>

### 203a. PUBLICATION APPLIED TO SPECIFIC SITUATIONS.

The general rule is that publication is effected when copies, made by any means whatsoever, are available for distribution to the general public and disseminated without restriction.<sup>1</sup>

<sup>6</sup> 194 Atl at 636. See also *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (D Mass 1934), modified, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 S Ct 835, 80 LEd 1393 (1936); *Universal Film Mfg. Co. v. Copperman*, 218 Fed 577 (2d Cir 1914); *Harper & Bros. v. Donohue & Co.*, 144 Fed 491 (CC ND Ill 1905); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on rcargument*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>1</sup> In *American Tobacco Co. v. Werckmeister*, 207 US 284, 299, 28 Sup Ct 72, 52 LEd 208 (1907), it was held: "It is a fundamental rule that to constitute publication there must be such a dissemination of the work of art itself among the public, as to justify the belief that it took place with the intention of rendering such work common property." See also *Berry v. Hoffman*, 125 PaSuper 261, 268, 189 Atl 516, 519 (1937). But cf. *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

Thus a book is published when printed copies are exposed for sale or gratuitously offered the general public.<sup>2</sup> Printing does not constitute a publication since a book may be withheld from the public long after it is printed.<sup>3</sup>

Two fairly recent cases involving publication in foreign countries warrant discussion. In *Basevi v. Edward O'Toole Co.*,<sup>4</sup> it was held that a general publication of a foreign work in a foreign country, without notice of United States copyright, destroyed the author's common law rights in the United States; and that a subsequent copyright obtained under the copyright laws was ineffective. The doctrine of the *Basevi* case was reversed in *Heim v. Universal Pictures Co., Inc.*,<sup>5</sup> where it was held that "publication in a foreign country by a foreign author . . . [does] not . . . require, as a condition of obtaining or maintaining a valid American copyright, that any notice be affixed to any copies whatever published in such foreign country, regardless of whether publication first occurred in that country or here, or whether it occurred before or after registration here."<sup>6</sup> This means that the term "general publication" is a divisible concept: "general publication" of a work may be effected outside the United States without destroying common law copyright of the same work in the United States. It is believed that the *Heim* case, which involved certain specific provisions of the Copyright Code, cannot be reconciled with the case law on common law and statutory copyright.<sup>7</sup>

<sup>2</sup> *Jewelers' Mercantile Agency v. Jewelers' Weekly Pub. Co.*, 84 Hun 12, 32 NYSupp 41, 44 (SupCt 1895), quoting Drone, Copyrights 291 (1879): "A book is published when printed copies are sold unconditionally to the public. . . . [T]o constitute a publication, it is essential that the work shall be exposed for sale, or gratuitously offered to the general public; so that the public, without discrimination as to persons, may have an opportunity to enjoy that for which protection is granted. Printing itself cannot amount to a publication, for the obvious reason that a book may be withheld from the public long after it has been printed."

<sup>3</sup> *Ibid.* The typewriting or mimeographing of radio or television scripts for use by performers for rehearsal,

etc., is not a general publication. *Cf. Press Pub. Co. v. Monroe*, 73 Fed 196 writ of error dismissed, 164 US 105, 17 SCT 40, 41 LEd 367 (1897) (2d Cir 1896); *Bartlette v. Crittenden*, 2 FCas 951, No 1,082 (CC Ohio 1847); *Jewelers' Mercantile Agency v. Jewelers' Weekly Publishing Co.*, 155 NY 241, 49 NE 872 (1898), rev'g 84 Hun 12, 32 NYSupp 41, 44 (SupCt 1895).  
<sup>4</sup> 26 FSupp 41 (SD NY 1939).

<sup>5</sup> 154 F2d 480 (2d Cir 1946). The majority opinion states: "*Basevi v. Edward O'Toole Co.*, DC, 26 FSupp 41, 46, we think was wrongly decided on this point." *Id.* at 487 n 6. The *Heim* case is discussed in detail in § 61c.

<sup>6</sup> 154 F2d at 486.

<sup>7</sup> Compare the concurring opinion of Judge Clark: "The opinion holds that

Publication is likewise effected when copies of a pamphlet are given away or left in a hotel office for the benefit of the hotel's guests.<sup>8</sup> Publication takes place when picture post-cards are offered for sale to the general public,<sup>9</sup> when a manuscript is released serially in a magazine and is later sought to be printed in book form;<sup>10</sup> when musical works are offered for sale to the general public;<sup>11</sup> and when the plans of an architect are filed with a city.<sup>12</sup>

On the other hand, the submission of the manuscript of a literary work to persons for their consideration and acceptance is not publication.<sup>13</sup> In *Press Publishing Co. v. Monroe*,<sup>14</sup> plaintiff was invited by the Chicago World Fair of 1892 to compose and deliver an ode at the dedicatory exercises. Copies of the final version of the ode were delivered to a committee on ceremonies and to a special literary committee for their decision as to whether the ode submitted was suitable. Fifty-six lines of the ode were set to music and these lines were printed

American copyright is secured by publication abroad without the notice of copyright admittedly required for publication here. This novel conclusion, here suggested for the first time, seems to me impossible in the face of the statutory language that the person thereto entitled 'may secure copyright for his work by publication thereof with the notice of copyright required by this title,' § 9 of the Copyright Act, 17 USCA § 9, and § 18, defining the 'notice of copyright required by section 9 of this title,' with the provision that as to work of the character here involved 'the notice shall include also the year in which the copyright was secured by publication.' It is against the view of such expert copyright judges as Hough, J., in *Italian Book Co. v. Cardilli*, DC SD NY, 273 F 619 and *Universal Film Mfg. Co. v. Copperman*, DC SD NY, 212 F 301, *aff'd* 2 Cir, 218 F 577, cert den, 235 US 704, . . . and Woolsey, J., in *Basevi v. Edward O'Toole Co.*, DC SD NY, 26 FSupp 41, and apparently the universal assumption of text writers. See Howell, *The Copyright Law*, 1942, 73; Ladas, *The International Protection of Literary and Artistic Property*, 1938, 698; Ball, *The Law of Copyright and Literary Property*, 1944, 217; Copyright Protection in the Americas (*Law &*

*Treaty Series No. 16*) 66; 18 CJS Copyright and Literary Property, § 66, p 190." 154 F2d at 488-89.

<sup>8</sup> *D'Ole v. Kansas City Star Co.*, 94 Fed 840, 842 (CC WD Mo 1899). Sale of a single copy, *Stern v. Jerome H. Remick Co.*, 175 Fed 282 (CC SD NY 1910); *Gottberger v. Aldine Book Pub. Co.*, 33 Fed 381 (CC Mass 1887); or a public offer of copies of a work for sale, *Fraucis, Day & Hunter v. Feldman & Co.*, [1914] 2 Ch 728, constitute publication.

<sup>9</sup> *Bamforth v. Douglass Post Card & Machine Co.*, 158 Fed 355 (CC ED Pa 1908).

<sup>10</sup> *Holmes v. Hurst*, 174 US 82, 19 SupCt 606, 43 LEd 904 (1889).

<sup>11</sup> *Wagner v. Conried*, 125 Fed 798 (CC SD NY 1903).

<sup>12</sup> *Wright v. Eisle*, 83 NYSupp 887 (2d Dep't 1903).

<sup>13</sup> See *Heim v. Universal Pictures Co.*, 154 F2d 480 (2d Cir 1946); *Gerlach-Barklow Co. v. Morris & Bendien*, 23 F2d 159 (2d Cir 1927); *Allen v. Walt Disney Productions*, 41 FSupp 134 (DC NY 1941); *Basevi v. Edward O'Toole Co.*, 26 FSupp 41 (DC NY 1939).

<sup>14</sup> 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 SCT 40, 41 LEd 367 (1897).

and distributed among members of the chorus for the purpose of rehearsal. The court held that neither the delivery of copies of the ode to the committees, nor the printing and distribution of the ode to the chorus for rehearsal purposes constituted publication. However, a newspaper which printed the ode prior to its delivery at the fair and without the author's permission, infringed plaintiff's common law rights and was liable in damages. The court held that the plaintiff had reserved her copyright in the composition, although she supplied the committee with copies for publication in the press and for free distribution; in addition the ode was published in the official history of the dedicatory ceremonies.

For the most part, the courts have held that a performance is a "limited" publication.<sup>15</sup> Thus there is no general publication when copies of a poem are given to a body to judge its suitability; <sup>16</sup> nor when copies of a manuscript are circulated to persons having a common interest in its publication; <sup>17</sup> nor when copies of an etching are circulated among friends; <sup>18</sup> nor when a public lecture or address is delivered; <sup>19</sup> nor when a song is sung to a paid audience; <sup>20</sup> nor when a newspaper account of the presentation of a play is published; <sup>21</sup> nor when a play is performed before a paid audience; <sup>22</sup> nor when a script is broadcast.<sup>23</sup>

<sup>15</sup> Ferris v. Frohman, 223 US 424, 32 SupCt 263, 56 LEd 492 (1912); Aronson v. Fleckenstein, 28 Fed 75 (CC ND Ill 1886); McCarthy & Fischer, Inc. v. White, 259 Fed 364 (SD NY 1919); Stanley v. Columbia Broadcasting System, Inc., 208 P2d 9 (Cal 1949); Palmer v. DeWitt, 47 NY 532 (1872).

<sup>16</sup> Press Publishing Co. v. Monroe, 73 Fed 196 (2d Cir 1896), writ of error dismissed, 164 US 105, 17 SCt 40, 41 LEd 367 (1897).

<sup>17</sup> White v. Kimmel, 94 FSupp 502 (DC Cal 1950) rev'd on the facts, 193 F2d 744 (9th Cir 1952).

<sup>18</sup> Prince Albert v. Strange, 2 De G & S 652, 64 EngRep 293 (Ch 1848), *aff'd*, 1 Mac & G 25, 41 EngRep 1171 (Ch 1849).

<sup>19</sup> Nutt v. National Institute Inc. for the Improvement of Memory, 31 F2d 236 (2d Cir 1929); Barlette v. Crittenden, 2 FCas 981, No 1,082 (CC

Ohio 1847); Caird v. Simes, 12 AppCas 326 (1887).

<sup>20</sup> McCarthy & Fischer, Inc. v. White, 259 Fed 364 (SD NY 1919).

<sup>21</sup> O'Neill v. General Film Co., 171 AppDiv 854, 157 NYSupp 1028 (1st Dep't 1916).

<sup>22</sup> Ferris v. Frohman, 223 US 424, 32 SupCt 263, 56 LEd 492 (1912); Palmer v. De Witt, 47 NY 532 (1872). Some early cases held that if a play could be reproduced from memory, no relief would be had. Keene v. Wheatley, 14 FCas 180, No 7,644 (CC ED Pa 1861); Keene v. Kimball, 82 Mass 545 (1860). This approach was repudiated in Tompkins v. Halleck, 133 Mass 32 (1882); and Ferris v. Frohman, *supra*.

<sup>23</sup> Uproar Co. v. National Broadcasting Co., 8 FSupp 358 (D Mass 1934), modified, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 SCt 835, 80 LEd 1393 (1936). And see cases cited in § 203b.

*Ferris v. Frohman*,<sup>24</sup> which involved the presentation of a play upon the stage warrants discussion. Two English authors had written and produced a play entitled "The Fatal Card" in England. The plaintiff bought one of the author's right, title and interest in the play, with the exclusive right to produce and perform it in the United States and Canada. The play was never copyrighted in the United States. It was publicly produced under the supervision of the plaintiff in various cities in the United States and Canada. Afterwards, one George E. MacFarlane adapted the play, and called it by the same name, "The Fatal Card." He transferred it to the defendant who copyrighted it in the United States and thereafter produced it in various cities of the United States. Plaintiff sought to enjoin the further presentation of the play by the defendant relying on his common law rights as against defendant's copyright. The Supreme Court applied the common law rule "that the public representation of a dramatic composition, not printed and published, does not deprive the owner of his common-law right, save by operation of statute." The public performance of the play in England did not deprive the proprietor-assignee thereof, of the common law copyright in the United States. Plaintiff enjoined defendant's unauthorized adaptation of the play, although under the English statute then in effect the first public performance of a play was deemed a publication, cutting off all common-law rights in England.<sup>25</sup>

The concept of publication has been challenged by two recent decisions which warrant discussion. In *Shapiro Bernstein & Co. v. Miracle Record Co.*,<sup>26</sup> the court held that plaintiff "abandoned his rights, if any, to a copyright by permitting his composition to be produced on phonograph records and sold some time before copyright. It seems to me that production and sale of a phonograph record is fully as much a publication as production and sale of sheet music. I can see no practical distinction between the two. If one constitutes an abandonment, so should the other."

The court in denying a motion for a new trial, made an additional comment:

<sup>24</sup> 223 US 424, 32 S Ct 263, 56 L Ed 492 (1912).

904, No 3,441 (CC Ill 1870); *Tompkins v. Halleck*, 133 Mass 32 (1882).

<sup>25</sup> See also *Crowe v. Aiken*, 6 FCas

26 91 FSupp 473 (DC Ill 1950).

“It seems to me that publication is a practical question and does not rest on any technical definition of the word ‘copies’. . . . Modern recording has made possible the preservation and reproduction of sound which heretofore has disappeared immediately upon its creation. When phonograph records of a musical composition are available for purchase in every city, town, and hamlet, certainly the dissemination of the composition to the public is complete, and is as complete as by sale of sheet music reproduction of the composition. . . .”<sup>27</sup>

We have discussed elsewhere the implications of this decision on the trade practices of the phonograph industry.<sup>28</sup> The conclusion of the court that the availability of phonograph records for purchase “in every city, town and hamlet,” constitutes a general publication is in accord with the case law on this subject; its value as a precedent for the record industry is doubtful since it would disrupt long-established commercial and trade practices.<sup>29</sup>

The second case to be discussed is *Blanc v. Lantz*<sup>30</sup> which tenders the question whether the exhibition of film results in a general publication with a consequent loss of common law rights.

We have discussed elsewhere that the motion picture and television film industries register film as published works.<sup>31</sup> Our inquiry is thus narrowed to the very small minority who may rely on common law copyright to protect the content of television film.

At the outset, it is necessary to distinguish between the distribution and exhibition of film. In the motion picture industry films are not produced for the sale but remain the property of the proprietor. The proprietor—*i.e.*, motion picture producer—licenses the film to the exhibitor for a specified period of time at an agreed rental. Numerous steps and actions take place from the time the film is shipped by the producer until it is exhibited in the theatre. Thus “positive” prints are reproduced from the original negative film. The “positive” prints are shipped from the studios or laboratory to the exchanges of the distributor and thence to the exhibitor. The distributor who “sells” the film has a “trade-showing” for the press and

<sup>27</sup> *Id.* at 475.

<sup>28</sup> *Infra*, § 61c.

<sup>29</sup> *Id.*

<sup>30</sup> 83 USPQ 137 (CalSuperCt 1949).

<sup>31</sup> *Infra*, § 61b.

for exhibitors. The film is subsequently leased to a theatre owner for exhibition to the general public.<sup>32</sup>

The complexities of the foregoing distribution and circulation practices have prompted the motion picture and television industries to register films as published works. This is because any one of the distribution practices may constitute a general publication. For example the multiplication of "positive" prints from an original negative and the leasing of such film to exhibitors are considered a general publication.<sup>33</sup> On the other hand, prior to *Blanc v. Lantz*, the exhibition of film to the public, which is akin to the stage presentation of a play has always been regarded as a limited publication.<sup>34</sup>

This is confirmed by *Patterson v. Century Productions, Inc.*,<sup>35</sup> which dealt with the related question of an unpublished copyrighted motion picture film. Plaintiff registered his film with the Copyright Office as an unpublished work under section 11, now 12, of the Copyright Code.<sup>36</sup> The statute provides that if the work is later reproduced for sale, the copyright proprietor must make the necessary deposit of copies. Plaintiff's film, which showed wild animal life in Africa, was exhibited gratuitously to religious, social and educational

<sup>32</sup> Shafter, *Musical Copyright* 116 (2d ed 1939): "The problem of distribution and circulation has been made so complex and so vast by the methods of modern business organizations, by the introduction of paid lending libraries and the leasing of motion picture films, that the most innocent act is liable to become an act of distribution and, therefore, publication, with consequent loss of rights." For discussion of the problems involved in motion picture exhibition and distribution, see Bernstein, *The Motion Picture Distributor and the Copyright Law*, in 2 *Copyright Law Symposium* 119 (1940); McDonough and Winslow, *The Motion Picture Industry: United States v. Oligopoly*, 1 *StanLRev* 385 (1949).

<sup>33</sup> Cf. *Jewelers Mercantile Agency v. Jewelers Weekly Publishing Co.*, 84 *Hun* 12, 32 *NYSupp* 41 (1895), reversed, 155 *NY* 241, 49 *NE* 872 (1898) with *Patterson v. Century Productions, Inc.*, 93 *F2d* 489, (2d *Cir* 1937), cert

den, 303 *US* 655, 58 *SCT* 759, 82 *LED* 1114 (1938).

<sup>34</sup> *Patterson v. Century Productions*, 93 *F2d* 489 (2d *Cir* 1937) cert den, 303 *US* 655, 58 *SCT* 759, 82 *LED* 1114 (1938); *Ferris v. Frohman*, 238 *Ill* 430, 87 *NE* 327, 43 *LRA* (NS) 639, 128 *AmStRep* 135 (1909) *aff'd*, 223 *US* 424, 32 *SupCt* 263, 56 *LED* 492 (1912); *Universal Film Mfg. Co. v. Copperman*, 218 *Fed* 577 (2d *Cir* 1914), cert den, 235 *US* 704, 35 *SCT* 209, 59 *LED* 433 (1914); *De Mille Co. v. Casey*, 121 *Misc* 78, 201 *NYSupp* 20 (*SupCt* 1923). See Schwartz & Frolich, *Law of Motion Pictures* 504 (1917); Statement of Edwin P. Kilroe, in Hearings before Committee on Patents, etc., on S 3047, 74th Cong, 2d Sess 1185, 1186 (1936).

<sup>35</sup> 93 *F2d* 489 (2d *Cir* 1937), cert den, 303 *US* 655, 58 *SCT* 759, 82 *LED* 1114 (1938).

<sup>36</sup> 61 *STAT* 652 (1947), 17 *USCA* § 12 (*Supp* 1951).

organizations. Defendant secured a positive print of plaintiff's film and incorporated from 1,000 to 1,5000 feet in its copyrighted film "The Jungle Killers." Plaintiff sued for infringement of his copyright. The defendant claimed that the infringement suit could not be maintained because the film had been reproduced for sale and plaintiff had failed to deposit the two copies of the work with the Copyright Office. Whether the film had been reproduced for sale depended on whether or not what the plaintiff did in showing the picture amounted to publication. The court held there was no general publication:

"Public exhibition is not necessarily a general publication merely because the public generally is shown the work. The test of general publication is whether the exhibition of the work to the public is under such conditions as to show dedication without reservation of right or only the right to view or inspect it without more. *American Tobacco Co. v. Werckmeister*, 207 U. S. 284, 28 S. Ct. 72, 74, 52 L. Ed. 208, 12 Ann. Cas. 595. If the conditions of publication are such that the only right is to look at the copy of the work exhibited, there is no general publication which makes the work thereafter a published work in the copyright sense. *McCarthy & Fischer v. White* (D. C.) 259 F. 364. Even permission to take notes at the delivery of a lecture is not a general publication. *Nutt v. National Institute* (C. C. A.) 31 F. (2d) 236.

"This motion picture was not distributed except for exhibition in the strictly limited noncommercial way above described. As the distribution was limited to exhibitions of the picture without charge, no one was given the right to use the copies sent out for any other purpose whatsoever. The positive films were merely loaned for that purpose which did not permit copying. There was, therefore, no publication before the registration under section 11 or before this suit was brought. Consequently, the copyright was valid and infringed when this action was commenced."<sup>37</sup>

It would appear that the *Patterson* and related cases would be conclusive on the issue that the exhibition of film does not constitute a general publication.<sup>38</sup> This doctrine was repu-

<sup>37</sup> 93 F2d at 492-493.

<sup>38</sup> *Universal Film Mfg. Co. v. Coperman*, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 Sct 209, 59

LEd 433 (1914); *Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre Co.*, 3 FSupp 66 (D Mass 1933).

diated in *Blanc v. Lantz*,<sup>39</sup> which held that “the distribution and exhibition of these films in commercial theatres throughout the world constitutes so general a publication of the contents of the film and its sound track as to result in the loss of the common-law copyright.” Although the decision may be distinguished on the ground that the court was construing the California Civil Code dealing with publication,<sup>40</sup> the case requires further judicial clarification because not only does it jeopardize the doctrine that broadcasting is not a publication, but it may disturb the basic relationships between common-law and statutory copyright.

In the *Mel Blanc* case, plaintiff asserted a common-law right in a musical laugh, known to the public as the laugh of the fictitious character, Woody Woodpecker. Plaintiff’s amended complaint recited that the musical laugh was broadcast over a local radio station and was incorporated into the sound track of the Woody Woodpecker cartoons. These cartoons containing this musical laugh were distributed and exhibited in commercial theatres throughout the world. Defendants moved for a judgment on the pleadings on the ground that there had been a publication of plaintiff’s musical laugh. The court assumed for the purposes of defendants’ motion that there was a common-law copyright in the musical laugh. It concluded as a matter of law that such common-law rights were extinguished by the distribution and exhibition of the cartoons. It is significant that the court’s opinion does not discuss the radio cases which hold that a broadcast performance is not a general publication. Undoubtedly the *Stanley* decision<sup>41</sup> precluded the court from specifically repudiating that doctrine. But if the court’s reasoning in the *Blanc* case is approved by the appellate tribunal, the latter court has no alternative other than to repudiate the doctrine of limited publication as set forth in the *Stanley* case. There is as much, if not a greater, publication in the exhibition of film via tele-

<sup>39</sup> 83 USPQ 137 (CalSuperCt 1949).

<sup>40</sup> “If the owner of a product of the mind intentionally makes it public, a copy or reproduction may be made public by any person without responsibility to the owner, so far as the law of this state is concerned.” Cal Civ Code § 983 (1941). The 1949 Amendment to the California Civil Code has

deleted the requirement that the publication which terminates common law rights must be “intentional.”

<sup>41</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 208 P2d 9 (Cal 1949), *aff’d on reargument*, 35 Cal2d 653, 221 P2d 73 (1950). See also: *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

vision stations as in motion picture theatres. Obviously, if the telecasting of film constitutes a general publication, the court to be consistent must conclude that common-law rights are extinguished by a radio or television broadcast performance. Thus the *Blanc* decision calls for dissection and analysis.

At the outset the court relied on those sections of the California Civil Code dealing with common-law copyright. Despite the *Stanley* case, which described these provisions as "but codifications of the common law," the court concluded from its analysis of these sections, particularly section 983, that a public performance is a general publication.<sup>42</sup> This conclusion was buttressed by the following additional arguments:

The public policy against perpetual monopolies in intellectual property, as exemplified by the copyright clause of the Constitution, applies to common-law copyright, for persuasive authority has held that there is no perpetual common-law copyright in works not copyrightable under federal statutes.<sup>43</sup>

This argument repudiates 300 years of legal history. *Donaldson v. Beckett*<sup>44</sup> and *Wheaton v. Peters*<sup>45</sup> make it clear that an author trades his perpetual monopoly in common-law copyright for various rights of limited duration in statutory copyright. The basic philosophy underlying common-law copyright is the protection of unpublished common-law rights. Statutory copyright on the other hand encourages the dissemination of information to the public by protecting the economic value of intellectual property. Over a period of years the courts have attempted to synthesize common-law and statutory copyright into an integrated branch of the law, but not to the extent of destroying this basic philosophic difference which is confirmed in the Copyright Code.<sup>46</sup> This basic philosophic

<sup>42</sup> *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949): "Regardless, however, of whether Sections 980 and 983 are statements of the common law or are statutory modifications of the common-law copyright, the broad language 'make public' may have a wider significance than the words 'publish' and 'publication.' And since these sections specifically state the exclusive rule of responsibility to the owner of the product of the mind 'so far as the law of this state is concerned' (Sec. 983, *supra*), the foregoing difference in language may have an im-

portant bearing upon whether the product of the mind is lost by performance as distinguished from 'publication.'"

<sup>43</sup> *Ibid.*

<sup>44</sup> 2 Brown PC 129, 1 EngRep 837, se 4 Burr 2408, 98 EngRep 257 (HL 1774).

<sup>45</sup> 8 Pet 591, 8 LEd 1055 (US 1834).

<sup>46</sup> *Cf.* *American Tobacco Co. v. Werekmeister*, 207 US 284, 28 SupCt 72, 52 LEd 208 (1907); *Holmes v. Hurst*, 174 US 82, 19 SupCt 606, 43 LEd 904 (1889); National Institute

difference is expressed in terms of a dual system of protection for the creative productions of an author. Unpublished works are protected by common law copyright; published works are protected by the Copyright Code.

The court misconceived the concept of publication by describing it as "the conflict between the policy calling for the protection of property rights and that for the prevention of monopoly." Publication as discussed elsewhere is an arbitrary line of demarcation between common-law and statutory copyright; it extinguishes common-law rights and initiates statutory copyright; it has no relevancy to the prevention of monopoly. It is this misconception of the true and correct role of publication which caused the court to disturb the basic relationship between common-law and statutory copyright.

The great body of decisional law both here <sup>47</sup> and abroad <sup>48</sup> is to the effect that a public performance is not a general publication. The court in attempting to distinguish and differentiate those cases which hold that the exhibition of motion pictures is a performance and not a general publication, confused the concept of publication as employed by the Copyright Code with its counterpart in common-law copyright.

The court's holding in the *Mel Blanc* case would not only nullify the great body of decisional law but would also close to the proprietor an avenue of communicating original intellectual productions to the public. This means that proprietors of plays, radio and television shows and motion pictures would seek the benefits of statutory copyright in lieu of relying on common-law copyright. With common law copyright unavailable to proprietors, the question is raised whether this approach does not narrow the efficacy of section 2 of the Copy-

for the Improvement of Memory v. Nutt, 28 F2d 132 (D Conn 1928), *aff'd*, 31 F2d 236 (2d Cir 1929); *Feris v. Frohman*, 238 Ill 430, 87 NE 827 (1909); *aff'd*, 223 US 424, 32 SupCt 263, 56 LEd 492 (1912); *Jewelers' Mercantile Agency v. Jewelers' Weekly Publishing Co.*, 84 Hun 12, 32 NYSupp 41 (SupCt 1895), *rev'd*, 155 NY 251, 49 NE 872 (1898).

<sup>47</sup> *Op cit supra*, notes 34 and 38.

<sup>48</sup> *E.g.* Article 4(4) of the Berne Convention, Brussels text (1948) provides in part: "The presentation of a dramatic dramatico-musical or cine-

matographic work, the performance of a musical work, the public recitation of a literary work, the transmission or the radio-diffusion of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture shall not constitute a publication." See Ladas, *The International Protection of Literary and Artistic Property* (1938) 288 ff. The proposed draft of the Universal Copyright Convention (*infra* § 195h) does not consider a performance as a general publication.

right Code which confirms the existence of common-law rights in original intellectual productions.<sup>49</sup>

The court's approach presents another substantial question of law derived from the teachings of *Erie Railroad Co. v. Tompkins*.<sup>50</sup> That decision implies that all common law copyright actions brought in the federal courts are now governed by local law.<sup>51</sup> But to what extent may state legislation and decisional law narrow the body of common-law copyright expressly reserved by federal statute? In the *Mel Blanc* case, the exhibition of a film constitutes a general publication in California. But the same act may be limited publication in Nevada. What is the publication status of a film televised in California and received in Nevada? The need for unanimity of decisional law for common-law copyright is readily apparent. A motion picture company or a television network could no longer rely on common-law copyright to protect the content of motion picture or television film. Federal registration would be required to protect the content of intellectual property moving in interstate commerce.

*Erie Railroad Company v. Tompkins*, in overruling *Swift v. Tyson*,<sup>52</sup> terminated the regime of an independent body of

<sup>49</sup> 61 STAT 652 (1947), 17 USCA § 2 (Supp 1951): "Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor."

<sup>50</sup> 304 US 64, 58 SupCt 817, 82 LEd 1188, 114 ALR 1487 (1938).

<sup>51</sup> The Erie doctrine has provoked considerable comment: Bowman, The Unconstitutionality of the Rule of *Swift v. Tyson*, 18 BULRev 659 (1938); Jackson, The Rise and Fall of *Swift v. Tyson*, 24 ABAJ 609 (1938); Long, A Warning Signal for Municipal Bondholders: Some Implications of *Erie Railroad v. Tompkins*, 37 MichLRev 589 (1939); McCormick and Hewins, The Collapse of "General" Law in the Federal Courts, 33 ILLRev 126 (1938); Schmidt, Substantive Law Applied by the Federal Courts—Effect of *Erie R. Co. v. Tompkins*, 16 TexLRev 512 (1938); Schewpe, What Has Hap-

pened to Federal Jurisprudence?, 24 ABAJ 421 (1938); Shulman, The Demise of *Swift v. Tyson*, 47 YaleLJ 1336 (1938); Stimson, *Swift v. Tyson*—What Remains? What Is (State) Law?, 24 CornellLQ 54 (1938); Tunks, Categorization and Federalism: "Substance" and "Procedure" after *Erie Railroad v. Tompkins*, 34 ILLRev 271 (1939); Zengel, The Effect of *Erie Railroad v. Tompkins*, 14 TulaneLRev 1 (1939).

<sup>52</sup> 16 Pet 1, 10 LEd 865 (US 1842). The *Swift v. Tyson* doctrine was vehemently criticized by Mr. Justice (then Professor) Frankfurter, in *Distribution of Judicial Power Between United States and State Courts*, 13 CornellLQ 499, 524, 526 (1928). He described it as a doctrine which "with all its offspring, is mischievous in its consequences, baffling in its application, untenable in theory, and . . . a perversion of the purposes of the framers of the First Judiciary Act." *Id.* at 526.

“federal general common law,” except in the realm of “matters governed by the Federal Constitution or by Acts of Congress.”<sup>53</sup> Is section 2 of the Copyright Code an exception to the *Erie* doctrine and thus governed by federal law? The answer to this question is dependent on whether Congress has appropriated the field of common-law copyright to the exclusion of the states. It is believed that Congress in enacting section 2, confirmed and preserved common-law rights. Congress did not add to or subtract from the common-law rights.<sup>54</sup> Absent any federal definition or prescription of common-law rights, the *Erie* doctrine is applicable and common-law copyright is governed by local law.

The disadvantages of applying local law to common-law copyright are the likelihood of divergence of views among the various state courts and the resultant confusion therefrom. This is illustrated by the *Mel Blanc* case. From a practical point of view the disadvantages are not as onerous as they appear. In all probability the state courts in dealing with common-law copyright cases, will be guided by the decisional law of the federal courts.<sup>55</sup> That has been the previous experience and is confirmed by the “unfair competition” cases where the state courts have relied heavily on federal cases.<sup>56</sup> The *Mel Blanc* case constitutes an anomaly in the field of common-law copyright and its holding that a performance is a general publication should be reversed on appeal. Where, as in the *Mel Blanc* case, the state law contravenes the great body of decisional law, causing confusion and jeopardizing the common-law rights of the proprietor, the latter is not helpless. In the illustration previously mentioned—*viz.*, where the telecast of a film is a general publication in California but

<sup>53</sup> *Erie Railroad Co. v. Tompkins*, 304 US 64, 58 SupCt 817, 82 LEd 1188 (1938); and see also *Hinderlider v. La Plata River & Cherry Creek Ditch Co.*, 304 US 92, 58 SupCt 803, 82 LEd 1202 (1938).

<sup>54</sup> HRRep No 2222, 60th Cong, 2d Sess (1909). The Committee drafted section 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 in respect to this kind of a work.” *Id.* at p 9.

<sup>55</sup> The great bulk of common-law

and statutory copyright cases occur in New York and Los Angeles. The state courts, other than that in the *Mel Blanc* case, have consistently followed the federal law.

<sup>56</sup> See Note, *The Choice of Law in Multistate Unfair Competition: A Legal-Industrial Enigma*, 60 HarvLRev 1315, 1317 (1947); *cf.* Zlinkoff, *Erie v. Tompkins: In Relation to the Law of Trade-marks and Unfair Competition*, 42 CollRev 955, 960 (1942); Chafec, *Unfair Competition*, 53 HarvLRev 1289 (1940).

a limited publication in Nevada—the proprietor may protect the economic value of his intellectual production by invoking the benefits of the Copyright Code. Thus the application of the *Erie* doctrine to common law copyright may have the practical effect of increasing the role of statutory copyright in protecting the content of intellectual productions. If the “publication” holding of the *Mel Blanc* case is affirmed by the appellate court, we will have witnessed the initial stage of the demise of common-law copyright. The latter will no longer be invoked to protect the content of radio and television programs and of motion picture film. Radio and television stations and networks and motion picture producers will seek the benefits of the Copyright Code or rely on an expanded concept of unfair competition to prevent the misappropriation of their intellectual efforts.<sup>57</sup>

### 203b. RADIO AND TELEVISION BROADCASTING NOT A GENERAL PUBLICATION.

In *Stanley v. Columbia Broadcasting System, Inc.*,<sup>1</sup> defendant contended that plaintiff’s common law copyright in his radio program was dedicated to the general public by its presentation to a studio audience and its performance before a radio microphone. Both of these contentions were rejected, the court holding that the author or owner of a program retains his common-law rights:

“Publication of a literary work is effected by communicating or dedicating it to the public. This is known as a ‘general publication.’ There is also a ‘limited publication’ which is one that ‘communicates a knowledge of its contents under conditions expressly or impliedly precluding its dedication to the public.’ *Werckmeister v. American Lithographic Co.*, 2 Cir., 134 F. 321, 324. ‘When a literary work is exhibited for a particular purpose, or to a limited number of persons’ it does not thereby become publici juris and the author retains ownership of the work until he relinquishes it either by contract or by an ‘unequivocal act indicating an intent to dedicate it to the public.’ *Palmer v. De Witt*, 47 N. Y. 532, 543, 7 Am. Rep.

<sup>57</sup> The extent to which the “misappropriation theory of *International News Service v. Associated Press*, 248 US 215, 39 Sct 68, 63 LEd 211 (1918) may be employed to protect program content is discussed in the next chapter.

<sup>1</sup> 192 P2d 495 (CalApp 1948), *aff’d* 208 P2d 9 (Cal 1949), *aff’d on reargument*, 35 Cal2d 653, 221 P2d 73 (1950).

480; *Werckmeister v. American Lithographic Co.*, supra, 134 F. at page 326; *American Tobacco Co. v. Werckmeister*, 207 U. S. 284, 299, 28 S. Ct. 72, 52 L. Ed. 208, 217, 12 Am. Cas. 595. The making of a recording of plaintiff's program in the presence of an invited, limited audience was not a publication of the program to the extent of abandoning it to the public with the right to reproduce it. *Nutt v. National Institute*, 2 Cir., 31 F. 2d 236, 238; *Thomas v. Lennon, C. C.*, 14 F. 849, 851; *Press Pub. Co. v. Monroe*, 2 Cir., 73 F. 196, 198. In *Ferris v. Frohman*, 233 U. S. 424, 435, 32 S. Ct. 263, 56 L. Ed. 492, 497, the court held that the public presentation of an unpublished dramatic composition does not deprive the owner of his common-law right of protection and that at common law the public performance of a play is not an abandonment of it to the public use.

“The rendering of a performance before a radio microphone it not an abandonment of ownership of the literary property or a dedication of it to the public at large. *Uproar Co. v. National Broadcasting Co.*, D. C., 8 F. Supp. 358, 362. This decision was affirmed in 1 Cir., 81 F. 2d 373, where the court held (81 F. 2d at page 376) that the author retained his exclusive rights in the literary material whether or not he had licensed the right to broadcast it by radio. A public performance of a dramatic or musical composition is not an abandonment of the production to the public. *McCarthy & Fischer, Inc. v. White*, D. C., 259 F. 364. Public exhibition is not necessarily a publication merely because the public generally is given access to the work. The test is whether the exhibition to the public is ‘under such conditions as to show dedication without reservation of rights or only the right to view or inspect it without more.’ The exhibition of a motion picture without charge to a number of audiences in public places does not constitute a publication dedicating the picture or any material contained in it to the general public. *Patterson v. Century Productions, Inc.*, 2 Cir., 93 F. 2d 489, 492. A scenario and synopsis for a photoplay is a production of intellectual labor and protected against piracy. *Thompson v. Famous Players-Lasky Corp.*, D. C., 3 F. 2d 707. The delivery of copies of a poem to members of a ‘literary committee’ to enable them to decide whether it was suitable for their acceptance and presentation at a public meeting was not a publication of the poem and did not prejudice the owner's common-law rights. *Press Pub. Co. v. Monroe*, supra.”<sup>2</sup>

<sup>2</sup> 192 P2d at 507-08. Compare the defendant's contention that there can be no liability to pay for an idea which language of the Supreme Court: “De-

The concept that a radio or television broadcast is not a general publication warrants further discussion. The broadcast or telecast of any program is intended to be received by the general public in their home. The listener/viewer thus receives a gratuitous performance in his home. The question presented is whether a gratuitous public performance or presentation amounts to a dedication of the same to the general public with a consequent loss of common law rights. Weil, in discussing "limited" and "general" publication leaves open this question; he later describes this issue as "serious and difficult" and finally suggests that:

"In the last analysis, publication or dedication to the public is a question of fact in each case. Custom and ordinary social and business usages, play an important role in determining the implications to be drawn from various acts of a proprietor of a common law copyright. The nature of different media for putting forth ideas and the nature of the rights which enure, or might enure, in such different classes of works, also have a most interesting bearing."<sup>3</sup>

Our copyright jurisprudence has always regarded a performance as a limited publication.<sup>4</sup> A radio or television

has been made public is without merit when the facts of this case are considered. When plaintiff made his audition recording before an audience in the National Broadcasting Company's studio he was not making his idea 'public property' within the meaning of the law. Prior to publication an author may make copies of his production and enjoy the benefit of limited or restricted publication without forfeiture of the right of a general publication. The communication of the contents of a work under restriction, known as a 'restricted or limited' publication, is illustrated by performances of a dramatic or musical composition before a select audience, private circulation of the manuscript, etc. Ball, *Literary Property and Copyright* 473; *Werekmeister v. American Lithographic Co.*, 2 Cir, 134 F 321, 324; *Palmer v. De Witt*, 47 NY 532, 543, 7 AmRep 480; *American Tobacco Co. v. Werekmeister*, 207 US 284, 28 SCt 72, 52 LEd 208, 12 AmCas 595; *Nutt v. National Institute Inc. for the Improvement of Memory*, *supra*;

*Ferris v. Frohman*, 223 US 424, 32 SCt 263, 56 LEd 492; *Uproar Co. v. National Broadcasting Co.*, DC 8 FSupp 358, *aff'd*, 1 Cir, 81 F2d 373.' 208 P2d at 16 and 221 P2d at 80-81.

For additional cases holding that broadcasting constitutes a "limited publication", see *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (D Mass 1934), modified, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 SCt 835, 80 LEd 1393 (1936); *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938); *Twentieth Century Sporting Club v. Transradio Press Service*, 165 Misc 1, 300 NYSupp 159 (SupCt 1937); *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937); *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950); *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>3</sup> Weil, *Copyright Law* (1917) 145. See also, *Shafter, Musical Copyright* (2d Ed 1939) 115-116.

<sup>4</sup> *Infra*, § 203a.

broadcast merely enlarges the audience who may enjoy the performance. Similarly a gratuitous public performance has always been considered a "limited" publication, thus preserving common law copyright.<sup>5</sup> Based on custom and usage, a radio performance or telecast is thus a limited publication since the former is restricted to the public in their homes. This is confirmed by the restrictive announcements preceding telecasts—viz., that the programs "are intended primarily for home reception and other use may not be made without permission from the Columbia Broadcasting System."<sup>6</sup> Under the foregoing circumstances the proprietor of the program may enjoin any person who interferes with or seeks to appropriate his intellectual efforts without his authority.<sup>7</sup>

#### 204. EQUITABLE SERVITUDES.

The question tendered by this section is whether an equitable servitude attached to uncopyrighted television programs is valid. Such a servitude would recite:

"All rights in and to all programs telecast by this station and the reproduction and exhibition thereof in any and every form are reserved. No program nor any part thereof may be exhibited where an admission fee is charged or where a cover charge is made for entertainment, or where mechanical operating charges are made,

<sup>5</sup> *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) rev'd on the facts, 193 F2d 744 (9th Cir 1952); *McCarthy & Fischer, Inc. v. White*, 259 Fed 364 (SD NY 1919); *O'Neill v. General Film Co.*, 171 AppDiv 854, 157 NYSupp 1028 (1st Dep't 1916); *Prince Albert v. Strange*, 2 DeG&S 652, 41 EngRep 1171 (Ch 1849).

<sup>6</sup> This is the announcement of the Columbia Broadcasting System which precedes its telecasts. The Dumont announcement recites: "All rights in all programs telecast by this station and the reproduction and exhibition thereof in any and every form are reserved. No program nor any part thereof may be exhibited where an admission fee is charged, or where a cover charge is made for entertainment or where mechanical operating charges are made, and no program nor any part thereof may be reproduced

in any manner." The announcement of the National Broadcasting Company recites that their programs "may not be used for any purpose except exhibition at the time of their broadcast on receivers of the type ordinarily used for home reception in places where no admission, cover or mechanical operating charges are made."

<sup>7</sup> Under the doctrine of "second user," as exemplified by *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 SupCt 410, 75 LEd 971 (1931), a television station may enjoin the rebroadcast of any television programs or exact a license fee from such secondary users as taverns, etc. Television stations as a practical matter have neither enjoined nor exacted license fees because taverns and hotels have stimulated the public interest in television.

and no program nor any part thereof may be reproduced in any manner.”<sup>1</sup>

Of course, if a television program is copyrighted, the station may enjoin the unauthorized exhibition of the same in theatres, ballrooms and hotels. This is premised on the exclusive performing right of the copyright proprietor to prohibit others from reproducing the program.<sup>2</sup>

In the absence of copyright, and with the courts holding that common law rights exist in television programs and that a telecast does not constitute a dedication of such common law rights to the public, there would be no need to assert an equitable restriction. The latter would be mere surplusage.

The validity and legality of an equitable servitude is tendered when, as in the *Whiteman* case, the common law rights have been destroyed by general publication. In the *Whiteman* case, *Whiteman* and the record manufacturer affixed a restriction on all phonograph records sold to the public, that such records were licensed for non-commercial use on phonographs in the home. The obvious purpose of this servitude was to bar broadcasting stations from using phonograph records. The court held that the restriction which was akin to an equitable servitude was invalid:

“Restrictions upon the use of chattels once absolutely sold are at least prima facie invalid; they must be justified for some exceptional reason, normally they are repugnant to the transfer of title.”<sup>3</sup>

On the other hand, in the *Waring* case, the Pennsylvania Supreme Court held that a similar equitable servitude was valid and enforceable.<sup>4</sup> The court concluded that the restrictive label effected a limited publication. It is believed that the court erred in its application of the principles of law governing “limited” and “general” publication. The court

<sup>1</sup> This is the Dumont announcement. 2 61 STAT 652 (1947), 17 USCA § 1(d) and (e) (Supp 1951). *Buck v. Jewell-La Salle Realty Co.*, 283 US 191, 51 Sct 410, 75 LEd 971 (1931); *Law v. National Broadcasting Co.*, 51 FSupp 798 (DC NY 1943); *Select Theatres Corporation v. The Ronzoni Macaroni Co.*, 59 USPQ 288 (DC NY 1943).

<sup>3</sup> *RCA Mfg. Co. v. Whiteman*, 2d Cir 1940, 114 F2d 86, cert den 311 US 712, 61 Sct 393, 85 LEd 463 (1941).

<sup>4</sup> *Waring v. WDAS Broadcasting Station Inc.*, 327 Pa 433, 194 Atl 631 (1937). See also *In re Waterson, Berlin and Snyder Co. v. Irving Trust Co.*, 48 F2d 704 (2d Cir 1931).

correctly distinguished between "limited" and "general" publication; it disregarded the point that this distinction turns upon the extent to which the work has been made available to the general public, rather than the form of its dissemination. The "comparatively early cases" which held restriction on the use to be made of the work by its purchasers ineffective to save common law rights were rejected because they were based "upon an assumed doctrine that restrictions and servitudes cannot be judicially recognized when imposed as conditions attaching to the sale of chattels."<sup>5</sup> The court then confused the issue of the reasonableness of the restrictive legend with publication. The reasonableness of an equitable servitude has no bearing on publication since the former must be considered as evidence of the extent to which the proprietor has authorized the dissemination of his work. From this confused discussion the court concluded that the sale of the phonograph records to the general public effected a limited publication and that the restrictive label imposed a servitude on the use of the record, which was enforceable in equity.

Heretofore, equitable servitudes on chattels have been declared unenforceable, mainly in cases where the manufacturer of a patent, trade-mark or copyright attempted to fix a minimum resale price. The decisions stress the fact that such restrictions are in restraint of trade and thus against public policy.<sup>6</sup> This philosophy has been challenged by the Supreme Court which held valid a state statute providing for the resale price maintenance of certain trade-marked articles.<sup>7</sup> Where

<sup>5</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631, 636 (1937). The "comparatively early cases" referred to were *Larrowe-Loisette v. O'Loughlin*, 88 Fed 896 (CC SD NY 1898); *Wagner v. Conried*, 125 Fed 798 (CC SD NY 1903); *Savage v. Hoffmann*, 159 Fed 584 (CC SD NY 1908); *Jewelers' Mercantile Agency v. Jewelers' Weekly Publishing Co.*, 155 NY 241, 49 NE 872 (1898).

<sup>6</sup> *E.g.* *Bobbs-Merrill Co. v. Strauss*, 210 US 339, 28 Sct 722, 52 LEd 1086 (1907); *Dr. Miles Medical Co. v. Park & Sons Co.*, 220 US 373, 31 Sct 376, 55 LEd 502 (1911); *Strauss v. Victor Talking Machine Co.*, 243 US 490, 37 Sct 412, 61 LEd 866 (1917); See

dissenting opinion of Mr. Justice Black in *General Talking Pictures Corporation v. Western Electric Co.*, 305 US 124, 128, 59 Sct 116, 83 LEd 81 (1938) note 1 and cases cited therein: *Sola Electric Co. v. Jefferson Electric Co.*, 317 US 173, 63 Sct 172, 87 LEd 165 (1942); *United States v. Paramount Pictures*, 334 US 131, 68 Sct 915, 92 LEd 1260 (1948); *Alden-Rochelle Inc. v. ASCAP*, 80 FSupp 888 (DC NY 1948); *Interstate Circuit v. United States*, 306 US 208, 59 Sct 467, 83 LEd 610 (1939). *Chafee, Equitable Servitudes on Chattels* (1928) 41 HarvLR 945.

<sup>7</sup> *Old Dearborn Distributing Co. v. Seagram-Distillers Corp.* 299 US 183, 57 Sct 139, 81 LEd 109 (1936); *Cf.*

public policy is not harmed, there appears to be no reason why the rule should be so static that no restrictions, reservations or limitations would be allowed on chattels. It could likewise be contended that a restriction on a television broadcast does not deter the free and untrammelled use of personal property; on the contrary such an equitable servitude is desirable in the light of commercial, industrial and scientific advances. It has as its objective a reasonable purpose—the development of a new industry.<sup>8</sup>

The *Whiteman* case recognized that equitable servitudes on chattels might be justified “for some exceptional reason.” It could be contended that the development of the television industry is an “exceptional reason.” In addition, the *Whiteman* case may be distinguished on the theory that a telecast is not a tangible chattel which is available for sale to the general public as are phonograph records. A telecast is evanescent in character; it cannot be re-created other than by film.<sup>9</sup>

A subsidiary question which warrants discussion is whether or not a restriction barring the use of “home” film for television is valid and enforceable. Film, which can be purchased by the general public contains a restriction limiting it to home use. The similarity with the *Whiteman* case is obvious; however there is one important distinction: a phonograph record per se cannot be copyrighted,<sup>10</sup> whereas film is copyrightable.<sup>11</sup> Under such circumstances the unauthorized exhibition of film would constitute a copyright infringement under section 1(d) of the Copyright Act of 1909.<sup>12</sup> Unlike the phonograph record,

United States v. Bausch & Lomb Optical Co., 321 US 707, 64 S Ct 805, 88 LEd 1024 (1944) and see particularly cases cited at p 721 ff. But see Schwegmann Brothers v. Calvert Distillers Corporation, 341 US 384, 71 S Ct 1011, 95 LEd 1035 (1951) wherein the Supreme Court held that the enforcement of a voluntary state statute prescribing minimum prices for the sale of trade-marked commodities against a nonsigner violated the Sherman Act. The effect of this decision may well emasculate the state fair trade laws.

<sup>8</sup> Solinger, Unauthorized Uses of Television Broadcasts (1948) 48 ColL Rev 848, 869-871.

<sup>9</sup> *Ibid.*

<sup>10</sup> Waring v. WDAS Broadcasting Station, Inc., 327 Pa 433, 194 Atl 631 (1937); Jerome v. Twentieth Century Fox Film Corporation (DC NY 1946) 67 FSupp 736; Diamond and Adler, Proposed Copyright Revision And Phonograph Records (1940) 11 AirL Rev 29.

<sup>11</sup> 61 STAT 652 (1947) 17 USCA § 5(1) and (m) (Supp 1951).

<sup>12</sup> Universal Pictures Co. v. Harold Lloyd Corporation, 162 F2d 354 (9th Cir 1947); Interstate Circuit v. United States, 306 US 208, 59 S Ct 467, 83 LEd 610 (1939); Kalem v. Harper Bros., 222 US 55, 32 S Ct 20, 56 LEd 92 (1911). See also, Metro-Goldwyn-Mayer Distributing Corp. v. Bijou Theatre, 3 FSupp 66 (DC Mass 1933);

the statutory copyright in film purchased by the general public is not destroyed by general publication. The more difficult issue is whether the copyright owner may fetter film with an equitable servitude which would prohibit the station from televising the film. In short is such a restriction contrary to public policy? We have previously discussed the factors of public policy which have prompted courts to declare equitable servitudes on chattels as prima facie invalid.<sup>13</sup> On the other hand when this problem is presented to the courts, the latter may be of the opinion that such restrictions are valid because they do not hinder the free alienation of personal property. The issue tendered is not easy of solution. It is suggested that until such time as the law receives further clarification, stations should refrain from using film purchased on the open market with a restrictive clause affixed thereto.

Tiffany Productions v. Dewing, 50 F2d 911 (DC Md 1931); Universal Film Mfg. Co. v. Copperman, 218 Fed 577 (2d Cir 1914), cert den, 235 US 704, 35 SCt 209, 59 LEd 433 (1914). particularly, Schwegmann Brothers v. Calvert Distilleries Corporation, 341 US 384, 71 SCt 1011, 95 LEd 1035 (1951); Lorain Journal Co. v. United States, 20 LW 4043 (SCt 1951).

<sup>13</sup> *Op cit supra* note 7. And see

# Book I: Part C

## Chapter XXI

### UNFAIR COMPETITION AND THE PROTECTION OF THE CONTENT OF RADIO AND TELEVISION PROGRAMS

- § 210. Unfair Competition: General Discussion.
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#### 210. UNFAIR COMPETITION: GENERAL DISCUSSION.

The doctrine of unfair competition is a fairly recent development both in England and in the United States. It had its origins in the law relating to technical trade-marks which were protected by the law of fraud and deceit.<sup>1</sup>

<sup>1</sup> For an excellent historical survey, see Schechter, *Historical Foundations of Trade-mark Law* (1925); Haines, *Efforts to Define Unfair Competition*, 29 *YaleLJ* 1 (1919). "The term unfair competition at common law had its origin in the broad principle of reasonableness and fairness whereby the courts aimed to prevent injury to a rival competitor by misrepresentation. The definition of the term was begun by the English courts and was later taken up by the courts of the United States with a tendency in the new world to give the words wider scope and more definite application in the condemnation of unfair business

practices." *Id.* at 6. See also, Rogers, *Protection of Industrial Property* (1929) 27 *MichLRev* 491; Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) 68, hereinafter designated in this chapter as Callmann; Nims, *Unfair Competition and Trade-Marks* (4th Ed 1947) 1, 16, hereinafter designated in this chapter as Nims; Handler, *Unfair Competition* (1936) 21 *IaLRev* 175; Chafee, *Unfair Competition* (1940) 53 *HarvLRev* 1289, 1315. For the various theories of liability underlying the law of unfair competition, see: Grismore, *Are Unfair Methods of Competition Actionable at the Suit of a Competitor?* (1935)

A technical trade-mark may be defined as one appropriated to the exclusive use of one person and susceptible of registration under existing trade-mark statutes.<sup>2</sup> It must be affixed to the merchandise it is intended to identify and must be fanciful, arbitrary, unique, distinctive and nondescriptive in character.<sup>3</sup> From an historical point of view, courts protected technical trade-marks on the theory of a property right in the mark itself, hence the actionable wrong consisted in the infringement of the mark by imitation or appropriation by another.<sup>4</sup>

At common law, the doctrine of unfair competition was restricted to situations in which a defendant attempted to pass off his goods as those of the plaintiff.<sup>5</sup> But it soon became clear that this deceitful diversion of patronage could be accomplished in other ways than by the imitation of an arbitrary or fanciful word mark in which an exclusive right was claimed. When the industrial and commercial revolution created national markets, it became evident that infringements of trade-marks was simply one means of invading the business good will which it symbolized.<sup>6</sup> Equally capable of confusing

33 MichLRev 321; Green, *The Torts Restatement* (1934) 29 IllLRev 582; De Funiak, *Equitable Protection of Business and Business Rights* (1947) 35 KyLJ 261; Callmann, *What is Unfair Competition?* (1940) 28 GeoLJ 585 and reprinted in substance in 1 Callmann Ch 2 "The Theory of Unfair Competition at 68 ff. See Oppenheim, *Unfair Trade Practices* (American Casebook Series, 1950 hereinafter designated as Oppenheim) for an excellent analysis of the Callmann approach.

<sup>2</sup> For a discussion of technical trade-marks, see 1 Nims 514 *et seq*; 3 Callmann 973 *et seq*; Upton, *Law of Trade-Marks* (1860). See *In Re Lyndale Farm*, 186 F2d 723 (CCPA 1951); *Western Stove Co. v. Roper Corp.*, 82 FSupp 206 (DC Cal 1949); *Majestic Mfg. Co. v. Majestic Electric Appliance Co.*, 172 F2d 862 (6th Cir 1949); *McLean v. Fleming*, 96 US 245, 254, 24 LEd 828 (1877). See also *Gray v. Armand Co.*, 58 AppDC 50, 24 F2d 878 (1928).

<sup>3</sup> *Id.* See also *Judson Dunaway Corporation v. Hygienic Products Co.*, 178 F2d 461 (1st Cir 1949); *Brown Advertising and the Public Interest:*

*Legal Protection of Trade Symbols* (1948) 57 YaleLJ 1165; *Molengraaf, The Nature of the Trade-Mark* (1920) 29 YaleLJ 303. *Cf. Standard Brands Inc. v. Smidler*, 151 F2d 34 (2d Cir 1945).

<sup>4</sup> Schecter, *op cit supra* note 1, 50 *et seq.* *Rogers, Protection of Industrial Property*, 27 MichLRev (1929) 491, 494-5; *Hanover Star Milling Co. v. Metcalf*, 240 US 403, 36 Sct 357, 60 LEd 713 (1916). Callmann, *Trade-Mark Infringement and Unfair Competition* (1949) 14 *Law and Contemp. Prob.* 185.

<sup>5</sup> *Mathews Conveyor Co. v. Palmer-Bee Co.*, 135 F2d 73 (6th Cir 1943); *Rogers Ltd. v. Majestic Products Corp.* 23 F2d 219, 220 (DC Del 1927); *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 US 598, 9 Sct 166, 32 LEd 535 (1888); *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 US 665, 21 Sct 270, 45 LEd 365 (1901); *Kellogg Co. v. National Biscuit Co.*, 305 US 111, 59 Sct 109, 83 LEd 73 (1938); see also 1 Nims, c I.

<sup>6</sup> *Cf. Johnson & Son v. Johnson*, 175 F2d 176 (2d Cir 1949).

prospective customers and thus diverting patronage were other species of passing off practices. The trade pirate might resort to imitation of various symbols or devices which by prior appropriation and use distinguished the goods of his rival from other goods. Thus, imitation of trade names<sup>7</sup> or copying features of the products and their dress,<sup>8</sup> or a combination of any devices as to which secondary meaning or associative significance existed might constitute a false representation that B's goods were A's goods.<sup>9</sup>

Thus the law of unfair competition was extended to include the suppression of deceptive practices whereby a trader's customers were taken from him and transferred to another.<sup>10</sup> In other words, the courts condemned as unlawful competition, the appropriation of plaintiff's trade values and diversion of his trade expectancy. This is illustrated by those competitive practices which resulted in unlawful interference with a competitor's contractual rights and bargaining possibilities.<sup>11</sup> Thus wrongful inducement of breach of contract between a competitor and a supplier of goods or services or between a competitor and his customer is an unlawful competitive practice.<sup>12</sup> There are other unfair competitive practices: commercial bribery;<sup>13</sup> illegal lottery devices;<sup>14</sup> untruthful dis-

<sup>7</sup> 1 Nims at 172 *et seq.*; 3 Callmann at 986.

<sup>8</sup> *Cf.* Quaker Oats Co. v. General Mills Inc., 134 F2d 429 (7th Cir 1943); Lucien Lelong v. Button Corp., 50 FSupp 708 (DC NY 1943); Time Inc. v. Ultem Publications Inc., 96 F2d 164 (2d Cir 1938); Chesebrough Mfg. Co. v. Old Gold Chemical Co., 70 F2d 383 (6th Cir 1934), cert den, 293 US 599, 55 SCT 116, 79 LEd 691 (1934). See also Schlitz Brewing Co. v. Houston Ice & Brewing Co., 250 US 28, 39 SCT 401, 63 LEd 822 (1919).

<sup>9</sup> See § 210b.

<sup>10</sup> See Florence Mfg. Co. v. Dowd, 178 Fed 73 (2d Cir 1910); Atlas Mfg. Co. v. Sheet & Smith, 204 Fed 398 (8th Cir 1913); Collins v. Paist, 14 F2d 614 (ED Pa 1926); Household Fin. Corp. of Del. v. Household Fin. Corp. of W. Va., 11 FSupp 3 (ND WV 1935); Handler, Unfair Competition, 21 Iowa LRev 175 (1936).

<sup>11</sup> See Carpenter, Interference with Contract Relations (1928) 41 Harv

LRev 728; 1 Nims, Ch XII; Oppenheim at 1266 ff.

<sup>12</sup> Lumley v. Gye, 2 E. & B. 216, 118 Eng Rep 749 (1853); Campbell v. Gates, 236 N.Y. 457, 141 NE 914 (1923); Sorenson v. Chevrolet Motor Co., 171 Minn 260, 214 NW 754 (1927). See also: Posner Co. v. Jackson, 223 NY 325, 119 NE 573 (1918); Hornstein v. Podwitz, 254 NY 443, 173 NE 674 (1930).

<sup>13</sup> New Jersey Asbestos Co. v. Federal Trade Commission, 264 Fed 509 (2d Cir 1920); *Cf.* Kinney-Rome Co. v. Federal Trade Commission, 275 Fed 665 (7th Cir 1921); American Distilling Co. v. Wisconsin Liquor Co., 104 F2d 582 (7th Cir 1939); Federal Trade Commission v. Grand Rapids Varnish Co., 41 F2d 996 (6th Cir 1939). See also 2 Callmann, Ch 12 at 764 ff; Oppenheim at 1291 ff.

<sup>14</sup> Commonwealth v. Wall, 295 Mass 70, 3 NE2d 28 (1936); State v. Hundling, 220 Ia 1369, 264 NW 608 (1936); St. Peter v. Pioneer Theatre Corp., 227

paragement of a competitor and his product;<sup>15</sup> hindering access to markets, viz., physical intimidation,<sup>16</sup> molestation short of physical violence,<sup>17</sup> or threat of lawsuit made in bad faith.<sup>18</sup>

In the foregoing cases the courts furnished relief on the theory that the wrongdoer was engaging in fraudulent conduct which deceived and misled the public.<sup>19</sup>

The foregoing common law limitations imposed on the doctrine of unfair competition, i.e., misrepresentation, fraud and "palming off one's goods as those of a rival trader,"<sup>20</sup> did not freeze unfair competition into a fixed mold. To quote Judge Learned Hand:

"Yet there is no part of the law which is more plastic than unfair competition and what was not reckoned as actionable wrong 25 years ago may have become such today."<sup>21</sup>

The case of *International News Service v. Associated Press*<sup>22</sup> purported to expand the scope of unfair competi-

Ia 1391, 291 NW 164 (1940); *City of Roswell v. Jones*, 41 NM 258, 67 P2d 286 (1937). For a discussion of the radio give-away problems, which present a related problem, see: Warner, *Radio & Television Law* (1948) § 34b *et seq.*; Marks, *Legality of Radio Give-Away Programs* (1949) 37 *GeoLJ* 319; Note, *FCC Attacks Radio Give-Away Programs* (1949) 1 *StanfordLR* 475; Note, *Administrative Enforcement of the Lottery Broadcast Provision* (1949) 58 *YaleLJ* 1093; *Re Virginia Broadcasters Inc.*, (FCC Docket No 8559, 1948).

<sup>15</sup> E.g. *National Refining Co. v. Benzo Gas Motor Fuel Co.*, 20 F2d 763 (8th Cir 1927); *Marudas v. Odegard*, 215 Minn 357, 10 NW2d 233 (1943); *De Seversky v. P. & S. Pub. Inc.*, 34 NYS2d 284 (NY Sct 1942); *Coronado Development Corp. v. Milliken*, 175 Misc 1, 22 NY2d 670 (1940). See also: Nims, *Unfair Competition by False Statements or Disparagement* (1933) 19 *CornellLQ* 63; Wham, *Disparagement of Property* (1926) 21 *ILLRev* 26.

<sup>16</sup> E.g. *Evenson v. Spaulding*, 150 Fed 517 (9th Cir 1907); *Standard Oil Co. v. Doyle*, 118 Ky 662, 82 SW 271 (1904).

<sup>17</sup> E.g. 2 *Callmann*, Ch 13.

<sup>18</sup> E.g. *Emaek v. Kane*, 34 Fed 46 (CC Ill 1888); *Celotex Co. v. Insulite Co.*, 39 F2d 213 (DC Minn 1930); *Salem Engineering Co. v. The National Supply Co.*, 75 FSupp 993 (DC Pa 1948). See 2 *Callmann* at 719 *et seq.*

<sup>19</sup> *Truck Insurance Exchange v. Truck Insurance Exchange*, 165 Ore 332, 107 P2d 511 (1940); *Macy & Co. v. Macy's*, 39 F2d 186 (DC Okla 1930); *Federal Trade Commission v. Klesner*, 280 US 19, 50 Sct 1, 74 LEd 138 (1929); *American Washboard Co. v. Saginaw Mfg. Co.*, 103 Fed 281 (6th Cir 1900).

<sup>20</sup> *Schechter Poultry Corp. v. United States*, 295 US 495, 531, 55 Sct 837, 79 LEd 1570 (1935); *Goodyear Co. v. Goodyear Rubber Co.*, 128 US 598, 9 Sct 166, 32 LEd 535 (1888); *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 US 665, 21 Sct 270, 45 LEd 365 (1901); *Canal Co. v. Clark*, 13 Wall 311, 20 LEd 581 (1871).

<sup>21</sup> *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F2d 603, 604 (2d Cir 1925).

<sup>22</sup> 248 US 215, 39 Sct 68, 63 LEd 211 (1918), *aff'g* 245 Fed 244 (1917), which modified 240 Fed 983 (1917).

tion—"it has been held to apply to misappropriation as well as misrepresentation, to the selling of another's goods as one's own—to misappropriation of what equitably belongs to a competitor."<sup>23</sup> The facts of this case warrant statement.

Plaintiff and defendant were rival news gathering agencies. Defendant's agents copied news from bulletin boards and early editions of the Associated Press and telegraphed these items to its customers on the West Coast. The news was not copyrighted. Thus, the defendant was representing the Associated Press' uncopyrighted news as its own work product—a sort of reverse passing off.

The Court held that although the complainant could assert no property right in news as against the general public,<sup>24</sup> as between the plaintiff and defendant, competitors in business, news was a quasi-property right. This was so because complainant had acquired such news

. . . "as the result of organization and the expenditure of labor, skill, and money and which is salable by complainant for money, and that defendant in appropriating it and selling it as his own is endeavoring to reap where it has not sown. . . . Stripped of all disguises, the process amounts to an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news. The transaction speaks for itself, and a court of equity ought not to hesitate long in characterizing it as unfair competition in business."<sup>25</sup>

This opinion, if applied liberally, would appear to make actionable almost every kind of appropriation by one person

<sup>23</sup> *Schechter Poultry Corp. v. United States*, 295 US 495, 531, 532, 55 Sct 837, 79 LEd 1570 (1935); *House of Westmore Inc. v. Denney*, 151 F2d 261, 265 (1945): "Unfair competition . . . involves any violation of a right arising from the operation of an established business."

<sup>24</sup> This holding was premised on the theory that there had been a dedication of common law copyright in the news to the general public. *Infra* § 203a.

<sup>25</sup> *International News Service v. As-*

*sociated Press*, 248 US 215, 239-240, 39 Sct 68, 63 LEd 211 (1918); *Callmann, He Who Reaps Where He Has Not Sown: Unjust Enrichment in the Law of Unfair Competition* (1942) 55 *HarvLRev* 595, republished in 2 *Callmann, 875 et seq.* See also *Handler, Unfair Competition* (1936) 21 *IaLRev* 175, 191; *Zlinkoff, Monopoly versus Competition: Significant Trends in Patent, Anti-Trust, Trade-Mark and Unfair Competition Suits* (1944) 53 *YaleLJ* 514.

of the work product of his competitor. This is premised on the following statements derived from the opinion as quoted from Chafee: <sup>26</sup>

(1) A person cannot “reap where he has not sown” and cannot appropriate to himself “the harvest of those who have sown” “precisely at the point where the profit is it to be reaped”; <sup>27</sup>

(2) “The parties are competitors in this field; and on fundamental principles, applicable here as elsewhere, when the rights and privileges of the one are liable to conflict with those of the other, each party is under a duty so to conduct its own business as not unnecessarily or unfairly to injure that of the other.” <sup>28</sup>

But the courts have been reluctant to extend the doctrines of the *Associated Press* case beyond its precise facts. This may be attributed to Mr. Justice Brandeis’ vigorous dissenting opinion in that case. He feared that the majority opinion would foster new and perpetual monopolies in unpatented and uncopyrighted material. “The general rule of law is that the noblest of human productions—knowledge, truths ascertained, conceptions, and ideas—become, after voluntary communications to others, free as the air to common use.” <sup>29</sup> Secondly, Brandeis thought that the scope of protection furnished by the doctrine of unfair competition called for an adjustment of conflicting social and economic interests. To him the majority decision “would effect an important extension of property rights” which would conflict with the “free use of knowledge and ideas.” The legislatures he considered better equipped than the courts to prescribe “. . . the limitations which should be set upon any property right in news or of the circumstances under which news gathered by a private agency should be deemed affected with a public interest.” <sup>30</sup>

<sup>26</sup> Chafee, *Unfair Competition* (1940) 53 *HarvLR* 1289, 1311.

<sup>27</sup> *International News Service v. Associated Press*, 248 US 215, 239–240, 39 S Ct 68, 63 LEd 211 (1918).

<sup>28</sup> *Id.* at 235.

<sup>29</sup> 248 US 248, 250 (1918). Judge Wyzanski in *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 FSupp 198, 204 (D Mass 1942): “. . . I could hardly be unmindful of the probability that a majority of the present justices of the Supreme Court of the United States would follow the

dissenting opinion of Mr. Justice Brandeis in the *International News* case . . . because they share his view that monopolies should not be readily extended, and his faith that legislative remedies are to be preferred to judicial innovations for problems where adjustment of many competing interests is necessary.” See also, *Supreme Records, Inc. v. Decca Records, Inc.*, 90 FSupp 904 (SD Cal 1950); *National Comics Publications v. Fawcett Publications*, 191 F2d 594, 603 (2d Cir 1951).

<sup>30</sup> 248 US at 267.

Thus the *Associated Press* case has been restricted to the misappropriation of news,<sup>31</sup> stock market quotations<sup>32</sup> and the like.<sup>33</sup> It has been employed to enjoin a broadcasting station from pirating news from a newspaper.<sup>34</sup> Similarly broadcasting stations have invoked this doctrine against competing broadcast stations to protect the content of sports programs.<sup>35</sup>

But the courts have refused to extend the *Associated Press* doctrine to protect fashion designs. This is illustrated by *Cheney Brothers v. Doris Silk Corporation*<sup>36</sup> wherein relief was denied plaintiff seeking to enjoin defendant from copying plaintiff's dress designs and using them in its own production of dresses. The court held that fashion designs were in the general field preempted by Congress in the design patent law and that it would not permit the doctrine of unfair competition to be used as a substitute for design patent protection.<sup>37</sup>

In the *Waring* case, however, the doctrine of unfair competition was employed to protect the content of phonograph records. Phonograph records cannot be registered and protected by the Copyright Code. The Pennsylvania Supreme Court held that Waring as a performer had a property right in his artistic interpretation of the works of a composer; and that a radio station which broadcast phonograph records stamped with the legend, "not licensed for radio broadcasts," unfairly appropriated Waring's labor and talent. The court relied on the *Associated Press* and related cases to support the injunction on the grounds of unfair competition.<sup>38</sup>

It is doubtful whether the courts will follow the pioneering zeal of the Pennsylvania Supreme Court and utilize the doc-

<sup>31</sup> *Id.*

<sup>32</sup> *National Telegraph News Co. v. Western Union Telegraph Co.*, 119 Fed 294 (7th Cir 1902); *Illinois Commission Co. v. Cleveland Telephone Co.*, 119 Fed 301 (7th Cir 1902).

<sup>33</sup> *Metropolitan Opera Ass'n Inc. v. Wagner-Nichols Recorder Corp.*, 87 USPQ 173 (NY SCT 1950); *Fonotopia Ltd. v. Bradley*, 171 Fed 951 (CC NY 1909). See also *Victor Talking Machine Co. v. Armstrong*, 132 Fed 711 (CC NY 1904).

<sup>34</sup> *Associated Press v. Sioux Falls Broadcast Ass'n*, 2 CCH Trade Reg Rep § 7052 (1933). See § 213a.

<sup>35</sup> E.g. *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (DC Pa 1938). See § 214.

<sup>36</sup> 35 F2d 279 (2d Cir 1929), cert den, 281 US 728, 50 SCT 245, 74 LEd 1145 (1930).

<sup>37</sup> *Id.*; *Millinery Creators' Guild v. Federal Trade Commission*, 109 F2d 175 (2d Cir 1940) *aff'd*, 312 US 469, 61 SCT 708, 85 LEd 955 (1941); *Fashion Originators' Guild of America v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 SCT 703, 85 LEd 949 (1941); *Nat Lewis Purses v. Carole Bags*, 83 F2d 475 (2d Cir 1936).

<sup>38</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl. 631 (1937).

trine of unfair competition to protect the content of phonograph records. The majority view is expressed in *RCA Manufacturing Company v. Whiteman*,<sup>39</sup> wherein the manufacturer of records asserted a property right in its method of recording, and the performer in his rendition of music. Both Whiteman and Waring relied on the theory of unfair competition as set forth in the *Associated Press* case to enjoin a radio station from broadcasting unauthorized records. But Chief Judge Learned Hand in denying an injunction to Whiteman, limited the *Associated Press* case to its particular facts.

. . . "it [the *Associated Press* case] cannot be used as a cover to prevent competitors from ever appropriating the results of the industry, skill and expense of others. 'Property' is a historical concept; one may bestow much labor and ingenuity which inures only to the public benefit; 'ideas' for instance, though upon them all civilization is built, may never be 'owned.' The law does not protect them at all, but only their expression; and how far that expression shall go is a question of more or less, an author has no 'natural right' even so far, and is not free to make his own terms with the public."<sup>40</sup>

Thus it seems that the federal courts are reluctant to extend the scope of the *Associated Press* case beyond its precise facts.<sup>41</sup> The recognition of the principle of unjust enrichment

<sup>39</sup> 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940).

<sup>40</sup> *Id.* at 90.

<sup>41</sup> *National Comics Publications v. Fawcett Publications*, 191 F2d 594, 603 (2d Cir 1951): "International News Service v. Associated Press, 248 US 215, 39 Sct 68, 63 LEd 211, is authority only for the situation there at bar, as has been over and over decided." *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950): "I do not believe that the Supreme Court intended the decision in *International News Service v. Associated Press*, supra, to apply to appropriations of a different character. The limitation which other courts have placed upon the case, confining it to news-gathering only, accords with my own interpretation." *Op cit supra* note 29. See also: Chafee, *Unfair Competition* (1940) 53 Harv

LRev 1289; Handler, *Unfair Competition* (1936) 21 IaLRev 175, 191; Zlinkoff, *Monopoly versus Competition: Significant Trends in Patent, Anti-Trust, Trade-Mark, and Unfair Competition Suits* (1944) 53 YaleLJ 514. But see Bunn, *The National Law of Unfair Competition* (1949) 62 HarvLRev 987 (1949). Several of the federal courts would apply the doctrine of unjust enrichment and protect a competitor from all unfair trade practices. This trend is exemplified by a recent case in which it was said: "Unfair competition cases no longer require an element of 'palming off' . . . and the element of competition is no longer necessary. What I have said is that misappropriation probably is the key to modern unfair competition theory." *Jerome v. Twentieth Century-Fox Film Corp.*, 58 FSupp 13, 15 (SD NY 1944). See also *Vortex Mfg. Co. v. Ply-Rite Contracting*

in the law of unfair competition<sup>42</sup> would foster monopolies in uncopyrightable material. In addition, the scope of trade protection cannot be effectively fashioned by judge-made law. The conflicting interests involved call for legislative aid.<sup>43</sup>

It is believed that the majority of the state courts will be guided by the federal courts in their interpretation of the scope and limits of the doctrine of unfair competition, even though under the principle laid down in *Erie R. R. v. Tompkins*,<sup>44</sup> unfair competition actions brought in the federal courts are governed by local law.<sup>45</sup> Although it has been contended that application of the *Erie R. R.* doctrine will result in the loss of an important body of case law concerning unfair competition, federal cases will still be heavily relied upon for there have been few unfair competition cases in state courts other than those in the large industrial states.<sup>46</sup>

But a word of caution is appropriate on the judicial trend in the unfair competition cases. As Chief Judge Learned Hand remarked, "there is no part of the law which is more plastic than unfair competition and what was not reckoned as actionable wrong 25 years ago may have become such today."<sup>47</sup>

The elasticity of the doctrine of unfair competition suggests that litigants will seek to employ it particularly in those cases where the legislative remedies of the Copyright Code or the design patent law do not furnish adequate protection.

### 210a. UNFAIR COMPETITION: TRADE SYMBOLS.

The law of trade-marks and trade names served as the foundation for the law of unfair competition. Rooted in the law

Co., 33 F2d 302, 313 (D Md 1929); *Motor Improvements, Inc. v. A.C. Spark Plug Co.*, 80 F2d 385, 386 (6th Cir 1936).

<sup>42</sup> Compare Callmann, *He Who Reaps Where He Has Not Sown: Unjust Enrichment in the Law of Unfair Competition*, 55 HarvLRev 595 (1942).

<sup>43</sup> See Timburg, *Trade-Marks, Monopoly and the Restraint of Competition*, 14 Law and Contempt. Prob. 323, 330 (1949).

<sup>44</sup> 304 US 64, 58 Sct 817, 82 LEd 1188 (1938).

<sup>45</sup> *Pecheur Lozenge Co. v. National Candy Co.*, 315 US 666, 62 Sct 653, 86

LEd 1103 (1942); *National Fruit Product Co. v. Dwinell Wright Co.*, 47 FSupp 499 (DC Mass 1942), *aff'd*, 140 F2d 618 (1st Cir 1944); See Zlinkoff, *Erie v. Tompkins: In Relation to the Law of Trade-Marks and Unfair Competition*, 42 ColLRev 955 (1942). But see Bunn, *The National Law of Unfair Competition*, 62 HarvLRev 987 (1949).

<sup>46</sup> Note, *The Choice of Law in Multistate Unfair Competition*, 60 HarvLRev 1315 (1947). But see Bunn, *supra* note 45.

<sup>47</sup> *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F2d 603, 604 (2d Cir 1925).

of fraud and deceit, “. . . the common law of trade-marks is but a part of the broader law of unfair competition.”<sup>1</sup>

A technical trade-mark may be defined as an arbitrary, fanciful, unique, distinctive and non-descriptive mark which is affixed to goods by the seller or manufacturer to distinguish them from goods sold by others;<sup>2</sup> it is appropriated to the exclusive use of one person and is susceptible of registration under existing trade-mark statutes.<sup>3</sup> The words cited in the margin are illustrative of the requirement that a trade-mark must be arbitrary, fanciful or distinctive.<sup>4</sup>

Obviously words which are descriptive of an article or its ingredients, qualities or characteristics cannot serve as a technical trade-mark.<sup>5</sup> The words and phrases listed in the margin were held to be descriptive of or generic to the articles to which they were applied; accordingly they were denied registration and refused protection in infringement suits.<sup>6</sup> To appropriate such words to one person's exclusive use would

<sup>1</sup> *Hanover Star Milling Co. v. Metcalf*, 240 US 403, 413, 36 S Ct 357, 60 L Ed 713 (1916); *Telechron Inc. v. Telicon Corp.*, 97 F Supp 131 (DC Del 1951); *House of Westnore Inc. v. Denney*, 151 F2d 261 (3d Cir 1945); *Seven Up Co. v. Cheer Up Sales Co.*, 148 F2d 909 (8th Cir 1945); *Stork Restaurant Inc. v. Sahati*, 166 F2d 348 (9th Cir 1948); *Campbell Soup Co. v. Armour & Co.*, 175 F2d 795 (3d Cir 1949).

<sup>2</sup> *In Re Lyndale Farm*, 186 F2d 723 (CCPA 1951); *McLean v. Fleming*, 96 US 245, 254, 24 L Ed 828 (1877); *Elgin National Watch Co. v. Illinois Watch Co.*, 179 US 665, 21 S Ct 270, 45 L Ed 365 (1901); *United Drug Co. v. Rectanus*, 248 US 90, 98, 39 S Ct 48, 63 L Ed 141 (1918).

<sup>3</sup> *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 119 F2d 316 (6th Cir 1941), *reversed on other grounds*, 316 US 203, 62 S Ct 1022, 86 L Ed 1381 (1942); *Pure Oil Co. v. Puritan Oil Co.*, 127 F2d 6 (2d Cir 1942); *Derby Oil Co. v. White Star Refining Co.*, 62 F2d 984 (3d Cir 1933); *Columbia Mill Co. v. Aleorn*, 150 US 460, 463, 14 S Ct 151, 37 L Ed 1144 (1893).

<sup>4</sup> See e.g., *California Prune & Apricot Growers Ass'n v. Nicholson Co.*, 69 Cal App2d 207, 158 P2d 764 (1945) (“Sun-

sweet” for prunes); *American Grocery Co. v. Sloan*, 68 Fed 539 (SD NY 1895) (“Momaja” for coffee); *Ethyl Gasoline Corp. v. Jay-Craver, Inc.*, 4 F Supp 264 (WD Mo 1933) (“Ethyl” for auto fuel); *Rissman & Son v. Gordon & Ferguson, Inc.*, 78 F Supp 195 (DC Minn 1948) (“Windbreaker” for leather garments); *Cole of California v. Grayson Shops, Inc.*, 72 Cal App2d 772, 165 P2d 963 (1946) (“Swooner” for bobby socks); *Magtex Co. v. John Hudson Moore Inc.*, 154 F2d 177 (CCPA 1946) (“Sportsman” for after-shave lotion).

<sup>5</sup> 3 Restatement, Torts § 721; 1 Nims, 537 *et seq.*, 3 Callmann, 1054 *et seq.*

<sup>6</sup> See, e.g., *Krank Mfg. Co. v. Pabst*, 277 Fed 15 (6th Cir 1921), *cert den*, 259 US 580 (1922) (“Lather Kreem” for shaving cream); *Neva-Wet Corp. of America v. Never Wet Processing Corp.*, 277 NY 163, 13 NE2d 755 (1938) (“Neva-Wet” for water resistant merchandise); *Morton Mfg. Corp. v. Del-lard Corp.*, 166 F2d 191 (CCPA 1948) (“Stick” for medicinal preparation); *National Nu-Grape Co. v. Guest*, 164 F2d 874 (10th Cir 1947), *cert den*, 333 US 814, 68 S Ct 903, 92 L Ed 1150 (1948) (“NuGrape” for carbonated grape drink).

result in withdrawing them from common business use, to the detriment of the public and of manufacturers and vendors.<sup>7</sup>

A trade name on the other hand is not susceptible of registration under trade-mark statutes.<sup>8</sup> A trade name has reference to "words descriptive of qualities or attributes, generic designations, personal, partnership and corporate names, geographical terms, marks common to the trade and the like."<sup>9</sup>

The major differences between trade-marks and trade-names have been ably described:

"Trade-marks are protected in a suit for trade-mark infringement; trade names in an action to restrain passing off or unfair competition. A trade-mark must be affixed to the merchandise it is intended to identify; a trade name is not required to be physically attached either to the goods or packages. A trade-mark need not be so associated by the purchasing public with the article for which it is claimed as to acquire the 'secondary meaning' or

<sup>7</sup> The inability to appropriate descriptive or generic words as trade-marks "... arises out of the circumstance that on account of their general or popular use, every individual in the community has an equal right to use them; that right is, in all cases, paramount to the rights and interests of any one person, firm or company. What may alike be claimed and used by all, cannot be exclusively appropriated to advance the interests of any person." *Newman v. Alvord & Bailey*, 49 Barb. 588, 591 (NYSupCt 1867). See *Canal Co. v. Clark*, 13 Wall 311, 323-4, 20 LEd 581 (1871). It has been said that trade-mark protection is "... tantamount to a gift of exclusive ownership of the use of an English word." *Majestic Mfg. Co. v. Majestic Elec. Appliance Co.*, 79 FSupp 649, 651 (ND Ohio 1948), *aff'd*, 172 F2d 862 (6th Cir 1949). See *Timberg, Trade-Marks, Monopoly, and the Restraint of Competition*, 14 Law & Contemp Prob 323 (1949).

<sup>8</sup> Under section 2(f) of the Lanham Trade-Mark Act, (Act of July 5, 1946, 60 STAT 427, 15 USCA §§ 1051-1127), trade names which have acquired a secondary meaning may be registered on the Principal Register if it "has become distinctive of the applicant's

goods." This means that descriptive, geographical or surnames may be registered if they have acquired a "distinctiveness" or "secondary meaning." The Commissioner of Patents has a broad discretion in determining whether and when "distinctiveness" has been acquired. Under section 2(f) he may accept as prima facie evidence of the mark's distinctiveness proof of substantially exclusive and continuous use as a mark for five years next preceding the date of the filing of the application for its registration. The Commissioner may also find that "distinctiveness" has been acquired in less than five years. See *Robert, The New Trade Mark Manual (1947)* 48-53.

<sup>9</sup> *Callmann*, 986-987. See *Triangle Publications v. Rohrlich*, 167 F2d 969 (2d Cir 1948); *California Fruit Growers Exchange v. Sunkist Baking Co.*, 166 F2d 971 (7th Cir 1948); *Stork Restaurant, Inc. v. Salati*, 166 F2d 348 (9th Cir 1948); *Phileo Corp. v. Philips Mfg. Co.*, 133 F2d 663 (7th Cir 1933): "The term 'trade-name' is used to designate a mark not originally susceptible of exclusive appropriation, which has acquired a 'secondary meaning' and so will be protected as a valid common-law trade-mark."

'secondary significance' demanded of trade names. A trade-mark will be protected against innocent infringement; a trade name, only against fraudulent simulation. If a trade-mark is substantially copied, its use will be enjoined notwithstanding that it is accompanied by such distinguishing features as render it unlikely that the public will mistake the goods bearing the simulated mark for those stamped with the original. If a trade name is imitated, relief will be granted only if such confusion of the public is probable. The injunction against the imitation of a trade-mark is absolute, all use of the mark being prohibited; injunction restraining simulation of a trade name is qualified or limited in scope, preventing only those uses of the mark which render it likely that the public will confuse the products bearing the mark."<sup>10</sup>

Today, the technical trade-mark and the trade-name serve the same purposes and perform the same functions.<sup>11</sup> "Although the cases are not unanimous . . . in the main the trade name cases tend to approximate the trade-mark decisions and . . . the supposedly sharp line of demarcation is being obliterated."<sup>12</sup>

The integration of the law of trade-marks and trade names as part of the law of unfair competition is readily apparent since the use of a trade name is protected by a suit for unfair competition.<sup>13</sup>

The functions and purposes of trade symbols have been aptly described by Mr. Justice Frankfurter:

"The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by mak-

<sup>10</sup> Handler & Pickett, Trade-Marks and Trade Names—An Analysis and Synthesis, 30 ColLRv 168, 169 (1930). See also Handler, Unfair Competition, 21 IowaLRv 175, 183-5 (1936); Isaacs, Traffic in Trade-Symbols, 44 HarvLRv 1210 (1931).

<sup>11</sup> "In reality, there is no important difference between a trade-name and a trade-mark with respect to the protection afforded by the courts to the exclusive right of the owner to use it to denominate his goods." Dixi-Cola

Laboratories, Inc. v. Coca-Cola Co., 117 F2d 352, 354 (4th Cir 1941). See Chaffee, Unfair Competition, 53 Harv LRv 1289, 1296 (1940).

<sup>12</sup> Handler & Pickett, *supra* note 10, at 200. But see Derenberg, Trade-Mark Protection and Unfair Trading 227-8 (1936): ". . . there does exist a sharp distinction between trade-marks and trade-names, although wherein it lies is not quite clear."

<sup>13</sup> Cases cited in *op cit supra*, note 9.

ing every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the end is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.”<sup>14</sup>

A trade symbol—and this term includes both trade-marks and trade names—performs the following functions:

(1) It indicates the origin and ownership of the goods or services rendered.<sup>15</sup>

(2) It guarantees the goods or services rendered. The symbol assures the public that all goods bearing the mark will be of the same nature, quality and character.<sup>16</sup>

(3) It advertises the goods or services. The trade symbol is “a species of advertising, its purpose being to fix the identity of the article and the name of the producer in the minds of the people who see the advertisement, so that they may afterward use the knowledge themselves and carry it to others having like desires and needs for such articles.”<sup>17</sup>

The purchasing public is primarily concerned with the origin and guarantee functions of trade symbols; the vendor

<sup>14</sup> *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 US 203, 205, 62 S Ct 1022, 86 LEd 1381 (1942).

<sup>15</sup> *Hanover Star Milling Co. v. Metcalf*, 240 US 403, 412, 36 S Ct 357, 60 LEd 713 (1916); *Reynolds & Reynolds Co. v. Norick*, 114 F2d 278, 281 (10th Cir 1940): “A trade-mark is a distinctive mark of authenticity through which the merchandise of a particular producer or manufacturer may be distinguished from that of others. Its sole and exclusive function is to designate, identify and point out distinctively the origin of the products to which it is attached.” See also *Mantle Lamp Co. v. Aladdin Mfg. Co.*, 78 F2d 426 (7th Cir 1935) cert den, 296 US 639, 56 S Ct 173, 80 LEd 454 (1935); *General Baking Co. v. Goldblatt Bros.*, 90 F2d 241 (7th Cir 1937).

<sup>16</sup> *Schechter, The Rational Basis of Trade-Mark Protection*, 40 HarvLRev 813, 818-9 (1927): “To describe a

trademark merely as a symbol of good will, without recognizing in it an agency for the actual creation and perpetuation of good will, ignores the most potent aspect of the nature of a trademark and that phase most in need of protection. . . . The mark actually sells the goods. And, self-evidently, the more distinctive the mark, the more effective is its selling power.” See *Howard Dustless Dustor Co. v. Carleton*, 219 Fed 913 (D Conn 1915); *Coca-Cola Co. v. State*, 225 SW 791 (Texas CivApp 1920). See also *Isaacs, Traffic in Trade-Symbols*, 44 HarvLRev 1210 (1931).

<sup>17</sup> *Northam Warren Corp. v. Universal Cosmetic Co.*, 18 F2d 744 (3d Cir 1927); *National Fruit Product Co. v. Dwinell Wright Co.*, 47 FSupp 499 (DC Mass 1942), *aff'd*, 129 F2d 848 (1st Cir 1942). See also *Brown, Advertising and the Public Interest: Legal Protection of Trade Symbols* (1948) 57 YaleLJ 1165.

of goods or services, with the advertising function. Which function plays the more important role in the law of trade symbols need not detain us. The purpose of the trade symbol whatever be its primary function is to protect the goodwill of the product or services.<sup>18</sup>

There have been and are innumerable definitions of the term "Goodwill." A noteworthy definition is that of Lord Eldon who described it as "the probability that the old customers will resort to the old places."<sup>19</sup> A broader definition and one which emphasizes the customer and his habits is Mr. Justice Story's definition:

"Goodwill may be properly enough described to be the advantage or benefit, which is acquired by an establishment, beyond the mere value of the capital, stock, funds, or property employed therein, in consequence of the general public patronage and encouragement, which it received from constant or habitual customers, on account of its local position, or common celebrity, or reputation for skill or affluence, or punctuality, or from other accidental circumstances or necessities, or even from ancient partialities or prejudices."<sup>20</sup>

This much is clear. Goodwill is a "qualified" property right—it is an aggregate of legal relations attaching to certain valuable intangible trade connections.<sup>21</sup> The protection of good will is the basis upon which the courts furnish redress against the piracy of trade-marks and trade names.<sup>22</sup> To summarize, a trade-mark or trade name is a symbol of the good will of a business of the owner thereof; and "the owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to others through the use of misleading marks."<sup>23</sup>

<sup>18</sup> 1 Callmann, 26: "Goodwill can no more be separated from a business than reputation from a person. Goodwill is the business as it is viewed by others;" See also Oppenheim at 81 ff.

<sup>19</sup> Cruttwell v. Lye, 17 Ves 335, 346 (1810).

<sup>20</sup> Story, Partnership (6th Ed 1868) 170. See also: Menendez v. Holt, 128 US 514, 9 SCt 143, 32 LEd 526 (1888); Grismore, The Assignment of Trade-

Marks and Trade Names (1932) 30 MichLRev 489, 492, 493.

<sup>21</sup> Wright, Nature and Bases of Legal Goodwill (1929) 24 IllLRev 20, 25.

<sup>22</sup> Tyree, Chemist Inc. v. Thymo Borine Laboratory, 151 F2d 621 (7th Cir 1945).

<sup>23</sup> Industrial Rayon Corp. v. Dutchess Underwear Corp., 92 F2d 33, 35 (2d Cir 1937).

## 210b. THE DOCTRINE OF SECONDARY MEANING.

Prior to the Lanham Trade-Mark Act, only technical trade-marks could obtain statutory protection by registration.<sup>1</sup> A service mark (a mark used in a business which only renders a service and is not engaged in the manufacture or sale of goods) could not be registered under the then existing trade-mark statutes.<sup>2</sup> Thus slogans identifying the services of a cleaning or dyeing establishment, a bank, insurance or telephone company, or the call letters of a radio broadcasting station could not be registered under the 1905 Trade-Mark Act.<sup>3</sup> However, such service marks were protected by the common law of unfair competition, provided they had obtained a secondary meaning. This doctrine

“... contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade-mark. So it was said that the word had come to have a secondary meaning. . . .”<sup>4</sup>

The doctrine of secondary meaning is aptly illustrated by the “*Old Maestro*” case.<sup>5</sup> Plaintiff built up a tremendous

<sup>1</sup> For a brief survey of pre-Lanham Trade-Mark Act legislation, see § 241 *passim*.

<sup>2</sup> 60 STAT 443, 15 USCAA § 1127 (1947). See also § 242.

<sup>3</sup> Callmann at 846 *et seq.*

<sup>4</sup> G. & C. Merriam Co. v. Saalfield, 198 Fed 369, 373 (6th Cir 1912), *aff'd and modified*, 238 Fed 1 (6th Cir 1917), cert den, 243 US 651, 37 Sct 478, 61 LEd 947 (1917); Coca-Cola v. Koke Co., 254 US 143, 41 Sct 113, 65 LEd 189 (1920): “The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It would hardly be too much to say that the drink characterizes the name as much as the name the drink.

. . . It has acquired a secondary meaning in which, perhaps, the product is more emphasized than the producer, but to which the producer is entitled.” See also: Upjohn Co. v. Merrell Chemical Co., 269 Fed 209 (6th Cir 1920), cert den, 257 US 638, 42 Sct 50, 66 LEd 410 (1921); General Time Instruments Corp. v. United States Time Corp., 165 F2d 853 (2d Cir 1948), cert den, 334 US 846, 68 Sct 1515, 92 LEd 1770 (1948); Eastern Wine Corp. v. Winslow-Warren Ltd., 137 F2d 955 (2d Cir 1943), cert den, 320 US 758, 64 Sct 65, 88 LEd 452 (1943); Armstrong Paint & Varnish Works v. Nu-Enamel Corp., 305 US 315, 59 Sct 191, 83 LEd 195 (1938); See Oppenheim at p 174 ff.

<sup>5</sup> Premier-Pabst Corp. v. Elm City

business in the sale of nationally advertised brands—"Pabst Blue Ribbon" for beer since 1898 and "Blue Ribbon" for malt extract since 1919. Plaintiff advertised both products in a weekly radio show conducted by Ben Bernie, whose radio name, "Old Maestro," was linked with plaintiff's products. The court found as a fact that the public knew that the plaintiff sponsored these programs and that the name "Old Maestro" had become associated and identified with plaintiff's products. The defendants sold beer under the name of "Olde Maestro" in part of the same territory in which plaintiff sold its product. The court enjoined the defendants' use of the term "Olde Maestro," stating:

"The real question is whether the plaintiff, through its employment of Ben Bernie, has created in the public mind an association with the "Old Maestro" which serves as a means to accentuate the identity of the plaintiff or its products. To be sure, there is no evidence showing what proportion of its sales, if any, is due to the advertising by the "Old Maestro." And the direct evidence is far from sufficient in itself to prove the existence of the association in the public mind. Nevertheless, the evidence relating to the nature, scope, and duration of the plaintiff's radio advertising, coupled with the evidence of its popularity, convinces me that the radio public is numerically a substantial part of the beer-purchasing public, and that it necessarily, human nature being what it is, in substantial part has become impregnated with a conscious or subconscious association between "Old Maestro" and the plaintiff's products.

"That being so, the defendant's use of "Olde Maestro" as its trade name necessarily tends to confuse the public and to destroy the effect of a means for identification which, at least in relation to the manufacture and distribution of malt products, belongs exclusively to the plaintiff."<sup>6</sup>

Thus the recognition of the doctrine of secondary meaning may be said to create a property right in the owner of a trade symbol. Protection is thereby extended to trade names, professional names, motion picture, radio and television characterizations, radio station call letters and titles of books, plays, motion pictures, magazines and the like.<sup>7</sup> Thus, pro-

Brewing Co., 9 FSupp 754 (DC Conn 1935). 166 F2d 348 (9th Cir 1948) (trade name); Lone Ranger, Inc. v. Currey,

<sup>6</sup> *Id.* at 760-1.

<sup>7</sup> Stork Restaurant, Inc. v. Sahati,

79 FSupp 190 (MD Pa 1948) (professional name and radio and tele-

tection also covers trade symbols containing descriptive words, geographic, firm and corporate names<sup>8</sup>—the use of which prevents the symbol from being a technical trade-mark.

The owner's right in the trade symbol will be protected from unfair competitive practices which unlawfully divert trade and confuse and deceive the buying or listening public.<sup>9</sup> Once the secondary meaning of the words has been established, there is a "common law right . . . to be free from the competitive use of these words as a trade-mark or trade names. . . ." <sup>10</sup> Thus the doctrine of secondary meaning integrates the law of trade symbols into the law of unfair competition.<sup>11</sup>

## 211. PRINCIPLES OF UNFAIR COMPETITION: INTRODUCTION.

The synthesis of the law of trade-marks and trade names into the law of unfair competition enables us to postulate the basic elements of an unfair competition action. They are:

- (1) a property or quasi-property right;
- (2) competition between and among the parties; and
- (3) damages.

### 211a. PRINCIPLES OF UNFAIR COMPETITION: PROPERTY OR QUASI-PROPERTY RIGHTS.

In the trade-mark and trade name cases, the courts have had no difficulty in finding a property right in trade symbols.<sup>1</sup>

vision characterizations); *Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928) (motion picture characterization); *Bamberger Broadcasting Service, Inc. v. Orloff*, 44 FSupp 904 (SD NY 1942) (radio station call letters); *Patten v. Superior Talking Pictures, Inc.*, 8 FSupp 196 (SD NY 1934) (title of books); *Hemingway v. Film Alliance*, 174 Misc 725, 21 NYS2d 827 (NY SupCt 1940) (title of play); *Warner Bros. Pictures, Inc. v. Majestic Pictures Corp.*, 70 F2d 310 (2d Cir 1934) (title of motion picture); *Photoplay Publishing Co. v. LaVerne Publishing Co., Inc.*, 269 Fed 730 (3d Cir 1921) (title of magazine). See also 1 Nims, *Unfair Competition and Trade-Marks* § 214 *et seq* (4th ed 1947).

<sup>8</sup> *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 59 S Ct 191, 83 LEd 195 (1938) (protection given "Nu-Enamel" as a descrip-

tive word); *Saratoga Vichy Spring Co. v. Saratoga Carlsbad Corp.*, 45 FSupp 260 (SD NY 1942) ("Saratoga Vichy" held to be protected as a geographic term); *Edison v. Thomas A. Edison, Jr. Chemical Co.*, 128 Fed 1013 (D Del 1904) (firm name protected); *Lincoln Motor Co. v. Lincoln Automobile Co.*, 44 F2d 312 (ND Ill 1930) (corporate name protected).

<sup>9</sup> See *Upjohn Co. v. Merrell Chemical Co.*, 269 Fed 209 (6th Cir 1920), cert den, 257 US 638, 42 S Ct 50, 66 LEd 410 (1921).

<sup>10</sup> *Armstrong Paint & Varnish Works v. NuEnamel Corp.*, 305 US 315, 335 (1938).

<sup>11</sup> See *Derenberg, Trade-Mark Protection and Unfair Trading* 325 (1936).

<sup>1</sup> The term "property right" as used herein refers to the aggregate of legal relations which attach to certain albeit intangible trade connections. *Cf. Mr.*

Equity restrained the infringement of a trade-mark<sup>2</sup> even before trade mark legislation.<sup>3</sup> The property right in a technical trade-mark susceptible of registration under the statutes is derived from the common law.<sup>4</sup> Registration of a mark with the Patent Office is merely declaratory of title to the trade-mark since "ownership of a mark is a condition precedent to its registration. . . ."<sup>5</sup> In other words, registration of a mark indicates prima facie ownership and this constitutes a sufficient property right for the maintenance of an unfair competition action as well as an infringement suit.

In the trade name cases, the courts have recognized a property right in a trade name because the use of the name in association with the business gives a special significance to the name.<sup>6</sup> In the law of both trade-marks and trade names the courts have furnished redress against the piracy of marks and names to protect goodwill. The courts have likewise found a property right in the doctrine of secondary meaning. "Secondary meaning confers title to the mark; and it will be protected as if it had been acquired by mere use."<sup>7</sup>

The existence of a property right in trade symbols presents no great problem. The more challenging question is whether a property or more precisely a quasi-property right exists in

Justice Holmes in *DuPont Powder Co. v. Masland*, 244 US 100, 102, 37 S Ct 575, 61 LEd 1016 (1917): ". . . the word 'property' as applied to trade-marks and trade secrets is an unanalyzed expression of certain secondary consequences of the primary fact that the law makes some rudimentary requirements of good faith." See also: *Bourjois & Co. v. Katzel*, 260 US 689, 692, 43 S Ct 244, 67 LEd 464 (1923); *Prestonettes v. Coty*, 264 US 359, 44 S Ct 350, 68 LEd 731 (1924); *Beech Nut Packing Co. v. Lorillard Co.*, 273 US 629, 47 S Ct 481, 71 LEd 810 (1927). See Callmann, *Unfair Competition Without Competition? The Importance of the Property Concept in the Law of Trade-Marks* (1947) 95 *UofPaLRev* 443.

<sup>2</sup> *Edelsten v. Edelsten*, 1 De G J. & S. 185, 10 L T (WS) 780 (1863). See also 3 Callmann at 991 *et seq.*

<sup>3</sup> "This exclusive right was not created by the act of Congress and does not now depend upon it for its en-

forcement. The whole system of trade-mark property and the civil remedies for its protection existed long anterior to that act, and have remained in full force since its passage." *United States v. Steffens* (Trade-Mark Cases), 100 US 82, 92, 25 LEd 550 (1879). See Schechter, *The Rational Basis of Trademark Protection*, 40 *HarvLRev* 813 (1927).

<sup>4</sup> *Prichard Co. v. Consumers Brewing Co.*, 136 F2d 512 (6th Cir 1943); *Prestonettes v. Coty*, 264 US 359, 44 S Ct 350, 68 LEd 731 (1923).

<sup>5</sup> *Macauley v. Malt-Diastose Co.*, 4 F2d 944, 945 (DC Cir 1925).

<sup>6</sup> *Little Tavern Shops, Inc. v. Davis*, 116 F2d 903 (4th Cir 1941).

<sup>7</sup> 3 Callmann at 1226. See also *Eastern Columbia Inc. v. Waldman*, 30 Cal2d 268, 181 P2d 865 (1947); *Stork Restaurant Inc. v. Sahati*, 166 F2d 348 (9th Cir 1948); *Siegert v. Gandolfi*, 149 Fed 100 (2d Cir 1906), cert den, 205 US 542, 27 S Ct 790, 51 LEd 922 (1907).

a radio or television broadcast, and more particularly, in a news or sports program.

In the recent case of *Metropolitan Opera Association Inc. v. Wagner Nichols Recorder Corporation*,<sup>8</sup> the New York Supreme Court applied the "misappropriation" doctrine of the *Associated Press* case and concluded that there was a quasi-property right in a radio broadcast. The facts in this case warrant statement:

The Metropolitan Opera Association sold the exclusive broadcast and phonograph recording rights of its operatic performances to the American Broadcasting Company and Columbia Records Inc. The broadcast rights were sold to ABC during the 1949-50 season for \$100,000; the recording rights were sold for a five-year term, with the Metropolitan Opera receiving royalties on the records sold with a guaranteed minimum of \$125,000. The defendants recorded the performances off the air and commercially sold the records as records of broadcast Metropolitan Opera performances. Plaintiffs (and this included ABC and Columbia Records) relied on the law of unfair competition to enjoin the activities of the defendants. The court per Justice Greenberg in granting the injunction to prevent further recording and selling of the records held that the plaintiffs had a quasi-property right:

"Clearly, some property rights in the plaintiffs and interference with and misappropriation of them by defendants are necessary to a cause of action. However, 'property rights,' as has often been pointed out, are rights which are recognized and protected by the courts by excluding others therefrom. The designation is therefore more in the nature of a legal conclusion than a description.

The rights which the plaintiffs allege in their complaint are:

(1) The right of Metropolitan Opera to exclusive use, directly or indirectly, of the name and reputation which it has developed over a sixty-year period.

(2) The exclusive right of Metropolitan Opera to the productions which it creates by the use of its skill, artists, money and the organization it has developed.

(3) As a corollary of the latter the exclusive right to license the use of its performances and productions commercially in radio broadcasts, recordings and in other

<sup>8</sup> 87 USPQ 173 (NYSupCt 1950). See also *Strauss, Unauthorized Recording of Radio Broadcasts* (1950) 11 Fed ConnBarJ 193.

forms upon such terms as are agreed upon as to payments and the maintenance of artistic and technical standards in accord with the reputation of the Metropolitan Opera.

(4) The rights of plaintiffs Columbia Records and American Broadcasting being their exclusive recording and broadcasting rights derived from their agreements with Metropolitan Opera for which they have paid and in which they have invested substantial sums of money, time and skill.

The question presented is thus whether these rights are rights which the courts have recognized and protected and should recognize and protect as 'property rights.'

"The production of an opera by an opera company of great skill, involving, as it does the engaging and development of singers, orchestra the training of a large chorus and the blending of the whole by expert direction into a finished interpretative production would appear to involve such a creative element as the law will recognize and protect against appropriation by others. . . . There is no reason apparent to this court why the rights of a nonprofit organization sponsoring one of the arts should receive less protection than those of the sponsor of sporting events. The law at least regards both these diverse facets of human endeavor with impartial and approving judgment. The fostering and encouragement of fine performances of grand opera, and their preservation and dissemination to wide audiences by radio and recordings are in the public interest. The Metropolitan Opera, over a period of sixty years, has developed one of the finest, if not the finest, opera companies available to Americans. Through the media of recordings and broadcasts, an avenue of culture has been opened to vast numbers of Americans who have been able to enjoy the fruits of this great enterprise. To many, it is the only available source of grand opera. To refuse to the groups who expend time, effort, money and great skill in producing these artistic performances the protection of giving them a 'property right' in the resulting artistic creation would be contrary to existing law, inequitable, and repugnant to the public interest. To hold that the broadcasts of these performances, making them available to a wider audience of Americans, deprives the Metropolitan Opera of all of its rights in this production and abandons the production to anyone to appropriate and exploit commercially, would indeed discourage the broadcasting of such operas and penalize not only the Metropolitan Opera but the public which now benefits from these broadcasts. Equity will

not bear witness to such a travesty of justice; it will not countenance a state of moral and intellectual impotency. Equity will consider the interests of all parties coming within the arena of the dispute and admeasure the conflict in the scales of conscience and on the premise of honest commercial intercourse.”<sup>9</sup>

The *Metropolitan Opera* case warrants comparison with *Supreme Records Inc. v. Decca Records Inc.*<sup>10</sup> wherein plaintiff, a non-exclusive licensee, claimed that defendant had misappropriated its musical arrangement and reproduced the same on records. Judge Yankwich held that “a mere recording of an arrangement of a musical composition by one who is not the author is [not] a property right which should be given recognition in equity.” Plaintiff could neither invoke the equivalent of the doctrine of secondary meaning to protect its musical arrangement. As Judge Yankwich stated, “. . . it is my view that before a musical arrangement may be protected as a right against a competitor, it must have a distinctive characteristic, aside from the composition itself, of such a character that any person hearing it played would become aware of the distinctiveness of the recording.”<sup>11</sup>

The tangible nature of the quasi-property right in a telecast is illustrated by the Louis-Walcott litigation wherein a motion picture exhibitor, a hotel owner and ballroom operators were enjoined from exhibiting televised pictures of the fight.<sup>12</sup> The complaints alleged that the unauthorized telecasts by the defendants would result in unfair competition with the property rights of the fighters, promoters, network, station and sponsor. Although no written opinions were rendered, it is believed that the complaints alleged a quasi-property right which would sustain an unfair competition action.<sup>13</sup>

The basis for granting the injunction would be that a quasi-property right exists in a telecast, which requires the expenditures of money, effort and technical skills. Obviously the

<sup>9</sup> *Id.* at 178-9, 181.

<sup>10</sup> 90 FSupp 904 (DC Cal 1950).

<sup>11</sup> *Id.* at 908.

<sup>12</sup> This litigation consisted of four actions: *Twentieth Century Sporting Club, Inc. v. Massachusetts Charitable Mechanic Ass'n*, Equity No. 60230, MassSuperCt, June 22, 1948; *Louis v. Friedman*, Equity No. 1804, PaCP,

June 23, 1948; *Louis v. Richmond*, Equity No. 1803, PaCP, June 23, 1948; *Louis v. California Productions*, NY SupCt, June 24, 1948; none of which was officially reported.

<sup>13</sup> *Cf.* Solinger, *Unauthorized Uses of Television Broadcasts* (1948) 48 Col LRev 847.

promoter may assert this quasi-property right since he provides the stadium, brings the participants together, etc., It is believed that the sponsor, station and network may likewise claim a quasi-property right in the telecast per se. The acquisition of television rights<sup>14</sup> to an athletic contest requires a substantial expenditure of money; it is a valuable right which is protected against unlawful appropriation.<sup>15</sup>

It is conceivable that the participants, *i.e.*, Louis and Walcott, could assert a quasi-property right to support an unfair competition action. This would be premised on the fact that they would share percentage-wise in the sale of the television rights.<sup>16</sup>

Similarly, a motion picture company which had purchased the exclusive right to take motion pictures of the fight could assert a quasi-property right. The courts might have some difficulty in finding a quasi-property right here, since such motion picture right is more intangible than a telecast. However, in the *Associated Press* case the court stated that it would protect the future acquisition of property as well as the property already acquired, and this exclusive right might well be considered as equivalent to the future acquisition of such property.<sup>17</sup>

The courts have had no difficulty in finding a quasi-property right in a news broadcast on the basis of the *Associated Press* case.<sup>18</sup> As to a sports program, it has been held that

<sup>14</sup> In both *Weiss v. Hollywood Film Enterprises, Inc.*, 17 USL Week 2608 (CalSuper June 10, 1949), and *Peterson v. KMTR Radio Corporation*, 18 USL Week 2044 (CalSuper July 7, 1949), it was held that television rights to a film or athletic contest respectively constitute a property right as distinct from the property right in radio or motion picture rights.

<sup>15</sup> *Cf. Mutual Broadcasting System, Inc. v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (1941); *Twentieth Century Sporting Club, Inc. v. Transradio Press Service, Inc.*, 165 Misc 71, 300 NYS 159 (1937).

<sup>16</sup> But the failure of performers to reserve their television rights specifically means that they are transferred by operation of law to the promoter. See *Peterson v. KMTR Radio Corpora-*

*tion*, 18 USL Week 2044 (CalSuper July 7, 1949).

<sup>17</sup> *International News Service v. Associated Press*, 248 US 215, 39 Sct 68, 63 LEd 211 (1918). For an extremely provocative opinion on the concept of quasi-property right see *Supreme Records, Inc. v. Decca Records*, 90 FSupp 904 (SD Calif 1950). In *Metropolitan Opera Ass'n v. Wagner-Nichols Corp.*, 87 USPQ 173 (NYSupCt 1950), the court protected the future radio broadcasting and phonograph recording rights which had been licensed by plaintiff to ABC and Columbia Records.

<sup>18</sup> *International News Service v. Associated Press*, 248 US 215, 39 Sct 68, 63 LEd 211 (1918); *Associated Press v. KVOS Inc.*, 80 F2d 575 (9th Cir 1935), reversed on jurisdictional

a quasi-property right exists in a play-by-play description of an athletic contest.<sup>19</sup>

### 211b. PRINCIPLES OF UNFAIR COMPETITION: COMPETITION.

The early cases and even some of the more recent decisions have held that, "The phrase 'unfair competition' presupposes competition of some sort. In the absence of competition the doctrine [of unfair competition] cannot be invoked."<sup>1</sup> Recent well-considered cases on the law of unfair competition have concluded that direct or market competition is not essential to an unfair competition action.<sup>2</sup> The evolution of this doctrine warrants discussion.

The element of direct competition is obviously present in those cases which involve the infringement of a statutory trade-mark by use of a similar mark on goods of "substantially the same descriptive properties" within the meaning of the Trade-Mark Acts.<sup>3</sup> However, direct or market competition is absent in cases which involve unfair competition against a statutory trade-mark through the use of a similar mark on goods which might naturally be supposed to come from plain-

grounds, 299 US 269, 57 S Ct 197, 81 LEd 183 (1936).

<sup>19</sup> Pittsburgh Athletic Club v. KQV Broadcasting Co., 24 FSupp 490 (DC Pa 1938); Twentieth Century Sporting Club v. Transradio Press Service, 165 Misc 71, 300 NYSupp 159 (1937); Mutual Broadcasting System Inc. v. Muzak Corp., 177 Misc 489, 30 NYS2d 419 (1941).

<sup>1</sup> Borden Ice Cream Co. v. Borden's Condensed Milk Co., 201 Fed 510, 514 (7th Cir 1912). To the same effect: Carroll v. Duluth Superior Milling Co., 232 Fed 675 (8th Cir 1916); Bond Stores v. Bond Stores, 104 F2d 124 (3d Cir 1939); United States v. National Garment Co., 10 FSupp 104 (DC Mo 1935); Sun Valley Mfg. Co. v. Sun Valley Togs, 39 FSupp 502 (DC NY 1941); Simplex Automobile Co. v. Kahnweiler, 162 AppDiv 480, 147 NY Supp 617 (1914).

<sup>2</sup> Brooks Bros. v. Brooks Clothing of California, Ltd., 60 FSupp 442 (DC Cal 1945), opinion adopted, 158 F2d 798 (9th Cir 1947) cert den, 331 US 824, 67 S Ct 1315, 91 LEd 1840 (1947); Stork Restaurant Inc. v. Sahati, 166 F2d 348 (9th Cir 1948); Bamberger

Broadcasting Service v. Orloff, 44 FSupp 904 (DC NY 1942); Jerome v. Twentieth-Century Fox Film Corp., 58 FSupp 13 (DC NY 1944); Triangle Pub. v. Hanson, 65 FSupp 952 (DC Mass 1946); Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp., 87 USPQ 173, 178 (NYSup Ct 1950): "However, again, the existence of actual competition between the parties is no longer a prerequisite . . . . The modern view as to the law of unfair competition does not rest solely on the ground of direct competitive injury, but on the broader principle that property rights of commercial value are to be and will be protected from any form of unfair invasion or infringement and from any form of commercial immorality and a court of equity will penetrate and restrain every guise resorted to by the wrongdoer." See also Churchill Downs Distilling Co. v. Churchill Downs, 262 Ky 567, 90 SW2d 1041 (1936).

<sup>3</sup> E.g. Ironite Co. v. Guarantee Waterproofing Co., 64 F2d 608 (8th Cir 1933). See 3 Callmann at 1629 *et seq.*

tiff, although not of the "same class" or of "substantially the same descriptive properties." The basis for relief despite absence of direct or market competition is the confusion in the mind of the purchaser as to the source of goods.<sup>4</sup> This is illustrated by the oft-cited *Yale Electric Corporation* case<sup>5</sup> where plaintiff sought registration of the trade-mark "Yale" to cover electric flashlights, torches and batteries. This registration was opposed by the defendant who had made prior use of the identical mark "upon many sorts of hardware, especially upon locks and keys but not upon electric flashlights and batteries." Plaintiff's request for registration was denied, the court stating,

"The law of unfair trade comes down very nearly to this—as judges have repeated again and again—that one merchant shall not divert customers from another by representing what he sells as emanating from the second. This has been, and perhaps even more now is, the whole Law and the Prophets on the subject, though it assumes many guises. Therefore it was at first a debatable point whether a merchant's good will, indicated by his mark, could extend beyond such goods as he sold. How could he lose bargains which he had no means to fill? What harm did it do a chewing gum maker to have an ironmonger use his trade-mark? The law often ignores the nicer sensibilities.

However, it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not even tarnish it, or divert any sales by its use. . . . Unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful."<sup>6</sup>

<sup>4</sup> Restatement, Torts, § 730, comment a (1938); See: *Stork Restaurant v. Sahati*, 166 F2d 348 (9th Cir 1948); *Standard Brands Inc. v. Smidler*, 151 F2d 34 (2d Cir 1945); *Triangle Publications Inc. v. Rohrlieh*, 167 F2d 969 (2d Cir 1948); *Safeway Stores Inc. v. Dunnel*, 172 F2d 649 (9th Cir 1949).

cert den, 337 US 907, 69 Sct 1049, 93 LEd 1357 (1949); *Bulova Watch Co. v. Stolzberg*, 69 FSupp 543 (DC Mass 1947).

<sup>5</sup> *Yale Electric Corp. v. Robertson*, 26 F2d 972 (2d Cir 1928).

<sup>6</sup> *Id.* at 973-4.

The foregoing enunciates the "federal" or "modern rule" of unfair competition which extends the protection given trade-marks and trade names beyond that provided by the common law.<sup>7</sup> This rule is now incorporated as statutory law under the Lanham Trade-Mark Act.<sup>8</sup>

The basis of the rule is that equity and fairness demand that the owner of a trade symbol should be protected against gradual "whittling away" or dilution of the distinctiveness of the symbol (and so of its advertising appeal),<sup>9</sup> possibility of injury to his reputation through use of the symbol on an inferior product,<sup>10</sup> and forestalling of the normal expansion of his business in new fields.<sup>11</sup> Under this rule the use of a mark or trade name will be enjoined if it creates the likelihood of confusion as to source despite the fact that it is used on goods of "different descriptive properties" or on goods which do not compete directly with plaintiff's merchandise.<sup>12</sup>

It would appear that the courts do not require direct or

<sup>7</sup> "It is now well settled in this country that a trade-mark protects the owner against not only its use upon the articles to which he has applied it, but upon such other goods as might naturally be supposed to come from him." L. Hand, J., in *Waterman Co. v. Gordon*, 72 F2d 272, 273 (2d Cir 1934). To the same effect: *Wall v. Rolls Royce of America*, 4 F2d 333 (3d Cir 1925); *Vogue Co. v. Thompson-Hudson Co.*, 300 Fed 509 (6th Cir 1924), cert den, 273 US 701, 47 SCT 98, 71 LEd 850 (1926); *Dunhill v. Dunhill Shirt Shop*, 3 FSupp 487 (DC NY 1929); *Tiffany & Co. v. Tiffany Productions*, 147 Misc 679, 264 NYSupp 459 (1932), *aff'd* 237 AppDiv 801, 260 NYSupp 821 (1932), *aff'd*, 262 NY 482, 188 NE 30 (1933); *Triangle Publications v. Rohrlisch*, 167 F2d 969 (2d Cir 1948); *Safeway Stores Inc. v. Safeway Const. Co.*, 74 FSupp 455 (DC Cal 1947); *Sunbeam Corporation v. Sunbeam Lighting Co.*, 83 FSupp 429 (DC Cal 1949); *Sunbeam Corporation v. Sunbeam Furniture Corp.*, 88 FSupp 852 (DC Cal 1949). See also: *Kinnard, Goods of the Same Descriptive Properties* (1947) 35 KyLJ 330; *Plumb, Unfair Competition from Non-Competing Goods* (1948) 2 WyoLJ 66;

*Lukens, Application of the Principles of Unfair Competition to Cases of Dissimilar Products* (1927), 75 UofPa LRev 197.

<sup>8</sup> 60 STAT 427 (1946), 15 USCA § 1051 *et seq.* But see *Johnson & Son Inc. v. Johnson*, 175 F2d 176 (2d Cir 1949) wherein the court per Judge Learned Hand appears to have circumscribed the non-competing goods doctrine. See in this connection, Judge Clark's dissent in the *Johnson* case, *supra*.

<sup>9</sup> The "dilution theory" in trade-mark law is premised on the fact that the more widely a symbol is used, the less effective it is for any one user. For a discussion of the dilution theory, see *Schechter, The Rational Basis of Trade-Mark Protection*, 40 HarvLRev 813, 831 (1927); 3 *Callmann* at 1642 *et seq.*

<sup>10</sup> *Cf. Aunt Jemima Mills Co. v. Rigney & Co.*, 247 Fed 407 (2d Cir 1917); cert den, 245 US 672, 38 SCT 222, 62 LEd 540 (1918).

<sup>11</sup> *S. C. Johnson & Son v. Johnson*, 116 F2d 427 (2d Cir 1940). But see *op cit supra*, note 8.

<sup>12</sup> *Cf. Landers, Frary & Clark v. Universal Cooler Corp.*, 85 F2d 46, 48 (2d Cir 1936).

market competition as necessary to an unfair competition action in the trade symbol cases. "What the law condemns is the *unfair practices*. Such practices may exist *where no competition occurs*."<sup>13</sup>

But is the element of competition a *sine qua non* in the misappropriation cases? The holdings are not uniform. The view that competition was present has been accepted where news gathered by a newspaper was pirated by a radio station,<sup>14</sup> and where a play-by-play description of a baseball game was broadcast by a station not authorized to do so by the promoter of the game and the sponsor of the regular broadcast.<sup>15</sup> On the other hand, some courts have declared that misappropriation without "palming off" constitutes unfair competition, "and the element of competition is no longer necessary."<sup>16</sup>

Relative to the issue of direct competition as a requisite, the recent California case of *Peterson v. KMTR Radio Corporation*<sup>17</sup> warrants discussion. Plaintiffs claimed that the telecast of their aquatic show without their permission constituted unfair competition since it interfered with the right and benefit of contracting and being paid for their television

<sup>13</sup> *Brooks Bros. v. Brooks Clothing of California*, 60 FSupp 442, 451 (SD Calif 1945), *opinion aff'd*, 158 F2d 798 (9th Cir 1947), cert den, 331 US 824, 67 Sct 1315, 91 LEd 1840 (1947).

<sup>14</sup> *Associated Press v. KVOS*, 80 F2d 575 (9th Cir 1935), *rev'd* for want of jurisdiction, 299 US 269, 57 Sct 197, 81 LEd 183 (1936).

<sup>15</sup> *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938). But *cf.* *National Exhibition Co. v. Teleflash*, 24 FSupp 488 (SD NY 1936).

<sup>16</sup> *Jerome v. Twentieth Century-Fox Film Corp.*, 58 FSupp 13, 15 (SD NY 1944). The Second Circuit, which has played an important role in the development of the law of unfair competition, would limit *International News Service v. Associated Press* to its precise facts. This is illustrated by *RCA Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940) and *Cheney Bros. v. Doris Silk Corp.*, 35 F2d 279 (2d Cir 1929), cert den, 281 US 728, 50 Sct 245, 74 LEd 1145 (1930). The result of the Whiteman

case may be explained on the theory that Chief Judge Learned Hand would not permit the doctrine of unfair competition to be used as a substitute for copyright protection; that of the *Cheney* case on the grounds that he would not usurp the legislative function of Congress by unduly broadening the scope of design patent laws. Another possibility is that the *Whiteman* case may have been decided on the theory that the element of competition was lacking because of the absence of any competitive relationship between Whiteman and the broadcasting station. See 1 Callmann, at 281 *et seq.*

<sup>17</sup> Civil No. 557,555, CalSuper, July 7, 1949, 18 USL Week 2044. The *Peterson* case is discussed in 10 Fed CommBarJ 36, 107 (1949). The court in its opinion described the cause of action as one for damages "resulting from the alleged illegal use of the performers' property." 18 USL Week at 2045. This phrase from the court's opinion is discussed in Warner, *Unfair Competition and the Protection of Radio & Television Programs*, Wash LQ 297, 498, 517, 522 (1950).

performances. The court held that an unfair competition action would not lie because the parties, *i.e.*, plaintiffs and defendant television station, were not competitors.

An analysis of plaintiffs' count based on unfair competition discloses that defendant television station was a disseminator of an unauthorized performance rather than a true competitor of plaintiffs'. The unfair competition complained of was indirect, *i.e.*, that the wide-spread dissemination of plaintiffs' performance by means of a telecast or motion pictures would diminish the commercial value of their act by making it increasingly difficult to obtain engagements and adequate remuneration therefore. To accept the plaintiffs' argument would have resulted in dispensing with the necessity of direct competition in the action. This the court refused to do, rejecting the attempt of the plaintiffs to apply the misappropriation theory of *International News Service v. Associated Press*.

The conclusion from the above discussion is that the issue of whether direct or market competition is a prerequisite for an unfair competition action remains an open one, which requires clarification by the Supreme Court.

To return momentarily to the trade symbol cases, the trend there is to dispense with direct or market competition as an ingredient of an unfair competition action.<sup>18</sup> This trend will surely be applied to the "misappropriation" cases. If the defendant's unfair trade practices cause confusion and mislead and deceive the public, the courts will enjoin the tortfeasor on the theory that the defendant's activities are akin to "palm-ing off." In the event the public will not be injured by the defendant's unfair trade practices, the courts will still enjoin such misappropriation, provided it does not result in the establishment and extension of judge-made monopolies in conceptions and ideas.<sup>19</sup> If, on the other hand, the use of the misappropriation or unjust enrichment theory results in the fostering of monopolies in "knowledge, truths ascertained, conceptions and ideas . . .",<sup>20</sup> the doctrine of unfair competi-

<sup>18</sup> *Op cit supra*, note 2.

<sup>19</sup> *Triangle Publications Inc. v. New England Newspaper Publishing Co.*, 46 FSupp 198 (DC Mass 1942); *Supreme Records v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir

1951); See Handler, *Unfair Competition* (1936) 21 IaLRev 175, 191; Chafee, *Unfair Competition* (1940) 53 HarvLRev 1289.

<sup>20</sup> Mr. Justice Brandeis dissenting in *International News Service v. Associated Press*, 248 US 215, 248, 39 SCT 68, 63 LEd 211 (1918).

tion will not be applied. Each case, particularly the radio and television cases, must be judged against that basic policy; at least until such time as Congress may amend the law.

### 211c. PRINCIPLES OF UNFAIR COMPETITION: DAMAGES.

A distinction which still persists in the law of trade-marks and trade names is related to the evidence required for the ascertainment of damages.<sup>1</sup> In the trade-mark infringement cases, presumption of loss or damage is inferred from proof of use of the mark and evidence of sales,<sup>2</sup> while the law of damages in the trade name and unfair competition cases calls for proof of actual loss of sales.<sup>3</sup>

The foregoing distinction appears to be ignored in several of the unfair competition cases dealing with noncompeting goods. Thus in several cases the courts have enjoined the use of similar trade names despite the fact that the plaintiff alleged no actual loss of trade.<sup>4</sup> Relief in these cases is furnished on varying theories, and usually there is emphasis on the fact that such unfair competitive practices cause confusion and deceive the public.<sup>5</sup>

An example of the approach taken when noncompeting goods are involved is found in the "misappropriation" cases. The courts have not emphasized the element of damage in arriving at their results. They are satisfied with the statement that the plaintiff's right has a pecuniary value,<sup>6</sup> or that the defendant will reap financial benefits from the plaintiff's efforts.<sup>7</sup>

<sup>1</sup> See 4 Callmann, § 89.1(a).

<sup>2</sup> *Straus v. Notaseme Hosiery Co.*, 240 US 179, 36 SCT 288, 60 LEd 590 (1916); 3 Restatement Torts, § 745 and § 746. See also *Aladdin Mfg. Co. v. Mantle Lamp Co. of America*, 116 F2d 708 (7th Cir 1941); *Obear-Nester Glass Co. v. United Drug Co.*, 149 F2d 671 (8th Cir 1945), cert den, 326 US 761, 66 SCT 141, 90 LEd 458 (1945); *Hygienic Products v. Judson Dunaway Corp.*, 81 FSupp 935 (DC NH 1948). See also *Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co.*, 316 US 203, 62 SCT 1022, 86 LEd 1381 (1942).

<sup>3</sup> *Brooks Bros. v. Brooks Clothing of California*, 60 FSupp 442 (DC Cal 1945), opinion adopted, 158 F2d 798 (9th Cir 1947), cert den, 331 US 824,

67 SCT 1315, 91 LEd 1840 (1947).

<sup>4</sup> *Stork Restaurant Inc. v. Sahati*, 166 F2d 348 (9th Cir 1948) and cases cited therein; *Academy of Motion Pictures Arts and Sciences v. Benson*, 15 Cal2d 685, 104 P2d 650 (1940).

<sup>5</sup> *Stork Restaurant Inc. v. Marcus*, 36 FSupp 90 (DC Pa 1941). But cf. *Lawyers Title Insurance Co. v. Lawyers Title Ins. Corp.*, 109 F2d 35 (DC Cir 1939), cert den, 309 US 684, 60 SCT 806, 84 LEd 1028 (1940).

<sup>6</sup> *Madison Square Garden Corp. v. Universal Pictures Co.*, 255 App Div 459, 7 NYS2d 845 (1938).

<sup>7</sup> *Twentieth Century Sporting Club, Inc. v. Transradio Press Service*, 165 Misc. 71, 300 N.Y.Supp 159 (1937).

When an unfair competition action is brought in the federal courts, the plaintiff may be under the obligation of alleging and proving damage in the amount of over \$3000 in order to satisfy federal jurisdictional requirements.<sup>8</sup> This is illustrated in *KVOS, Inc. v. Associated Press*<sup>9</sup> where the Supreme Court dismissed a news piracy case on the ground that the federal court had no jurisdiction due to the plaintiff's failure to show damage exceeding \$3000.

“The bill seeks redress for damage to the respondent's business and for damage to the business of some or all of its members. The right for which the suit seeks protection is, therefore, the right to conduct those enterprises free of the alleged unlawful interference by the petitioner. No facts are pleaded which tend to show the value of that right.”<sup>10</sup>

Although the courts sometimes gloss over the element of damages in the “misappropriation” cases, a careful analysis of each decision discloses that the unfair trade practice complained of resulted or would result in pecuniary loss to the plaintiffs.

In the Louis-Walcott litigation, one of the causes of action set forth in the complaints was unfair competition. It is doubtful whether damages could have been proved by the plaintiffs, *viz.*, the promoter, sponsor, network or television station. The purpose of any telecast, commercial or sustaining, is to obtain as widespread and as large a listening audience as is possible. The authorized or unauthorized telecasts of any program increases the dissemination of that program and benefits the parties plaintiff.

The complaints in the above litigation alleged damages on a factual basis. Thus all four cases alleged damage to the “continuity of reception by the listening audiences of the broadcasters and in the admission charges or gate receipts in which the plaintiffs, Joe Louis and Joe Walcott, Madison and Club, share.”<sup>11</sup> It is doubtful whether the courts would vali-

<sup>8</sup> 28 USC § 1332(a) (1948). When a claim for unfair competition is joined with a substantial and related claim under the copyright, patent, and trademark laws, there is no requirement respecting amount in controversy.

<sup>9</sup> 299 US 269, 57 S Ct 197, 81 L Ed 183 (1936).

<sup>10</sup> *Id.* at 277.

<sup>11</sup> Continuity of reception refers to the listening and viewing audience of a station which remains faithful to the network and the station for the entire evening. An unauthorized exhibition of a telecast impairs that continuity of reception. If the public may view

date this theory of damages; it is too tenuous and ephemeral.

The allegation that an unauthorized telecast would damage the admission charges and gate receipts of the promoters and fighters would appear to state a substantial allegation of injury.

... "it may be argued that a promoter cannot consent to an unlimited viewing of his event on home receivers and at the same time claim that he is damaged if the viewing takes place in a tavern or hotel. But a television program is now such a close approximation of the original performance that the decision of a promoter to grant or withhold television rights may very well rest on nicely balanced considerations such as the extent to which the telecasts will be available to the public. A large number of home receivers will probably not affect the box office receipts of a televised sports event as seriously as sets scattered strategically in hotels, ballrooms and private auditoriums, each seating hundreds, or maybe even thousands, of people. The conviviality of the tavern, and the contact with other people in public hotel rooms and auditoriums, may prove an adequate substitute (without paying for a ringside seat) for the exhilaration and stimulation that fans feel if they attend the event itself. It is not far-fetched to suggest that if telecasts of sports events become available to everybody under optimum conditions, it may become economically impossible for promoters to sell television rights at all.<sup>12</sup>

However, it is doubtful whether a promoter can demonstrate that he is damaged because of an unauthorized telecast. A logical consequence of a telecast might be that gate receipts will suffer, but it would be difficult to prove that the loss of patronage (and thus income) is attributable only to unauthorized telecasts.

In the Philadelphia cases of the Louis-Walcott litigation, the court enjoined all telecasts by a motion picture exhibitor and in addition enjoined exhibition on a large size screen in a hotel. The court concluded that the use of a large screen changed the telecast to a motion picture. This supposedly would impair the sale of the motion picture rights, with the

such programs in hotels, ballrooms and motion picture theatres, there is less likelihood that they will remain home and be faithful to the balance of the network's or station's programs.

<sup>12</sup> Solinger, Unauthorized Uses of Television Broadcasts, 48 ColLRv 848, 863 (1948).

result that the promoter could allege and prove that he was damaged by the unauthorized telecasts.<sup>13</sup>

The above discussion of the Louis-Walcott litigation is illustrative of some of the problems confronting the courts in ascertaining damages or injury in an unfair competition action. It has been suggested that,

“because of the potential effect of commercial exhibition of a telecast of a sports event on box office receipts, promoters of these events may find it desirable to incorporate in their contracts with telecasters or sponsors provision for cancellation of television rights if the televised programs are exhibited for profit by persons who are not parties to the contract. If such a cancellation clause is included in a telecaster's or sponsor's contract, he should have no difficulty in establishing damage as a result of an unauthorized exhibition of the telecast.”<sup>14</sup>

In conclusion, it is believed that damage or injury to the plaintiff is still a prerequisite for an unfair competition action. However, a recent trend apparent in the noncompeting goods cases seems to dispense with the formal requirement that pecuniary loss be shown.<sup>15</sup> If the doctrine of unfair competition is broadened to dispense with the requirement of injury or damages to the plaintiff, an injunction would be possible against any unfair trade practice. It would thus furnish another tool in the hands of the radio or television broadcaster to protect program content from any misappropriation.

## 212. UNFAIR COMPETITION AND COPYRIGHT LAW.

The relationships between unfair competition and copyright infringement have not been satisfactorily determined.<sup>1</sup> Callmann who has explored the relationships between these two concepts would expand the law of unfair competition and furnish protection to word and program content to complement the inadequacies of common law and statutory copyright.<sup>2</sup>

<sup>13</sup> Cf. Metropolitan Opera Ass'n Inc. v. Wagner-Nichols Recorder Corp., 87 USPQ 173 (NYSupCt 1950).

<sup>14</sup> Solinger, *op cit supra* note 12 at 864.

<sup>15</sup> Brooks Bros. v. Brooks Clothing of California, 60 FSupp 442 (DC Cal 1945), opinion adapted, 158 F2d 798 (9th Cir 1947), cert den, 331 US 824, 67 Sct 1315, 91 LEd 1840 (1947);

Landers, Frary & Clark v. Universal Color Corp., 85 F2d 46 (2d Cir 1936).

<sup>1</sup> Callmann, Copyright and Unfair Competition (1940) 2 LaLRev 648; Oberst, Use of the Doctrine of Unfair Competition to Supplement Copyright in the Protection of Literary and Musical Property (1941) 29 KyLJ 271.

<sup>2</sup> 1 Callmann at 262 *et seq.*

Callmann has stressed the point that "like any other exclusive right, the copyright should be considered in the light of the relationship of the parties; and that there can be no 'pure' copyright case where the parties are competitors."<sup>3</sup> He believes that the courts "in discussing the protection available to authors or compilers of information designed for commercial use, . . . display a marked tendency to inject considerations of statutory copyright which are wholly inappropriate to the problem."<sup>4</sup> This is illustrated by the English "directory" cases, wherein the courts furnished copyright protection to compilations, collections,<sup>5</sup> etc., although the latter lacked originality i.e., require the use of only clerical skills.<sup>6</sup> Callmann suggests that such "interests which now are or should be protected under the theory of unfair competition were made the determinative factor of copyrightability."<sup>7</sup>

Callmann's primary thesis is that "consideration of competition alone should afford protection in proper cases, even when copyright is not available."<sup>8</sup> Thus the failure to apply for a copyright, non-compliance with the formalities of the Copyright Code or loss of common law rights by publication should not preclude protection via the law of unfair competition. Similarly, he suggests that in the "character" imitation cases, characters created by an author should be protected on the unfair competition or misappropriation theory rather

<sup>3</sup> *Id.* at 263.

<sup>4</sup> *Id.* at 264.

<sup>5</sup> E.g. *Morris v. Wright*, LR 5 Ch App 279 (1870); *Pike v. Nicholas*, LR 5 Ch App 251 (1869); *Kelly v. Morris*, LR 1 Eq 697 (1866); *Morris v. Ashbee*, LR 7 Eq 34 (1864). See also: *Colliery Engineer Co. v. Ewald*, 126 Fed 843 (CC NY 1903); *Hartford Printing Co. v. Hartford Directory and Publishing Co.*, 146 Fed 332 (CC Conn 1906).

<sup>6</sup> But cf. *Alfred Bell & Co. v. Catalda Fine Arts*, 191 F2d 99, 102, 103 (2d Cir 1951): "All that is needed to satisfy both the Constitution and the statute is that the 'author' contributed something more than a 'merely trivial' variation, something recognizably 'his own'. Originality in this context 'means little more than a prohibition of actual copying'. No matter how

poor artistically the 'author's' addition, it is enough if it be his own"; *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 250, 23 S Ct 298, 47 LEd 460 (1903) quoting with approval from *Henderson v. Tompkins*, 60 Fed 758, 764 (CC Mass 1894): "But a multitude of books rest safely under copyright, which show only ordinary skill and diligence in their preparation. Compilations are noticeable examples of this fact. With reference to this subject, the courts have not undertaken to assume the functions of critics, or to measure carefully the degree of originality, or literary skill or training involved." See *Yankwich, Originality In The Law Of Intellectual Property* (1951) 11 FRD 457; *infra* §§ 30, 153 and 153a.

<sup>7</sup> 1 Callmann at 264-265.

<sup>8</sup> *Id.* at 268.

than by denial of relief because of failure to meet the technical requirements of trade-mark or copyright law.<sup>9</sup> Callmann therefore concludes that "the success of the plaintiff's suit should not depend upon whether or not he met the requirements of the copyright statute in a case where he complains of the defendant's appropriation of the fruits of his effort and expenditure."<sup>10</sup>

We cannot subscribe to Callmann's thesis in its entirety because it is believed that the majority of both the federal and state courts would refuse to expand the law of unfair competition to the extent that it would be employed as a substitute for common law and statutory copyright. For the most part, common law and statutory copyright furnish adequate protection to intellectual property, and more particularly, to program content. On the other hand, the extension and application of the law of unfair competition to protect word or program content would foster monopolies in ideas, thus curtailing freedom of expression.<sup>11</sup>

We now propose to re-examine the relationships between unfair competition and copyright infringement in the light of their jurisdictional and philosophic bases.

As discussed elsewhere common law and statutory copyright furnish for all practical purposes, the same protection to intellectual property.<sup>12</sup> The various rights inherent in common law copyright and conferred by statutory copyright may be reduced to a common denominator—the power to prevent others from reproducing the work.<sup>13</sup> Thus the copyright

<sup>9</sup> *Id.* at 278. E.g. *Fisher v. Star Co.*, 231 NY 414, 132 NE 133 (1921), cert den, 257 US 654, 42 Sct 94, 66 LEd 419 (1921); *Fleischer Studios v. Freundlich*, 5 FSupp 808 (DC NY 1931), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935).

<sup>10</sup> 1 Callmann at 268.

<sup>11</sup> See Chaffee, *Unfair Competition*, 53 HarvLRev 1289 (1940); Handler, *Unfair Competition*, 21 IowaLRev 175 (1936); Zlinkoff, *Monopoly vs. Competition: Significant Trends in Patents, Anti-Trust, Trade-Mark, and Unfair Competition Suits* (1944); Judge Wyzanski in *Triangle Publications v. New England Newspaper Pub. Co.*, 46

FSupp 198, 204 (DC Mass 1942): "I could hardly be unmindful of the probability that a majority of the present justices of the Supreme Court of the United States would follow the dissenting opinion of Mr. Justice Brandeis in the *International News* case, . . . because they share his view that monopolies should not be readily extended, and his faith that legislative remedies are to be preferred to judicial innovations where adjustment of many competing interests is necessary." To the same effect is *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>12</sup> *Infra* §§ 201 and 202.

<sup>13</sup> *RCA Mfg. Co. v. Whiteman*, 114

proprietor may enjoin the tortfeasor who imitates or copies his work.<sup>14</sup>

With regard to the law of unfair competition, the misappropriation theory of the *Associated Press* case has been employed to enjoin imitation or copying of news dispatches, news broadcasts and sports programs.<sup>15</sup>

It would appear that unfair competition and copyright law furnish the same protection. Several decisions would appear to synthesize the law of copyright into the realm of unfair competition.<sup>16</sup> This suggests an inquiry into the jurisdictional basis of an unfair competition action and a copyright infringement suit.<sup>17</sup>

Common law copyright may be described as an original unpublished intellectual production;<sup>18</sup> its statutory counterpart relates to written matter which has been published.<sup>19</sup> Unfair competition, except as it is affected by legislative enactments in connection with patents, trade-marks, *etc.*, is a common law concept and is concerned with any article of trade, including literary material, and with its words, letters, composition and the like.<sup>20</sup>

F2d 86, 88 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940): "Copyright in any form, whether statutory or at common law, is a monopoly; it consists only in the power to prevent others from reproducing the copyrighted work."

<sup>14</sup> *Op cit supra*, note 1.

<sup>15</sup> *International News Service v. Associated Press*, 248 US 215, 239, 39 S Ct 68, 63 LEd 211 (1918).

<sup>16</sup> E.g. *West Publishing Co. v. Edward Thompson Co.*, 169 Fed 833, 853 (CCED NY 1909): "Actual copying, or such paraphrasing as to be equivalent to copying, was at first considered to be the only form of infringing use of copyrighted material. But the great diversity of printed publications, and the many phases of literary activity, especially when applied to minor pursuits, ultimately forced the construction of the copyright statute, in which the basis of injury is found in the unfair use of the material of the work in making up a book of similar nature, as well as in a direct copying or paraphrasing of the words therein contained. This extension of the law of copyright brings the case closely into

the realm of unfair competition. But, while a likeness may be traced in the principles upon which this class of actions is founded, yet in application and in scope a sharp line of distinction can be drawn." See *Colliery Engineering Co. v. Ewald*, 126 Fed 843 (CCSD NY 1903).

<sup>17</sup> *Ibidi.*

<sup>18</sup> *Ketcham v. New York World's Fair 1939, Inc.*, 34 FSupp 657 (ED NY), *aff'd*, 119 F2d 422 (2d Cir 1940).

<sup>19</sup> *Palmer v. DeWitt*, 47 NY 532, 536 (1872): "The right of an author or proprietor of a literary work to multiply copies of it to the exclusion of others is the creature of the statute. This is the right secured by the copyright laws of the different governments." See also: *Caliga v. Inter-Ocean Newspapers*, 215 US 182, 188 30 S Ct 38, 54 LEd 450 (1909); *American Tobacco Co. v. Werckmeister*, 207 US 284, 291, 28 S Ct 72, 52 LEd 208 (1907); *Bobbs-Merrill Co. v. Straus*, 210 US 339, 347 28 S Ct 722, 52 LEd 1086 (1908); *Fox Film Corp. v. Doyal*, 286 US 123, 127, 52 S Ct 546, 76 LEd 1010 (1932).

<sup>20</sup> *Nims, Unfair Competition and*

The jurisdictional prerequisites for a cause of action to recover for infringement of common law copyright consist of the following:

- (a) ownership by the plaintiff of a protectible property interest;
- (b) unauthorized copying of the material by defendant;
- (c) damages resulting from such copying.<sup>21</sup>

To sustain a cause of action based on infringement of statutory copyright, plaintiff must show:

- (a) ownership of statutory copyright. This is evidenced by a certificate of registration from the Register of Copyrights;<sup>22</sup>
- (b) the misappropriation of a substantial and material part of the copyrighted work;<sup>23</sup>
- (c) no proof of profits and actual damages if the court in its discretion awards fixed and arbitrary damages prescribed by the Copyright Code.<sup>24</sup>

The jurisdictional prerequisites of an unfair competition action may be briefly described:

(a) A property or quasi-property right. In the *Associated Press* case, the quasi-property right was described as the result of "organization and . . . (the) expenditure of money, skill and effort," required for the collection and transmission of news.<sup>25</sup> A quasi-property right exists in a telecast since the

Trade-Marks 889 (4th ed 1947): "The right secured by the copyright laws is the right to use a literary composition—the product of the mind and the genius of the author—not the name or title given to it. The right protected in cases involving the infringement of a trade-mark or trade name is the right to use a symbol which indicates origin and represents good will."

<sup>21</sup> *Golding v. R.K.O. Pictures, Inc.*, 82 USPQ 136 (Cal 1949) *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 82 USPQ 123 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Dieckhaus v. Twentieth Century Fox Film Corp.*, 54 FSupp 425 (ED Mo 1944), *rev'd on other grounds*, 153 F2d 893 (8th Cir) *cert den*, 329 US 716, 67 Sct 46, 91 LEd 621 (1946); *DeAcosta v. Brown*, 146 F2d 408 (2d Cir), *cert den*,

325 US 862, 65 Sct 1197, 89 LEd 1983 (1945).

<sup>22</sup> *Freudenthal v. Hebrew Publishing Co.*, 44 FSupp 754 (SD NY 1942); *Marks Music Corp. v. Stasny Music Corp. et al.*, 1 FRD 720 (SD NY 1941).

<sup>23</sup> *Harold Lloyd Corp. v. Witwer*, 65 F2d 1 (9th Cir 1933), *cert dism*, 296 US 669, 78 LEd 1507, 54 SupCt 94 (1934); *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F2d 354 (9th Cir 1947); *MacDonald v. Du Maurier*, 75 FSupp 655 (SD NY 1948); *Heim v. Universal Pictures*, 154 F2d 480 (2d Cir 1946); *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), *cert den*, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947).

<sup>24</sup> 61 STAT 652 (1947), 17 USC § 101 (Supp 1951).

<sup>25</sup> *International News Service v. Associated Press*, 248 US 215, 238, 39 Sct 68, 63 LEd 211 (1918).

latter requires the expenditure of money, effort and technical and creative skills.

(b) Competition. The courts are by no means in agreement on the question of whether competition is a jurisdictional prerequisite in an unfair competition case. Some fairly recent cases have stated that "the phrase 'unfair competition' presupposes competition of some sort; in the absence of competition the doctrine cannot be invoked."<sup>26</sup> However, the modern trend of decisions dispenses with direct or "market" competition as an essential element of an unfair competition action. This is illustrated by the "non-competing goods" cases wherein it has been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court.<sup>27</sup> Thus the title of a radio program which has acquired a secondary meaning will be protected against the use of the same words as the title of a magazine.<sup>28</sup> Similarly, a manufacturer of work shirts was enjoined for the using the expression "Amos n' Andy" by the well-known radio and television comedians of the same name.<sup>29</sup> This judicial approach which dispenses with direct or market competition, is premised on the philosophy that the rules of unfair competition are based not only upon the protection of a property right in complainants, but also upon the rights of the public to protection from fraud and deceit.<sup>30</sup>

<sup>26</sup> *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 Fed 510 (7th Cir 1912); *Carroll v. Duluth Superior Milling Co.*, 232 Fed 675 (8th Cir 1916); *Matzer v. Vinikow*, 17 F2d 58 (9th Cir 1927); Note, 148 ALR 12 (1944).

<sup>27</sup> *Yale Electric Corp. v. Robertson*, 26 F2d 972 (2d Cir 1938); *Vogue Company v. Thompson-Hudson Co.*, 300 Fed 509 (6th Cir 1924); cert den, 273 US 701, 47 S Ct 98, 71 LEd 850 (1926); *Safeway Stores, Inc. v. Dummel*, 172 F2d 649 (9th Cir 1949); *Sunbeam Corporation v. Sunbeam Lighting Co.*, 83 FSupp 429 (SD Cal 1949); see Callmann, *Trade-Mark Infringement and Unfair Competition*, 14 Law & Contemp Prob 185 (1949); *Derenberg, The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings*, 14 Law & Contemp Prob 288, 291 n 9 (1949).

<sup>28</sup> *Golenpaul v. Rosett*, 174 Misc 114, 18 NYS2d 889 (SupCt 1940); "Information Please", the title of a radio program, protected against use as the title of a magazine. For a discussion of the cases dealing with the protection of radio service marks via the doctrines of unfair competition, see *passim* § 230 *et seq.*

<sup>29</sup> *Feldman v. Amos & Andy*, 68 F2d 746 (CCPA 1934).

<sup>30</sup> *Stork Restaurant, Inc. v. Sabati*, 166 F2d 348, 355 (9th Cir 1948): "A very recent statement of the doctrine is to be found in *Hanson v. Triangle Publications*, 163 F2d 74, 78 (8th Cir 1947), cert den, 68 S Ct 387, 332 US 855, 92 LEd 424 (1948): '. . . there can be unfair competition although the businesses involved are not directly competitive. Under present general law, the use of another's mark or name, even in a non-competitive field, where

(c) Damages. The courts appear to gloss over this requirement, confusing it with competition,<sup>31</sup> the pecuniary value of plaintiff's right,<sup>32</sup> or that defendant will reap financial benefits from plaintiff's efforts.<sup>33</sup> One or two cases have suggested that damages are no longer jurisdictional; the deception and confusion caused the public are sufficient to sustain an unfair competition action.<sup>34</sup> It is believed, however, that damages expressed in terms of pecuniary or other injury to a complainant is a jurisdictional prerequisite to an unfair competition suit.<sup>35</sup>

The similarities between a common law or statutory copyright infringement suit and one of unfair competition are apparent, particularly if the courts dispense with direct or market competition. Thus if the misappropriation theory of the *Associated Press* case is employed to protect the content of a radio or television program, the same jurisdictional elements are present as in the case of common law or statutory copyright. To be sure, the proprietor who claims infringement of his copyright must show that his work is original.

“It is not essential that any production to be original or new within the meaning of the law of copyright shall be different from another . . . the true test of originality is whether the production is the result of independent labor or of copying.”<sup>36</sup>

the object of the user is to trade on the other's reputation and good will, or where that necessarily will be the result, may constitute unfair competition . . . ’’; *Brooks Brothers v. Brooks Clothing of California, Ltd.*, 60 FSupp 442 (SD Cal 1945) opinion adopted, 158 F2d 798 (9th Cir 1947), cert den, 331 US 824, 67 SCT 1315, 91 LEd 1840 (1947); *Bamberger Broadcasting Co. v. Orloff*, 44 FSupp 904 (SD NY 1942); *Vickers, Inc. v. Fallon*, 48 FSupp 221 (ED Mich 1943); *Standard Oil of New Mexico v. Standard Oil of California*, 56 F2d 973 (10th Cir 1932); *Kotabs v. Kotex Co.*, 50 F2d 810 (3d Cir), cert den, 284 US 665, 52 SCT 41, 76 LEd 563 (1931); *Safeway Stores Inc. v. Dunnel*, 172 F2d 649 (9th Cir 1949).

<sup>31</sup> *E.g. Mutual Broadcasting System v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (SupCt 1941).

<sup>32</sup> *Madison Square Garden Corp. v. Universal Pictures Co.*, 255 App Div

459, 7 NYS2d 845 (1st Dep't 1938).

<sup>33</sup> *Twentieth Century Sporting Club, Inc. v. Transradio Press Service*, 165 Misc 71, 300 NYSupp 159 (SupCt 1937).

<sup>34</sup> *Stork Restaurant, Inc. v. Sahati*, 166 F2d 348 (9th Cir 1948); *Triangle Publications v. Rohrlieh*, 73 FSupp 74 (SD NY 1947), modified in part, 167 F2d 960 (2d Cir 1948); *Stork Restaurant v. Marcus*, 36 FSupp 90 (ED Pa 1941).

<sup>35</sup> In *KVOS v. Associated Press*, 299 US 269, 57 SCT 197, 81 LEd 183 (1936), the Supreme Court dismissed a news piracy case because plaintiff had failed to show damages exceeding \$3,000.

<sup>36</sup> *Golding v. R.K.O. Pictures, Inc.*, 82 USPQ 136, 140 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950), citing *Drone, A Treatise on the Law of Property in Intellectual Productions in Great Britain and the United States* (1879).

Thus the protectible property interest of common law copyright measured by the concept of originality, *viz.*, whether the defendant has independently worked out his compilation, artistic reproduction or advertising scheme is equivalent to the quasi-property interest of unfair competition, spelled out in the *Associated Press* case.<sup>37</sup>

Despite the foregoing similarities, it is doubtful whether the courts will and should permit the law of unfair competition to be used as a complete substitute for copyright protection. It is believed that the law of unfair competition should be employed to protect program content only when common law or statutory copyright cannot furnish protection.

This approach is illustrated by the radio and television service mark cases wherein titles of radio programs,<sup>38</sup> plays<sup>39</sup> and motion pictures<sup>40</sup> which have acquired a secondary meaning are protected by the law of unfair competition because the title of a work is not copyrightable.<sup>41</sup> Another illustration which warrants careful scrutiny is news and sports programs. The courts have employed the misappropriation theory of the *Associated Press* case to enjoin piracy of news<sup>42</sup> and sports<sup>43</sup>

<sup>37</sup> Cf. Callmann, *Unfair Competition and Trade-Marks* 217 (1945).

<sup>38</sup> *Time, Inc. v. Barshay*, 27 FSupp 870 (SD NY 1939); *Golenpaul v. Rosett*, 174 Misc 114, 18 NYS2d 889 (SupCt 1940); *Town Hall, Inc. v. Franklin*, 174 Misc 17, 19 NYS2d 670 (SupCt 1940); *Town Hall, Inc. v. Associated Town Halls, Inc.*, 44 FSupp 315 (DC Del 1941).

<sup>39</sup> *Frohman v. Puyton*, 34 Misc 275, 68 NYSupp 849 (SupCt 1901); *Klaw v. General Film Co.*, 154 NYSupp 988 (Sup.Ct 1915); *National Pictures Theatres v. Foundation Film Corp.*, 266 Fed 208 (2d Cir 1920); *Heningway v. Film Alliance, Inc.*, 174 Misc 725, 21 NYS2d 827 (SupCt 1940).

<sup>40</sup> *Warner Bros. v. Majestic Pictures Corp.*, 70 F2d 310 (2d Cir 1934); *Amusement Securities Corp. v. Academy Distributing Corp.*, 162 Misc 608, 294 NYSupp 279 (SupCt 1936), *aff'd*, 250 AppDiv 710, 294 NYSupp 305 (1st Dep't 1937), *aff'd*, 277 NY 557, 13 NE2d 471 (1938).

<sup>41</sup> *Arnstein v. Porter*, 154 F2d 464, 474 (2d Cir 1946), cert den, 330 US 851, 67 Sct 1096, 91 LEd 1294 (1947);

*Newcomb v. Young*, 43 FSupp 744 (SD NY 1942); *Atlas Mfg. Co. v. Street & Smith*, 204 Fed 398 (8th Cir), appeal dismissed, 231 US 348, 34 Sct 73, 58 LEd 262 (1913), cert den, 231 US 468, 34 Sct 323, 58 LEd 468 (1913); *Jollie v. Jacques*, 13 FedCas 910 No 7,437 (CC NY 1850); 1 Nims, § 272.

<sup>42</sup> *Associated Press v. Sioux Falls Broadcast Ass'n*, 2 CCH Trade Reg Rep, ¶ 7052 (1933); *Associated Press v. KVOS Inc.*, 80 F2d 575 (9th Cir 1935), *dism* for want of jurisdiction, 299 US 269, 57 Sct 197, 81 LEd 183 (1936). See the discussion of the "news" cases, section 213a *passim*.

<sup>43</sup> *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938); *Rudolph Mayer Pictures, Inc. v. Pathé News Inc.*, 235 AppDiv 774, 255 NYSupp 1016 (1st Dep't 1932); *Mutual Broadcasting System, Inc. v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (SupCt 1941); *Southwestern Broadcasting Co. et al. v. Oil Center Broadcasting Co.*, 210 SW2d 230 (Tex. Civ App 1947). See the discussion of the "sports" cases section 214, *passim*.

programs. This is premised on the theory that the substance of information concerning public events cannot be copyrighted. News is public property "free as the air to common use."<sup>44</sup> In addition, it has been suggested that facts and news are not susceptible of copyright protection since they lack originality and intellectual achievement.<sup>45</sup>

But a substantial and serious question will be tendered the courts as to whether news and sports telecasts are not eligible for protection under common law or statutory copyright. Any news or sports telecast is within the definition of common law copyright, which has been described as an original unpublished intellectual production.<sup>46</sup> This is evidenced by the technical skills, money, organization and effort required to produce a television show.<sup>47</sup> The common law copyright would not become common property and dedicated to the general public since a telecast is a limited publication.<sup>48</sup> Similarly, a news or sports telecast is eligible for registration under the Copyright Code, only if it is preserved on film.<sup>49</sup> Although the Copyright Code prescribes certain formalities before registration can be effected, it is believed that publication with notice would suffice for copyright protection.<sup>50</sup> Deposit of the work accompanied by statutory fees with the Register of Copyrights may be effectuated at a later date.<sup>51</sup>

The foregoing discussion suggests that common law or statutory copyright may be employed to protect the content of televised news and sports programs, hence there would be no need to invoke the misappropriation theory of the *Associated*

<sup>44</sup> Mr. Justice Brandeis, dissenting in *International News Service v. Associated Press*, 248 US 215, 248, 250, 262, 39 S Ct 38, 63 LEd 211 (1918).

<sup>45</sup> Weil, *Copyright Law* 314 (1917); Ball, *Law of Copyright and Literary Property*, 123-124, 240 (1944).

<sup>46</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657 (ED NY 1939), *aff'd*, 119 F2d 422 (2d Cir 1940).

<sup>47</sup> *Infra* § 201.

<sup>48</sup> *Infra* § 203b. *Cf.* *Blanc v. Lantz et al.*, 83 USPQ 137 (CalSuperCt 1949).

<sup>49</sup> Copyright Code, 61 STAT 652 (1947), 17 USC § 5(m) (Supp 1951)

authorizes the registration of "motion pictures other than photoplays." Section 202.14 of the Regulations of the Copyright Office recites that this class includes "non-dramatic motion pictures, such as newsreels, musical shorts, etc." 37 Code Fed Regs § 202.14 (1949).

<sup>50</sup> 35 STAT 1077, 1078 (1909), 17 USCA §§ 9, 10 and 12 as amended by 61 STAT 652 (1947), 17 USCA §§ 10, 11 and 13 (Supp. 1951).

<sup>51</sup> *Ibid*, and see *Washingtonian Publishing Co. v. Pearson*, 306 US 30, 59 S Ct 397, 83 LEd 470 (1939).

*Press* case. This approach is particularly desirable in those jurisdictions which refuse to apply and follow the doctrine of the *Associated Press* case.

The suggestion that the law of unfair competition be permitted to complement common law or statutory copyright only when copyright law is inadequate is illustrated by *Triangle Publications Inc., et al. v. The New England Newspaper Publishing Co.*<sup>52</sup> Plaintiff published daily and monthly "race result charts." This chart furnished the following information: the track where the race was run; the condition of the track; the distance; the horses racing; the weights they carried; the jockeys; the post position of the horses; their relative position at the start of the race, at the finish and at four intermediate stages of the race; the distances separating the horses at the six stages of the race; the time of the race; and several staccato sentences commenting in race track parlance on the showing of the horses in that race. Plaintiff secured this information from every licensed track in North America at a cost of more than half a million dollars annually. This information was copyrighted. Defendants published daily newspapers which incidentally carried information about horse-racing; they did not compile race result charts of their own but used plaintiffs'. Defendants first published in narrative form their so-called "Last Performances" of race horses. This information was obtained from plaintiffs' monthly periodicals. Thereafter, the defendants abandoned narrative accounts and published in tabular form the "Past Performances" of horses. These tabular past performances were similar to plaintiffs'.

The Court held that the defendants' activities in copying the "symbols, notations and cryptic expressions" of plaintiffs' charts constituted an infringement of plaintiffs' copyright. The infringements went beyond a reasonable and fair use of another's compilation.

The more important question was whether defendants infringed plaintiffs' copyright when they used the indices and charts in plaintiffs' monthly periodical solely to find a clue as to where and when a horse raced, and then used that clue for

<sup>52</sup> 46 FSupp 198, 54 USPQ 198 (DC Mass 1942).

the purpose of locating and copying from defendants' own material on race results. This, said the court,

"is nothing which properly can be called copying. . . . None of plaintiffs' work is reproduced or cribbed. To be sure, defendants, by using plaintiffs' indices and charts, get the benefit of their competitors' labor and shorten their own. Yet this, as Dun's case<sup>53</sup> shows, is not infringement, and plaintiffs' complaint, if well founded, sounds in tort on a count for unfair competition."<sup>54</sup>

This decision illustrates the use which may be made of the law of unfair competition to complement the deficiencies of copyright law. Unfortunately, the court was precluded from applying the misappropriation theory of the *Associated Press* case because under the teachings of *Erie Railroad Company v. Tompkins*,<sup>55</sup> the local law of Massachusetts was controlling.<sup>56</sup> Under Massachusetts law (which has been changed by legislative enactment)<sup>57</sup> it was not unfair competition to use information assembled by a competitor.<sup>58</sup>

The suggestion that the law of unfair competition be applicable to protect word or program content only if copyright law does not furnish adequate protection is premised on the following philosophic bases:

For the most part word or program content is susceptible of common law and statutory protection. The courts do not impose a stringent test of originality for common law or statutory copyright. Originality is present whether the work involves old or new material or both, as long as it is the result of independent labor.<sup>59</sup> This means that the great bulk of

<sup>53</sup> *Dun v. Lumbermen's Credit Ass'n*, 209 US 20, 28 S Ct 335, 52 L Ed 663 (1906).

<sup>54</sup> *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 F Supp 198, 203 (DC Mass 1942).

<sup>55</sup> 304 US 64, 58 S Ct 817, 82 L Ed 1188 (1938).

<sup>56</sup> *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 F Supp 198, 203 (DC Mass 1942); *California Wine & Liquor Corp. v. William Zakov & Sons*, 297 Mass 373, 8 NE2d 812 (1937).

<sup>57</sup> Mass Gen Laws, c 110, § 7 A, approved May 2, 1947, and discussed

in *Food Fair Stores, Inc. v. Food Fair, Inc.*, 79 USPQ 114 (DC Mass 1948).

<sup>58</sup> The final decree in *Triangle Publications, Inc. v. New England Newspaper Pub. Co.*, 46 F Supp 198 (DC Mass 1942) enjoined the defendant from using plaintiff's books for the limited purpose of getting clues to defendant's own material. This was because of defendant's prior record of infringement.

<sup>59</sup> *Golding v. R.K.O. Pictures Inc.*, 82 USPQ 136 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stephens v. Howell Sales Co.*, 16 F2d 805 (SD NY 1926); *West*

material used on radio and television can invoke the benefits of copyright law and there would be no need to resort to the law of unfair competition since the former furnishes adequate protection. Thus, in the "advertising" cases, discussed *passim*,<sup>60</sup> litigants petition the courts via unfair competition to protect advertising content. The courts refuse to substitute the misappropriation theory of the *Associated Press* case for copyright law. The courts have been extremely liberal in finding intellectual, literary and artistic merit in advertising which warrants copyright protection.<sup>61</sup> To be sure, not all of the subject matter which involves intellectual effort is susceptible of copyright protection. For example, phonograph records available for purchase by the general public are not eligible for common law or statutory copyright.<sup>62</sup> The law of unfair competition cannot be employed to protect the performances of musicians and singers preserved on phonograph records, because to do so would result in the recognition of moral rights (*le droit moral*) which is alien to our jurisprudence.<sup>63</sup> If the interpretive rights of performing artists are to be protected, their recognition can be and should be effectuated only by legislative remedies.<sup>64</sup>

Courts are loath to substitute the misappropriation theory of the *Associated Press* case for copyright law because they are reluctant to establish monopolies in words, phrases and ideas and thus remove them from public circulation. Mr. Justice Brandeis aptly phrased this philosophy in his persuasive dissenting opinion in the *Associated Press* case:

Publishing Co. v. Edward Thompson Co., 169 Fed 833 (ED NY 1909), modified, 176 Fed 833 (2d Cir 1910); Boucicault v. Fox, 3 FedCas 977, No 1,691 (CC SD NY 1862).

<sup>60</sup> See section 218, *passim*.

<sup>61</sup> Bleistein v. Donaldson Lithographing Co., 188 US 239, 23 SCt 298, 47 LEd 460 (1903): "A picture is none the less a picture and none the less a subject of copyright that is used for an advertisement. . . . It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits." For an excellent resumé of the law re-

lating to copyright of advertising material, see *Ansehl v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir.), cert den, 287 US 666, 53 SCt 224, 77 LEd 374 (1932).

<sup>62</sup> R.C.A. Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 SCt 393, 85 LEd 463 (1941). *Contra*: *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937). The "phonograph record" cases are discussed in detail, section 215, *passim*.

<sup>63</sup> *Ibid.* The doctrine of moral right was repudiated in *Crimi v. Rutgers Presbyterian Church*, 194 Misc 570, 89 NYS2d 813 (SupCt 1949).

<sup>64</sup> *Id.*

“But the fact that a product of the mind has cost its producer money and labor and has a value for which others are willing to pay, is not sufficient to ensure to it this legal attribute of property. The general rule of law is, that the noblest of human productions—knowledge, truths, ascertained, conceptions, and ideas—become, after voluntary communication to others, free as the air to common use. Upon these incorporeal productions the attribute of property is continued after such communication only in certain classes of cases where public policy has seemed to demand it. These exceptions are confined to productions which, in some degree, involve creation, invention or discovery. But by no means all such are endowed with this attribute of property. The creations which are recognized as property by the common law are literary, dramatic, musical, and other artistic creations; and these have also protection under the copyright statutes.”<sup>65</sup>

Both common law and statutory copyright are monopolistic privileges which preclude others from reproducing the copyrighted work. Both the common law and the legislature have prescribed the limitations and conditions under which this monopoly may operate. The law of unfair competition when applied to intellectual property lacks the background and experience of common law copyright. In addition, there would be no conditions and restrictions on the monopoly established by the misappropriation theory. Finally, the extension of the law of unfair competition to such intellectual property as phonograph records cannot be effectuated by the courts. The substantial and conflicting interests of performers, record manufacturers and users can be resolved only by the legislature.

Thus, the public policy which abhors monopolies aided by the pragmatic experience of the courts precludes the wholesale substitution of common law and statutory copyright by the law of unfair competition. It is submitted that the law of unfair competition should be invoked to protect intellectual property when the latter is outside the protective scope of common law and statutory copyright. Thus unfair competition complements statutory copyright; it cannot and should not be employed where the copyright law provides a remedy.

<sup>65</sup> *International News Service v. Associated Press*, 248 US 215, 248, 39 S Ct 68, 63 L Ed 211 (1918); *National Comics Publications v. Fawcett Publi-*

*cations*, 191 F2d 594 (2d Cir 1951); *Supreme Records v. Decca Records*, 90 FSupp 504 (DC Cal 1950).

## 213. NEWS PROGRAMS

The newspaper industry has played a prominent role in the development of radio.<sup>1</sup> The early history of broadcasting discloses newspaper-ownership of stations, *viz.*, The St. Louis Post-Dispatch, The Chicago Daily News, the Detroit News, *etc.* Newspapers at the outset considered broadcast stations as an extension of their normal journalistic functions. Thus, the Detroit News advised its readers that it would operate a station to further reliable methods of communication as a natural step in the advancement of journalism and to increase the service of the newspaper to the public.<sup>2</sup>

As long as broadcasting confined itself to entertainment and did not directly compete with the press, the newspaper industry promoted public acceptance of the radio industry. But the advent and growth of the sponsored program in the middle and late twenties disputed this amicable relationship. Firstly, sponsored programs curtailed the newspaper industry's advertising revenues.<sup>3</sup> More important, the commercialization of news broadcasts competed directly with the primary function of newspapers—the furnishing of news.

“Now of course, our history shows minority disagreements in connection with radio-newspaper relations. You will find that the general manager of the Associated Press, as early as 1922, was directed to caution his members that broadcasting by wireless of news of the Associated Press, which includes both news delivered by the corpora-

<sup>1</sup> Casey, *The Historical Relationship of the Press and Radio*, excerpts of his testimony published by the Newspaper-Radio Committee in *Freedom of the Press*, 6 ff (1942); Streibert and Lewis, *Radio as a News Medium*, 213 *Annals* 54 (1941); Whittemore, *Radio's Fight for News*, 81 *New Republic* 354 (1935); Keating, *Pirates of the Air*, 169 *Harpers* 463 (1934); Pew, *Free as the Air*, 3 *Today* 8 (1935); Dill, *Radio and the Press: A Contrary View*, 177 *Annals* 170 (1935); Shapiro, *The Press, the Radio and the Law*, 6 *AirLRev* 128 (1935).

<sup>2</sup> Casey, *op cit supra* note 1, at 13-14.

<sup>3</sup> Streibert and Lewis, *supra* note 1, at 58: “The hostility between the press and radio which has existed in the past was caused probably much

more by advertising competition than by a competitive service rendered to the public. As expenditures for advertising in newspapers declined sharply from 1929, radio advertising rose steadily. While newspaper advertising expenditures dropped from a high of \$800,000,000 in 1929 to between \$450,000,000 and \$500,000,000 in the period of 1932-1934, radio doubled its 1929 volume of \$40,000,000. It was apparent, however, by 1939, that radio had not necessarily taken all its volume from newspapers or any other single medium. In fact, the gross radio-time sales of \$170,000,000 in 1939 fell far short of making up the difference between the \$525,000,000 newspaper volume of 1939 and the previous peak in 1929 of \$800,000,000.”

tion to its members and news gathered by the daily newspaper itself, was an infraction of the by-laws and that warning was renewed in 1922.”<sup>4</sup>

From 1922 to the early nineteen-thirties the newspaper industry viewed with increasing alarm the growth and development of the radio industry and the practices of stations which pirated news. Thus the Pennsylvania Publishers Association condemned in strong terms the piracy of news broadcasts:

“Some broadcasting stations are already calling themselves newspapers of the air, filching local and press association news from the newspapers without either consent or credit and selling time to advertisers on the strength of broadcasting the news that they purloined.”<sup>5</sup>

In 1932 the depression, the rising competition for advertising, the pirating of news and other factors prompted the American Newspapers Publishers' Association to organize the Publishers' National Radio Committee to study broadcasting encroachments on the newspaper field. The latter recommended the deletion of radio program listings as news features from the daily newspapers. In addition, the Associated Press agreed not to furnish its news to radio stations.<sup>6</sup> Before these proposals became effective, NBC and CBS appealed to the Publishers' National Radio Committee and the Press-Radio Plan was born in 1933.<sup>7</sup> During 1933 the Associated Press instituted several suits against radio stations to enjoin the piracy of news stories which appeared in local member papers.<sup>8</sup> Although injunctions were issued in these test cases, smaller stations continued to broadcast newspaper reports, being careful to change the wording of the news scripts in order that no evidence of direct appropriation be found. Despite this litigation, the publishers realized that the public demanded news broadcasts and that such programs would be sponsored. The broadcasting industry was likewise

<sup>4</sup> Casey, *op cit supra* note 1, at 16.

<sup>5</sup> *Id.* at 18.

<sup>6</sup> Keating, *supra* note 1; Shapiro, *supra* note 1.

<sup>7</sup> In September, 1933, C.B.S. organized its own news-gathering agency. It established offices in the principal cities of the world and acquired access to several of the smaller press services. N.B.C. developed a similar service. See

Streibert and Lewis, *supra* note 1, at 54.

<sup>8</sup> Associated Press v. Sioux Falls Broadcast Ass'n, 2 CCH Trade Reg Rep 1, ¶ 7052 (1933); Associated Press v. KVOS, 9 FSupp 279 (VD Wash. 1934), reversed, 80 F2d 575 (9th Cir 1935), *dism* for want of jurisdiction, 299 US 269, 57 S Ct 197, 81 LEd 183 (1936). These cases are discussed in detail in the next section.

aware of the need for news programs either from independent sources or by agreement with the publishers.<sup>9</sup>

The foregoing prompted the so-called Press-Radio Plan of 1933. This plan approved by the networks and certain of the affiliated network and independent stations limited news broadcasts to only two periods during the day under certain stipulated conditions. The news-gathering agencies established a bureau which furnished news bulletins to the stations. These bulletins were supplied to the stations as sustaining programs; they were restricted in their wordage and could only be broadcast several hours after newspapers containing the same news had been distributed.<sup>10</sup>

The Press-Radio Plan with minor modifications was in effect for several years. It was subsequently abandoned when the news services, recognizing that the broadcast industry would be a lucrative source of revenue, began furnishing news to stations.<sup>11</sup> In March, 1939, a further breakdown of the remaining restrictions occurred when the Associated Press decided to make its news service available to the networks for non-commercial and non-sponsored purposes and to provide its news to stations for commercial sponsorship by arrangement with member newspapers of the Associated Press. In 1940, the Associated Press began permitting sponsorship of its news on the networks; the only restriction then remaining was that exercised by member stations with respect to individual stations.<sup>12</sup> Today, Press Association, the subsidiary of Associated Press which services radio stations, is available to all stations on a commercial basis.

### 213a. PROTECTION OF THE CONTENT OF NEWS PROGRAMS.

In the *Associated Press* case the Supreme Court protected the word content of news dispatches by enjoining Interna-

<sup>9</sup> See Whittemore, *supra* note 1; Casey, *op cit supra* note 1, at 18.

<sup>10</sup> The Press-Radio plan is discussed in detail by Shapiro, *supra* note 1, at 134. Trans-Radio Press was one of the agencies organized to cure the alleged defects in the Press-Radio plan. In November, 1934, Trans-Radio secured a major outlet in New York City when WOR started Trans-Radio news broadcasts. See Streibert & Lewis, *supra* note 1, at 54.

<sup>11</sup> Streibert and Lewis, *supra* note 1, at 55: "In 1935, the International News Service and the United Press Association resumed service to networks and actively solicited the business of individual stations. Shortly thereafter most of the network affiliated stations and many of the non-network stations became subscribers to one of the three services available."

<sup>12</sup> *Id.* at 55.

tional News from copying the bulletins of the Associated Press. The defendant was precluded from using pirated news stories for as long a time as they had commercial value, *viz.*, for twenty-four hours after their publication.<sup>1</sup>

The doctrine of the *Associated Press* case has been applied to prevent the appropriation of news broadcasts by radio stations. For example, a federal court enjoined a radio station from appropriating news from complainant's members until after the expiration of twenty-four hours, the time required to complete distribution of newspapers to subscribers. The court held that complainant and its members have "what a court of equity will treat as a property right in news gathered and disseminated by complainant and also so-called local news gathered by members of complainant and which members of complainant are obligated to transmit to complainant."<sup>2</sup> This was a sufficient property interest to restrain unfair competitive practices.

The *KVOS* case reached the same conclusion.

"KVOS' business of publishing, by the broadcasts of combined advertising and the pirated news, for the profit from its advertising income constitutes unfair competition with the newspapers' business of gathering the news pirated by KVOS and publishing it combined with the advertising, seeking the profit both from the advertising service and from the subscriptions of its readers. The papers are unconscionably injured in performing a public function as well as in conducting a legitimate business."<sup>3</sup>

<sup>1</sup> *International News Service v. Associated Press*, 248 US 215, 39 S Ct 68, 63 LEd 211 (1918).

<sup>2</sup> *Associated Press v. Sioux Falls Broadcast Ass'n*, 2 CCH Trade Reg Rep ¶ 7052 (1933).

<sup>3</sup> *Associated Press v. KVOS*, 80 F2d 575 (9th Cir 1935), reversing 9 FSupp 279 (WD Wash 1934), noted in 44 Yale LJ 877, 879 (1935); 2 UofChiLRev 656 (1935); 19 MarqLRev 204 (1935); 15 BULRev 864 (1935); 35 ColLRev 304 (1935); 23 GeoLJ 890 (1935); 30 IllLRev 113 (1935); 19 MinnLRev 822 (1935). The District Court (9 FSupp 279) refused to enjoin the station on the theory that the press and broadcast station were not competitors. "On the question of unfair competition, the *International News Service* case is not controlling here, because the rule of

that case is confined to the peculiar facts there involved and they are unlike the facts here. In that case a majority of the court held there was unfair competition between plaintiff and defendant, both of whom were news agencies engaged for profit in gathering and distributing news reports to their respective contract members. In the case at bar, the defendant is not in any way pirating the news reports furnished by the complainant for the purpose of selling them or distributing them for profit to radio news broadcasters or other news publishers. . . . The mere fact that the defendant radio station competes for business profit with complainant's member newspapers in the advertising field does not make of the defendant and such newspaper competitors for business profits in the

The Supreme Court dismissed the complaint in the *KVOS* case because plaintiff had failed to establish that the jurisdictional amount of \$3,000 was in controversy.<sup>4</sup>

An Alaskan case which warrants discussion is *Smith v. Suratt*.<sup>5</sup> Pathé News Service had financed an Arctic expedition. One of the defendants, International News Service, announced that it would follow the expedition, take motion pictures at various places and sell them before Pathé News could develop and place its pictures on the market. The court refused to enjoin the defendant, claiming that the *Associated Press* case was inapplicable. This decision has been characterized as "poorly presented, due to haste and it proved puzzling to the court, especially in its procedural aspect."<sup>6</sup>

Despite *Smith v. Suratt*, the federal courts will enjoin the misappropriation of news by broadcast stations. The next question tendered is whether a radio station may invoke the *Associated Press* case to enjoin misappropriation of its news broadcasts by newspapers. This question has not as yet been presented to any American court; it was tendered in a German decision. Plaintiff, a broadcast station, sought to enjoin a newspaper from appropriating its broadcast report of the landing of the dirigible, Graf Zeppelin. Immediately after the broadcast report, defendant published an extra featuring this news; the extra was gratuitously distributed and posted. The Supreme Court of Germany affirmed two lower courts and refused to enjoin defendant from publishing news received from plaintiff's broadcast station.<sup>7</sup>

The opinion was primarily concerned with the question of

dissemination of news." The news program involved was a sustaining feature of the station's service. The court referred to the Sioux Falls decision, but refused to follow its conclusion.

<sup>4</sup> *Associated Press v. KVOS*, 299 US 269, 57 S Ct 197, 81 L Ed 183 (1936).

<sup>5</sup> 7 Alaska 416 (4th Div 1926).

<sup>6</sup> Callmann, *Unfair Competition and Trade-Marks* at 891.

<sup>7</sup> Judgment of the Reichsgericht, German Supreme Court, April 29, 1930 (II 355/1929), reported in 3 Archiv 425, and discussed in detail by Caldwell, *Piracy of Broadcast Programs*, 30 ColLRv 1087, 1096 (1930): "In another case which arose in Germany,

the broadcasting station at Berlin broadcast at noon the market quotations of the central market at Berlin. A country evening newspaper which, unless it obtained the quotations at its own expense by telephone, would be limited to the previous day's quotations, received them from the broadcasting station, published them the same day, and thus anticipated competing newspapers. The broadcasting company brought suit against the newspaper publisher, but the case did not go to judgment, because the defendant made a satisfactory settlement with the plaintiff."

whether defendant's conduct constituted unfair competition within the meaning of the German statute on the subject. The latter provided: "Whoever in commercial intercourse for purposes of commerce engages in dealings which offend against honest practice may be sued for injunction and damage." The court considered defendant's contention that one of the necessary elements of an offense under the German statute *i.e.*, the existence of competition between the parties was lacking, since radio stations and newspapers were not in competition with each other. The court rejected this contention because the litigants under the facts of the case were "possible" competitors.

Defendant's second contention was that its conduct was not an offense against honest practice. This contention was upheld:

"Here is involved merely the utilization of a single news report of factual content, with, it is true, an unusual claim on public interest, which by its nature represents no value of certain duration. In its utilization the defendant has made use only of the rapidity of radio. The news report as such (that is, its contents) was not a production of the broadcasting company, nor a creation of its individual labor; a few hours later, following the widest dissemination through newspapers and extras, it was the common property of the entire German people."

The refusal of the court to enjoin the piracy of a broadcast report by a newspaper was attributable to the Germany Copyright Statute which did not protect news reports and permitted their free utilization by third parties.<sup>8</sup>

It is believed that the *Associated Press* and related cases would enjoin a newspaper's appropriation of a broadcast report.

Finally, a broadcast station could enjoin the piracy of its news programs by another broadcast station.<sup>9</sup> Such piracy

<sup>8</sup> Caldwell, *Piracy of Broadcast Programs*, 8 ColLRv 1087, 1107 (1930).

<sup>9</sup> In *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938), the court enjoined an unauthorized broadcast of a baseball game. Plaintiffs had engaged the facilities of two stations whereby the latter had the exclusive right to broadcast a

play-by-play description of the game. The defendant independently broadcast its own play-by-play description of the game by the use of paid observers from points outside the baseball park. The court held that plaintiff "has a property right in such news, and the right to control the use thereof for a reasonable time following the games"; 20th Cen-

would be considered as unfair competition within the prohibitions spelled out by the Supreme Court in the *Associated Press* case.

The primary limitation imposed on the courts in preventing the misappropriation of news programs is that the substance of information concerning public events or news is public property. The latter is as free as the air, available for common use.<sup>10</sup> However, the form in which news is expressed i.e., the language in which it is expressed may be copyrighted. If a newspaper article is "more than a mere chronicle of facts or news" and "reveals a peculiar power of portrayal, and a felicity of wording and phrasing well calculated to seize and hold the interest of the reader, which is quite beyond and apart from the mere fact of setting forth of the facts," and "if the arrangement and manner of statement plainly discloses a distinct literary flavor and individuality of expression peculiar to authorship,"<sup>11</sup> the article may be protected by copyright.

In *Internation News Service v. Associated Press*, defendant stressed the argument that there could be no misappropriation of news matters which were *publici juris*. The Supreme Court disposed of this contention by finding a quasi-property right in the "organization and . . . [the] expenditure of money, skill and effort required in the acquisition and distribution of news."<sup>12</sup>

As stated previously, common law and statutory copyright may be invoked to protect the content of televised news programs. A telecaster has another remedy at his disposal. He may invoke the law of unfair competition to protect news programs. The latter require an equal if not a greater organization, monies, skills and effort than news programs. Those courts which apply the misappropriation theory of the *Associated Press* case will have no difficulty in employing the law of unfair competition to protect television news programs.<sup>13</sup>

tury Sporting Club v. Trans-Radio Press Service, Inc., 165 Misc 71, 300 NYSupp 159 (SupCt 1937); Mutual Broadcasting System, Inc. v. Muzak Corp., 177 Misc 489, 30 NYS2d 419 (SupCt 1941).

<sup>10</sup> *International News Service v. Associated Press*, 248 US 215, 238

(1918); Weil, Copyright Law 314 (1917); Ball, Law of Copyright and Literary Property 123-124 (1944).

<sup>11</sup> *Chicago Record-Herald v. Tribune Ass'n*, 275 Fed 797, 798 (7th Cir 1921).

<sup>12</sup> *Op cit supra* note 1.

<sup>13</sup> *Id.*

**214. SPORTS PROGRAMS.**

The law of unfair competition has been employed to protect the content of sports programs. This is illustrated by the *Pittsburgh Athletic Company* and related cases.<sup>1</sup> Plaintiffs had engaged the facilities of stations KDKA and WWSW whereby the latter had the exclusive right to broadcast the play-by-play description of the baseball games of the Pittsburgh Pirates. The defendant, station KQV, independently broadcast its own play-by-play description of the game by the use of paid observers from points outside the ball park as a sustaining feature of its program operation. The court enjoined the defendant from broadcasting play-by-play descriptions of the game:

“The plaintiffs and the defendant are using baseball news as material for profit. The Athletic Company has, at great expense, acquired and maintains a baseball park, pays the players who participate in the game and have, as we view it, a legitimate right to capitalize on the news value of their games by selling exclusive broadcast rights to companies which value them as affording advertising mediums for their merchandise. This right the defendant interferes with when it uses the broadcasting facilities for giving out the identical news obtained by its paid observers stationed at points outside Forbes Field for the purpose of securing information which it cannot otherwise acquire. This, in our judgment amounts to unfair competition and a violation of the property rights of the plaintiffs. For it is our opinion that the Pittsburgh Athletic Company, by reason of its creation of the game, its control of the park and its restriction of the dissemination of news therefrom, has a property right in such news and

<sup>1</sup> *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938), noted in 9 AirLRev 402 (1938); 27 GeoLJ 381 (1939); 37 MichLRev 988 (1939); 23 MinnLRev 395 (1939). *Rudolph Mayer Pictures, Inc. v. Pathé News, Inc.*, 235 AppDiv 774, 255 NYSupp 1016 (1st Dep't 1932); *cf.* *Johnson-Kennedy Radio Corp. v. Chicago Bears Football Club*, 97 F2d 223 (7th Cir 1938); *Mutual Broadcasting System, Inc. v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (SupCt 1941); *Southwestern Broadcasting Co. et al. v. Oil Center Broadcasting Co.*, 210 SW2d 230 (Tex Civ App 1947). *Contra*: *National Exhibition Co. v. Teleflash*, 24 FSupp 488 (SD NY 1936); *Victoria Park Racing and Recreation Grounds Co. v. Taylor*, 37 N.S.W. St. R. 322 (1936), noted in 9 AirLRev 217 (1938); 51 HarvLRev 755 (1938); 5 UofChiLRev 320 (1938). *Sports & Gen. Press Agency Co. v. "Our Dogs" Pub. Co.*, [1917] 2 KB 125.

the right to control the use thereof for a reasonable period of time."<sup>2</sup>

In *Twentieth Century Sporting, Inc. v. Transradio Press Service*, NBC had acquired the sole and exclusive rights to broadcast a round-by-round ringside description of a prize fight. Defendant notified its customers it would furnish a "running account of the fight while it is in progress" by obtaining tips "from the ringside broadcast as to the facts of the progress of the fight," and by authenticating them by "independent investigation by news-gathering representatives of defendants located at vantage points outside the stadium but within view of the bout." The New York Supreme Court enjoined the defendant because "any rebroadcasting of the plaintiff's account of the exhibition, whether by paraphrasing or by adaption of its text would fall within the prohibitions laid down by the United States Supreme Court" in the *Associated Press* case.<sup>3</sup> If the defendant picks up the plaintiff's description of a baseball game and rebroadcasts it to his customers by wire, plaintiff may enjoin such conduct not only on the grounds of unfair competition, but also because defendant's activities contravene the Communications Act of 1934.<sup>4</sup>

In the recent television litigation resulting from the Louis-Walcott fight,<sup>5</sup> the lower courts of New York, Pennsylvania and Massachusetts enjoined the retecasts of the fight. None of the courts furnished written opinions explaining the bases or reasons for the issuance of injunctions. An examination of the complaints in all four cases indicates that one of the grounds for relief was unfair competition. The proceedings in the Pennsylvania suit which were published suggest that the court furnished relief because defendants were engaged in unfair competition with plaintiffs.<sup>6</sup>

<sup>2</sup> *Pittsburgh Athletic Club v. KQV Broadcasting Co.*, 24 FSupp 490, 492 (WD Pa 1938).

<sup>3</sup> *Twentieth Century Sporting Club v. Transradio Press Service*, 165 Misc 71, 300 NYSupp 159 (SupCt 1937).

<sup>4</sup> *Mutual Broadcasting System, Inc. v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (SupCt 1941). Section 325(a) of the Communications Act of 1934, discussed in Warner, *Radio & Television Law* § 32d (1949), prohibits any broadcasting station from rebroad-

casting the programs of another broadcasting station "without the express authority of the originating station." 48 STAT 1091 (1934), 47 USC § 325(a) 1946).

<sup>5</sup> This litigation is discussed in detail in section 211a.

<sup>6</sup> Proceedings in Philadelphia Actions in CP No. 1 June Term, 1948, to Enjoin Commercial Uses of the Television Broadcast of the Louis-Walcott Fight," at 48 ff.

The significance of the Louis-Walcott litigation is this: that the law of unfair competition may have been employed by at least one court to protect the content of a televised sports program.

One additional phase of this problem warrants further discussion. We have stated elsewhere that the substance of information concerning public events is common property, available to all.<sup>7</sup> What constitutes news is not susceptible of definition, although Mr. Justice Brandeis has referred to it as "a report of recent occurrences."<sup>8</sup>

The issue thus tendered is whether a sports event is news in the sense that it is common property which may be freely utilized by third persons. In several cases the courts have suggested that a distinction be drawn between a play-by-play description and the results of an athletic event. A running account of a sports event would not be news, hence there is an exclusive property right which cannot be appropriated.<sup>9</sup> The results of a sports event, as well as the pictures and names of those attending are news, and hence are public property.<sup>10</sup>

Another approach which is suggested by two cases<sup>11</sup> is whether the event takes place on public property or in an unconfined area as contrasted to a confined territory or a

<sup>7</sup> Weil, Copyright Law 314 (1917); Ball, Law of Copyright and Literary Property 123-124 (1944).

<sup>8</sup> International News Service v. Associated Press, 248 US 215, 39 SCt 68, 63 LEd 211 (1918); Sweenek v. Pathé News, Inc., 16 FSupp 746, 747 (ED NY 1936).

<sup>9</sup> Solinger, Unauthorized Uses of Television Broadcasts, 48 ColLRev 848, 858 (1948): "In Rudolph Mayer Pictures, Inc. v. Pathé News, Inc., [235 AppDiv 774, 255 NYSupp 1016 (1st Dep't 1932)], a promoter of a prize fight and a purchaser of the exclusive motion picture rights to the fight obtained an injunction against the sale and exhibition of an unauthorized newsreel. The defendant alleged, in an affidavit opposing the motion for a temporary injunction, that it did not record the entire event but 'only enough to convey to the public, by an actual reproduction of the events, the news that the fight took place and that it ended

in a draw.' The plaintiffs, on the other hand, insisted that the court must distinguish between 'public events and private events affected with a public interest.' There were no written opinions, but the fact that the court granted the injunction over defendant's contention that its pictures were news indicates that at least one court may have accepted the view that a running account of the event is not news even though the result of the event may be." [Footnotes omitted]

<sup>10</sup> Cf. Humiston v. Universal Film Mfg. Co., 189 AppDiv 467, 178 NYSupp 752 (1st Dep't 1919). See *passim*, § 275c.

<sup>11</sup> Pittsburgh Athletic Club v. KQV Broadcasting Company (DC Pa 1938) 24 FSupp 490; 20th Century Sporting Club v. Transradio Press Service, 165 Misc 71, 300 NYSupp 159 (1937). Cf. National Exhibition Co. v. Teleflash Inc. et al. (DC NY 1936) 24 FSupp 488.

restricted enclosure. Obviously the telecast of a parade on the public streets is *publici juris*, open to all. But an athletic event in a restricted enclosure such as a stadium, football field, ball-park, theater, etc., is not *publici juris* and the promoter of such an event may have an exclusive property right in the play-by-play description of the contest or show. Thus in the case of a prize fight in an enclosed area, the promoter incurs substantial expenditures and monies in arranging the fight. In addition he charges admission for the members of the public to view the fight. Since the promoter is not a common carrier he may exclude members of the press.<sup>12</sup> Lastly, tickets of admission to the fight should advise the public that the television and movie rights of the fight have been sold and that they are precluded from interfering with the same to the detriment of the promoter, the sponsor and television stations. It is believed that the incorporation of the foregoing conditions in the contract of admission would protect the promoter.

In an English case, the plaintiff, assignee of the right to photograph a dog show was refused an injunction against the defendant who had also taken pictures of the show and was publishing them. The court held that the proprietors of the show could exclude people or permit them to enter on condition that they agree not to take photographs of the show. No such condition was imposed on the public. The court then stated *obiter dictum*, that even if this condition had been imposed in the contract of admission, if the defendant had photographed the show from a position outside the physical enclosure without interfering with the physical property of the plaintiff, the latter could not enjoin the defendant.<sup>13</sup>

This dictum was followed in an Australian case. The plaintiff, owner of a race track to which spectators were admitted only on condition that they did not disclose the results during the day of the races, refused to sell broadcasting rights. Defendants one of whom was a broadcasting company, built a platform on adjoining land and from it broadcast simultaneously with the races, a description of them with the results.

<sup>12</sup> Woolcott v. Shubert, 217 NY 212, 111 NE 829 (1916); Sports & G. Press Co. v. "Our Dogs" Pub. Co., 2 KB 880 (1916) *aff'd* 2 KB 125 (1917).

<sup>13</sup> Sports & G. Press Co. v. "Our Dogs" Pub. Co., 2 KB 880 (1916), *aff'd*, 2 KB (1917).

The plaintiff sued for an injunction alleging the loss of many patrons. The suit was dismissed on the grounds that plaintiff had no property right in the description of the race and that the defendant's activities did not constitute either a nuisance or a restrainable tort.<sup>14</sup>

The great majority of American courts which have had occasion to consider this problem, have refused to follow the British courts.<sup>15</sup>

As in the case of televised newscasts, both common law and statutory copyright may be invoked to protect a running account of a sports program. The law of unfair competition furnishes another tool for the telecaster. To quote from a fairly recent case:

“The right to broadcast a description of the action of an athletic contest is a valuable right. It should be protected by injunction. . . . With the coming into general use of television, it may be that more revenue might be realized from this right than from admission fees.”<sup>16</sup>

Thus the law of unfair competition will be employed to protect a play-by-play description of an athletic event.<sup>17</sup> How-

<sup>14</sup> *Victoria Park Racing & Recreation Grounds Co. v. Taylor*, 24 FSupp 490, 493 (DC Pa 1938). See Note (1938) 51 HarvLRev 755.

<sup>15</sup> E.g. *Pittsburgh Athletic Club v. KQV Broadcasting Co.*, 24 FSupp 490, 493 (DC Pa 1938). Cf. *Solinger, Unauthorized Uses of Television Broadcasts* (1948) 48 ColLRev 848, 858-9:

“It has been suggested that the solution to the question of whether a sports event shall be considered news may be found in the fusing of two concepts: the idea of unfair competition and a right of privacy in the enjoyment of property and business interests. In other words, if the plaintiff is making a profit out of the event itself as distinguished from an account of it, and if the event takes place on private property, the privacy of which must be invaded by defendant in order to obtain his account of the event, the event is not news.

Still another approach is to make a case by case analysis of the nature of each event with reference only to its public importance, rather than to adapt

an inelastic definition of what is news. This appears what the courts did in at least two cases when they permitted photographs to be taken of events of great public importance; one a traditional wine growers festival in Switzerland, held on private property; and the other a polar expedition, traveling on public property.’”

<sup>16</sup> *Southwestern Broadcasting Co. v. Oil Center Broadcasting Co.*, 210 SW2d 230, 232-3 (Tex Civ App 1947).

<sup>17</sup> Cf. Judgment of Kammergericht (Berlin) June 7, 1928 (10 U 4658/28) reported in (1928) 1 Archiv 655 and reported by Caldwell, *Piracy of Broadcast Programs* (1930) 30 ColLRev 1087. 1103-1105: “. . . plaintiff was the company operating the Berlin Broadcasting station. On October 11, 1927, it broadcast a boxing match between two well-known boxers, in the form of a running description from the ringside delivered by an expert sports editor especially engaged for that purpose. Without the plaintiff's knowledge or consent, the defendant, who received the program on his receive-

ever, the results of such an event, because it is news, is public property.

ing set, made a matrix of the last round of the match and thus produced phonograph records which he sold. The broadcasting company brought suit to enjoin the production and sale of these records. The Landgericht (lower court) gave judgment for the plaintiff and this judgment was affirmed by the Kammergericht. In its opinion the reviewing court first points out the lack of any contract relationship between the parties, and suggests, without deciding, that there is no general principle justifying recognition of a proprietary right in the broadcaster over the station's emissions. It also points out that in this particular case the plaintiff might be protected under the German statute corresponding to our Copyright Act but the plaintiff had expressly declared that it did not base its suit on any right under that statute. The rest of the opinion is of such great interest that I take the liberty of quoting at length from a translation of it:

"There remains the viewpoint of Sec. 1 UWG, and Sec. 826 BGB. The defendant has, by means of phonographic recording, brought the plaintiff's program permanently into his possession without any intellectual effort on his part and without substantial cost and thus has materially prejudiced plaintiff's interests. The situation is like that of the phonograph disc case heard by the High Court of Justice (Reichsgericht) (RGZ. 73 S 294 ff). In that case it is declared with justice that it is repugnant to the requisites of honest commercial intercourse to appropriate to one's self, without any substantial effort and cost, the fruits of another's labor produced with considerable effort and at great cost, and thus to create dangerous competition for the other. The impropriety of the conduct in question is demonstrated by the following consideration. As the plaintiff emphasized in the oral argument, it has great difficulties to fear on the part of artists and other performers if the latter must take into account that their broadcast

performances may be phonographically recorded by anyone and may be exploited commercially in the form of phonograph disques. The performers would then make considerably higher claims on the broadcasting company or, in many cases, would altogether refuse their cooperation. No opinion need be expressed on the question whether the artist, whose broadcast performance is reproduced and exploited, can himself take proceedings against it. In any case such a legal result is for the most part complicated with greater difficulties; the amount of the eventual damages is especially difficult to appraise. Also in the case of sport events of the instant sort the manager might easily act in like fashion. He would ask of the broadcasting company a considerably higher compensation for a broadcasting of the fight and of the accompanying description. A different conclusion is not in any way required by the fact that the event involved herein occurred some time ago. Were the reproduction and distribution of the disques in question permitted, then that would be sufficient to cause the management of similar fights, which enjoy a great popularity with the public, to exhibit a particular reserve as against broadcasting stations. Accordingly, it is also immaterial that the plaintiff itself intends to record its programs by means of phonograph disques. Moreover, the recording of such programs for the film by the method of the so-called Triergon process is known, to which the plaintiff, as is openly known in the Senate, is now devoting a particular interest.

"Accordingly there clearly appears a commercial competition between the parties. There is involved, in the broadcast measure, a conversion of performance. The complaint is, therefore, legally substantiated under Sec. 1 UWG, and Sec. 826 BGB. It is unnecessary to go into the other issues, especially the contested question of a general 'right of the sender over matter transmitted.'"

## 215. PHONOGRAPH RECORDS AND THE RIGHTS OF PERFORMING ARTISTS.

In 1934 the late Maurice J. Speiser published a translation of a French text on the legal rights of performing artists.<sup>1</sup> An Addendum to this translation "speculated" upon the theories which could be employed by the courts to establish a property right in a performer's recorded performance.<sup>2</sup>

1. *The Copyright Code*. The first theory discussed was whether the Copyright Act could be invoked to protect the legal rights of performing artists. Speiser contended that an artist's interpretation was an "original" creation which had been reduced to a "writing" when recorded upon a film, phonograph record or piano roll.<sup>3</sup> A "writing" should not be restricted to a tangible visual expression<sup>4</sup> but should extend to "something recorded which is capable of appreciation or comprehension by any of the senses, particularly that of hearing."<sup>5</sup> Speiser concluded that the courts would not adopt this theory since Congress in enacting the Copyright Act of 1909 did not extend the protection of the statute to phonograph records nor to the performances recorded thereon.<sup>6</sup>

<sup>1</sup> Homburg, *Legal Rights of Performing Artists* (1934).

<sup>2</sup> Homburg, *op cit supra* note 1, at 141 ff.

<sup>3</sup> Copyright Code, 61 STAT 652 (1947); 17 USC § 4 (Supp 1951). "The works for which copyright may be secured under this title shall include all the writings of an author."

<sup>4</sup> *Cf.* Burrow-Giles Lithographic Co. v. Sarnoy, 111 US 53, 4 SCT 279, 28 LEd 34 (1884).

<sup>5</sup> Homburg, *op cit supra* note 1, at 145.

<sup>6</sup> Waring v. WDAS Broadcasting Station, 327 Pa 433, 194 Atl 631, 633-4 (1937) note 2: "Prior to 1909 mechanical devices, such as music rolls, discs and records, for the reproduction of sound, were held to be beyond the scope of the copyright laws and not to infringe protected works which they were the means of audibly reproducing. Stern v. Rosey, 17 App DC 562; White-Smith Music Publishing Co. v. Apollo Co., 209 US 1, 28 SCT 319, 52 LEd 655, 14 AnnCas 628. By the statute of that year, however, the composer or copyright proprietor was given control,

in accordance with the provisions of the act, of the manufacture and use of such devices, although the right of copyright was not extended to the mechanical reproductions themselves. (See the report of the Patent Committee to the House of Representatives which accompanied the presentation of the act and purported to explain its scope (II Rep No 2222 which accompanied HR 28192, 60th Cong, 2d Sess [1909]). By the provisions of the act, if the owner of the musical copyright uses or permits the use of records for mechanical reproduction of the work, any other person may make similar records upon the payment to the copyright proprietor of a royalty of 2 cents on each record, although this does not permit their use for public performances for profit. See Irving Berlin, Inc. v. Daigle, 31 F2d 832 (5th Cir 1929). The measure of protection thus given in the case of pianola records and phonograph discs is to the composer, and not the performer. Plaintiff, in 1935, made application to the Register for a copyright on the 'personal interpretation by Fred Waring' of the musical com-

2. *Common Law Copyright.*<sup>7</sup> A performer's interpretation of musical or literary composition was considered an original intellectual production hence he had a common law property right therein which permitted him to control and limit its use.<sup>8</sup> The difficulty with this theory and one which Speiser was fully cognizant of, was that common law copyright would be lost by publication. This theory held scant promise.<sup>9</sup>

3. *The Right of Privacy.* This new tort was and is an expansive concept which has enlarged and added to the foundations theoretically developed and outlined by Messrs. Warren and Brandeis.<sup>10</sup> The privacy doctrine prohibits not only the unauthorized use of a person's name or physical likeness for advertising or trade purposes, but has been extended to prevent the unauthorized use of a person's name on a petition or in connection with a political or governmental matter,<sup>11</sup> wire-tapping or other forms of eavesdropping,<sup>12</sup> the posting of a debtor by a creditor,<sup>13</sup> etc. Today, the right of privacy is concerned primarily with the protection of mental interests. It is restricted to matters peculiarly personal, private and seclusive as distinguished from such wrongs as libel, slander, trespass or injury to property, assault, etc, for which there are other legal remedies.<sup>14</sup> Speiser referred to this doctrine as "new in our jurisprudence and not yet crystallized (which) may some day offer to the performer his desired protection. Its basis is the right to be free from unwanted publicity. How-

position 'Lullaby of Broadway.' The application was not rejected, the Register of Copyrights saying, inter alia: 'There is not and never has been any provision in the Act for the protection of an artist's personal interpretation or rendition of a musical work not expressible by musical notation in the form of "legible" copies although the subject has been extensively discussed both here and abroad.'"

<sup>7</sup> This subject is discussed in Warner, Protection of the Content of Radio and Television Programs by Common Law Copyright, 3 VandLRev 209 (1950). *Infra* §§ 203 and 203a.

<sup>8</sup> *Savage v. Hoffman*, 159 Fed 584 (CCSD NY 1908: ". . . The manner, method and art of every performer is individual and his own property." Cf. *Murray v. Rose et al*, 30 NYS2d 6 (SupCt 1941).

<sup>9</sup> *Op cit supra*, note 7.

<sup>10</sup> Warren and Brandeis, The Right of Privacy, 4 HarvLRev 193 (1890); see Prosser, Torts, c 21 (1941); Feinberg, Recent Developments in the Law of Privacy, 48 ColLRev 713 (1948).

<sup>11</sup> *Hinish v. Meier & Frank Co.*, 166 Ore 482, 113 P2d 438 (1941).

<sup>12</sup> *McDaniel v. Atlanta Coca-Cola Bottling Co.*, 60 GaApp 92, 2 SE2d 810 (1939); *Rhodes v. Graham*, 238 Ky 225, 37 SW2d 46 (1931).

<sup>13</sup> *Brents v. Morgan*, 221 Ky 765, 299 SW 967 (1927); *Trammel v. Citizens News Co.*, 285 Ky 529, 148 SW2d 708 (1941).

<sup>14</sup> *Passim*, § 271. See also: *McGovern v. Van Riper*, 137 NJEq 24, 43 A2d 514 (1945); *Harper & McNeely, A Reexamination of the Basis for Liability for Emotional Distress* (1938) WisLRev.

ever, it is extremely doubtful whether today it is of any aid to the performer.”<sup>15</sup>

4. *Unfair Competition.* Speiser was of the opinion that the misappropriation theory of the *Associated Press* case could be extended to cover a radio station's unauthorized use of a musician's recorded performance, since the station in selling its recorded programs to advertisers was competing with the musician who sought to sell the advertiser a live program. To quote Speiser's concept of the law of unfair competition: “Therefore, if the doctrine of unfair competition is based upon fair play and if we concede that it is not fair play to utilize the talents and fame of a performer without compensation, then since the performer has a property right in his rendition under the rule laid down in *International News Service v. Associated Press*, he should be accorded equitable protection upon the basis of ‘the unfair taking of (his) property.’”<sup>16</sup>

5. *The Doctrine of Moral Right.* The real basis for the recognition of performing rights was the doctrine of moral right, or *le droit moral*, derived from continental jurisprudence.<sup>17</sup> Speiser did not expressly advocate this theory, but his Addendum suggested that the doctrine of moral right could be applied if not under its own colors, then under the guise of common law copyright, unfair competition, libel, right of privacy or equitable relief.

The doctrine of moral right warrants examination and discussion since it is the corner-stone for the rights now asserted by performing artists. This doctrine furnishes protection to the following rights of authors or creators of intellectual property:

- (a) the right to create and publish in any form desired;<sup>18</sup>
- (b) the right of reputation which recognizes that an artist

<sup>15</sup> Homburg, *op cit supra*, note 1 at 151.

<sup>16</sup> *Ibid.*

<sup>17</sup> The moral right doctrine is discussed by the following: Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators*, 53 *HarvLRev* 554 (1940); Michaelides-Nouaros, *The Moral Right of the Author: Study of French Law, of Comparative Law and of Interna-*

*tional Law* (Am ed 1937); Ladas, *The International Protection of Literary and Artistic Property* (1939) c XIX—*Moral Rights of Authors: Copyright Bulletin No 2-3*, 58 ff. (II UNESCO 1949); Note, *Moral Rights of Artists*, 49 *ColLRev* 132 (1949). The doctrine of moral right is discussed in greater detail, *infra* § 193.

<sup>18</sup> Copyright Bulletin No 2-3 at 60: (II UNESCO 1949) “It is generally

has such an interest in his work as to allow him independently of copyright to enjoin every deformation, mutilation or other modification thereof or any contrary assertion of paternity; <sup>19</sup>

(c) the right of repentance which recognizes the artist's plenary authority to determine for the purposes of correction when his work is completed and even after he has announced the work complete to prevent publication if a subsequent change in his principles or style causes the work to fall beneath his standards; <sup>20</sup>

(d) the right to be protected against all other injuries to the creator's personality, including the prohibition against excessive criticism.<sup>21</sup> Several English and American decisions have indirectly applied this doctrine under the guise of unfair competition,<sup>22</sup> libel,<sup>23</sup> right of privacy <sup>24</sup> and equitable relief.<sup>25</sup> But those courts which have expressly passed upon this issue, have repudiated this doctrine.<sup>26</sup> As was stated in the *Vurgas* case:

"The conception of 'moral rights of authors so fully recognized and developed in the civil law countries has

recognized that the work remains the author's secret until he consents to divulge it. The right is recognized simply at the right 'to publish' in most laws." The Copyright Bulletin refers to this as the "right of secrecy."

<sup>19</sup> The UNESCO Copyright Bulletin designates this as the "right to the integrity of the work." See Michaelides-Nouaros, *op cit supra* note 17, at 270, 280-298; Roeder, *supra* note 17, at 561, 565.

<sup>20</sup> Roualt v. Volland, Civil Court of the Seine (First Part), July 10, 1946, 16 Liturgical Arts, No 3, p 91 (May, 1948); The UNESCO Copyright Bulletin designates this as the "rights to assert the authorship of the work"; Ladas, *op cit supra* note 17, at 803.

<sup>21</sup> Additional rights which may be asserted by an author are: (a) the right to correct, (b) the right to retract and (c) the right to reply. See Roeder, *supra* note 17, at 572 ff.

<sup>22</sup> *Cf.* Fisher v. Star Company, 231 NY 414, 132 NE 133 (1921), affirming, 188 AppDiv 964, 176 NYSupp 899 (1919), cert den, 257 US 654, 42 SCT 94, 66 LEd 419 (1921); Landa v. Greenberg, 24 TLR 441 (ch 1908);

Prouty v. National Broadcasting Co., 26 FSupp 265 (DC Mass 1939). And see Judge Frank's concurring opinion in *Granz v. Harris*, 198 F2d 585, 589 (2d Cir 1952).

<sup>23</sup> *Ben-Abel v. Press Publishing Co.*, 251 NY 250, 167 NE 432 (1929); *D'Altomonte v. Herald Co.*, 154 App Div 453, 139 NYSupp 200 (1913), *aff'd*, 208 NY 596, 102 NE 1101 (1913); *Locke v. Gibbons*, 164 Misc 877, 299 NYSupp 188 (1937), *aff'd*, 253 AppDiv 887, 2 NYS2d 1015 (1938). In *Myers v. Afro-American Pub. Co.*, 168 Misc 429, 5 NYS2d 223 (1938) a dancer sued a publisher for displaying her semi-nude photograph. The court in holding for the plaintiff based its decision on libel and said that the photograph was the dancer's property. See *Continental Distilling Sales Co. v. Brancato*, 173 F2d 296 (8th Cir 1949).

<sup>24</sup> *Ellis v. Hurst*, 66 Misc 235, 121 NYSupp 438 (1910).

<sup>25</sup> *Pound, Equitable Relief Against Defamation and Injuries to Personality*, 29 HarvLRev 640 (1946); *Granz v. Harris*, 198 F2d 585 (2d Cir 1952).

<sup>26</sup> *Crimi v. Rutgers Presbyterian*

not yet received acceptance in the law of the United States. No such right is referred to by legislation, court decision or writers.' ”

“What plaintiff in reality seeks is a change in the law in this country to conform to that of certain other countries. We need not stop to inquire whether such a change, if desirable, is a matter for the legislative or judicial branch of the government; in any event, we are not disposed to make any new law in this respect.”<sup>27</sup>

It is believed that if the doctrine of moral right is to be accepted in our jurisprudence, its recognition should be effectuated by legislative action rather than by judicial decision. The difficulties which would confront a court in attempting to apply *le droit moral* via the common law and without benefit of legislative standards are illustrated by *Shostakovich v. Twentieth-Century Fox Film Corporation*.<sup>28</sup> Plaintiff, a world famous Russian composer had his music reproduced in defendant's motion picture “The Iron Curtain.” The music was used for incidental background matter and was in the public domain. Plaintiff sought to enjoin the use of his music on three theories: invasion of his right of privacy, defamation, and moral rights. The first two causes of action, though couched in the garb of common law remedies sought relief under the doctrine of moral right. The court rejected all three contentions. With reference to the moral right theory the court stated:

“The wrong which is alleged here is the use of plaintiffs' music in a moving picture whose theme is objectionable to them in that it is unsympathetic to their political ideology. The logical development of this theory leads inexplicably to the Doctrine of Moral Right (53 Harvard Law Review). There is no charge of distortion of the compositions nor any claim that they have not been faithfully reproduced. Conceivably under the doctrine of Moral Right the court could in a proper case, prevent the use of a composition of work in the public domain, in such a manner as would be violative of the author's rights. The application of the doctrine presents much difficulty

Church in City of New York, 89 NYS2d 813 (SupCt 1949); Vargas v. Esquire, Inc., 154 F2d 522 (7th Cir 1947); Meliodon v. Phila. School District, 328 Pa 457, 195 Atl 905 (1938); cf. *Shostakovich v. Twentieth Century*

*Fox Film Corp.*, 80 NYS2d 575 (Sup Ct 1948).

<sup>27</sup> *Vargas v. Esquire Inc.*, 164 F2d 522 (7th Cir 1947).

<sup>28</sup> 80 NYS2d 575 (SupCt 1948).

however. With reference to that which is in the public domain there arises a conflict between the moral right and the well established rights of others to use such works. . . . So, too, there arises the question of the norm by which the use of such work is to be tested to determine whether or not the author's moral right as an author has been violated. Is the standard to be good taste, artistic worth, political beliefs, moral concepts or what is it to be? In the present state of our law the very existence of the right is not clear, the relative positions of the rights thereunder with reference to the rights of others is not defined nor has the nature of the proper remedy been determined. Quite obviously therefore, in the absence of the infliction of a willful injury or of any invasion of a moral right, this court should not consider granting the drastic relief asked on either theory."<sup>29</sup>

Another phase of the doctrine of moral right—the right of reputation, which enables an author to prevent mutilation or deformation of his work after he has assigned or licensed the use of it for dramatization or other purposes—illustrates the need for legislative in lieu of judicial treatment. The extent to which an assignee or licensee may modify a work is tendered in connection with the adaptation of stories or dramas for screen or broadcasting purposes. The assignee or licensee must be allowed a fairly free hand with respect to the details because of the different methods of presentation and the public to be served.

As a general rule the extent to which changes, additions, etc. may be made to a literary work is governed by contract between the parties. In case of a dispute the courts will interpret the contract.<sup>30</sup> But the “authority to modify, whether express or implied is never unlimited. In no case should the modification go so far as to attribute to the creator ideas which he does not believe and did not originally express; nor should the intrinsic esthetic quality of the work be subject to alteration; even though the power to modify be given, a tragedy cannot be changed to a comedy, a philosophic essay to a farce.”<sup>31</sup> This problem received attentive consideration by a federal court:

“And now as to what is acquired when one procures the right to elaborate upon an original story. Upon this much

<sup>29</sup> *Id.*

<sup>31</sup> Roeder, *supra*, note 17 at 571.

<sup>30</sup> *Cf.* Dreiser v. Paramount Public Corp., (N Y Sup Ct), Memorandum opinion.

need not be said. I take it that, while scenery, action and characters may be added to an original story, and even supplant subordinate portions thereof, there is an obligation upon the elaborator to retain and give appropriate expression to the theme, thought and main action of that which was originally written. The unqualified grant of this right is, I should say, fraught with danger to a writer of standing, particularly when he inserts no provision for his approval of such elaboration as may be made. Nevertheless, elaboration of a story means something other than that the same should be discarded; and its title and authorship applied to a wholly dissimilar tale."<sup>32</sup>

The foregoing discussion indicates clearly that the common law furnishes no case law of experience nor standards to guide the courts in adjusting the interests of authors and creators who are in obvious conflict with entrepreneurs, publishers, motion picture producers, broadcasters, record manufacturers, etc. This conflict can only be resolved by legislative remedies. Within the last decade, several bills have been introduced in Congress which recognize the doctrine of moral right.<sup>33</sup> This has been vigorously opposed by the motion picture and broadcast industries whose interests are distinctly adverse to the existence of this doctrine.<sup>34</sup>

<sup>32</sup> *Curwood v. Affiliated Distributors, Inc., et al.*, 283 Fed 219 (SD NY 1922); See also: *Packard v. Fox Film Corp.*, 207 AppDiv 311, 202 NYSupp 164 (1923).

<sup>33</sup> E.g., S 3047, 74th Cong 1st Sess (1933) section 41 (v): "Independently of the copyright in any work secured under this Act, as amended, and even after the assignment thereof, the author retains the right to claim the authorship of the work as well as the right to object to every deformation, mutilation, or other modification of the said work which may be prejudicial to his honor or to his reputation: Provided, however, that nothing in this paragraph shall limit or otherwise affect the right of full freedom of contract between the author of a work and an assignee or licensee thereof, or invalidate any express waiver or release by the author of any such rights or of any remedies or relief to which he might be entitled in consequence of a violation thereof, and the assignee or licensee of the author's moral right may, with the author's permission,

make any change in the work which the author himself would have had a right to make prior to such assignment." The foregoing is derived from Art. 6—. Bern Convention, Rome revision 1928, quoted in Roeder, 556: "(1) Independently of the patrimonial rights of the author, and even after the assignment of the said rights, the author retains the right to claim the paternity of the work, as well as the right to object to every deformation, mutilation or other modification of the said work, which may be prejudicial to his honor or to his reputation. (2) It is left to the national legislation of each of the countries of the Union to establish the conditions for the exercise of these rights. The means for safeguarding them shall be regulated by the legislation of the country where protection is claimed."

<sup>34</sup> Testimony of Edwin P. Kilroe at Hearings before the Committee on Patents, 74th Cong, 2d Sess 1012 (1936): "Mr. Kilroe. Our chief objection, as I said, is to the moral clause. That is of great concern to the motion-pic-

The moral right concept where recognized, has been expanded by legislation, judicial decision and collective bargaining agreements to furnish protection to the interpretive rights of performers.<sup>35</sup> The theoretical basis for protecting the interests of performers is premised on the notion of work done. This theory of labor rights rejects the view that performers' rights are based on literary and artistic property; the latter is the prerogative of creators and authors.<sup>36</sup> The concept of work done considers artists as a category of producers whose product possesses an economic value which varies according to the conditions under which it is utilized.

The constituent elements of performers' rights may be briefly noted:

(a) *Right of Authorization.* This is an exclusive right in the performer to authorize the recording, reproduction and broadcasting by mechanical, radio-electric or other means of his interpretations as well as the public utilization of recordings or broadcasts of such interpretations. This term is

tire industry; we must have a right to change an author's work. I will only read now our objections that were heretofore imposed to the use of the moral clause and it applies fully today as it did two years ago: 'The right to make changes in an author's work is of the utmost importance to the motion-picture industry. A dramatic play or story is usually written with an appeal to a particular class. A motion picture is intended to have entertainment value for the great masses and its financial success depends upon its mass-psychology entertainment value; the wider the appeal, the greater its value. A limitation on the right to change the plot, theme, sequence, and description of the characters in literary works would bring havoc to the film industry. An example of this danger will be found in the recent case of the production of the motion picture *Wonder Bar*. Warner Bros. purchased the motion-picture rights of *Wonder Bar* from a foreign publishing house to whom the authors had previously sold these rights. After paying a substantial sum to the publishing house, Warners paid an additional sum to the authors for the right to change the story and interpolate music. After the picture had been in distribution in the

United States and ready for distribution in foreign countries, the authors made a demand for an exorbitant additional sum of money, to wit, \$100,000, under the moral-rights clause of the Rome Convention, threatening that if they did not receive an adjustment of the claim they would enjoin the distribution of the picture in Europe and seek money damages.''' *Id.* at 397 ff testimony of Sidney M. Kaye in behalf of the National Association of Broadcasters. See statement of Mr. Kilroe, in Hearings before a Subcommittee of the Committee on Foreign Relations on Executive E, 75th Cong 2d Sess (1938) 19 *et seq.* Statement of Mr. Kaye, *Id.* at 29.

<sup>35</sup> Report of the International Labour Organisation Rights of Performers in Broadcasting, Television and the Mechanical Reproduction of Sounds (Geneva 1949) hereinafter designated as ILO Report.

<sup>36</sup> There has always been a conflict between the creative rights of an author and the performer's interpretation of the former. Performers have contended that their interpretation is *sui generis*, enlarging upon the author's original form by giving it a perceptible form. See ILO Report at 23 ff.

derived from the doctrine of moral right, viz., the right to create and publish in any form, serves as the basis for the moral and pecuniary claims of performers.<sup>37</sup>

(b) *Moral Right*. This term as applied to performers is intended to enforce respect for the personal contribution made by the artist in interpreting a work. This is effectuated by having the performer's name mentioned on any recording of his performance or any reproduction of such performance. In addition the performer may oppose any alteration or defective reproduction of his interpretation since his reputation and consequently the economic value of his work would be affected thereby.<sup>38</sup>

(c) *Pecuniary Right*. This concept is intended to establish as a matter of law the right of the performer to receive financial remuneration for recordings, radio and television transmissions, motion picture exhibition, etc. The subsidiary rights comprehended by this concept are intended to assure the performer that he will reap financial benefits from any use made by the entrepreneur of the recordings or transmissions. Thus, an artist may contract to appear before a given public audience; the contract of employment is silent on the radio and television rights. The doctrine of pecuniary right would entitle the performer to receive additional separate fees for any radio or television broadcasts even though he may not hold the right of authorization.<sup>39</sup>

Continental jurisprudence recognizes the performing rights of authorization, moral right and pecuniary rights by virtue of legislation, judicial decision or collective bargaining agreements.<sup>40</sup> Our Copyright Code does not furnish protection to

<sup>37</sup> ILO Report at 80-81: "A number of laws in varying measure and in one form or another, granted to the performer the right of authorization. Thus the laws of Germany (1910), Czechoslovakia (1928), Mexico (1947), United Kingdom (1925), Switzerland (1922) and Lichtenstein (1928) grant the performer the right of authorization in respect of sound recordings. The Austrian Law of 1936 provides for a broad right of authorization with regard to recordings and direct broadcasts. In Hungary, the performer possesses, under the Law of 1921 and legal decisions, the right of authoriza-

tion with regard to the multiple copying, publication and circulation of recordings, including direct broadcasts." This is discussed in greater detail in § 192.

<sup>38</sup> *Id.* at 25-26; 81-83.

<sup>39</sup> *Id.* at 27-29; 84-87.

<sup>40</sup> E.g., *Id.* at 82: "In France, the collective agreement made in March 1946, between the French Broadcasting Corporation and the National Actors' Union stipulates that the name of the artist must be announced at the microphone in every broadcast, of whatever nature."

performing artists.<sup>41</sup> To be sure the collective bargaining agreements executed by the American Federation of Radio Artists (A.F.R.A.) and the American Federation of Musicians (A.F. of M.) deal with performing rights.<sup>42</sup> But collective bargaining agreements are outside the scope of this study. Our concern is the extent to which the common law has been and should be employed to recognize and protect interpretative performing artists.

To return to phonograph records, Speiser's Addendum did not advocate the complete adoption of *le droit moral* with all of its subsidiary rights. He did suggest that protection be furnished the artist "to preserve the integrity of his art" and to assure him a "return for any commercial utilization of his talents, whether the transmission take place over the wires, or by wireless or whether they consist of sounds or images or signs (anticipating television)." <sup>43</sup>

Soon after the publication of Speiser's dissertation, the National Association of Performing Artists (NAPA) was organized, with Fred Waring as president and Maurice J. Speiser as general counsel.<sup>44</sup> This organization which was open to "any actor, singer, conductor, instrumentalist, lecturer and any other interpretive artist or performer" had as its objective the licensing of performing rights in "phonograph records, discs, electrical transcriptions, sound tracks, or any other mechanical recording of sound, including television" to the users thereof.<sup>45</sup>

<sup>41</sup> *Supra* Note 6.

<sup>42</sup> ILO Report at 67-68: The AFRA live commercial code prescribes minimum fees for actors and singers. They receive "rehearsal" fees and additional compensation for the re-transmission of a performance. The AFRA Transcription Code regulates the use of the various recordings, viz., custom-built, open-end and library service transcriptions, prescribes the remuneration of performers on the basis of length of the program and number and duration of rehearsals. Actors' Equity Association demands that their members receive an additional fee if the performance is broadcast and televised. The A. F. of M. is asserting performing rights via royalty payments from record manufacturers. See: Countryman, *The Organized Musicians*, 16 *UofChiLRev*

56, 239 (1949); Diamond and Adler, *Proposed Copyright Revision and Phonograph Records*, 11 *AirLRev* 29 (1940).

<sup>43</sup> Homburg, *op cit supra*, note 1, at 152.

<sup>44</sup> Hearings on Revision of Copyright Laws, *op cit supra*, note 34, at 673 ff statement of Maurice J. Speiser. In 1934 the American Society of Recording Artists, Inc., was incorporated in California with Al Jolson as President. See 4 NAB Reports 1945 (1936). In 1937 it merged with NAPA. See also Hearings before a Subcommittee of the Committee on Judiciary, HR Rep No 1269, HR Rep No 1270, HR Rep No 2570, 80th Cong 1st Sess 8, 209 (1947).

<sup>45</sup> *Id.* at 674.

Before discussing the litigation instituted by NAPA, it should be pointed out that the owners of phonograph records as distinguished from the performers have successfully invoked the doctrine of unfair competition to prevent the unauthorized use of phonograph records.<sup>46</sup>

NAPA instituted its first test case in Pennsylvania. Waring's Pennsylvanians, an incorporated orchestra, recorded two songs for the Victor Talking Machine Company in 1932. The orchestra received \$250 for each recording. Waring, foreseeing the likelihood of the records being used by radio stations stipulated with the Victor people that the records should bear the legend "Not licensed for radio broadcasts." The records were sold on the open market to the general public at the retail price of 75 cents per record. Defendant broadcasting station purchased these records and broadcast the same as part of a sustaining program. Defendant complied with the regulations of the Federal Communications Commission requiring the announcement and identification of all mechanical reproductions.<sup>47</sup> At the time of this broadcast, Waring's orchestra was under an exclusive radio contract to the Ford Motor Company at \$13,500 per week. Plaintiff filed a bill in equity to enjoin defendant from broadcasting the records.

The lower court enjoined the unauthorized broadcasting of phonograph records. This opinion relied on all of Speiser's theories to substantiate the issuance of the injunction.<sup>48</sup> The

<sup>46</sup> Metropolitan Opera Ass'n, Inc. v. Wagner-Nichols Recorder Corp., 87 USPQ 173 (NYSupCt 1950); Victor Talking Machine Co. v. Hesslein Opera Disc Co., Inc., (DC NY 1923) unreported; Fonatopia Limited *et al.* v. Bradley, 171 Fed 951 (CCED NY 1909); Aeolian Co. v. Royal Music Roll Co., 196 Fed 926 (CCWD NY 1912). England grants a copyright in the record itself; in addition the Act of July 31, 1925, 15 & 16 Geo 5 c 46 makes it a crime to record the performance of a dramatic or musical work without the consent in writing of the performer. This statutory provision furnishes a summary criminal remedy; it cannot be invoked by a performer in a civil suit for damages and injunction. Musical Performers Protection Ass'n, Inc. v. British International Pictures, Ltd., 46 LTR 485 (1930).

Thus the law gives the performer no property right in his performance. See also Gramophone Co., Ltd. v. Stephen Corwardine & Co., [1934] Ch 450. For a brief summary of foreign laws and decisions regarding the performing artist, see, Pforzheimer, Copyright Protection for the Performing Artist in his Interproventive Rendition (1939) I Copyright Law Symposium 9, 48 ff.

<sup>47</sup> The Commission's regulation, section 3.188, requiring the announcement of mechanical records is quoted in its entirety in Warner, Radio and Television Law § 34 f 1, note 11 (1949).

<sup>48</sup> Opinion of Judge McDevitt in Waring v. WDAS Broadcasting Station, Philadelphia CP January, 1936, *aff'd*, 327 Pa 433, 194 Atl 631 (1937). "Conclusions of Law:

1. The creator of a unique and personal interpretation of a musical and/or

Pennsylvania Supreme Court affirmed the lower court.<sup>49</sup>

The court relied on common law copyright and unfair competition to sustain the issuance of the injunction. A majority of the court concluded that Waring's interpretation of a musical composition constituted a product of novel and artistic creation which invested him with a property right therein. Waring not only added something to the composition performed but also participated in creating a product in which the performer "is entitled to a right of property, which in no

literary composition possesses a common law property right in the same, and has a right to control and limit its use.

2. The individuality, personality and unusual talents of such an artistic interpreter identify his production, creation or performance in such a manner as to make it different, and consequently, per se, a special value with pecuniary worth.

3. The interpretive talent of the complainant is creative and vests in him an incorporeal property right, just as firmly as though it were corporeal property.

4. Such incorporeal property is entitled to protection.

5. A creation or interpretation that may be captured or transcribed by mechanical means, and then capable of reproduction at the will of the possessor, makes such an interpretation or creation, property.

6. The integrity of one's art is entitled to protection, and the law gives such artist a right to command a return for any commercial utilization of his talent.

7. The talents, creations and interpretations of a performing artist, may only be used or exploited under the terms and conditions imposed by the creator. Any other use is an infringement of his property right, and an injury to his name and commercial worth.

8. The law will follow science and arts in throwing the necessary protection about property rights, both corporeal and incorporeal, tangible and intangible.

9. The making of a phonograph record or the sale of the same, under such conditions as were imposed in the suit at issue, does not constitute a publication.

10. The respondent's purchase of said records vested in him a possession and ownership, subject, however, to the special property right of the complainant.

11. Such a use of a phonograph record as has been made by the respondent in this matter, is a commercial use for profit.

12. The complainant and the RCA-Victor Company were within their legal rights in producing said records for sale and limited use.

13. The respondent's use of said records violated the express restriction stamped thereon, and was an unlawful interference with complainant's right. The respondent's use of said records is an interference with the complainant's contractual relations with the international company, with which he has a contract for his exclusive broadcasting services.

14. The limitation of use or restriction stamped upon the face of the records was a condition or servitude inseparable from the records.

15. The restriction stamped upon the records is not an interference with the purchaser of said records to use them for the purpose intended, it is not an unreasonable condition, its enforcement would not be in restraint of trade, and its enforcement does not create a monopoly. It is a protection of the property right vested in the complainant and enforceable in equity.

16. Such use of said records, as the use made by the respondent, creates unfair competition."

<sup>49</sup> Waring v. WDAS Broadcasting Station, Inc., 327 Pa 433, 194 Atl 631 (1937).

way overlaps or duplicates that of the author in the musical composition.”

The next question tendered was whether the sale of the records constituted a general publication, thereby resulting in a loss of common law property rights.<sup>50</sup> The court had some difficulty with this point. It distinguished between a “limited” publication which does not affect common law copyright and a “general” publication which terminates it. The court then disregarded the extent to which the recording had been communicated to the public and concluded that the restrictive label on the record showed an intent on Waring’s part not to release his common law copyright to the public. The question of whether there had been a general publication then turned on the issue of whether the restriction was reasonable.<sup>51</sup> The court confused the issue of reasonableness of an equitable servitude with the question of whether there had been a “general” publication. It dismissed “as comparatively early cases” a group of decisions which held that once there had been a general publication, it cannot properly be limited by restrictions and servitudes. The court further held that the restrictive legend, was neither a restraint of trade nor contrary to public policy, hence it was enforceable as an equitable servitude on a chattel.

The court with another judge concurring turned to the law of unfair competition as an additional ground upon which to sustain the injunction. The court applied the “misappropriation” or “unjust enrichment” theory of the *Associated Press* case:

“It appears from the *Associated Press* Case that while, generally speaking the doctrine of unfair competition rests upon the practice of fraud or deception, the presence of such elements is not an indispensable condition for equitable relief, but, under certain circumstances, equity will protect an unfair appropriation of the product of another’s labor or talent. In the present case, while defendant did not obtain the property of plaintiff in a fraudulent or surreptitious manner, it did appropriate and utilize for its own profit the musical genius and artistry of plaintiff’s orchestra in commercial competition with

<sup>50</sup> *Infra* § 203a.

<sup>51</sup> *Cf.* Chafee, *Equitable Servitudes on Chattels*, 41 *HarvLRev* 945 (1928); Shulman, *The Fair Trades Acts & the*

*Law of Restrictive Agreements Affecting Chattels*, 49 *YaleLJ* 607, 623 (1940). *Infra* § 204.

the orchestra itself. In line with the theory of the *Associated Press* case, the 'publication' of the orchestra's renditions was a dedication of them only to purchasers for use of the records on phonographs, and not to competitive interests to profit therefrom at plaintiff's expense. Indeed, in the *Associated Press* case the intent against an unqualified abandonment had to be inferred from the circumstances, whereas here it was expressed on the records themselves and defendant's use of them was a violation of the explicit notice to that effect."<sup>52</sup>

In a concurring opinion, Judge Maxey disagreed with his fellow judges on their reasoning on the subject of unfair competition. He concluded that the law of unfair competition could not be applied since Waring and defendant broadcast station were not competitors in the same business. Furthermore, Judge Maxey would not regard defendant's conduct as actionable unfair competition, absent the elements of fraudulent or deceptive conduct toward the public.<sup>53</sup>

Judge Maxey claimed that the true basis for protection of the artist was to be found in the right of privacy. We have discussed elsewhere that the right of privacy cannot be invoked by an artist to "fix the limits of the publicity which shall be given" to his performance. When Waring's phonograph records were made available to the general public, he was precluded from specifying the use which purchasers could make of them. The right of privacy is lost when an author communicates his production to the public.<sup>54</sup>

<sup>52</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631, 640 (1937); *cf.* Judgment of Kammergericht (Berlin) June 7, 1928 (10 U 4658/28) reported in 1 Archiv 655 (1928), wherein a broadcasting station enjoined the production and sale of phonograph records which described the last round of a boxing bout broadcast by the plaintiff. The court held that the defendant's activities constituted unfair competition and was "repugnant to the requisites of honest commercial intercourse to appropriate to one's self, without any substantial effort and cost, the fruit of another's labor produced with considerable effort and at great cost, and thus to create dangerous competition for the other." See Caldwell, *Piracy of Broadcast Programs*, 30 ColLRv 1087 (1930). *Cf.* a recent

Dutch case, reported in 10 Fed Conn BarJ 27 (1949) wherein a non-profit organization broadcast the abdication ceremonies of Queen Wilhelmina. The defendant recorded portions of the broadcast, but not the plaintiff's commentaries. The Amsterdam District Court (October 5, 1948) held that defendant's activities were not unlawful, since there was no prohibition against the sale of records of speeches by the Royal Family; although defendant may have profited by plaintiff's capital and technique, defendant's action was lawful because plaintiff was not protected in that domain.

<sup>53</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631, 642 (1937).

<sup>54</sup> *Passim*, § 220.

NAPA instituted similar suits in other jurisdictions. In New York, the contract between the performer and the recording company did not require the records to be stamped with a restrictive label, hence NAPA could not enjoin their use by a radio station.<sup>55</sup> A similar attempt to enjoin the use of Ray Noble's records in a tap room in Massachusetts failed because Noble had granted to the recording company all of his rights in the recordings, hence he had no standing to claim any interest in the recorded performances.<sup>56</sup>

However, in *Waring v. Dunlea*,<sup>57</sup> a federal district court enjoined a radio station from playing electrical transcriptions which were stamped with the legend that they were to be used on the Ford Motor program. "Although this presented an ideal case for the application of the common law copyright doctrine (the transcription never having been made available to the public), the rather jumbled opinion accompanying the injunction seems to be based on a blend of the concepts of unfair competition and equitable servitude."<sup>58</sup> North Carolina followed by other states enacted legislation which nullified the *Dunlea* case.<sup>59</sup>

NAPA in behalf of Paul Whiteman then instituted suit in the federal district court in New York to enjoin the use of Whiteman's records by radio station WNEW. The Radio Corporation of America (RCA) filed an ancillary suit in which it sought similar injunctive relief and that Whiteman had no interest in the records. The district court found that all of Whiteman's records were stamped with the restrictive legend not to be used for broadcasting; that in the contracts between Whiteman and RCA prior to 1934, the former had passed all of his rights to the latter; that in contracts executed on September 5, 1934, Whiteman reserved "his common law property right in and to his musical interpretations and rendi-

<sup>55</sup> *Crumit v. Marcus Loew Booking Agency*, 162 Misc 225, 293 NYSupp 63 (1936).

<sup>56</sup> *Noble v. One Sixty Commonwealth Avenue, Inc.*, 19 FSupp 671 (DC Mass 1937).

<sup>57</sup> 26 FSupp 338 (EDNC 1939).

<sup>58</sup> *Countryman, The Organized Musicians*, 16 UofChiLRev 239, 256 (1949).

<sup>59</sup> 2 NC STAT ANN § 66-28 (*Michie*, 1943): "When any phono-

graph record or electrical transcription upon which musical performances are embodied, is sold in commerce for use in this state, all asserted common law rights to further restrict or to collect royalties on the commercial use made of such recorded performances by any person is hereby abrogated and expressly repealed." SC Code § 6641 (1942); Fla STAT ANN §§ 543.02, 543.03 (1943).

tions.” The court held this common law copyright inured to Whiteman and that RCA could claim no property right in the records because of their contribution to the production. Whiteman’s common-law copyright survived publication and defendant’s use of the records constituted unfair competition to both Whiteman and RCA.<sup>60</sup>

The Second Circuit Court of Appeals per Mr. Justice Learned Hand reversed the lower court and for all practical purposes spelled the death knell of NAPA.<sup>61</sup> He assumed “for the purposes of this case” that Whiteman had a property interest in his performance, “and what is far more doubtful,” that the recording company could assert a similar copyright.<sup>62</sup> He concluded that Whiteman’s common-law copyright was destroyed by the sale of the records to the general public; that the restrictive legend neither limited publication nor was it enforceable as an equitable servitude. The court also held that the law of unfair competition was inapplicable. The *Associated Press* case must be restricted to its precise facts; “certainly it cannot be used as a cover to prevent competitors from ever appropriating the results of the industry, skill and expense of others. ‘Property’ is a historical concept; one may bestow much labor and ingenuity which inures only to the public benefit; ‘ideas’ for instance, though upon them all civilization is built may never be ‘owned.’ The law does not protect them at all, but only their expression; and how far that protection shall go is a question of more or less; an author has no ‘natural right’ even so far, and is not free to make his own terms with the public.” Finally the court disposed of the right of privacy argument in a single sentence by characterizing it as a “strange assertion.”<sup>63</sup>

Prior to the court’s decision in the Whiteman case both NAPA and the recording companies advised the broadcasting

<sup>60</sup> R.C.A. Mfg. Co. v. Whiteman, 28 FSupp 787 (SD NY 1939).

<sup>61</sup> R.C.A. Mfg. Co. v. Whiteman, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>62</sup> See Diamond and Adler, Proposed Copyright Revision and Phonograph Records, 11 AirLRev 29 (1940).

<sup>63</sup> R.C.A. Mfg. Co. v. Whiteman, 114 F2d 86, 90 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940). The court was confronted with

this problem: Pennsylvania had reached a contrary conclusion, which meant that the broadcasting of Whiteman’s records would constitute a tort in that state. Obviously, Station WNEW could not route its broadcasts around Pennsylvania, hence the court concluded it would not enjoin an otherwise lawful broadcast in order to prevent commission of a tort in Pennsylvania.

industry that they would have to purchase licenses to use phonograph records.<sup>64</sup> The Whiteman case terminated these claims, although it has been suggested that the record companies might still be able to assert an enforceable property interest in phonograph records which might serve as the basis of a licensing system.<sup>65</sup>

The Whiteman case was NAPA's last attempt to secure a court adjudication via the common law. NAPA has invoked the aid of Congress and has had bills introduced in Congress which would amend the Copyright Code so as to give the performer a statutory copyright.<sup>66</sup>

The recent case of *Supreme Records Inc. v. Decca Records Inc.*<sup>67</sup> warrants discussion because Judge Yankwich refused to employ the misappropriation theory of the *Associated Press*

<sup>64</sup> Pforzheimer, Copyright Protection for the Performing Artist in His Interpretive Rendition, I Copyright Law Symposium 9, 20 (1939).

<sup>65</sup> Countryman, The Organized Musicians II, 16 UofChiLRev 239, 258 (1949): "In *General Talking Pictures Corp. v. Western Electric Co.*, 304 US 175 (1938), opinion on reargument 305 US 124 (1938), rehearing denied 305 US 675 (1939), the Supreme Court upheld the licensing system of a patent pool consisting of A. T. & T., General Electric Company and R.C.A., whereby some retailers were licensed to sell patented amplifying tubes only for radio use and other were licensed to sell them only for non-radio use. The court also affirmed the holding that one who purchased amplifying tubes for use in talking pictures equipment from a retailer known to the purchaser to be licensed to sell only for radio use was guilty of contributory infringement. Phonograph records issued by R.C.A., Columbia and Decca had long carried on their labels a legend reading: 'Licensed by Mfr. under US Patents (citing numbers) only for non-commercial use on phonographs in homes. Mfr. and original purchaser agree that this record shall not be resold nor used for any other purpose.' Hence, the *General Talking Picture* case seems apt precedent in support of the demands which the recording companies originally predicated on the district court's deci-

sion in the Whiteman case. Nevertheless, whether from lack of confidence in their patents, from doubts about the attitude of the new Justices toward the *General Talking Picture* case, and the doctrine of contributory infringement (*Mercoid Corp. v. Mid-Continent Investment Co.*, 320 US 661 (1944)), or from other considerations of business policy, the recording companies made no attempt to enforce their patent notices, and those notices have recently disappeared from Victor and Columbia labels." See also Diamond and Adler, Proposed Copyright Revision and Phonograph Records, 11 AirLRev 29 (1940).

<sup>66</sup> E.g., the Scott bill, H.R. 1270, 80th Cong, 1 Sess (1947) which granted a copyright "on recordings which embody and preserve any acoustic work in a fixed, permanent form on a disk, film, tape record, or any and all other substances, devices, or instrumentalities, by any means whatever, from or by means of which it may be acoustically communicated or reproduced." The copyright extended not only to "make or procure the making" but also to "publish and vend such recordings of sound; and to communicate and reproduce the same acoustically to the public for profit." See also: S3047, 74th Cong, 1st Sess (1935); H.R. 11420, 74th Cong, 2d Sess (1936); H.R. 10632, 74th Cong, 2d Sess (1936).

<sup>67</sup> 90 FSupp 904 (DC Cal 1950).

case to protect performing rights in a recorded arrangement. Plaintiff had secured a non-exclusive license from the copyright proprietor of the song "A Little Bird Told Me" and had recorded an orchestration of the same. Defendant had likewise recorded a version of the same song. Plaintiff claimed that defendant had appropriated its musical arrangement and that such misappropriation mislead, confused and deceived phonograph record dealers and the public.

Judge Yankwich concluded that the misappropriation theory could not be extended to protect a limited and non-exclusive right to record. He then stated that before a "musical arrangement may be protected as a right against a competitor, it must have a distinctive characteristic, aside from the composition itself, of such character that any person hearing it played would become aware of the distinctiveness of the arrangement." If a property or quasi-property right exists in the "manner of a musical arrangement, we would have to disregard many principles of law, which the courts have applied to cases of this character. One of these is the principle that mere portrayal of a character by an actor in a play, which is the creation of another, is not, of itself, an independent creation. . . . And it is evident from a study of the copyright law that Congress did not intend to give recognition to the right of arrangement, disassociated from the work itself, to which the author claims the right. Otherwise, a right could be segmentized and portions of it could be asserted by persons who do not claim direct ownership of a musical composition, but merely certain subsidiary rights. To recognize such right would not aid the owner. For the owner would be confronted with the situation of having given to a person a limited right,—the right to reproduce a musical composition,—would find himself confronted with persons who claim derivative rights from the concern to which he gave the right to reproduce this in a recording, asserting rights against others to whom he has given similar rights. . . . If recognition were given to the right of ownership in a musical arrangement, we would have to disregard all these cases.<sup>68</sup> We would have to

<sup>68</sup> *Id.* at 909: "There is a line of cases which holds that what we may call generically by the French word *représentation*,—which means to perform, act, impersonate, characterize,

and is broader than the corresponding English word,—is not copyrightable or subject to any right recognized under the law of unfair competition. So the choice of a distinct locale for a play

hold that Mr. Charles Laughton, for instance, could claim the right to forbid anyone else from imitating his creative mannerisms in his famous characterization of Henry VIII, or Sir Lawrence Olivier could prohibit anyone else from adopting some of the innovations which he brought to the performance of Hamlet."<sup>69</sup>

A reading of the *Waring* case discloses that the Pennsylvania court relied on the law of unfair competition to recognize performing rights. But this approach masked the true basis of its decision—the employment of the doctrine of moral right with its subsidiary rights. The issuance of the injunction enjoining the broadcast of phonograph records, constitutes a pro tanto recognition of authorization and pecuniary rights. Thus, the court confirms the performer's rights to authorize a secondary or additional use of the phonograph records and to receive additional compensation therefor. In the *Whiteman* case, on the other hand, the court refused to extend the scope of the Copyright Code via the guise of unfair competition and the doctrine of moral right. The court was reluctant to resolve the composition of substantial conflicts of interest since neither the common law nor the statute had given any clue to its preference.<sup>70</sup>

or story is not the subject of appropriation. Nor are mechanical devices used in production, gestures or motions of actors, or the movement of a dance or spectacle. See, *Amdur*, on Copyright Law and Practice, pp 720-725; 732-738; *Harold Lloyd Corp. v. Witwer*, 9 Cir 1933, 65 F2d 1, 22; *Echevarria v. Warner Bros.*, DC Cal 1935, 12 FSupp 633; *Schwarz v. Universal*, DC Cal 1949, 85 FSupp 270; *Seltzer v. Sunbrock*, DC Cal 1938, 22 FSupp 621; *Martineti v. Maguire*, CC Cal 1867, 16 Fed Cas page 920, No 9,173."

<sup>69</sup> *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904, 908-909.

<sup>70</sup> *RCA Mfg. Co. v. Whiteman*, 114 F2d 86, 90 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1940); "... but we should be equally jealous not to undertake the composition of substantial conflicts of interests between which neither the common law, nor the [copyright] statute has given any clue to its preference. We cannot

know how Congress would solve this issue; we can guess—and our guess is that it would refuse relief as we are refusing it—but if our guess were the opposite we should have no right to enforce it." The *Waring* and *Whiteman* cases have provoked a considerable amount of literature: *Oberst, Use of the Doctrine of Unfair Competition to Supplement Copyright in the Protection of Literary and Musical Property*, 29 *KyLJ* 271 (1941); *Baer, Performer's Right to Enjoin Unlicensed Broadcasts of Recorded Renditions*, 19 *NCLRev* 202 (1941); *Bass, Interpretive Rights of Performing Artists*, 42 *DickLRev* 57 (1938); *Chafee, Unfair Competition*, 53 *HarvLR* 1289 (1940); *Clineburg, Protection, Afforded by the Law of Copyright to Recording Artists in Their Interpretations of Musical Compositions*, 20 *NebLRev* 79 (1941); *Countryman, The Organized Musicians*, 16 *UofChiLRev* 239 (1949); *Doyle, Artists and Manufacturers' Interests in Record Rendition*, 9 *Duke BAJ* 57

. If any relief can be given the performer it must come from Congress. But any amendment of the statute which would give the performer a statutory copyright is beset with difficulties.

. The chief obstacle is who should receive the statutory copyright.<sup>71</sup> An orchestral rendition requires the effort and skill of many performers exclusive of the contributions of one or more vocalists. The latter furnish artistic performances which should be protected by statutory copyright. A copyright shared by all performers is both unwieldy and impractical since the members of an orchestra are constantly changing. This difficulty is mitigated when an orchestra like "Waring's Pennsylvanians" is incorporated. It has been suggested that the copyright be given the recording company; however, it hardly seems calculated to bring the benefits of the copyright to the musical performer.<sup>72</sup> NAPA has had incorporated in the various bills introduced in Congress, the proposal that the copyright vest in the orchestra conductor.<sup>73</sup> It is doubtful whether this provision would benefit the instrumentalists in the orchestra. It has also been suggested that performers assign their statutory copyright to an agent who would hold the copyright for licensing purposes. This proposal is akin to the assignment by the copyright proprietor of the small performing rights in musical compositions to ASCAP or BMI.

(1941); Pforzheimer, Copyright Protection for the Performing Artist in His Interpretive Rendition, I Copyright Law Symposium 9 (1939); Shelton, The Protection of the Interpretive Rights of a Musical Artist, I Copyright Law Symposium 173 (1939); Traicoff, Rights of the Performing Artist in His Interpretation and Performance, 11 AirLRev 225 (1940); Notes: 26 Wash ULQ 272 (1941); 11 AirLRev 205 (1940); 9 FordLRev 425 (1940); 35 IllLRev 546 (1941); 26 IowaLRev 384 (1941); 49 YaleLJ 559 (1940).

<sup>71</sup> Countryman, The Organized Musicians, 16 UofChiLRev 239, 259 (1949).

<sup>72</sup> Pforzheimer, Copyright Protection for the Performing Artist in His Interpretive Rendition, I Copyright Law Symposium 9, 31 (1939); Diamond and Adler, Proposed Copyright Revisions and Phonograph Records, 11 AirLRev 29, 49 (1940) contends that the copy-

right should rest in the record manufacturer because in an analogous situation statutory copyright has already been given to the producer of a motion picture.

<sup>73</sup> E.g., HRRep No 6160, 76 Cong, 1st Sess (1939); Hearings on HIR 1269, HR 1270, and HIR 2570, 80th Cong, 1st Sess 211 (1947); "Mr. Walter: Mr. Speiser, if HR 1270 became a law, would not every musician in a band be entitled to copyright his individual contribution to the interpretation of a musical piece?"

"Mr. Speiser: That would be true sir. . . . But we would regulate by assignment. The person entitled would be the conductor of the band or the orchestral association under whose charter the band is performing. . . . The particular technicalities, sir, are of minor importance. . . . Due precaution would be taken before filing application of a copyright."

The difficulty with this suggestion is that it would be more complex, unwieldy and burdensome than the copyright problems attendant the use of music. A copyright in a performance would further subdivide the performing rights conferred by the Copyright Code and fetter the radio, television and motion picture industries in the use of talent. If statutory copyright is to be recognized in the performances of instrumentalists, artists and motion picture, radio and television talent, it is suggested that the copyright vest in one person or organization, viz., the record manufacturer or licensing agent and that Congress spell out those provisions which would protect performers from abuses of a licensing system and absolve users from liability for innocent infringement.<sup>74</sup>

#### 216. TELEVISION PROGRAMS AND THE RIGHTS OF PERFORMING ARTISTS.

In the recent case of *Peterson v. KMTR Radio Corporation*,<sup>1</sup> the "novel question" tendered a California inferior court was "the right of a performer at a charity entertainment to collect against a radio station that televised his performance without his consent or permission." This is the first case in which any court has rendered a published opinion which discusses whether an artist may assert interpretive performing rights in a telecast.<sup>2</sup> The facts of this case as disclosed by the complaint and the court's opinion warrant full statement. Plaintiffs are well known aquatic stars who appeared in a "live" benefit performance for charity (the Mt. Sinai Hospital Cancer Fund) in Los Angeles Swin Stadium. It is believed that plaintiffs were compensated for their performances. In any event an admission fee was charged to view the show. Plaintiffs' contract of employment with the entrepreneur or promoter,

<sup>74</sup> *Ibid.* 263-266. The Copyright Office disapproved the Scott Bill, HR 1270 because it was impossible to determine from its provisions where the copyright would be lodged.

<sup>1</sup> 18 USL Week 2044 (US July 26, 1949).

<sup>2</sup> In *Chavez v. Hollywood Post No 43 and Don Lee Broadcasting System* (Cal SuperCt 1947) plaintiff, a professional boxer, attempted to enjoin the telecasting of a match in which he was to engage, alleging that he would be ir-

reparably damaged, particularly since he was to receive a percentage of the gross receipts. Plaintiff contended his right of privacy would be invaded. The court sustained a demurrer without leave to amend stating that the privacy doctrine was not involved, and that the entrepreneur of the stadium owned the television rights since the latter were included in the right to present the contest before a paid audience. See 10 FedComBJ 36 (1949).

in this case the charity, was silent on the disposition of television rights. Defendant, licensee of television station KLAC telecast the show presumably with the permission of the entrepreneur. Plaintiffs brought suit against the station claiming that the defendant without their knowledge or consent, made a motion picture film and television representation of the performance and broadcast and disseminated it for profit.

The complaint was premised on the following counts:

- (a) invasion of right of privacy;
- (b) reasonable value of work and services;
- (c) and unfair competition.

The court confused and intermingled the two basic issues tendered by this case:

Where the contract of employment is silent on the disposition of television performing rights, are they transferred by operation of law, viz., implied contract to the entrepreneur or are they residual rights retained by the performer?

Does our jurisprudence furnish a remedy for the protection and enforcement of interpretative performing rights?

At the outset it should be pointed out that television rights are separate and distinct from motion picture and radio rights. This is illustrated by the *Weiss* and *Norman* cases. In the former case, the defendant who was the licensee of motion picture rights, was enjoined from selling, exploiting or distributing the television rights in a motion picture where the licensing agreement was silent on the disposition of such rights.<sup>3</sup> In the *Norman* case, the question before the court was whether a lease of the "privilege of broadcasting the boxing bouts," executed in 1943, also included television rights. The court held that television rights were separate and distinct from radio (aural) rights and would be subject to negotiation between lessor and lessee.<sup>4</sup>

In the case at bar the court conceded that plaintiffs had a "property" interest in their television rights, but their failure to reserve such rights resulted in a loss of the same. In other

<sup>3</sup> *Weiss v. Hollywood Film Enterprises, Inc.*, 18 USL Week 2044 (US July 26, 1949) (CalSuperCt 1949).

<sup>4</sup> *Norman v. Century Athletic Club, Inc.*, 69 A2d 466 (Md 1950); 5 Radio

Regulations 2057 (1949); *Cf. Philadelphia Retail Liquor Dealers Ass'n v. Pa. Liquor Control Board* 360 Pa. 269, 274, 62 A2d 53 (1948).

words, television rights were impliedly assigned the entrepreneur. If this conclusion is correct, then the court need not have inquired whether the common law would recognize and enforce interpretative performing rights. The suggestion that television rights be reserved was based on very practical considerations. If contestants were to own radio, motion picture or television rights to their performances, it would impose an onerous burden on motion picture distributors and radio and television stations to clear such events for public exhibition.

Despite these practical considerations, it is believed that the court erred, in concluding that plaintiffs' television rights were impliedly assigned the entrepreneur. Firstly, the customs and practices of the entertainment industry suggest that an entrepreneur in contracting for a "live" performance of a vaudeville act, does not also acquire the radio, television, and motion picture rights to the same. If an entrepreneur expects to make a secondary use of a "live" act, viz., for radio or television purposes, the performer is usually compensated for such enlarged distribution. These practices are confirmed by the collective bargaining agreements of such organizations as the American Guild of Variety Artists, Actor's Equity Association, American Federation of Radio Artists, etc.<sup>5</sup>

Secondly, by analogy to the copyright cases, licensing agreements are construed in derogation of the rights of the grantee.<sup>6</sup> Thus the grant by contract, when motion pictures were a familiar mode of representation, of the "sole and exclusive license to produce, perform and represent" a copyright play, assigned only stage rights.<sup>7</sup> Similarly, a license granting dramatic rights did not include "talking motion picture rights."<sup>8</sup> To be sure, there are cases to the contrary. Thus the assignment

<sup>5</sup> E.g., the collective agreement of Actors' Equity Association provides that actors taking part in a performance broadcast wholly or in part are entitled to a minimum supplementary remuneration of one-eighth of a week's salary, or the minimum fee required by the American Federation of Radio Artists for such a broadcast, whichever is the higher. Actors appearing in a motion picture, radio, or television broadcast are entitled to an additional minimum fee of one week's salary for each day or part thereof employed.

<sup>6</sup> *Shaftor, Musical Copyright*, 143-144 (1939); *Weil, Copyright Law*, 554 (1917).

<sup>7</sup> *Manners v. Morosco*, 252 US 317, 40 S Ct 335, 64 L Ed 590 (1920); *Harper Bros. v. Klaw*, 232 Fed 609 (SD NY 1916); *Klein v. Beach*, 232 Fed 240 (SD NY 1916).

<sup>8</sup> *Kirke La Shelle Co. v. Armstrong*, 263 NY 79, 188 NE 163 (1933); cf. *L. C. Page & Co. v. Twentieth Century Fox Film Corp.*, 83 F2d 196, 199 (2d Cir 1936).

of dramatic rights has been held to include motion picture rights although motion pictures were unknown at the time when the assignment was made.<sup>9</sup> All of the cases dealing with this subject can be reconciled and distinguished on a factual basis. It is believed that the courts, as in the *Norman* case, must recognize that the television rights have an economic value to the copyright proprietor or the entrepreneur and that they are separate and distinct from radio or motion picture rights.<sup>10</sup>

It is submitted that the television rights are not impliedly transferred to the entrepreneur; on the contrary, they were retained by the plaintiffs. The basic issue thus tendered is whether any statutory or common law remedy could be invoked by plaintiffs to protect and enforce their television performing rights.

*The Copyright Code.* Artists such as the plaintiffs in the *Peterson* case can protect and enforce interpretive performing rights by preserving their performances on film and registering the same with the Copyright Office as a motion picture photoplay<sup>11</sup> or as a motion picture other than a photoplay.<sup>12</sup> If the performance tells a story, the script may be registered with the Copyright Office as a dramatic composition.<sup>13</sup> Statutory copyright may be invoked by performers provided they are the proprietors of the work seeking statutory protection. The benefits of the Copyright Code are not available to performers as distinguished from proprietors.<sup>14</sup>

<sup>9</sup> *Dam v. Kirke La Shelle Co.*, 175 Fed 902 (2d Cir 1910); *Photo Drama Motion Picture Co. v. Social Uplift Film Co.*, 220 Fed 448 (2d Cir 1915); *Frohman v. Fitch*, 164 AppDiv 231, 149 NYSupp 633 (1914). And see Weil, *Copyright Law*, 555-556 (1917).

<sup>10</sup> *Norman v. Century Athletic Club, Inc.*, 69 A2d 466 (Md 1950); See also: *Ricordi & Co. v. Paramount Pictures*, 92 FSupp 537, 541 (DC NY 1950), modified on appeal, 189 F2d 469 (2d Cir 1951): "In *Harper Bros. v. Klaw*, DC 232 F 609 at page 613 Judge Hough in referring to movie rights under a contract stated that the movie rights to a certain work *Ben Hur* undoubtedly existed in 1899, but in nubibus, or (what is frequently the same thing) in contemplation of law only.

As a matter of fact they are an accretion or unearned increment conferred of late years upon the copyright owners by the ingenuity of many inventors and mechanics." Cf. *Rogers v. Republic Productions*, 7 Radio Regulation 2072 (DC Cal 1951) with *Autry v. Republic Productions* 104 FSupp 918 (DC Cal 1952). See Silverberg, *Televising Old Film—Some New Legal Questions About Performers and Proprietors' Rights* (1952) 38 VaLaw Rev 615.

<sup>11</sup> Copyright Code, 61 STAT 652, 17 USC § 5(1) (Supp 1951).

<sup>12</sup> *Id.* § 25(m).

<sup>13</sup> *Id.* § 25(d).

<sup>14</sup> See *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937) note 2.

*Common Law Copyright.* The complaint in the *Peterson* case did not allege infringement of common law copyright. This is surprising in the light of the *Waring* and related decisions which have held that common law copyright is present in the musical rendition by an orchestra<sup>15</sup> and in the performance of an actor or singer.<sup>16</sup> Complainants may have been precluded from invoking this theory because their common law rights may have been lost by publication.

*Right of Privacy.* The court devoted more attention to this cause of action than the two other counts. We have discussed the applicability of the privacy doctrine to program content elsewhere.<sup>17</sup> For present purposes, public performers can hardly invoke the privacy doctrine to protect their mental interests. Complainants would be hard pressed to show that the defendant had interfered with their personal, private or seclusive interests. For all practical purposes, the privacy count is a camouflage for the assertion of pecuniary rights by performers. This, as we have discussed in the preceding section, is a subsidiary right of *le droit moral* which is not recognized in our jurisprudence.<sup>18</sup> Furthermore, as was stated in *Gautier v. Pro-Football Inc.*,<sup>19</sup> which involved the unauthorized telecast of a vaudeville act between the halves of a football game, the privacy doctrine cannot be employed to fill gaps in the Copyright Code "or to supplement causes of action based on contracts express or implied or to extend the law relating to unfair competition or to the appropriation of another's business or enterprise."<sup>20</sup>

*Implied Contract.* Plaintiffs claimed in this count that the defendant was indebted to them "for reasonable value of work, labor and services performed by the plaintiff for the

<sup>15</sup> *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937); *cf.* *R.C.A. Mfg. Co. v. Whiteman*, 114 F2d 86, 88 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940).

<sup>16</sup> *Waring v. Dunlea*, 26 FSupp 338, 340 (DC NC 1939); *Savage v. Hoffman*, 159 Fed 584 (CCSD NY 1908); *cf.* *Long v. Decca Records, Inc.*, 76 NYS2d 133 (SupCt 1947); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950).

<sup>17</sup> *Passim* § 220.

<sup>18</sup> Judge L. Hand in *R.C.A. Mfg. Co. v. Whiteman*, 114 F2d 86, 88 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940): "It scarcely seems necessary to discuss the strange assertion that to broadcast the records in some way invades somebody's 'right of privacy', presumably Whiteman's."

<sup>19</sup> 106 NYS2d 533 (NYSupCt 1951), reversing, 198 Misc 850, 99 NYS2d 812 (1950).

<sup>20</sup> *Id.*

defendant at its request. . . .” The basis for a cause of action founded on implied contract is a course of conduct by the parties showing a mutual intention to contract. The conduct of the plaintiffs and defendant negates any such contractual understanding.<sup>21</sup> As the court stated:

“The plaintiffs are no more entitled to recover upon the quantum meruit theory from the broadcasting company, in my opinion, than the cameraman who took the motion pictures is entitled to recover from the plaintiffs for his services. It is said the broadcasting company received financial benefits from plaintiffs’ services. By a parity of reasoning it might be said the plaintiffs benefited by having the cameraman make the motion picture of their performance. In either case, however, the element of a promise, express or implied, to pay for such services is lacking.”

*Unfair Competition.* An analysis of this count discloses that the unfair competition complained of was indirect, i.e., that the wide-spread dissemination of plaintiff’s performance via a telecast or motion pictures would diminish the commercial value of their act by making it increasingly difficult to obtain engagements and adequate remuneration therefor. This approach dispensed with direct or marked competition in its attempt to apply the “misappropriation theory” of the *Associated Press case*. The court rejected this theory. It held that an action founded on unfair competition did not lie since there was no “passing off” and the parties were not true competitors. This conclusion is surprising since the California courts do not consider “passing off” and direct or “market” competition as jurisdictional prerequisites to an unfair competition action.<sup>22</sup>

The court then characterized the third cause of action as “one for damages resulting from the alleged illegal use of plaintiffs’ property, i.e., the television and motion picture rights.” The remedy suggested for the protection of such property was the reservation by plaintiffs of their television and motion picture rights. The failure to reserve such rights

<sup>21</sup> Clark, *Contracts* 19 ff (1931).

<sup>22</sup> See *Stork Restaurant Inc. v. Sahati*, 166 F2d 349 (9th Cir 1948) wherein the court in construing California law applied the misappropriation theory of the *Associated Press*

*case; Sunbeam Corporation v. Sunbeam Lighting Co.*, 83 FSupp 429 (DC Cal 1949); *Safeway Stores Inc. v. Dunnel*, 172 F2d 649 (9th Cir 1949), cert den, 337 US 907, 69 Sct 1049, 93 LEd 1573 (1949).

precludes the performer from instituting suit against the "one who broadcasts his performance."

When the court referred to the third cause of action, as one involving the illegal use of plaintiff's property, it was employing the verbiage of the doctrine of moral right and its subsidiary rights. This language suggests that the interests of performing artists warrant protection on the theory of work done. The logical consequences of this theory would permit performers to assert authorization and pecuniary rights under a common law cause of action described as "one for damages resulting from the alleged illegal use of plaintiffs' property." . . . As a matter of fact the three counts in the *Peterson* case were a camouflage for the assertion of authorization and pecuniary rights by plaintiffs.

As we have suggested in the previous section, the introduction of the doctrine of moral right and its subsidiary rights into our jurisprudence should be effectuated by legislative remedies rather than by the common law. This doctrine necessitates the adoption of legislative standards to guide the courts in their application of this new juridical concept. In addition a legislative standard is an effective instrumentality to resolve the conflicting interests which would be affected by this doctrine.

We therefore conclude that the common law as exemplified by the complaint does not furnish a remedy for the protection and enforcement of interpretive performing rights in a telecast. This does not mean that a performer cannot protect himself. The relationships between the parties may warrant recovery on the basis of implied or quasi-contract.<sup>23</sup> More importantly, if a performer is a member of one of the unions connected with "show business," the collective bargaining agreements will in all probability protect his television performing rights.<sup>24</sup>

The likelihood of litigation such as is exemplified by the *Peterson* case, is remote. In all contracts of employments between athletic stars or vaudeville performers and entrepreneurs, the parties specifically bargain for and dispose of in writing the radio, motion picture and television rights.

This case must be limited to its precise facts—that a cause of

<sup>23</sup> *Gautier v. Pro-Football, Inc.*, 106 NYS2d 533 (NYSupCt 1951).

<sup>24</sup> *Op cit supra*, note 5.

action founded on right of privacy and unfair competition does not furnish a remedy to protect and enforce interpretative performing rights. It must be distinguished from the Louis-Walcott litigation in that in the latter, the proprietor as distinguished from the performing artist was seeking to enjoin an unauthorized telecast. To be sure, in the Louis-Walcott litigation, the fighters were joined as parties-plaintiffs. But the brunt of the litigation was borne by the stations, network and sponsor and they, in their proprietary capacity could enjoin an unauthorized telecast without recourse to the performing rights of the contestants.

### 217. DESIGN PIRACY.

The thesis of this chapter is that the law of unfair competition should not be used as a substitute for copyright protection; that the former should be employed to protect word or program content when common law or statutory copyright are inadequate.

This theory is challenged by the "design piracy" cases.<sup>1</sup>

The copying of other manufacturer's styles and designs in the ready-to-wear industry is called "style" or "design piracy." Style as applied to a dress refers to its general characteristics, such as the length of the skirt, the size of the sleeve, the height of the waist, etc.; while design as applied to a dress includes all the details involved in its make-up. A style is a type, while a design is an interpretation of the style.

Styles and designs embodying as they do artistic and intellectual effort, are considered original creations; they possess a substantial economic value for an extremely short period of time. This is confirmed by the following: the dress industry has five seasons, spring, summer, fall, winter and winter-resort seasons. A manufacturer must furnish a line of samples for each season. The cost to produce a single line is between \$30,000 and \$50,000. The "style" life of a dress, i.e., the period

<sup>1</sup> For excellent discussions of the "design piracy" problems see: Derenberg, *Is Piracy of Dress Designs an Actionable Wrong?*, 31 *TM Bull* 57 (1936); Callmann, *Style and Design Piracy*, 22 *JPatOff Soc'y* 557 (1940). There is an excellent explanation of the "design piracy" case in *Wm. Filene's Sons Co. v. Fashion Originator's Guild of America*, 90 F2d 556, 557 (1st Cir 1937). See also: Wolff, *Is Design Piracy Unfair Competition?* (1941) 23 *JPatOff Soc* 431, who discusses French, German and Swiss cases; Hutchinson, *Design Piracy* (1940) 18 *HarvBusRev* 191; Weikart, *Design Piracy* (1944), 19 *IndLJ* 235.

between the first order and the last substantial reorder is usually not more than three months.

The basic issue tendered is whether statutory or common law remedies may be invoked to protect original designs. Copying destroys the style and design values of dresses which are copied. Women will not purchase dresses at a higher price at one store if dresses which look the same are offered at another store at half those prices. Copying thus reduces the number and amount of reorders. In addition manufacturers do not buy materials in as large quantities as they otherwise would. This tends to increase the cost of dresses and the prices at which they must be sold.

The first question presented is whether the design patent law<sup>2</sup> will protect an original design. The design patent law is ineffective for several reasons.

Firstly, it requires the same standard of originality and novelty as in the case of mechanical inventions.<sup>3</sup> Obviously

<sup>2</sup> REV STAT §§ 4929, 4933 (1875) as amended, 35 USC § 73 (1946): "Any person who has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than one year prior to his application, and not in public use or on sale in this country for more than one year prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law and other due proceedings had, the same as in cases of inventions or discoveries covered by section 31 of this title, obtain a patent therefor.

"All the regulations and provisions which apply to obtaining or protecting patents for inventions or discoveries not inconsistent with the provisions of this title, shall apply to patents for designs."

<sup>3</sup> In re Faustmann, 155 F2d 388, 392 (CCPA): "Thus it is seen that the authority for granting a design patent is based upon four propositions—the design must be new, original, ornamental, and must be the product of invention. . . . The greatest difficulty encountered has been in determining the

question of the existence of invention. . . . It has been a uniform holding of this court, following the settled law announced by other courts, that the production of a design patent must involve the element of invention and it is well-settled that no lesser degree of inventive skill is required in the production of designs than other kinds of patented articles (cases cited and discussed *infra*)." For the attitude of the Patent Office, see opinion of former Commissioner Ooms in *Ex parte Norman*, 69 USPQ 553 (1946); *Nat Lewis Purses, Inc. v. Carole Bags, Inc.*, 83 F2d 475, 476 (2d Cir 1936): ". . . a design patent must be the product of 'invention' by which we meant the same exceptional talent that is required for a mechanical patent. . . . True, the piracy of designs, especially in wearing apparel, has been often denounced as a serious evil and perhaps it is; perhaps new designs ought to be entitled to a limited copyright. Efforts have been made to induce Congress to change the law so as to give some such protection, without success thus far; and until it does, new designs are open to all, unless their production demands some salient ability." See also: *Verney Corporation v. Rose Fabric Converters Corporation*, 87 FSupp 802 (SD NY 1949); *White v. Leanore*

the styles and designs for the dress industry do not demand pure originality; they reflect artistic and intellectual effort which have been applied and embodied in a new or novel way to a manufactured product. Because of this requirement of originality in the "inventive sense," it has been estimated that 90 per cent of the applications for design patents are refused upon the first search.<sup>4</sup>

Secondly, the time consumed in obtaining a design patent generally makes it valueless. Each design requires a thorough search in and by the Patent Office. By the time the necessary papers are filed with the Patent Office, the search concluded, etc., the "style" life of the dress has long since terminated. Such protection as is afforded by the patent law is illusory because when the patent is issued the design has been copied and its economic value has expired.<sup>5</sup>

Thirdly, the cost of securing letters patent is from \$25 to \$100 per design. With the silk industry alone registering a minimum of 100,000 designs with its Industrial Design Registration Bureau, the cost would be prohibitive to the individual manufacturer who may wish to register several hundred designs per season.<sup>6</sup>

The deficiencies of the design patent law are substantial, hence it cannot be invoked to protect creative designs. The next question is whether the Copyright Code provides a remedy.

The judicial interpretation of applicable sections of the Copyright Code requires the copyright notice to be inscribed on each repeat of the design. This destroys the merchantable

Frocks, Inc., 120 F2d 113 (2d Cir 1941); *Roseweb Frocks, Inc. v. Moe Feinberg-Mor Wiesen, Inc.*, 40 FSupp 979 (SD NY 1941); *Belding Heminway Co. v. Future Fashions, Inc.*, 143 F2d 216 (2d Cir 1944); *Cat's Paw Rubber Co. Inc. v. Jenco*, 87 FSupp 662 (DC NY 1949); *Levoy v. Styl-Rite Optical Corp.*, 88 FSupp 497 (DC NY 1949); *General Time Instruments Corp. v. United States Time Corp.*, 165 F2d 853 (2d Cir 1948).

<sup>4</sup> Testimony of Sylvan Gotshal in Hearings before the House of Representatives Committee on Patents for Revision of Copyright Laws, 74th Cong., 2d Sess 841, 842 (1936); see also Hearings before a Subcommittee

on Patents, Trade Marks and Copyrights of the Committee on the Judiciary on HR 2860, 80th Cong, 1st Sess (1947), and particularly the statements of Sam B. Warner, Register of Copyrights, at pp 29, 34 ff; Sylvan Gotshal, at pp 27 and 57 ff; and Karl Penning at pp 10 and 31 ff.

<sup>5</sup> See the testimony of Miss Mary Bondelari at the 1936 Patent Hearing, 699, 920, 964.

<sup>6</sup> *Supra* note 4. Since 1914, numerous bills have been introduced in the House and Senate for design protection. Weikert, *Design Piracy*, 19 IndLJ 235, 245-247 (1944), list 32 bills intermittently before the House and Senate from 1914 to 1935.

and commercial value of the fabric since the copyright notice may appear frequently in but one yard of the goods.<sup>7</sup>

Secondly, the Copyright Office in permitting the registration of artistic drawings which are subsequently used for articles of manufacture, confers no exclusive right to make and sell the article illustrated. "To give an author or designer an exclusive right to manufacture the article described in the certificate of copyright registration, when no examination of its novelty has ever been made, would unjustly create a monopoly and moreover would usurp the functions of letter patent."<sup>8</sup> In addition, there is some doubt whether a dress design is sufficiently artistic in nature to be the subject of copyright protection. The judicial interpretation of the term "artistic nature" excludes designs for industrial purposes which are utilitarian in character.<sup>9</sup>

It would appear that the Copyright Code cannot be invoked to protect original designs. May common law copyright or the law of unfair competition furnish a remedy? Although a dress design constitutes an original intellectual production, there is a general publication or loss of such common law rights since the general public may purchase dresses embodying the original design.<sup>10</sup>

<sup>7</sup> DeJonge & Company v. Breuker & Kessler Company, 235 US 33, 36, 35 S Ct 6, 59 LEd 113 (1914). "Every reproduction of a copyrighted work must bear the statutory notice. . . . It is suggested that it is overtechnical to require a repetition of the notice upon every square in a single sheet that makes a harmonious whole. This argument tacitly assumes that we can look to such a larger unity as the sheet possesses. But that unity is only the unity of a design that is not patented. . . . The appellant is claiming the same rights as if this work were one of the masterpieces of the world, and he must take them with the same limitations that would apply to a portrait, a holy family, or a scene of war." See also Verney Corporation v. Rose Fabric Converters Corporation *et al.*, 87 FSupp 802 (SD NY 1949); *cf.* Kemp & Beatley, Inc. v. Hirsch *et al.*, 34 F2d 291 (ED NY 1929).

<sup>8</sup> Adelman v. Sonner's & Gordon, Inc., 21 USPQ 218 (DC NY 1934);

Kemp & Beatley, Inc. v. Hirsch *et al.*, 34 F2d 291 (ED NY 1929); Verney Corporation v. Rose Fabric Converters Corporation *et al.*, 87 FSupp 802, 804 (SD NY 1949).

<sup>9</sup> Kemp & Beatley, Inc. v. Hirsch *et al.*, 34 F2d 291 (ED NY 1929). In Burke v. Spicers Dress Designs, [1936] 1 All ER 99, plaintiffs brought an action under the English Copyright Act, 1911, 1 & 2 Geo 5, c 46, to restrain infringement by copying a sketch of a design for a lady's dress and the dress itself. The Court, per Clauson, J., held that the frock was not an "original work of artistic workmanship," hence it was not protected by the Copyright Act. And see cases cited in Verney Corporation v. Rose Fabric Converters Corporation *et al.*, 87 FSupp 802 (SD NY 1949).

<sup>10</sup> Millinery Creators' Guild, Inc., *et al.* v. Federal Trade Commission, 109 F2d 175 (2d Cir 1940), *aff'd*, 312 US 469, 61 S Ct 708, 85 LEd 955 (1940); Fashion Originators' Guild of America,

The final common law remedy available is the law of unfair competition. *Cheney Brothers v. Doris Silk Corporation*<sup>11</sup> is decisive on this issue. Defendant copied one of plaintiff's popular and original silk designs. As the court's opinion points out, not more than one-fifth of the designs created each season catch the public fancy. "It is in practice impossible and it would be very onerous if it were not, to secure design patents upon all of these; it would be impossible to know in advance which would sell well and patent only those. Besides, it is probable that for the most part they have no such originality as would support a design patent. Again, it is impossible to copyright them under the Copyright Act . . . or at least so the authorities of the Copyright Office hold."<sup>12</sup>

Plaintiff's request for protection of its design during the season was denied. "In the absence of some recognized right at common law, or under the statutes—and the plaintiff claims neither—a man's property is limited to the chattels which embody his invention. Others may imitate these at their pleasure. . . . This is confirmed by the doctrine of 'nonfunctional' features, under which it is held that to imitate these is to impute to the copy the same authorship as the original." Mr. Justice Learned Hand, speaking for the court, refused to extend the ruling of the *Associated Press* case beyond printed news dispatches. "It appears to us incredible that the Supreme Court (in the *Associated Press* case) should have had in mind any such consequences. To exclude others from the enjoyment of a chattel is one thing; to prevent any imitation of it, to set up a monopoly in the plan of its structure, gives the author a power over his fellows vastly greater, a power which the Constitution allows only Congress to create."

Mr. Justice Hand then recognized the inadequacy of the present statutes:

"True, it would seem as though the plaintiff had suffered a grievance for which there should be a remedy, perhaps by amendment of the Copyright Law, assuming that this does not already cover the case, which is not urged here.

*Inc., et al. v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 S Ct 703, 85 LEd 949 (1941).

<sup>11</sup> 35 F2d 279 (2d Cir 1929), cert den, 281 US 728, 50 S Ct 245, 74 LEd

1145 (1930); *Verney Corporation v. Rose Fabric Converters Corporation et al.*, 87 FSupp 802, 804 (SD NY 1949).

<sup>12</sup> Cf. *Howell*, *The Copyright Law* (1948) 124-125.

It seems a lame answer in such a case to turn the injured party out of court but there are larger issues at stake than his redress. Judges have only a limited power to amend the law; when the subject has been confided to a Legislature, they must stand aside, even though there be a hiatus in completed justice. An omission in such cases must be taken to have been as deliberate as though it were express, certainly after longstanding action on the subject-matter. Indeed, we are not in any position to pass upon the questions involved, as Brandeis, J., observed in *International News Service v. Associated Press*. We must judge upon records prepared by litigants, which do not contain all that may be relevant to the issues, for they cannot disclose the conditions of this industry or of the others that may be involved. Congress might see its way to create some sort of temporary right, or it might not. Its decision would certainly be preceded by some examination of the result upon the other interests affected. Whether these would prove paramount we have no means of saying; it is not for us to decide. Our vision is inevitably contracted, and the whole horizon may contain much which will compose a very different picture."<sup>13</sup>

A New York case, decided two years later, did furnish protection to an original unpatented and non-copyrighted design.<sup>14</sup> In this case, unlike the *Cheney Brothers* decision, plaintiffs successfully invoked common law copyright to protect their designs. Plaintiffs, manufacturers of ladies coats submitted 39 sample coats to defendant, a mail order house, which sells articles of wearing apparel throughout the United

<sup>13</sup> *Cheney Bros. v. Silk Corporation*, 35 F2d 279, 281, (2d Cir 1929) cert den, 281 US 728, 50 S Ct 245, 74 LEd 1145 (1930); *Verney Corporation v. Rose Fabric Converters Corporation et al.*, 87 FSupp 802, 804 (SD NY 1949). "As to the second count for unfair competition, the case is indistinguishable from *Cheney Bros. v. Doris Silk Corp.*, 2 Cir, 35 F2d 279, cert den, 281 US 728, 50 S Ct 245, 74 LEd 1145, where it was held that anyone might copy plaintiff's silk patterns which had not been protected by a design patent or by a copyright. See also *Lewis v. Vendome Bags, Inc.*, 2 Cir, 108 F2d 16, cert den, 309 US 660, 60 S Ct 514, 84 LEd 1008, and *Electric Auto-Lite Co. v. P. & D. Mfg. Co.*, 2 Cir, 109 F2d 566. The New York law is also in accord with these decisions. *Maveco, Inc.*

*v. Hampdon Sales Ass'n*, 273 AppDiv 297, 77 NYS2d 510; *Margolis et al. v. National Bellas Hess Co., Inc.*, 139 Misc 738, 249 NYSupp 175." See also *Derenberg, Is Piracy of Dress Designs an Actionable Wrong?* 31 Bull US Trade-Mark Ass'n 57 (1936); *Wolff, Is Design Piracy Unfair Competition?* 23 JPatOffSoc 431 (1941).

<sup>14</sup> *Margolis et al. v. National Bellas Hess Co., Inc.*, 139 Misc 738, 249 NYSupp 175 (1931), *aff'd without opinion*, 235 AppDiv 839, 257 NYSupp 912 (1932). Judge Merrell dissented on the ground that plaintiffs' sole remedy was an action to recover damages for breach of contract. See also *Maveco, Inc. v. Hampdon Sales Ass'n et al.*, 273 AppDiv 297, 77 NYS2d 510 (1948).

States. Defendant returned all but one sample. The latter was turned over to another manufacturer who copied plaintiff's original design. The court granted plaintiff's request for injunction and compelled the defendant to account for profits made on the style in controversy.

The injury to plaintiffs was the piracy of their original design. The case did not involve statutory patent or copyright. The design was not obtained by fraudulent means, nor did it involve any "palming off" of the defendant's product as plaintiffs'. Equitable relief was furnished on the basis of the following principles:

"1. Where an original design, not copyrighted or patented, is published, or put on the market, the owner's property is limited to the articles which embody his design. Subject to the restrictions hereafter noted, others may copy the design without compensation and without acknowledgment and offer it for sale at will.

"2. Where such design is not put on the market or published, it will be protected at common law and others may be restricted from copying it.

"3. Notwithstanding publication of such design, its copying will be restricted if it involves a breach of contract or of trust, or if the design was obtained by fraudulent or unfair means.

"4. In any case, in order to protect such design (not patented or copyrighted), there must not only be substantial identity, but the identity must be due to the copying of plaintiffs' designs. Similarity in and of itself will not suffice except under certain conditions in cases of 'palming off.' " <sup>15</sup>

The design piracy cases illustrate our thesis: that the law of unfair competition should be applied since neither the design patent law, the Copyright Code nor the common law adequately protects original dress designs. But the *Cheney Brothers* case negates our theory. The court refused to permit the law of unfair competition to supply deficiencies in the design patent law or the Copyright Code. Here again there are substantial and conflicting interests whose differences can

<sup>15</sup> *Margolis et al. v. National Bellas Hess Co., Inc.*, 139 Misc 738, 741, 249 NYSupp 175, 179 (1931); *cf. Montegut et al. v. Hickson, Inc.*, 178 AppDiv 94,

164 NYSupp 858 (1917); *Cornibert v. Cohn et al.*, 169 Misc 285, 7 NYS2d 351 (1938).

best be resolved by the formulation of a comprehensive policy by the legislature.<sup>16</sup>

The *Cheney Brothers* case therefore modifies our basic thesis. The law of unfair competition will not complement the deficiencies of the Copyright Code, where to do so would require the courts to resolve substantial conflicting interests, which the legislature is better equipped to resolve.

## 218. THE ADVERTISING CASES.

For all practical purposes the advertising content of radio and television programs is copyrightable. The courts have been extremely liberal in finding originality and artistic merit in an elaborate variety of printed matter.<sup>1</sup>

However, the great bulk of advertising matter is not registered with the Copyright Office.<sup>2</sup> An advertiser seeks the

<sup>16</sup> Since 1914 numerous bills have been introduced in the House and Senate of Congress for design protection. Copyright registration proposals have been the most frequent of which the various Vestal bills are best known. See HR Rep No 11852, 71st Cong, 2d Sess (1930) discussed in 31 CalifLRev 477 (1931); Weikert, Design Piracy, 19 IndLJ 235, 245-247 (1944) lists thirty-two bills intermittently before the House and Senate from 1914 to 1935. For the most recent hearings on design protection legislation, see Hearings on HR No 2860, *supra* note 4.

<sup>1</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 SCt 298, 47 LEd 460 (1903); *Ansehl v. Puritan Pharmaceutical Co.*, 61 F2d 131 (8th Cir 1932), cert den, 287 US 666, 53 SCt 224, 77 LEd 374 (1932); *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F2d 99 (2d Cir 1951); See Yankwich, Originality in the Law of Intellectual Property (1951) 11 FRD 457.

<sup>2</sup> S. B. Warner, US Copyright Act: Anti-Monopoly Provisions Need Some Revisions (1949): "Almost all the publications of the American book trade are copyrighted each year, as are also nearly all motion pictures and published music, together with many thousands of pieces of unpublished music. The Copyright Act forbids the copyrighting of publications of the United States Government. Very few State, county or

municipal publications are copyrighted. Less than one-half of one per cent of the newspapers are copyrighted, though many columnists and comic strip writers copyright their products separately, so that they will be protected even when appearing in an uncopyrighted newspaper. N. W. Ayer & Son's Directory of Newspapers and Periodicals for 1948 lists 20,246 newspapers and periodicals as published in 1947, but this directory purports to cover only part of the field. The total number of newspapers and periodicals is much greater, probably well over a hundred thousand. The number copyrighted in 1947 was approximately 4200. Of course, the few thousands of foreign works copyrighted each year are but an infinitesimal fraction of the number published.

"In the absence of figures of literary output for the United States or for the world, the number of copies of works received each year by the Library of Congress probably gives the best available indication of at least that part of the output which influences American culture. In comparing these figures with the number of copyrighted works, it must be remembered that the Library of Congress receives many duplicates and books published in former years, and that only about half of the copyright registrations are considered of sufficient cultural significance

aid of the courts when his competitor misappropriates his advertising material. Since he cannot invoke the remedies of the Copyright Code because of non-compliance with its statutory formalities, he brings an unfair competition action to enjoin the misappropriation of his advertising material. The following cases illustrate the extreme reluctance of the courts to use the law of unfair competition as a substitute for copyright protection:

In *International Hearing Co. v. Oliver Oil Gas Burner & Machine Co.*,<sup>3</sup> a former employee of the plaintiff who had assisted in the preparation of plaintiff's advertising copy, organized the defendant corporation and used in defendant's advertisements certain words, phrases and sentences and in general outline the pictorial illustrations and representations of plaintiff's advertisements. "If the defendant company has been guilty of unfair competition, it is not because of the wrongful use of confidential information acquired by Grafe during his employment by plaintiff, but because of imitation of plaintiff's advertisement and deception of the public . . . we are here dealing with advertisements and not with the dress in which the burners of the respective parties were offered to customers over the counter by retail dealers. Similarity of dress is enjoined as unfair competition, because customers, calling for an article, do not stop to read printed names and addresses, or to observe differences which may distinguish the simulated article from the one called for. They are satisfied with general appearances. But a customer obtained through an advertisement must of necessity read the advertisement to become acquainted with the article advertised and to know the name and address of the advertiser. Plaintiff's advertisements describe the Oliver oil gas burner and give plaintiff's name as Oliver Oil Gas Burner & Machine Company, with its address. No sensible person acquainted with plaintiff's advertisements would believe that

to be turned over to the Library. In 1947 the Copyright Office registered 230,215 works and the Library of Congress received 6,789,169 items." [Footnotes omitted]. Although copyright protection is available for advertising material, it is seldom employed: see Borden, *Copyright of Advertising*, 35 *KyLJ* 205 (1947); Note, 45 *HarvLRev*

542 (1932); cf. Savord, *The Extent of Copyright Protection for Advertising*, 16 *Notre Dame Law* 298 (1941); Freedland, *Copyright Protection of Advertising*, 27 *KyLJ* 391 (1939).

<sup>3</sup> 288 Fed 708 (8th Cir 1923), cert den, 263 US 714, 44 S Ct 135, 68 LEd 521 (1923).

the defendant company was advertising and selling plaintiff's burner." <sup>4</sup>

In *Westminster Laundry Co. v. Hesse Envelope Co.*, plaintiff ran a "blind" advertisement with the coined word, "Stopurkicken," intending, after arousing public curiosity to associate this word with its laundry business. Before this association was completed, defendant, a manufacturer of envelopes, distributed envelopes bearing the coined word. Defendant's conduct was not regarded as an unfair competitive practice since no "palming off" was involved. <sup>5</sup>

In *Crump Co. v. Lindsey*, <sup>6</sup> the plaintiff prepared a catalogue for automobile parts. Twenty or more pages of defendant's catalogue were photographic copies of plaintiff's catalogue, otherwise the catalogues were not similar. Plaintiff's bill for an injunction on the ground of unfair competition was dismissed . . . "from any standpoint such a method of business is unquestionably unfair, and is not supported by any right of the company so acting to so appropriate and use the result of the work and expenditure of another. But under our system of jurisprudence a court of equity will not adjudicate an abstract question of whether a defendant possesses a right of conduct." Defendant's conduct decreased his expenditures and correspondingly increased his profits, but it did not tend to lessen plaintiff's profits, hence in the absence of other unfair acts, no relief could be granted. <sup>7</sup>

<sup>4</sup> *Id.*

<sup>5</sup> *Westminster Laundry Co. v. Hesse Envelope Co.*, 174 MoApp 238, 156 SW 767 (1913); *Edward Hilker Mop Co. v. United States Mop Co., et al.*, 191 Fed 613 (6th Cir 1911): "The circulars sent defendant's agents were apparently copied in substantial respects, from complainant's circulars to its agents. The similarity is such that, if intended or likely to be given to the ultimate purchaser, we should be disposed to hold that the ultimate purchaser who had seen complainant's circulars was likely to be deceived by defendant's circulars into purchasing in the belief that the goods were those of complainant's manufacture. But the nature of the circulars issued by both parties was such, containing as they did instructions to and a schedule of large compensations paid agents,

that it seems quite unlikely that they would naturally fall into the hands of the ultimate purchaser. It is urged that as defendant's circulars furnish 'talking points' identical in many respects with those in complainant's circulars to its agents, the prospective purchaser may well be deceived by the similarity of the arguments used by agents. It seems to me that this possibility is rather remote. The rule is well settled that nothing less than conduct tending to pass off one man's business or merchandise as that of another will constitute unfair competition." To the same effect is *Viavi Co. v. Vimedia Co., et al.*, 245 Fed 289 (8th Cir 1917).

<sup>6</sup> 130 Va 144, 166, 107 SE 679, 686 (1921).

<sup>7</sup> *Ibid.* In *Potter Drug & Chemical Corp. v. Pasfield Soap Co.*, 102 Fed 490 (CCED NY 1900), *aff'd*, 106 Fed

The foregoing cases are fairly typical. They illustrate that the law of unfair competition will not be used as a substitute for the Copyright Code to protect advertising content. Of course, if the imitation of advertisements involves the usual elements of unfair competition, viz., palming off, deception or confusion to the public, etc., such unfair practices will be enjoined.<sup>8</sup>

Callmann who discuss imitation of advertisements<sup>9</sup> at length, suggests that the law of unfair competition should be employed to complement copyright protection. He contends that the courts have unduly expanded the definitions of literature and art in furnishing copyright protection to advertising.<sup>10</sup> "The upshot is that the Copyright Act has been misused as an asylum for the injured competitor against the piracy of his rival. This is clearly a perversion of the copyright concept."<sup>11</sup> Callmann concludes that the "only proper question in the advertising cases, where there is no danger of confu-

914 (2d Cir 1901), plaintiff used the word "Cuticura" as a trade-mark for a toilet soap. Defendant marketed a toilet soap under the name "Cuticle Soap" and in circulars enclosed in the wrapper copied some of the reading matter from plaintiff's circulars. The name "Cuticle" was printed in a style similar to that in which plaintiff's "Cuticura" was printed. The court held that this did not establish unfair competition since defendant's soap was colored differently and the wrappers on each cake and the cartons in which a number of cakes were boxed were dissimilar in color and general appearance. To the same effect are: *A. J. Krank Mfg. Co. v. Pabst*, 277 Fed 15 (6th Cir 1921), cert den, 259 US 580; *Schulte v. Colorado Fire & Leather Co.*, 259 Fed 562 (8th Cir 1919); *Farmers' Handy Wagon Co. v. Beaver Silo & Box Mfg. Co.*, 236 Fed 731 (7th Cir 1916); *S. R. Feil Co. v. Robbins Co.*, 220 Fed 650 (7th Cir 1915).

<sup>8</sup> Nims, *Unfair Competition and Trade-Marks* (4th ed 1947) p 953: "Where a defendant has taken from plaintiff's advertising prospectuses whole clauses which he then has used in his own literature, or has reproduced verbatim the descriptive matter in plaintiff's catalogues and copied the

cuts, code words, and so forth, an injunction will be granted. Where defendant obtained from plaintiff advertising material, cuts and dies to be used in selling plaintiff's product, or secured such material by breach of trust, its use by defendant to advertise his own product, in competition with plaintiff's, will be enjoined. . . . Most of the cases in which the imitation of advertisements has been condemned have involved the usual elements of unfair competition; that is, they involved a tendency to mislead purchasers and to pass off goods. But there is a question whether short of this, there may not be an inequitable appropriation of the benefit of advertising, which is unfair."

<sup>9</sup> 1 Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) § 17.2(d) "Imitation of Advertisements" at 286 *et seq.*

<sup>10</sup> E.g. *Hartford Printing Co. v. Hartford Directory and Publishing Co.*, 146 Fed 332 (CC Conn 1906): "Copyrights upon directories have, however, been cared for by the courts so many times that it would be presumptuous for me, without solicitation, to attempt a practical expression of my own views."

<sup>11</sup> 1 Callmann at 292.

sion, is: Has one saved his own labor and money by appropriating the advertising matter of a competitor who, on his part, has to make expenditures of effort and capital?"<sup>12</sup>

It is extremely doubtful that the courts will employ Callmann's thesis and permit the misappropriation theory of the *Associated Press* case to be used as a complement or substitute for the Copyright Code in protecting advertising content.

## 219. CONCLUSION.

The basic thesis of this chapter is that the law of unfair competition has not and should not be employed as a substitute for common law or statutory copyright. This is premised on the reluctance of the courts to establish monopolies in words, phrases and ideas and thus remove them from public circulation.<sup>1</sup>

Our thesis is illustrated by the advertising cases. The law of unfair competition has not been used as a substitute for the Copyright Code to protect advertising content since the latter furnishes adequate protection.<sup>2</sup> Conversely, the law of unfair competition will be employed to complement common law and statutory copyright when the latter cannot protect program content. In the "news"<sup>3</sup> and "sports"<sup>4</sup> cases, the courts have employed the law of unfair competition to protect word and program content since neither the common law nor the Copyright Code furnished a remedy. On the other hand the

<sup>12</sup> *Id.* at 286.

<sup>1</sup> E.g., *International News Service v. Associated Press*, 248 US 215, 39 Sct 68, 63 LEd 211 (1918); *Triangle Publications v. New England Newspaper Pub. Co.*, 46 FSupp 198 (DC Mass 1942); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951); *Supreme Records v. Decca Records* 90 FSupp 904 (DC Cal 1950).

<sup>2</sup> *Cf.* *International Heating Co. v. Oliver Oil Gas Burner & Machine Co.*, 288 Fed 708 (8th Cir 1923), cert den, 263 US 714, 44 Sct 135, 68 LEd 521 (1923); *Crump Co. v. Lindsay, Inc.*, 130 Va 144, 107 SE 679 (1921); *Westminster Laundry Co. v. Hesse Envelope Co.*, 174 MoApp 238, 156 SW 767 (1913).

<sup>3</sup> *Associated Press v. Sioux Falls Broadcasting Ass'n*, 2 CCH § 7052

(1933), appeal dismissed by stipulation, 68 F2d 1014 (8th Cir 1933); *Associated Press v. KVOS, Inc.*, 9 FSupp 279 (DC Wash 1934), reversed, 80 F2d 575 (9th Cir 1935), dismissed for want of jurisdiction, 299 US 269, 57 Sct 197, 81 LEd 183 (1936).

<sup>4</sup> *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (DC Pa 1938); *Madison Square Garden Corp. v. Universal Pictures Co.*, 225 AppDiv 459, 7 NYS2d 845 (1938); *Rudolph Mayer Pictures Inc. v. Pathe News Inc.*, 235 AppDiv 774, 255 NYSupp 1016 (1932); *Mutual Broadcasting System Inc. v. Muzak Corp.*, 177 Misc 489, 30 NYS2d 419 (1941); *Twentieth-Century Sporting Club v. Trans-Radio Press Service*, 165 Misc 71, 300 NYS 159 (1937).

courts have refused to enjoin "design piracy" via the law of unfair competition despite the inadequacies of the design patent law and the Copyright Code. The courts are loath to resolve substantial and conflicting interests whose differences can and should be solved by the formulation of a comprehensive policy by the legislature.<sup>5</sup>

Performing artists have invoked the law of unfair competition to protect their interpretive rights. It is believed that the great majority of the courts will refuse to recognize performing rights whether under the guise of unfair competition, libel, right of privacy or equitable relief, since to do so would result in the *pro tanto* recognition of *le droit moral*.<sup>6</sup> The latter is alien to our jurisprudence and requires legislation in order to be recognized.

With regard to television programs per se, it is believed that the courts should have little or no occasion to employ the law of unfair competition to protect program content. The Copyright Code furnishes adequate protection. Thus dramatic programs can be registered with the Copyright Office as a dramatic composition,<sup>7</sup> or the script of a program may be classified as a lecture or similar program prepared for oral delivery.<sup>8</sup> If the television program contains songs, the proprietor thereof may obtain statutory copyright on all musical compositions.<sup>9</sup> If the television program has been preserved on film, copyright may be secured as a motion picture photoplay<sup>10</sup> or as a motion picture other than a photoplay.<sup>11</sup>

A neat question is tendered whether news or sports programs on television may be registered under Copyright Code. If the program is preserved on film, it is believed that the Copyright Office would register it as a photoplay, or motion picture other than a photoplay.

Despite the *Woody Woodpecker*<sup>12</sup> and *Miracle Record*<sup>13</sup> cases, it is believed that common law copyright will be invoked

<sup>5</sup> *Cheney Bros. v. Doris Silk Corp.*, 35 F2d 279 (2d Cir 1929), cert den, 281 US 728, 50 S Ct 245, 74 LEd 1145 (1930).

<sup>6</sup> *Cf. R.C.A. Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940). *Supreme Records v. Decca Records*, 90 FSupp 904 (DC Cal 1950).

<sup>7</sup> 37 Code Fed Reg § 205.5 (1948).

<sup>8</sup> *Id.* at § 202.4.

<sup>9</sup> *Id.* at 202.6.

<sup>10</sup> *Id.* at 202.13.

<sup>11</sup> *Id.* at 202.14.

<sup>12</sup> *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949) and discussed in detail, *infra* § 203a.

<sup>13</sup> *Shapiro Bernstein & Co. v. Miracle Record Co.*, 91 FSupp 473 (DC Ill 1950) and discussed in detail in §§ 61c and 203a.

to protect the content of television news and sports programs. Common law copyright has been defined previously as rights in an original intellectual production.<sup>14</sup> A television news or sports program constitutes an original intellectual production since it requires the use of technical and artistic skills—viz., the selection and arrangement of material, lighting effects, camera angles, and integration of sight and sound to produce a finished television production.<sup>15</sup>

The various rights protected by common law copyright are frequently lost because of the technical concept of “publication.” The latter may be described as an act of the proprietor whereby the subject matter is made available to the general public under circumstances permitting copies to be distributed or which indicates an intention of rendering the work common property and imply an abandonment and dedication of the work to the general public.<sup>16</sup>

The *Woody Woodpecker* and *Miracle Record* cases have challenged the concept of publication; they cast doubt on those decisions which hold that the broadcast of a radio program is neither an abandonment of common law rights nor a dedication of the same to the general public.<sup>17</sup> It is believed that the majority of the courts will not follow the concept of publication enunciated in the foregoing two cases. To do so would contravene a basic premise of our copyright jurisprudence—that a performance is not a general publication.<sup>18</sup> If, on the other hand, the principle of publication as spelled out by the *Woody Woodpecker* and *Miracle Record* cases should be followed by the courts, common law copyright will no longer be available to protect the content of television programs. The only available remedy would be the Copyright Code.

<sup>14</sup> *Ketcham v. New York's World Fair, Inc.*, 34 FSupp 657 (DC NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941).

<sup>15</sup> *Cf. Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 87 USPQ 173 (NYSupCt 1950).

<sup>16</sup> *Infra* § 203.

<sup>17</sup> *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), *modified*, 81 F2d 373 (1st Cir 1936), *cert den*, 298 US 670, 56 S Ct 835, 80 LEd 1393 (1936); *Pittsburgh*

*Athletic Co. v. KQV Broadcasting Co.*, 24 FSupp 490 (WD Pa 1938); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949) *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Twentieth-Century Sporting Club v. Trans-Radio Press Service*, 165 Misc 71, 300 NYSupp 159 (1937); *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 Atl 631 (1937).

<sup>18</sup> *Id.* And see *infra* §§ 61a and 203 ff.

There is one other facet of this problem which warrants discussion. The monopolistic privileges conferred by the Copyright Code are for a limited term.<sup>19</sup> On the other hand the protection accorded intellectual productions by common law copyright and unfair competition is perpetual. Thus common law copyright is subject to the same criticism as the law of unfair competition—both concepts result in perpetual monopolies. However, there are practical differences between these two concepts which warrant the retention of common law copyright in our jurisprudence.

The objection to unfair competition is that it establishes perpetual monopolies in words, phrases and ideas and thus removes them from public circulation.<sup>20</sup> Common law copyright on the other hand protects the order of words or the expression of ideas; it does not extend to a word, a phrase or an idea per se.<sup>21</sup> In addition the common law has prescribed the limitations and conditions under which this monopoly may operate. Thus the creations which are recognized as property by the common law are limited to literary, dramatic, musical, artistic and intellectual creations.<sup>22</sup> Another illustration is the concept of publication.<sup>23</sup> But there are no such restrictions on the law of unfair competition. Creative or intellectual effort is not a *sine qua non* in the law of unfair competition.<sup>24</sup> Similarly the doctrine of publication does not fetter the law of unfair competition.

Finally, common law copyright is rooted in the experience of the courts. The law of unfair competition when applied to intellectual property lacks this background and experience.

The foregoing restrictions and conditions imposed on the monopoly inherent in common law copyright, implemented by the experience of the courts warrants the retention of this system of copyright protection. Conversely the absence of

<sup>19</sup> 61 STAT 652 (1947), 17 USCA § 18 (Supp 1951).

<sup>20</sup> *Op cit supra* note 1.

<sup>21</sup> *Golding v. RKO Pictures Inc.*, 193 P2d 153, 163 (CalApp 1948), *aff'd* 35 Cal2d 690, 221 P2d 95 (1950):

“Ideas as such are not protected . . . at common law as well as under the copyright acts, it is the form, sequence and manner in which the composition expresses the idea which is secured to the author, not the idea.” See also:

*Stowe v. Thomas*, 23 FedCas 201, FedCas No 13, 514 (CC Pa 1853); *Fendler v. Morosco*, 253 NY 281, 171 NE 56 (1930); *Carter v. Bailey*, 64 Me 458, 461, 18 AmRep 273 (1874); *Yankwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 459-461.

<sup>22</sup> But *cf.* § 201.

<sup>23</sup> *Infra* § 203 ff.

<sup>24</sup> *Infra* § 212.

any restrictions on the law of unfair competition when applied to intellectual property, suggests that it will not supplant common law copyright. But Judge Learned Hand's comment is as pertinent today as it was twenty-five years ago:

“There is no part of the law which is more plastic than unfair competition, and what was not reckoned an actionable wrong twenty-five years ago may have become such today.”<sup>25</sup>

<sup>25</sup> Ely-Norris Safe Co. v. Moser Safe Co., 7 F2d 603, 604 (2d Cir 1925).

# Book I: Part D

## Chapter XXII

### PROTECTION OF THE CONTENT OF RADIO AND TELEVISION PROGRAMS BY THE RIGHT OF PRIVACY

§ 220. Protection of the Content of Radio and Television Programs by the Right of Privacy.

#### 220. PROTECTION OF THE CONTENT OF RADIO AND TELEVISION PROGRAMS BY THE RIGHT OF PRIVACY.

The right of privacy<sup>1</sup> has been defined as the “right to be left alone”<sup>2</sup> or the “right of inviolate personality.”<sup>3</sup> From its inception, this doctrine has been primarily concerned with the protection of mental interests.<sup>4</sup> This right “. . . is restricted to matters peculiarly personal, private, exclusive, as distinguished from such wrongs as libel, slander, trespass or injury to property, assault, etc., for which there are other legal remedies.”<sup>5</sup>

<sup>1</sup> See Ch XXVI, § 271 *et seq.*

<sup>2</sup> Warren and Brandeis, *The Right to Privacy* (1890) 4 HarvLRev 193, 195; De Mott, *The Right of Privacy in Relation to Radio Broadcasts* (1940) 12 Rocky MtLRev 127; Nizer, *The Right of Privacy* (1941) 39 MichLRev 526; Feinberg, *Recent Developments in the Law of Privacy* (1948) 48 CollLRev 713. Melvin v. Reid, 112 CalApp 285, 297 Pac 91 (1931): “‘The right of privacy may be defined as the right to live one’s life in seclusion, without being subjected to unwarranted and undesired publicity.’ In short it is the right to be let alone.”

<sup>3</sup> Warren and Brandeis, *supra* note 2, at 193. Nizer, *The Right of Privacy*. 39 MichLRev 526, 528 (1941): “The right of privacy, in essence, is anti-social. It is the right of an individual to live a life of seclusion and anonymity, free from the prying curiosity which accompanies both fame and notoriety. It presupposes a desire to withdraw from the public gaze, to be free from the insatiable interest of the

great mass of men in one who has risen above—or fallen below—the mean. It is a recognition of the dignity of solitude, of the majesty of man’s free will and the power to mold his own destiny, of the sacred and inviolate nature of one’s innermost self.” For an excellent definition of the privacy doctrine, see *Cason v. Baskin*, 155 Fla 198, 20 So2d 243 (1944). And see Feinberg, *Recent Developments in the Law of Privacy*, 48 CollLRev 713 (1948).

<sup>4</sup> Harper & McNeely, *A Re-examination of the Basis for liability for Emotional Distress* (1938) WisLRev 426; *McGovern v. Van Riper*, 137NJEq 24, 43 A2d 514 (1945); *Gautier v. Pro-Football League, Inc.*, 106 NYS2d 533 (NYSupCT 1951), reversing, 198 Misc 850, 99 NYS2d 812 (1950); *Leverson v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

<sup>5</sup> *Gregory v. Bryan-Hunt Co.*, 295 Ky 345, 349, 174 SW2d 510, 512 (1943). It is doubtful whether the privacy doctrine applies to property. In *Waring v. WDAS Broadcasting Station, Inc.*,

Messrs. Warren and Brandeis in their oft-cited article "The Right of Privacy"<sup>6</sup> advanced the thesis that the principle which protects personal writing or any other production of the intellect or of the emotion is comprehended by the right of privacy. But, like the ordinary concept of literary property or common-law copyright, "the right of privacy ceases upon the publication of the facts by the individual or with his consent."<sup>7</sup>

Litigants who have invoked the right of privacy to protect program content have misapplied this doctrine and confused it with common-law copyright. Common-law copyright has reference to an individual's property right in his original unpublished intellectual productions.<sup>8</sup> Two cases illustrate the difficulties confronting the courts when common-law copyright and the right of privacy are commingled and mis-applied. In *Waring v. WDAS Broadcasting Station*,<sup>9</sup> plaintiff argued that the right of privacy should protect the content of a radio program. Fred Waring's incorporated orchestra had recorded two popular songs. The phonograph records which were available for purchase by the general public were stamped with the legend "Not licensed for radio broadcasts." The defendant broadcast these records on a sustaining program. The Pennsylvania Supreme Court affirmed a trial court order

327 Pa 433, 456, 194 Atl 631, 642 (1937), the concurring opinion of Mr. Justice Maxcy suggested that Waring's rendition of a musical composition be protected via the privacy doctrine. See also Winfield, *Privacy*, 57 LawQRev 23 (1931). But see *Henry v. Cherry & Webb*, 30 RI 13, 25, 73 Atl 97, 102 (1909). It is believed that courts refer to the right of privacy as a property right as a matter of nomenclature. The designation of the privacy doctrine as a property right does not warrant the conclusion that there is a "privacy of property." Compare *Munden v. Harris*, 153 MoApp 652, 134 SW 1076 (1911), with *Cason v. Baskin*, 155 Fla 198, 20 So2d 243 (1944). The various theories underlying the right of privacy are discussed in § 272.

<sup>6</sup> 4 HarvLRev 193 (1890).

<sup>7</sup> *Id.* at 218. One or two cases have suggested that common law copyright may be invoked to protect the musical rendition by an orchestra (*Waring v.*

*WDAS Broadcasting Station, Inc.*, 327 Pa 433, 194 Atl 631 (1937) and the performances of actors and singers (*Waring v. Dunlea*, 26 FSupp 338 (DC NC 1939); *Savage v. Hoffman*, 159 Fed 584 (CC NY 1908); cf. *Long v. Decca Records, Inc.*, 76 NYS2d 133 (SupCt 1947) and *Supreme Records Inc. v. Decca Records, Inc.*, 90 FSupp 904 (DC Cal 1950). Assuming *arguendo* that common law copyright protects the interpretive rights of performers (which is doubtful) the doctrine of "publications" would result in a loss of such common law rights. See *R.C.A. Mfg. Co. v. Whiteman*, 114 F2d 86 (2d Cir 1940), cert den, 311 US 712, 61 SCt 393, 85 LEd 463 (1940); *Murray v. Rose*, 30 NYS2d 6 (1941).

<sup>8</sup> *Ketcham v. New York World's Fair, Inc.*, 34 FSupp 657 (DC NY 1940), *aff'd*, 119 F2d 422 (2d Cir 1941).

<sup>9</sup> 327 Pa 433, 194 Atl 631 (1937).

granting an injunction against the unauthorized use of the Waring records. The majority opinion concluded that plaintiff had a common-law copyright in the musical renditions of his orchestra and that this common-law copyright had not been destroyed by publication.<sup>10</sup> A second ground for decision was predicated on unfair competition.<sup>11</sup>

Judge Maxey filed a concurring opinion which relied exclusively on the right of privacy for the protection of program content. Judge Maxey concluded that Waring's right of privacy had been invaded by the unauthorized broadcast of phonograph records which the plaintiff had made with the restriction that they be used solely for noncommercial purposes. He was of the opinion that Waring had the right to withhold and limit the dissemination to the public of his individual interpretative performances:

... "plaintiff's . . . right to privacy . . . is a broader right than a mere right of property. A man may object to *any* invasion of his right to privacy or to its *unlimited* invasion. He may choose to render interpretations to an audience of one person in a private home or to an audience in a great amphitheatre. When a writer of a letter objects, as he may with legal effectiveness, to any publication of that letter by its recipient, or to the publication *more widely than he authorized*, his purpose is not to protect his property but his privacy. The publication of his letter might not and probably would not cause him one cent's worth of damages, but it might upset his peace of mind and disturb his social relations exactly as would the tapping of his telephone wire or the rifling of his diary or his correspondence. . . .

The defendant by buying a phonographic disk on which plaintiff had impressed his orchestral rendition of musical compositions, which disk was expressly not to be used for radio broadcasting, and then by "tattling abroad" by means of broadcasting what was on that disk, was invading the same right to privacy which the common law protected against eavesdroppers."<sup>12</sup>

In the *Whiteman* case which posed the same question as did the *Waring* case, Judge Learned Hand disposed of this contention in a single sentence:

<sup>10</sup> *Infra* § 203a.

<sup>11</sup> *Infra* § 215.

<sup>12</sup> *Waring v. WDAS Broadcasting*

*Station, Inc.*, 327 Pa 433, 462, 194 Atl 631, 642-4 (1937).

“It scarcely seems necessary to discuss the strange assertion that to broadcast the records in some way, invades somebody’s ‘right of privacy’ presumably Whiteman’s.”<sup>13</sup>

No other court has followed Judge Maxey’s reasoning to protect the content of phonograph records or of radio programs via the right of privacy.<sup>14</sup> Judge Maxey extended unduly the mental interests protected by the privacy doctrine and confused them with the concept of publication which is an integral aspect of common-law copyright.<sup>15</sup> The privacy doctrine cannot be invoked to support the conclusion that Waring could make copies of his performance available to all who cared to buy, yet retain the right to specify the use which the purchasers could make of those copies. “The right is lost . . . when the author himself communicates his production to the public.”<sup>16</sup>

In *Peterson v. KMTR Radio Corporation*,<sup>17</sup> a California superior court rejected the contention that the privacy doctrine may be invoked to protect the content of television programs. Three aquatic stars contended that the telecast of a charity show without their knowledge or consent infringed their rights of privacy. The contract or understanding between plaintiffs and the promoter of the show was silent on the disposition or retention of television rights. In sustaining a demurrer without leave to amend the court held

<sup>13</sup> R.C.A. Mfg. Co. v. Whiteman, 114 F2d 86, 90 (2d Cir 1940), cert den, 311 US 712, 61 S Ct 393, 85 LEd 463 (1940). See: Chafee, Unfair Competition (1940) 53 HarvLRev 1289, 1309-15; Baer, Performer’s Right to Enjoin Unlicensed Broadcasts of Recorded Renditions (1941) 19 NCLRev 202, 208-10; Clineburg, Protection Afforded by the Law of Copyright to Recording Artists in Their Interpretation of Musical Compositions (1941) 20 NebLRev 79; Oberst, Use of the Doctrine of Unfair Competition to Supplement Copyright in the Protection of Literary and Musical Property (1941) 29 KyLJ 271.

<sup>14</sup> Cf. Sennett v. Proser, 77 USPQ 281 (CalSuper 1948), which was an action by Mack Sennett against the producers of “High Button Shoes” for the use of his name and the char-

acters created by him: “Keystone Cops” and “Mack Sennett Bathing Beauties.” Although the court discussed the case in terms of the right of privacy, the protection furnished the name “Mack Sennett,” “Keystone Cops,” etc., was actually premised on the law of unfair competition. The name and characters created and developed by plaintiff had acquired a secondary meaning which was entitled to protection.

<sup>15</sup> *Op cit supra* note 7.

<sup>16</sup> Countryman, The Organized Musicians (1948-49) 16 UofChiLRev 56, 239, 255-6; Baer, *op cit supra*, note 13 at 208-210.

<sup>17</sup> Civil No. 557,555, CalSuper, July 7, 1949, 18 USL Week 2044 (July 26, 1949). The Peterson case is discussed in 10 FedCommBarJ 36, 107 (1949).

that a "performer or participant in a public, semi-public or private show or event where other persons attend thereby waives his right of privacy so far as that performance or event is concerned."

... "the plaintiff's cannot successfully assert that their right of privacy has been invaded by broadcasting through the medium of television or motion pictures their performance. Television and motion pictures simply enable additional persons—a small or large number depending upon the extent of the group viewing the broadcast or motion picture—to be present at the performance. Plaintiffs contracted to perform for what they term a 'live' audience—persons who were to be present in person to see their act. How can they assert that to enable others who were distant from the event but saw the performance on a television or motion picture screen constituted an interference with plaintiffs' 'right to be let alone'?"<sup>18</sup>

The court then pointed out obiter dictum that the waiver of the right of privacy in one instance does not constitute a waiver of the same for all time. "All I mean to hold is that so far as the . . . amended complaint . . . is concerned, plaintiffs' right of privacy was not invaded when that performance was broadcast or disseminated by means of motion pictures or television." The court suggested that plaintiffs could protect themselves by reserving their television rights via an express contract.<sup>19</sup>

Another decision which warrants detailed discussion is *Gautier v. Pro-Football League Inc.*,<sup>20</sup> wherein the New York Supreme Court refused to employ the privacy doctrine as a substitute for copyright protection. Plaintiff's animal<sup>21a</sup> act which was presented between the halves of a football game was televised without his permission. Plaintiff invoked the New York Civil Rights statute<sup>21b</sup> claiming that the use of his

<sup>18</sup> *Id.*

<sup>19</sup> But see § 216 *infra*.

<sup>20</sup> 106 NYS2d 533 (NYSupCt 1951), reversing 198 Misc 850, 99 NYS2d 812 (1950).

<sup>21a</sup> The privacy doctrine does not extend to animals. *Lawrence v. Ylla*, 184 Misc 807, 55 NYS2d 343 (1945).

<sup>21b</sup> New York Civil Rights Law (McKinney, 1916) § 51: "Any person whose name, portrait or picture is used within this state for advertising pur-

poses or for the purposes of trade without the written consent first obtained as above provided may maintain an equitable action in the supreme court of this state against the person, firm or corporation so using his name, portrait or picture, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use. . . ."

name and picture in a sponsored telecast constituted a use "for advertising purposes" and "for the purposes of trade."

The court rejected plaintiff's first contention, pointing out that "the unique economic necessities of radio and television, however, require that, in large part, programs appear under the sponsorship of commercial advertisers. To hold that the mere fact of sponsorship makes the unauthorized use of an individual's name or picture on radio or television a use for 'advertising purposes' would materially weaken the informative and educational potentials of these still developing media. We hold, therefore, that in the absence of exploitation of a name or picture in the commercial announcement or in direct connection with the product itself, there is no use for 'advertising purposes.' " <sup>22</sup>

The court likewise rejected plaintiff's contention that the unauthorized telecast was "for the purposes of trade." As discussed in greater detail elsewhere,<sup>23</sup> the courts in defining this phrase have established categories of liability and immunity. The overriding social interest in the dissemination of news has prompted the courts to extend an almost absolute privilege in the use of names and pictures in connection with the reportage of news.<sup>24</sup> Conversely, the courts have been unwilling to accord protection to fiction or fictionalized treatment of news.<sup>25</sup> Similarly, where the subject matter is solely for entertainment purposes, and where it appears in a medium

<sup>22</sup> *Gautier v. Pro-Football League, Inc.*, 106 NYS2d 533 (1951), *aff'd*, in 304 NY 354, 107 NE2d 485 (1952).

<sup>23</sup> *Passim* § 274.

<sup>24</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), *cert den*, 311 US 711, 61 S Ct 393, 85 LEd 462 (1940); *Smith v. Suratt*, 7 Alaska 416 (1926); *Metter v. Los Angeles Examiner*, 35 CalApp2d 304, 95 P2d 491 (1939); *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929); *Themo v. New England Newspaper Publishing Co.*, 306 Mass 54, 27 NE2d 753 (1940); *Barber v. Time, Inc.*, 348 Mo 1199, 159 SW2d 291 (1942); *Elmhurst v. Pearson*, 80 AppDC 372, 153 F2d 467 (1946); *Cason v. Baskin*, 155 Fla 198, 20 So2d 243 (1944); *Smith v.*

*Doss*, 251 Ala 250, 37 So2d 118 (1948). *Cf. Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

<sup>25</sup> *Binns v. Vitagraph Co. of America*, 210 NY 51, 103 NE 1108 (1913); *Blumenthal v. Picture Classics*, 235 AppDiv 570, 257 NYSupp 636 (1938), *aff'd without opinion*, 261 NY 504, 185 NE 713 (1933); *Feeny v. Young*, 191 AppDiv 501, 181 NYSupp (1920); *Cf. Humiston v. Universal Film Mfg. Co.*, 189 AppDiv 467, 178 NYSupp 752 (1919); *Jeffries v. New York Evening Journal Pub. Co.*, 67 Misc 570, 124 NYSupp 780 (1910); *Toscani v. Hersey*, 271 AppDiv 445, 65 NYS2d 814 (1946); *Koussevitzky v. Allen, Towne & Heath*, 188 Misc 479, 68 NYS2d 779 (1947).

not identified in the main, with the dissemination of news recovery is more freely permitted.<sup>26</sup> In the case at bar, "plaintiff's act while basically for the purpose of entertainment, was televised in connection with a public event of general interest. It appeared through a medium which affords unique opportunities for the instantaneous dissemination of news and events of public import, a medium which should not be confined by too restricted a delineation of the permissible scope of its operation."<sup>27</sup>

The court then went to the heart of this litigation:

"Furthermore, the extent of the impingement on plaintiff's privacy would in this case seem to be minimal. There was no substantial invasion of plaintiff's 'right to be let alone' in telecasting an act voluntarily performed by plaintiff for pay before 35,000 spectators.

In the light of the history of section 51 and its subsequent judicial interpretations it is clear that this statute was never intended to apply to cases like the instant one. The statutory creation in this state of a limited right of privacy was intended for the protection of the personality of an individual against unlawful invasion (see *Roberson v. Rochester Folding Box Co.*, 171 N. Y., 538; *Rhodes v. Sperry & Hutchinson Co.*, 193 N. Y., 223, *aff'd* 220 U. S., 502). It provided primarily a recovery for injury to the person, not to his property or business. The recovery is grounded on the mental strain and distress, on the humiliation, on the disturbance of the peace of mind suffered by the individual affected. True, where an individual's right of privacy has been invaded there are certain other elements which may be taken into consideration in assessing the damages. Thus, where a cause of action under the Civil Rights statute, has been established, damages may include recovery for a so-called 'property' interest inherent and inextricably interwoven in the individual's personality (see *Redmond v. Columbia Pictures Corp'n*, 277 N. Y., 707), but it is the injury to the person not to the property which establishes the cause of action. That is the focal point of the statute.

There is no right of privacy, under our statute, applicable to a business or to a public dramatization or exhibition. It is the individual, not his business, which is pro-

<sup>26</sup> *Franklin v. Columbia Pictures Corporation*, 246 AppDiv 35, 284 NYSupp 96 (1935), *aff'd*, 271 NY 554, 2 NE2d 691 (1936); *Redmond v. Columbia Pictures Corporation*, 253 AppDiv 708, 1 NYS2d 643 (1937), *aff'd* 277 NY 707, 14 NE2d 636 (1938). But *cf.* *Ruth v. Educational Films*, 194 AppDiv 893, 184 NYSupp 948 (1920).

<sup>27</sup> *Gautier v. Pro-Football League, Inc.*, 106 NYS2d 533 (NYSupCt 1951), *aff'd* in 304 NY 354, 107 NE2d 485 (1952).

tected against unlawful intrusion. Binns recovered not because his business had been hurt but because his own personality had been unlawfully invaded by fictionalization. Redmond recovered not because he lost an opportunity to sell his act but because his individual personality had been improperly injured by extraneous dialogue. So in the instant case what has been injured is not the personality of the plaintiff, but solely, if at all, the value of his act for television purposes or otherwise. Section 51 of the Civil Rights Law was not enacted to fill gaps in our copyright statute, or to supplement causes of action based on contracts express or implied or to extend the law relating to unfair competition or to the appropriation of another's business or enterprise (*Jaccard v. Macy & Co.*, 65 App. Div., 15)."<sup>28</sup>

The conclusions reached in the *Peterson* and *Gautier* cases on the privacy doctrine appear sound. The right of privacy which is primarily concerned with the protection of mental interests is inapplicable to public performers such as radio and motion picture stars, vaudeville performers, aquatic stars, etc. Public performers cannot claim a "right to be let alone" in their performances; the latter are intended to be viewed and received by the public. As far as public performers are concerned, the right of privacy is nonexistent or has long since been waived.<sup>29</sup>

The *Peterson* case has this added significance. When the court stated that the waiver of the right of privacy in one instance did not constitute a waiver of the same for all time, it impliedly recognized that the privacy doctrine was a divisible concept. In other words a person's activities may be a legitimate matter of news today, but it does not necessarily follow that the incidents of his past life are always open to public scrutiny by the press.<sup>30</sup> The test to be employed by the courts should be whether the particular item published is a news item or instructive news comment in which the public

<sup>28</sup> *Id.*

<sup>29</sup> *Martin v. F.I.Y. Theatre Co.*, 10 Ohio Op 338 (1938) (actress); *Paramount Pictures, Inc. v. Leader Press, Inc.*, 24 FSupp 1004 (WD Okla 1938), rev'd on other grounds, 106 F2d 229 (10th Cir 1939) (motion picture star); *O'Brien v. Pabst Sales Co.*, 124 F2d 167 (5th Cir 1941, cert den, 315 US 823, 62 S Ct 917, 86 LEd 1220 (1942) (all-American and professional football player); *Smith v. Suratt*, 7 Alaska 416

(1926) (explorer); *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 71, 61 S Ct 393, 85 LEd 462 (1940) (child prodigy).

<sup>30</sup> *Cf. Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951) with *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 61 S Ct 393, 85 LEd 462 (1940).

has a clear and definite interest or whether it is the selling of entertainment, using stale news wherein a profit-seeking publisher and entertainment seekers are primarily benefited. "The two distinctions between current and stale news, and as to the purpose (news reporting vs. entertainment), should be controlling. They constitute a rational and sharply edged line, not too difficult for court and jury to determine."<sup>31</sup>

Public performers, as exemplified by the *Peterson* case, are in no position to invoke the privacy doctrine. The publicization of plaintiff's performances via television and motion pictures did not invade their mental interests. This is patent from our previous discussion. Public performers who are currently in the public eye, are in no position to claim injury to their mental interests.

To return to the *Gautier* case, plaintiff was asserting a copyright claim of pecuniary interest under the guise of the right of privacy.<sup>32</sup> It is believed that the privacy doctrine will not be employed to complement or be used as a substitute for copyright protection; neither will it be utilized as a subterfuge for the assertion of performing rights.<sup>33</sup>

<sup>31</sup> Spring, Risks and Rights in Publishing, Television, Radio, Motion Pictures, Advertising and the Theater (1952) 34.

<sup>32</sup> *Op cit supra* note 27.

<sup>33</sup> *Infra* §§ 215 and 216.

*Book II*  
Protection of  
**SERVICE MARKS**  
in Radio and Television Programs

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## Book II: Part A

### Chapter XXIII

#### UNFAIR COMPETITION AND THE PROTECTION OF RADIO AND TELEVISION SERVICE MARKS

- § 230. Introduction.
- 231a. Nonapplicability of the Copyright Code to Titles.
- 231b. Nonapplicability of the Copyright Code to Characters and Characterizations.
232. The Doctrine of Secondary Meaning.
233. Program Titles.
234. Characters and Character Names.
235. Station Call Letters.
236. Slogans, Unique Calls, Melody Bits, Etc.
237. Television.

#### 230. INTRODUCTION.

A radio or television service mark has reference to such attention-arresting devices as program titles,<sup>1</sup> station call letters,<sup>2</sup> characters,<sup>3</sup> character names,<sup>4</sup> slogans,<sup>5</sup> melody bits,

<sup>1</sup> *The Lone Ranger, Inc. v. Currey* 79 FSupp 190 (DC Penn 1948); FSupp; *The Lone Ranger, Inc. v. Cox*, 124 F2d 650 (4th Cir 1942); *Town Hall v. Franklin*, 174 Misc 17, 19 NYS2d 670 (1940); *Town Hall v. Associated Town Halls*, 44 FSupp 315; (DC Del 1941); *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941); *Golenpaul v. Rossett et al.*, 174 Misc. 114, 18 NYS2d 889 (1940); *Time Incorporated v. Barshay* 27 FSupp 870; (DC NY 1939); *Prouty v. National Broadcasting Co.* 26 FSupp 265 (DC Mass 1939); See also: *Cole v. Philips H. Lord, Inc.*, 262 App 116, 28 NYS2d 404 (1941); *Stanley v. Columbia Broadcasting System, Inc.*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>2</sup> *Bamberger Broadcasting Service, Inc. v. Orloff et al.*, 44 FSupp 904 (DC NY 1942); *Thomas Patrick Inc. v. KWK Investment Co.* 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>3</sup> *The Lone Ranger Inc. v. Currey* 79 FSupp 190 (DC Penn 1948); *The*

*Lone Ranger Inc. v. Cox* 124 F2d 650 (4th Cir 1942); *Van Dover v. RKO Pictures, Inc.*, 50 USPQ 348, 31 TMR 251 (DC Ill 1941); *Wiley v. National Broadcasting Co.*, 31 FSupp 568 (DC Calif 1940); *Gardella v. Log Products Co.*, 89 F2d 891 (2d Cir 1937); *Up-roar Co. v. National Broadcasting Co.*, 8 FSupp 358 (DC Mass 1934), modified 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 80 LEd 1393, 56 S Ct 835 (1936), and noted in (1935) 19 Minn LRev 477; (1935) 9 SoCalifLRev 57; (1935) 33 MichLRev 822; (1935) 83 UofPARev; (1936) 36 ColLRev 1011; *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 FSupp 754 (DC Conn 1934); *Feldman v. Amos and Andy*, 68 F2d 746 (CC PA 1934); and see *Nims, II Unfair Competition and Trade-Marks* (1947) Ch XVII "Unfair Competition and the Use of Literary Property," 271a ff. Cf. *RKO Radio Pictures v. Time, Inc.*, 38 TMR 207 (DC NY 1943).

<sup>4</sup> *Id.*

musical tones, unique sounds,<sup>6</sup> etc.

As early as 1928, the radio service mark<sup>7</sup> was characterized as an "artistic and original (mark) signifying by sound the product, the hour, or the station, taking the place of the pictorial design used on the product."<sup>8</sup> Radio service marks could not be registered under the 1905 or 1920 Trade-Mark Acts<sup>9</sup> because they were not affixed to any goods.<sup>10</sup> This deficiency in legislation has been remedied by the Lanham Trade-Mark Act which authorizes the registration as service marks "the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce."<sup>11</sup>

<sup>5</sup> Cf. *Ott v. Keith Mass. Corp.*, 309 Mass 185, 34 NE2d, 683 (1941), wherein plaintiff used the following slogan, "That's right, you're wrong," as the title of a play. Kay Kyser, a band leader, used the slogan, "You're right, that's wrong", as an answer to a quiz program. The court refused to enjoin Kyser's use of the slogan since plaintiff's title had acquired no secondary meaning; See also *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941); *Orth v. Paramount Pictures*, 311 Mass 580, 42 NE2d, 524 (1942); *Cash Inc. v. Steinbook*, 220 AppDiv 569, 222 NYSupp 61 (1927), aff'd 247 NY 531, 161 NE 170 (1928); *Bickmore Gall Cure Co. v. Karns*, 3d Cir (1905), 134 Fed 833. See also *Swanson Mfg. Co. v. Feimberg-Henry Co.*, 54 FSupp 805 (DC NY 1943), reversed, 147 F2d 500 (2d Cir 1945).

<sup>6</sup> *The Lone Ranger Inc. v. Currey*, 79 FSupp 190 (DC Pa 1948); *The Lone Ranger Inc. v. Cox*, 124 F2d 650 (2d Cir 1942).

<sup>7</sup> Cf. Greenberg, *Radio Service Marks* (1949) 39 TMR 75, 76; Robert, *The New Trade-Mark Manual* (1947) 40 ff; Barnett, *How Lanham Act Will Affect Radio, Broadcasting Magazine*, April 28, 1947, pp 30, 32, 34; Derenberg, *The Lanham Trade-Mark Act of 1946, Practical Effects and Experiences After One Year's Administration* (1948) 38 TMR 831 and hereinafter cited as *Derenberg I*; Derenberg, *The Second Year of Administration of the Lanham Trade-Mark Act of 1946* (1949) 82 USPQ, hereinafter incited as *Derenberg II*.

<sup>8</sup> "Radio Trade-Marks" 23 Bull US Trade-Mark Association 143, July, 1928, See also Greenberg, *Radio Service Marks* (1949) 39 TMR 75.

<sup>9</sup> 33 STAT 724 (1905); 41 STAT 533 (1920). For a discussion of this legislation, see: Callan, *A Review of Federal Trade-Mark Legislation* (1937) 19 JPatOffSoc 277; Robert, *Commentary on the Lanham Trade-Mark Act* (1948) published in 15 USCA pp 265-288, hereinafter designated as *Robert, Commentary*; Nims, *op cit supra*, note 3 § 224.

<sup>10</sup> *Diederick v. Schneider Wholesale Wine and Liquor Co.*, 195 Fed 35 (8th Cir 1912), appeal dismissed in 232 US 720, 58 LEd 814, 34 Sct 601 (1914); *Berghoff Brewing Ass'n v. Papel-Gieler Co.*, 50 AppDC 364, 273 Fed 328 (1921). Robert, *Commentary*, 265-266. See also: *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941); *Pure Oil Co. v. Puritan Oil Co.*, 127 F2d 6 (2d Cir 1942); *Bayuk Cigars v. Schwartz*, 1 FSupp 283 (DC NJ 1932); *Hazelton Boiler Co. v. Hazelton Tripod Boiler Co.*, 142 Ill 494, 30 NE 339 (1892); *Westminster Laundry v. Hesse*, 174 MoApp 238, 156 SW 767 (1913); 3 Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) 1632 *et seq.*, hereinafter designated as *Callmann*.

<sup>11</sup> Act of July 5, 1946, 60 STAT 427, 15 USCA § 1051 ff. *Ibid.* § 1127; "The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without

Despite the deficiencies of pre-Lanham Trade-Mark legislation, radio service marks were protected by the doctrines of unfair competition. In this chapter we shall discuss the applicability and extension of the doctrines of unfair competition to the protection of radio and television service marks.

### 231a. NONAPPLICABILITY OF THE COPYRIGHT CODE TO TITLES.

As early as 1852, the question was tendered whether the title to a work was subject to copyright protection apart from the particular work identified by the title. In *Jollie v. Jacques*, plaintiff contended that the title of his musical composition "The Serious Family Polka," was original and that its prior registration with the Copyright Office entitled him to restrain the defendant from using the same title for another composition. The court held that the copyright law did not protect the title: "The right secured is the property in the piece of music, the production of the mind and genius of the author, and not in the mere name given to the work. . . . The title is an appendage to the book or piece of music for which the copyright is taken out, and if the latter fails to be protected, the title goes with it, as certainly as the principal carries with it the incident."<sup>1</sup>

The courts have uniformly held that the title of a work cannot be the subject-matter of copyright and that the copyright of the work does not cover its title.<sup>2</sup>

The question is tendered however, whether the title of a book, play or motion picture cannot be protected by the Copy-

limitation the marks, names, symbols, titles, designations, slogans, character names and distinctive features of radio or other advertising used in commerce." This section is discussed by the authorities cited in *op cit supra*, note 7. See also § 242 *ff passim*.

<sup>1</sup> *Jollie v. Jacques*, 1 Blatch. 618, FedCas No 7, 437 (1852); Nims, Unfair Competition and Trade-Marks, (1947 4th Edition) § 272, hereinafter designated as Nims: "The right secured by the copyright laws is the right to use a literary composition—the product of the mind and genius of the author—not the name of title given it."

<sup>2</sup> *Johnston v. Twentieth Century Fox Film Corp.*, 82 CalApp2d 796, 187 P2d 474 (1947); *Shubert v. Columbia Pictures Corporation*, 72 NYS2d 851, 189 Misc 734 (1947); *Kane v. Pennsylvania Broadcasting Co.*, 73 FSupp 307 (DC Pa 1947); *Weissman v. RCA* 79 USPQ 120, 80 FSupp 612 (DC NY 1948); *Arnstein v. Porter*, 154 F2d 464, 474 (2d Cir 1946) cert den, 330 US 851, 67 SCt 1096, 91 LEd 1294 (1947); *Nowcomb v. Young*, 43 FSupp 744 (DC NY 1942); *Affiliated Enterprises v. Roek-Ola Mfg. Co.*, 23 FSupp 3, 9 (DC Ill 1937); *Oxford Book Co. v. College Entrance Book Co.*, 98 F2d 688 (2d Cir 1938); *Warner Bros. Pictures v.*

right Code as a "writing."<sup>3</sup> Length is not a prerequisite for a writing. A gem of literature reflecting originality may be compressed within a few words.<sup>4</sup> It has been suggested that a title should be copyrighted if the title divorced from the work itself conveys an idea which is original and is expressed fully.<sup>5</sup> This suggestion, for example, would preclude the registration of "Gone With The Wind", since this title when disassociated from the novel or motion picture does not con-

Majestic Pictures Corp., 70 F2d 310 (2d Cir 1934); *International Film Service v. Associated Producers* 273 Fed 585 (DC NY 1921); *National Picture Theatres v. Foundation Film Corp.* 266 Fed 208 (2d Cir 1920); *Atlas Mfg. Co. v. Street and Smith*, 204 Fed 398 (8th Cir 1913), appeal dismissed 231 US 348, 58 LED 262, 34 SCT 73 (1913) cert den 231 US 755, 58 LED 468, 34 SCT 323 (1913); *Glaser v. St. Elmo Co.*, 175 Fed 276 (DC NY 1909); *Corbett v. Purdy*, 80 Fed 901 (CC NY 1897); *Harper v. Ranous* 67 Fed 904; (CC NY 1895); *Osgood v. Allen*, Fed Cas No 10603 (1872); *The English cases* are to the same effect: *Dicks v. Yates*, 18 Ch Div 76 (1879); *Kelly v. Hutton*, LR 3 Ch 703 (1868); *Maxwell v. Hogg*, LR 2 Ch 307, 318 (1867); *Cratch v. Arnold*, 54 Solicitors Journal 49 (1909). *Howell, Are Titles of Books Copyright* (1915) 63 UofPaLRev 646, 651: "The present law, therefore, is that titles of books are not as such subject to protection under the copyright laws of either the United States or Great Britain." See also: *Meyer v. Universal Pictures Co.*, 89 USPQ (DC NY 1951); *Jackson v. Universal International Pictures*, 36 Cal2d 116, 222 P2d 433 (1950).

<sup>3</sup> Act of July 30, 1947, 61 STAT 652, 17 USCA § 4 (Supp 1951): "The works for which copyright may be secured under this title shall include all the writings of an author." Cf. *Reiss v. National Quotations Bureau, Inc.* 276 Fed 717 (DC NY 1921); *In Re Leslie-Judge Co.*, 272 Fed 886 (2d Cir 1921), cert den, 256 US 704, 41 SCT 625, 65 LED 1180 (1921).

<sup>4</sup> Concurring opinion of L. J. Greer in *Sinanide v. La Maison Kosmeo* 139 LTR (NS) 365, 367 (1928): . . . I wish to guard myself against being taken to decide that there cannot be a

copyright is what is called a 'slogan'. A slogan may, for instance, consist of an original composition in four lines of verse, in which there may be copyright; and the same may be said of an original composition in prose." In *Heim v. Universal Pictures Co.*, 154 F2d 480, 487 n 8 (2d Cir 1946), Judge Frank suggested that statutory copyright might exist in the following phrases: "Euclid alone has looked on Beauty bare" or "Twas brillig and the slithy toves." See also *Blanc v. Lantz*, 83 USPQ 137 (CalSuperCt 1949).

<sup>5</sup> *Callmann, Unfair Competition and Trade-Marks* (2d Ed 1950) § 83.2(b) at page 1605. Cf. the following cases wherein the following slogans were protected via implied contract: "The Beer of the Century," *Ryan and Associates, Inc. v. Century Brewing Ass'n*, 185 Wash 600, 55 P2d 1053 (1936); "A Macy Christmas and a Happy New Year", *Healey v. R. H. Macy and Co., Inc.*, 251 AppDiv 440, 297 NYSupp 165 (1937), affirmed 277 NY 681, 14 NE2d 388 (1938); "No thanks, I Smoke Chesterfields," *Liggett and Meyer Tobacco Co. v. Meyer*, 101 Ind App 420194 NE 206 (1935). In this connection, the Inter-American Convention on the Rights of the Author in Literary, Scientific and Artistic Works (Washington 1946) Article XIV extends copyright protection to titles which "have acquired such a distinctive character as to become identified with that work alone . . ." *Callmann, supra* at 1605 n 88. The Italian Copyright Law of November 7, 1925, Art 3, protects the title. The German authorities are divided. For the law in Mexico, Colombia and Ecuador, see note, *Trade-Marks for Periodical Publications* (1944) 39 Bull 159; (1945) 40 Bull 73.

vey a fully expressed idea. Similarly, the title "I Walk Alone By Night", although it may describe an idea, in all probability lacks originality.<sup>6</sup>

The suggestion that titles be registered as writings is workable. But there are substantial objections, particularly on the grounds of public policy, which militate against the adoption of this suggestion.

Firstly, the copyright of titles would substantially increase the registration functions of the Copyright Office.

Secondly, courts may refuse to consider a title as a copyrightable writing on the principle that a title like a slogan or a motto is "too small for the court to attach any value to."<sup>7</sup>

<sup>6</sup> Cf. *Sinanide v. La Maison Kosmeo*, 139 LTR (NS) 365 (1928) wherein the court held that there was no originality in the slogan, "Beauty is a social necessity, not a luxury." In *Dick v. Yates*, 18 Ch Div 76, 88-89 (1879) it was held: "The words 'Splendid Misery' are common English words. I should say that the combination of them was a hackneyed and common combination and it is proved that it was used as the actual title of a novel so far back as 1801."

<sup>7</sup> L. J. Scrutton in *Sinanide v. La Maison Kosmeo*, 139 LTR (NS) 365 (1928). In *Maxwell v. Hogg*, LR 2 CH 307, 318 (1867) plaintiff claimed a copyright in the title "Belgravia". The court denied his claim: "I apprehend, indeed, that if it were necessary to decide the point, it must be held that there cannot be copyright in a single word, although the word should be used as the fitting title for a book. The copyright contemplated by the Act must be not in a single word, but in some words in the shape of a volume, or part of a volume which is communicated to the public, by which the public are benefited, and in return for which a certain protection is given to the author of the work. All arguments, therefore, for the purposes of maintaining this bill on the ground of copyright appear to me to fall to the ground." See also *Francis Day & Hunter v. Twentieth Century Fox Corporation* 4 All ER 192 (1939) wherein the copyright proprietor of the song entitled "The Man Who Broke the Bank at Monte Carlo" claimed that

the defendant's use of the same title for a motion picture photoplay infringed its copyright in the song. The court per Lord Wright held there was neither infringement nor passing off:

"The copying which is complained of is the use of the title, and that is too unsubstantial in the facts of this case to constitute an infringement. The appellants' contention was put as high as that copyright in a title is infringed by the application of that title to a work of a different character from that of the work to which it was originally applied. . . . On this reasoning it would be said that the title 'Adam' applied to a work of statute would be infringed if that title were used as that of a movie novel. These and other anomalous consequences justify the broad principle that in general a title is not by itself a proper subject matter of Copyrights and as a rule a title does not involve literary composition and is not sufficiently substantial to justify a claim of protection. That statement does not mean that in particular cases a title may not be on so extensive a scale and of so important a character as to be a proper subject of protection against being copied". . . . Under the definition (v) (Section 2 of the word "work" Canadian Copyright Act as amended in 1931) "Work shall include the title thereof when such title is original and distinctive. This does not . . . mean that the title of a work is to be deemed to be a separate and independent work . . . the result is that to copy the title

In other words the courts would apply the age-old maxim *de minimis non curat lex*.

Thirdly, the copyright of titles would foster monopolies in words and phrases and remove such words and phrases from the English language. Thus if the title "Gone With The Wind" were registrable as a writing, that phrase could not be used by any other author, composer, etc., without the permission of the copyright proprietor. Public policy militates against the effectuation of monopolies in words, phrases and ideas.<sup>8</sup>

For the foregoing reasons the Copyright Code does not and should not extend to the name of a work. This does not mean that the titles of work are unprotected or may be appropriated with impunity.<sup>9</sup> The law of unfair competition will protect a title "which has received notoriety with the reading public, and has become identified in the public mind by the name given it by the author. As the author has reserved to him the value of his story and plot for motion picture adaptation, he will also be protected in the right to use the name he has identified his story by, where conditions are such as have been last described. The deduction is that this right to the use of the title will end when the copyright expires in all cases, but it will not always exist coincident with the copyright."<sup>10</sup>

### 231b. NONAPPLICABILITY OF THE COPYRIGHT CODE TO CHARACTERS AND CHARACTERIZATIONS.

As discussed elsewhere copyright protection does not extend to ideas; but it does extend to a "combination" of ideas, their expression and development through incidents and sequences and the interplay of characters.<sup>1</sup> Thus copyright

constitutes infringement only when what is copied is a substantial part of the work."<sup>2</sup>

For additional English and Canadian cases to the same effect see Fox, Canadian Copyright Law (1944) 114.

<sup>8</sup> See the dissenting opinion of Mr. Justice Brandeis in *International News Service v. Associated Press*, 248 US 215, 248, 250, 262, 63 LEd 211, 39 S Ct 68 (1918).

<sup>9</sup> A title of a publication may be registered under the Lanham Trade-Mark Act if it is distinctive and non-

generic. See: 3 Callmann, 1589 *et seq.*

<sup>10</sup> *Paramore v. Mack Sennett*, 9 F2d 66, 67 (DC Cal 1925); *Saland v. Monogram Pictures Corp.*, 67 NYS2d 436 (NYSup Ct 1946); *Martenet v. United Artists*, 56 FSupp 639 (DC NY 1944). *Cf. Underhill v. Schenck*, 238 NY 7, 143 NE 773 (1924) modifying, 201 AppDiv 46, 193 NYSupp 745 (1922).

<sup>1</sup> *Infra* §§ 150 and 151. And see *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d (1950); *Nichols*

protection will be accorded to characters and characterizations but only in their relationships and integration with the sequence of incidents, scenes, locale, motivation and dramatic expression through which the story, novel or play is evolved.<sup>2</sup> Thus in the *Golding* case the characterization of the captain and the conflicts between this dominant figure and the secondary characters which were integrated into the plot were protected by the court.<sup>3</sup> Similarly, the pictorial representations and verbal descriptions of "Superman" which "embody an arrangement of incidents and literary expressions original with the author . . . are proper subjects of copyright and susceptible of infringement because of the monopoly afforded by the act."<sup>4</sup>

It is clear that a character per se, apart from the particular scenes and situations in which the character takes part, cannot be the subject of copyright.<sup>5</sup> The public policy which has prompted the courts to deny copyright registration to titles is equally applicable to characters and characterizations. Obviously, neither common law nor statutory copyright may be invoked to withdraw character names and non-distinctive characters and characterizations from public circulation.<sup>6</sup>

v. Universal Pictures Corp., 45 F2d 119 (2d Cir 1930) cert den, 282 US 902, 51 Sct 216, 75 LEd 795 (1931); Sheldon v. Metro-Goldwyn Pictures Corp., 81 F2d 49 (2d Cir 1936), cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936). See also: Yankwich, Originality in the Law of Intellectual Property (1951) 11 FRD 457; Chafee, Reflections on the Law of Copyright (1945) 45 CollRev 503, 513.

<sup>2</sup> Sheldon v. Metro-Goldwyn Pictures Corp., 81 F2d 49 (2d Cir 1936), cert den, 282 US 902, 51 Sct 216, 75 LEd 795 (1931); *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); Stanley v. Columbia Broadcasting System, 35 Cal2d 653, 221 P2d 73 (1950); Kovaes v. Mutual Broadcasting System, 221 P2d 108 (CalApp 1950); De Acosta v. Brown, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 Sct 1197, 89 LEd 1983 (1945).

<sup>3</sup> *Golding v. RKO Radio Pictures, Inc.*, 35 Cal2d 653, 221 P2d 73 (1950). The *Golding* case is discussed in detail in § 151.

<sup>4</sup> *Detective Comics, Inc. v. Bruns*

*Publications, Inc.*, 28 FSupp 399 (DC NY 1939), *aff'd*, 111 F2d 432 (2d Cir 1940); *Detective Comics v. Fox Publications*, 46 FSupp 872 (DC NY 1942); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951). See also: *Fleischer Studios v. Freundlich*, 5 FSupp 808 (DC NY 1934), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); *Hill v. Whalen & Martell*, 220 Fed 359 (DC NY 1914).

<sup>5</sup> *Detective Comics v. Bruns Publications*, 111 F2d 432 (2d Cir 1940); *Nichols v. Universal Pictures Corp.*, 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 Sct 216, 75 LEd 795 (1931); *Shipman v. RKO Radio Pictures*, 100 F2d 533 (2d Cir 1938); *Harold Lloyd Corporation v. Witwer*, 65 F2d 1, 17 (9th Cir 1933), cert dismissed, 296 US 669, 54 Sct 94, 78 LEd 1507 (1933), *Meyer v. Universal Pictures Co.*, 89 USPQ 496 (DC NY 1951).

<sup>6</sup> *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950).

The next question tendered is whether a distinctive character<sup>7</sup> created by a novelist or playwright would be protected against the "lifting" of the idea embodied in the character. Judge Learned Hand comments in the *Nichols* case are instructive on this issue:

"But we do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. Nor need we hold that the same may not be true as to the characters, quite independently of the 'plot' proper, though, as far as we know, such a case has never arisen. If *Twelfth Night* were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakspeare's 'ideas' in the play as little capable of monopoly as Einstein's Doctrine of Relativity or Darwin's theory of the Origin of Species. It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly."<sup>8</sup>

An English court has likewise discussed this question:

"But if a character is, so to speak, 'lifted,' or one or two single situations, the problem becomes more difficult. Can it be said that in relation to performing right, and to that right alone, individual ideas can be protected under the Act? If, for instance, we found a modern playwright creating a character as distinctive and remarkable as Falstaff, or as Tartuffe, or (to come to a recent classic) as Sherlock Holmes, would it be an infringement if another writer, one of the servile flock of imitators, were to borrow the idea and to make use of an obvious copy of the original? I should hesitate a long time before I came to such a con-

<sup>7</sup> Cf. *Seltzer v. Sunbrock*, 22 FSupp 621, 629 (DC Cal 1938); *Caruthers v. RKO Radio Pictures, Inc.*, 20 FSupp 906, 907 (DC NY 1937) wherein Judge Woolsey in comparing an unpublished manuscript called the "Sooner" with the motion picture "Cimarron" by Edna Ferber stated "that the characters therein are without such distinctive qualities as would be a

sine qua non of their copyrightability." See also *Lewys v. O'Neill*, 49 F2d 603 (DC NY 1931).

<sup>8</sup> *Nichols v. Universal Pictures Corp.*, 45 F2d 119, 121 (2d Cir 1930), cert den, 282 US 902, 51 S Ct 216, 75 L Ed 795 (1935). See also: *West v. Hatch*, 49 FSupp 307 (DC NY 1943); *McConnor v. Kaufman*, 49 FSupp 738 (DC NY 1943).

clusion. I should feel the same doubt in reference to the taking of an ingenious situation, for instance an improvement on the screen scene in 'The School for Scandal' or a new device for turning the tables on the villain provided that it was an unimportant incident in the play. But whatever the answer may be to these questions, I am strongly of the opinion that there can be no infringement in such a case if the character or the situation is devoid of novelty. . . . It is the use which the author of play or film makes of these well-known characters in composing his dramatic scenes that the Court has to consider in a case of alleged infringement: in other words, the plaintiff has to show that the combination or series of dramatic events in the infringing work have been taken from the situations in the plaintiff's work. . . . To hold the contrary would be to give a producer or novelist not only a monopoly in an idea, but a monopoly in an idea without the merit of novelty. The plaintiff, in order to prove his right, must at least establish that he is the *author* of the character or the idea in some possible sense of the word."<sup>9</sup>

On the basis of the foregoing decisions, it is believed that the courts would be reluctant to extend copyright protection to distinctive characters and characterizations apart from the incidents and situations through which the former are expressed. This does not mean that distinctive characters may be appropriated with impunity. The law of unfair competition may be invoked to protect the impersonation of a character where an actor has created a type, which over a long period of years has become associated with him. This is illustrated by the *Charlie Chaplin* case wherein Chaplin was awarded an injunction against one who under the name of "Charlie Aplin" imitated the former's costume, garb and mannerisms.<sup>10</sup> The court held that even if the defendant dropped the name "Charlie Aplin," the injunction would still stand.<sup>11</sup> We shall discuss in a subsequent section the extent to which the law of unfair competition has been employed to protect characters and character names.<sup>12</sup>

<sup>9</sup> *Kelley v. Cinema Houses, Ltd.*, (1932) Macq Copr Cases 362, 367-369.

<sup>10</sup> *Charlie Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928); *Supreme Records Inc. v. Decca Records Inc.*, 90 FSupp 904 (DC Cal 1950);

*Patten v. Superior Talking Pictures Inc.*, 8 FSupp 196 (DC NY 1934).

<sup>11</sup> *Charlie Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928).

<sup>12</sup> See § 234.

**232. THE DOCTRINE OF SECONDARY MEANING.**

At the outset it should be pointed out that radio service marks cannot be registered as technical trade-marks because they cannot be affixed or attached to tangible goods.<sup>1</sup> Radio service marks may qualify as service marks under the Lanham Trade-Mark Act<sup>2</sup> if they meet the "four basic requirements" spelled out by the Patent Office.<sup>3</sup>

- 1). the applicant must be engaged in the business of rendering "service";
- 2). such service must be rendered "in commerce";
- 3.) the applicant must be using "a mark" in commerce;
- 4). and the mark must not be entirely incidental to the advertising or sale of merchandise.<sup>4</sup>

Radio and television service marks may not only obtain protection under the Lanham Trade-Mark Act, provided they can qualify under the same, but will also secure protection via the law of unfair competition if they have obtained a distinctive secondary significance.<sup>5</sup>

The doctrine of secondary meaning "contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, geographically or otherwise descriptive, might

<sup>1</sup> Nims, *Unfair Competition and Trade-Marks* (1947) 4th Edition § 214 at p 626, hereinafter cited as Nims: "Three things must be done to acquire a good title to a trade-mark. First, a name or device must be selected that may be appropriated as a trade-mark; second, it must be applied physically to a vendible commodity or to some label, tag or wrapping used on such commodity, and, third, the commodity so marked must be sold on the market." *Diederich v. Schneider Wholesale Wine & Liquor Co.*, 195 Fed 35 (8th Cir 1912) appeal dismissed in 232 US 720, 58 LED 814, 34 Sct 601 (1914); *Berghoff Brewing Assn. v. Popel-Giller Co.*, 50 App DC 364, 273, Fed 328 (1921).

<sup>2</sup> 60 STAT 443 (1946) 15 USCA § 1127.

<sup>3</sup> *Derenberg*, *The Lanham Trade-Mark Act of 1946, Practical Effects and Experiences After One Year's Administration* (1948) 38 TMR 831, hereinafter designated as *Derenberg I*; *Derenberg*, *The Second Year of Ad-*

*ministration of the Lanham Trade-Mark Act of 1946*, 82 Pat Q. September 17, 1949, hereinafter designated as *Derenberg II*.

<sup>4</sup> The "four basic requirements" of a service mark are discussed in detail in § 243a.

<sup>5</sup> *Saalfeld Publishing Co. v. G&C Meriam Co.*, 238 Fed 1, 8, (6th Cir 1917), cert den, 243 US 651, 61 LED 947, 37 Sct 478 (1917): "These considerations tend to persuade that the life or death of the copyright monopoly in the contents of the book does not necessarily control the right to use the name by which the book was known, but that, when protection is sought against unfair competition with books which plaintiff has the sole right to publish, the case for the secondary meaning theory stands on the same basis as with regard to any other descriptive word." Nims, *op cit supra*, note 1, § 274a at pp 894-898. The doctrine of secondary meaning is discussed in § 201b in greater detail.

nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade-mark. So it was said that the word had come to have a secondary meaning, although this phrase, 'secondary meaning' seems not happily chosen, because, in the limited field, this new meaning is primary rather than secondary; that is to say, it is, in that field the natural meaning."<sup>6</sup> Secondary meaning is thus association and nothing more. It exists only in the minds of those who identify some article of commerce, business house, trade name, title, etc. with some name or sign and associate the two in their minds.<sup>7</sup>

The doctrine of secondary meaning has been employed to protect the titles of books,<sup>8</sup> plays,<sup>9</sup> motion pictures,<sup>10</sup> radio

<sup>6</sup> G. & C. Merriam Co. v. Saafeld, 198 Fed 369, 373 (6th Cir 1912), affirmed and modified 238 Fed 1 (6th Cir 1917), cert den, 243 US 651, 61 LEd 947, 37 Sct 478 (1917). For additional cases on "secondary meaning" see: Elgin National Watch Co. v. Illinois Watch-Case Co., 179 US 665, 45 LEd 365, 21 Sct 270 (1901); Coca-Cola Co. v. Koke Co., 254 US 143, 65 LEd 189, 41 Sct 113 (1920): "The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name characterizes the drink. . . . It has acquired a secondary meaning in which, perhaps, the product is more emphasized than the producer, but to which the producer is entitled." See also Kellogg Co. v. National Biscuit Co., 305 US 111, 83 LEd 73, 59 Sct 109; Best Foods Inc. v. General Mills Inc. (DC Del 1944) 3 FRD 459 (DC Del 1944); Saland v. Monogram Pictures Corp. (Sup. Ct. 1946) 67 NYS2d 436; Augstein v. Saks 69 FSupp 547 (DC Calif 1946); Triangle Publication v. Hanson 65 FSupp 952 (DC Mo 1946); Jackson v. Universal International Pictures, 36 Cal2d 116, 222 P2d 433 (1950); Johnston v. Twentieth Century-Fox

Films Corp., 82 CalApp2d 796, 187 P2d 474 (1947); Schwartz v. Television Center, 189 F2d 691 (USApp DC 1951); Katz Drug Co. v. Katz, 89 FSupp 528 (DC Mo 1950); Fawcett Publications Inc. v. Bronze Publications, 173 F2d 778 (5th Cir 1949) rehearing denied 174 F2d 646 (5th Cir 1939).

<sup>7</sup> Coca-Cola v. Koke Co. of America, 254 US 143, 146, 65 LEd 189, 41 Sct 113 (1920). In Warner Bros. Pictures Inc. v. Majestic Pictures Corp. 70 F2d 310 (2d Cir 1934), plaintiffs had used the title "Gold Diggers" for a silent picture, a talking picture and planned to use it on a new version of the talking picture, all based on the same play. Defendants were precluded from using the title without regard to the issue of the plot. "The words signify origin and a certain standard of competence and achievement;" and see cases cited in International Film Service Co. v. Associated Producers, 273 Fed 585 (2d Cir 1921), and see U-Drive-It Co. v. Wright & Taylor, 270 Ky 610, 110 Sct 2d 449 (1937).

<sup>8</sup> Patten v. Superior Talking Pictures 8 FSupp 196 (DC NY 1934); the "Frank Merriwell" stories were protected against the use of the same name in connection with a series of motion pictures; Collins v. Metro-Goldwyn Pictures Corp. 25 FSupp 781

programs,<sup>11</sup> radio characters,<sup>12</sup> names of newspapers<sup>13</sup> and magazines<sup>14</sup> and comic strips.<sup>15</sup> The ramifications of this

(DC NY 1938), reversed on other grounds 106 F2d 83 (2d Cir 1939): plaintiff's copyrighted book, "Test Pilot" was not protected against the use of the same title on a motion picture, since the title had not acquired a secondary meaning. See the famous litigation resulting from the use of the name "Webster's Dictionary": Merriam & Holloway Publishing Co., 43 Fed 450 (CC Mo 1890); Merriam v. Famous Co., 47 Fed 411 (CC Mo 1891); Merriam v. Texas Siftings Publishing Co., 49 Fed 944 (DC NY 1892); Merriam Co. v. Strauss, 136 Fed 477 (DC NY 1904); Merriam Co. v. Ogilvie, 159 Fed 638 (1st Cir 1908), modifying 149 Fed 858 (DC Mass 1907); Merriam Co. v. Ogilvie, 170 Fed 167 (1st Cir 1909); Merriam Co. v. Saalfield, 190 Fed 927 (6th Cir 1911); Merriam Co. v. Saalfield Publishing Co., 198 Fed 369 (6th Cir 1912); Saalfield v. Merriam Co., 238 Fed 1 (6th Cir 1917); Merriam v. Syndicate Publishing Co., 207 Fed 515 (2d Cir 1913), appeal dismissed 237 US 618, 59 LEd 1148, 35 Sct 708 (1915). The "Webster Dictionary" cases are discussed in detail in Nims, § 277 at pp 910-912.

<sup>9</sup> Hemingway v. Film Alliance 174 Misc 725, 21 NYS2d 827 (1940): temporary injunction granted writers and producers of play "Fifth Column" against use of same title for a motion picture; Frohman v. Payton 34 Misc 275, 68 NYSupp 849 (1901); play entitled L'Aiglon protected against use for title of another play; Frohman v. Morris, Inc., 68 Misc 461, 123 NYSupp 1090 (1910); Hopkins Amusement Co. v. Frohman, 202 Ill 541, 67 NE 391 (1903); Aronson v. Fleckenstein, (DC Ill 1886) 28 Fed 75: the title to the operetta "Erminia" protected because of its acquired secondary meaning from use by defendant about to produce an operetta advertised as "Ermine"; Cf. Walt Disney Productions v. Souvaine Selective Pictures, 98 FSupp 774 (DC NY 1951), *aff'd* per curiam, 192 F2d 856 (2d Cir 1951).

<sup>10</sup> Amusement Securities Corporation v. Academy Pictures Distributing Corporation, 162 Misc 608, 294 NYSupp

279 (1936) *aff'd* 250 AppDiv 710, 294 NYSupp 305 (1937) *aff'd* 277 NY 557, 13 NE2d 471 (1938); plaintiff, owner, of motion picture entitled "White Zombie" granted an injunction against the use of title "Revolt of the Zombies," also for a photoplay; Warner Bros. Pictures v. Majestic Pictures Corp., 70 F2d 310 (2d Cir 1934); "Gold Diggers of Broadway" protected against use of title "Gold Diggers of Paris"; Selig Polyscope Co. v. Unicorn Film Service Co., 163 NYSupp 62 (1917): a play and photoplay bearing the title "The Rosary" which had acquired a secondary meaning protected against use of same title for a motion picture produced by defendant; *cf.* Whiteman v. Metro-Goldwyn-Mayer, 159 Misc 850, 289 NYSupp 961 (1936) wherein the court refused to enjoin the use of a title for a motion picture on the ground that it had not acquired a secondary meaning; Saland v. Monogram Pictures Corp., 67 NYS2d 436 (1946): the motion picture title "Shadow of Chinatown" protected against the title "Shadow over Chinatown"; *cf.* Paramount Pictures v. Leader Press, 106 F2d 229 (10th Cir 1939); motion picture company entitled to injunctive relief against the advertising of its own pictures by an exhibitor, where such advertising had a disparaging effect on such pictures.

<sup>11</sup> E.g. Time, Inc. v. Barshay 27 FSupp 870 (DC NY 1939): radio program "March of Time" protected against use of title "The Voice of Time" on phonograph records; Golenpaul v. Rossett, 174 Misc 114, 18 NYS2d 889 (1940): radio program "Information Please" protected against the use of those words as the title of a magazine; for additional radio title cases see § 233 *passim*.

<sup>12</sup> E.g. Feldman v. Amos and Andy 68 F2d 746 (CCPA 1934): "Amos and Andy" protected against use of same for work-shirts; Premier Pabst Corp. v. Elm City Brewing Co., 9 FSupp 754 (DC Conn 1934): the radio name "Old Maestro", Ben Bernie's sobriquet, protected against defendant's use of the name "Olde Maestro Brew".

doctrine are aptly illustrated by the recent case of *Johnston v. Twentieth Century-Fox Film Corporation*.<sup>16</sup> This was an action by the author and publisher, E. P. Dutton & Company, for breach of an oral contract to buy the exclusive right to the title "Queen of the Flat-Tops." Plaintiff had written a book "Queen of the Flat-Tops" which was published and copyrighted in the United States. The publisher had sold over 170,000 copies of the book and expended over \$14,000.00 in advertising and publicizing the book. The defendant desired to use this title for a motion picture dealing with the operations of an aircraft carrier. Accordingly it entered into negotiations with plaintiffs whereby it agreed orally to purchase the exclusive right to this title for all purposes except the publication of the book, for \$20,000.00. Plaintiffs refused to execute the formal contract because the defendant had inserted a clause designated as "covenant of nonsuit."<sup>17</sup> The court's opin-

For additional cases discussing "radio characters and names", see § *passim*, 234.

<sup>13</sup> *Snowden v. Noah. Hop.* (NY) 347 (1825); *Bell v. Locke*, 8 Paige (NY) 75 (1840); *Pulitzer Publishing Co. v. Houston Printing Co.*, 4F2d 924 (DC Texas 1925), *aff'd*, 11 F2d 834 (5th Cir 1926) cert den, 273 US 694, 47 Sct 91, 71 LEd 844 (1926) the "St. Louis Post-Dispatch" could not enjoin the use of the title "Houston Post-Dispatch" in view of the geographical separation between the two cities and the fact that "approximately one out of every 14 daily newspapers sold in the United States was called 'The Post' or 'The Dispatch' or had a name of which one of these words was a part."

<sup>14</sup> *Dell Publishing Co. v. Ultem Publications*, 171 Misc 159, 12 NYS2d 55 (1939): "Modern Screen" protected against "Modern Movies;" *Photoplay Publishing Co. v. LaVerne Publishing Co.*, 269 Fed 730 (3d Cir 1921) reversing 261 Fed 428 (DC Pa 1919): "Photoplay Magazine" enjoined the use of the title "Photo-Play Journal"; *cf. Fawcett Publications v. Popular Mechanics Co.*, 80 F2d 194 (3rd Cir 1935); *Warner Publications v. Popular Publications*, 87 F2d 913 (2d Cir 1937); *Fawcett Publications Inc. v. Real Confessions Inc.*, 59 NYS2d 598 (SupCt 1945); *Fawcett Publications Inc. v.*

*Bronze Publications* 173 F2d 778 (5th Cir 1949), rehearing den, 174 F2d 646 (5th Cir 1949).

<sup>15</sup> *Fisher v. Star Co.*, 231 NY 414, 132 NE 133 (1921) cert den, 257 US 654, 42 Sct 94, 66 LEd 419 (1921): "Mutt and Jeff" cartoons protected against imitation; *New York Herald Co. v. Star Co.*, 146 Fed 204, (DC NY 1906), *aff'd*, 146 Fed 1023: (2d Cir 1906), "Buster Brown", comic strip character; *Cf. King Features Syndicate v. Fleischer*, 299 Fed (2d Cir 1924) 533; *Fleischer Studios v. Freundlich*, (2d Cir 1934), cert den, 294 US 717, 55 Sct 516, 79 LEd 1250 (1935); 73 F2d 276; *Detective Comics v. Bruns Publications*, 28 FSupp 399 (DC NY 1939), *aff'd*, 111 F2d 432 (2d Cir 1940); *Kings Features Syndicate v. Kleeman, Ltd.* (Ch Div and Ct of Appeals 1940) 58 RPC 57.

<sup>16</sup> 82 CalApp2d 796, 187 P2d 474.

<sup>17</sup> *Ibid.* at 479: "This 'covenant of nonsuit' constituted a waiver by respondents of all claims, present or future against appellant, its successors, licensees and assigns by reason of any similarity which may exist between any dramatic production, television production, radio broadcast, motion picture or pictures, including a remake, reissue or foreign language version thereof utilizing the title 'Queen of the Flat Tops' . . . and the literary property,

ion sets forth in detail the negotiations between and among the parties; it concluded that the original oral contract embodied all of the terms and conditions, that the "covenant of nonsuit" was not included therein, and that the defendant was bound thereby despite the non-execution of a formal written agreement.

Defendant contended that the purported oral agreement lacked consideration because a title could not be transferred in gross. The court at the outset held that a "person may have a property right and the right to the exclusive use of the arbitrary or fictitious or fanciful or artificial or technical names or titles." The combination of words "Queen of the Flat-Tops" is a fanciful name, is non-descriptive and is considered a property right.

This title had acquired a secondary meaning.<sup>18</sup> Much energy, time and money were spent in popularizing it. The doctrine of secondary meaning has been extended to catch phrases, slogans and titles.<sup>19</sup> Thus the title of a radio pro-

hereinbefore mentioned and described, and required the author and Dutton to obtain a similar waiver from anyone to whom they might sell the motion picture, dramatic, radio or television rights to the literary property itself, exclusive of rights in the title. Under the terms of the 'covenant of nonsuit' appellant could, with impunity, make use of any of the material in the book it desired. Wasson testified that his idea in inserting the 'covenant of nonsuit' in the contract was to put the risk of pirating by appellant from the book itself on respondents and not on appellant."

<sup>18</sup> "The question whether a title has acquired a secondary meaning is one of fact." *Johnston v. Twentieth Century-Fox Film Corporation*, 82 CalApp2d 796, 813, 187 P2d 474 (1947). In *Jackson v. Universal International Pictures, Inc.*, 36 Cal2d 116, 222 P2d 433 (1950) it was held that the play "Slightly Scandalous" which had been a "flop" in Philadelphia and New York (the play closed after seven performances in New York) had acquired a secondary meaning, sufficient to sustain a jury verdict of \$17,500 against the defendant which had used the same title for a motion picture.

Secondary meaning was established by five witnesses who stated they had seen reviews or advertisements of the play "and thought that the picture was based upon it." But see *Meyer v. Universal Pictures Co.*, 89 USPQ 496 (DC NY 1951), wherein plaintiff claimed that the title of his play "Shady Lady" also a "flop", had acquired a secondary meaning. Judge Leibell in denying plaintiff's claim pointed out that "Shady Lady" had been registered with the Motion Picture Producers Ass'n, it had been used as the title of a motion picture in 1929, was employed as the titles of stories in 1932, 1940, and 1946 in three different magazines. "The prior use of the title by others, does not bar either the plaintiff or the defendant from using it, because the copyright of a novel or story does not necessarily give the author the exclusive right to use the title." See also *Walt Disney Productions v. Souvaine Selective Pictures*, 98 FSupp 774 (DC NY 1951), *aff'd per curiam*, 192 F2d 856 (2d Cir 1951).

<sup>19</sup> *Fishel & Sons v. Distinctive Jewelry Co.*, 196 AppDiv 779, 188 NYSupp 633 (1921).

gram is subject to ownership, and rights in it are established by proof of use in radio broadcasts, and that it has been announced and advertised.<sup>20</sup> The title of a newspaper, magazine or periodical is likewise susceptible of ownership; it is established by circulation and advertising of the name.<sup>21</sup> The titles to plays, motion pictures and books are also protected by the doctrine of secondary meaning and their ownership is readily established by proof of use.<sup>22</sup>

Plaintiff was the owner of the right to the exclusive use of the title. This exclusive use included:

“Its use as the title of the book,  
as the title of a silent motion picture,  
as the title of a speaking motion picture,  
as the title of a radio broadcast,  
as the title of a dramatic production,  
as the title of a television production—dealing with  
the activities of an aircraft carrier in combat.”

“Queen of the Flat-Tops” was literary property and was a vendible asset.

This case illustrates that a title which has acquired a secondary meaning may become a valuable asset in the radio, motion picture and television industries.<sup>23</sup>

### 233. PROGRAM TITLES.

The decisions which deal with radio program titles will be discussed in detail.<sup>1</sup>

<sup>20</sup> Premier-Pabst Corp. v. Elm City Brewing Co., 9 FSupp 754 (DC Conn 1934): “Old Maestro;” Time Inc. v. Barshay, 27 FSupp 870 (DC NY 1939): “March of Time;” Golenpaul v. Rossett, 174 Misc 114, 18 NYS2d 889 (1940): “Information Please.”

<sup>21</sup> Gannert v. Rupert 127 Fed 962 (2d Cir 1904): “Comfort;” Photoplay Publishing Co. v. La Verne Publishing Co., 269 Fed 730 (3d Cir 1921): “Photoplay;” Vogue Co. v. Thompson-Hudson Co. 300 Fed 509 (6th Cir 1924): “Vogue;” Powell v. Valentine, 106 Kans 645, 189 Pac 163 (1920): “The Sun;” Suburban Press v. Philadelphia Suburban Publishing Co., 227 Pa 148, 75 Atl 1037 (1910): “Suburban Life.”

<sup>22</sup> Klaw v. General Film Co., 154

NYSupp 988 (1915) *aff'd* 171 AppDiv 942, 156 NYSupp 1128 (1915): “A Fool There Was;” Selig Polyscope Co. v. Unicorn Film Corporation, 163 NYSupp 62 (1917): “The Rosary;” Amusement Securities Corp. v. Academy Pictures Distributing Corp. 162 Misc 608, 294 NYSupp 279 (1936) *aff'd* 250 AppDiv 710, 294 NYSupp 305 (1937), *aff'd*, 277 NY 557, 13 NE2d 471 (1938): “White Zombie;” National Pictures Theatres v. Foundation Film Corp., 266 Fed 208 (2d Cir 1920): “Blind Youth.”

<sup>23</sup> Johnston v. Twentieth Century-Fox Film Corporation, 82 CalApp2d 796, 187 P2d 474 (1947).

<sup>1</sup> Johnston v. 20th Century Fox Film Corporation, 82 CalApp2d 796, 187 P2d

In *Prouty v. National Broadcasting Company*, plaintiff the author of a copyrighted novel "Stella Dallas" brought suit against N.B.C. charging that the defendant was broadcasting as programs, episodes in the life of "Stella Dallas." It was claimed that this was a misappropriation not only of the title, but also of the plaintiff's rights "to the imaginatively created personality Stella Dallas." The court denied N.B.C.'s motion to dismiss. It held that although plaintiff as a writer of novels and defendant as a network were not in direct competition with each other, this was not fatal to plaintiff's claim. "If it should appear that in these broadcasts the defendant had appropriated, without plaintiff's consent, the plot and principal characters of the novel, and that the use being made of her literary production was such as to injure the reputation of the work and of the author, and to amount to a deception upon the public, it may well be that relief would be afforded by applying well-recognized principles of equity which have been developed in the field known as 'unfair competition.'"<sup>2</sup>

This opinion enunciated the legal principle that the courts would apply the law of unfair competition to dissimilar literary properties.<sup>3</sup> This was foreshadowed by Judge Learned Hand in 1921 when he held that the title of a magazine story would be protected against use in a photoplay where the facts justified such protection.<sup>4</sup> This approach was amplified by the "Yukon Jake" case. The author of "The Ballad of Yukon Jake," a poem, enjoined the exhibition of a motion picture entitled "Yukon Jake." The picture entitled "Yukon Jake" depicted none of the incidents in the story of the poem. Plain-

474: "The title of a radio program is subject to ownership and right in it is established by proof that it has been used in radio broadcasts, has been announced and advertised and has reached the public in other ways."

<sup>2</sup> *Prouty v. National Broadcasting Co.*, 26 FSupp 265 (DC Mass 1939).

<sup>3</sup> *Cf. Atlas Mfg. Co. v. Street & Smith*, 8th Cir 1913, 204 Fed 398, appeal dismissed on jurisdictional grounds, 231 US 348, 58 LEd 262, 34 Sct 73 (1913), cert den, 231 US 755, 58 LEd 468, 34 Sct 323 (1914) wherein the court held that motion pictures and books were dissimilar and there was no confusion between a book or a photoplay bearing the same or similar titles;

it refused to restrain a motion picture with the character "Nick Carter" featured therein despite the fact that "Nick Carter" was the principal character in detective stories published weekly by plaintiff.

<sup>4</sup> *International Film Service Co. v. Associated Producers*, 273 Fed 585, 587 (DC NY 1921): "Ordinarily, I should, indeed, think that a single publication in a magazine so broadly circulated as the *Cosmopolitan* would be prima facie enough. The story has presumptively many readers, of whom a substantial number remember the title. The title, billed or advertised as the title of a photoplay, leads them to expect a play based on the story."

tiff had prepared for marketing a scenario based on the ballad and entitled "Yukon Jake, the Killer." The court held:

"His (Plaintiff's) contention is, and the possibilities agree with him in that, the use of the title 'Yukon Jake', attached to a motion picture, even though the picture itself depicted none of the incidents of his story, would affect greatly the sale of his scenario. This for the principal reason that the public, familiar with the poem and its story, would be impelled to view any picture exhibited under the title 'Yukon Jake' under the belief that it would portray the characters and incidents in the plaintiff's poem; that upon the exhibiting of the defendant's picture, occurring before plaintiff had sold his scenario, there would no longer be the same demand for a second picture under a title containing the words 'Yukon Jake' and the marketability of plaintiff's scenario would thus be proportionately destroyed. . . . Even though the defendant had not been apprised, before its picture was actually distributed (the fact is to the contrary), of plaintiff's intention to market a scenario of his poem, it is reasonable to conclude, because of the considerable notoriety which 'The Ballad of Yukon Jake' had attained, that the selection of the name by the defendant was prompted by the recollection of some of its staff who read the poem. Defendant would under such circumstances be bound, I think, to keep in view the rights which the author had in his poem and its title, and the damage consequences which might ensue if it made an unauthorized appropriation of the name."<sup>5</sup>

The application of the law of unfair competition to dissimilar services is illustrated by the "March of Time,"<sup>6</sup> "Information Please,"<sup>7</sup> and "Town Hall" cases.<sup>8</sup> In *Time v. Barshay*, plaintiff produced periodic broadcasts and newsreels entitled "The March of Time". Defendant used the phrase "Voice of Time" on phonograph records which reproduced speeches broadcast over the radio. The court held that defendant's legend or slogan infringed plaintiff's technical trademark, "The March of Time" and constituted unfair competi-

<sup>5</sup> *Paramore v. Mack Sennett, Inc.*, 9 F2d 66, 67 (DC Calif 1925).

<sup>6</sup> *March of Time Inc. v. Barshay*, 27 FSupp 870 (DC NY 1939).

<sup>7</sup> *Golenpaul v. Rosett*, 174 Misc 114, 18 NYS2d 889 (1940). And see *Golenpaul v. M. Lowenstein & Sons, Inc.*, June 25,

1940, NYLJ p 2868 which involved the use of a dress fabric design called "Information Please."

<sup>8</sup> *Town Hall v. Franklin*, 174 Misc 17, 19 NYS2d 670 (1940); *Town Hall v. Associated Town Halls*, 44 FSupp 315 (DC Del 1941).

tion with plaintiff's goodwill. "The general use of the name and its identification with the business of the plaintiff would be interfered with by the use of an essentially similar trademark in a closely affiliated art. Indeed, it appears that the 'March of Time' division of Time, Incorporated has already experimented with the recording of radio broadcasts wherein they investigated the possibilities of recording their radio broadcasts for use in schools and other places. Motion picture films involve the reproduction of sound. Phonograph records do the same. In the ordinary marts of trade it is most likely that a phonograph record stamped with the mark 'The Voice of Time' would be associated with 'The March of Time' as generally used by the plaintiff. With a wide variety of choices available, there should be no effort, conscious or otherwise, to invade plaintiff's good-will."<sup>9</sup>

In *Golenpaul v. Rosett*, plaintiff used the title "Information Please" for a weekly radio program which was being "broadcast over a large network of radio stations and listened to by vast numbers of radio owners, and in the minds of more people than possibly could have been reached by any advertising medium in use in pre-radio days." Plaintiff also used the title for a book and in the movies. Defendants used this title for a magazine. The court enjoined defendant's activities despite the absence of competition between the radio program and the magazine. The court emphasized the unfairness of defendants' activities and that this created "a false impression of a trade connection."<sup>10</sup>

In the "Town Hall" case, plaintiff had used this phrase to identify itself and its activities since 1921. In 1938 it changed its name from "The League for Political Education, Inc." to "The Town Hall, Inc." Plaintiff's primary purpose was to disseminate views on all sides of controversial public questions; for six years it broadcast a national network program, entitled "America's Town Meeting of the Air." Plaintiff likewise rendered a service by mail to individuals or groups of individuals throughout the country by helping them to organize gatherings of persons who listened to plaintiff's program and who discussed the subjects broadcast. The defendant, which was incorporated under the name "Associated

<sup>9</sup> *March of Time, Inc. v. Barshay*, 27 FSupp 870 (DC NY 1939).

<sup>10</sup> *Golenpaul v. Rossett*, 174 Misc 114, 18 NYS2d 889 (1940).

Town Halls, Inc.," prepared and furnished lectures to public groups. "Its incorporation was caused by Benjamin Franklin, who was its first president and apparent predecessor in the use of the name in question." In 1937, Franklin wrote to plaintiff and obtained one of plaintiff's pamphlets dealing with its radio program. Franklin caused defendant's incorporation; he subsequently obtained a mailing address and telephone listing under the name of "Associated Town Halls," in New York City, wherein plaintiff's offices are located. Defendant's activities were enjoined:

"Franklin's activities resulted in the issuance of an injunction by the Supreme Court of New York County in March 1940. He was enjoined from further acts of unfair competition. See *Town Hall, Inc. v. Benjamin Franklin*, doing business as *Associated Town Halls*, 174 Misc. 17, 19 N.Y.S. (2d) 670, 671. I entertain no doubt that through the medium of the defendant Franklin has continued those objectionable acts not only in New York but throughout the United States. . . . The defendant asserts that the words 'Town Hall' constitute a generic term which has but one meaning and which defines itself. I cannot agree with this contention. The words 'Town Hall' as employed by the plaintiff have attained a clear secondary meaning associated with the educational program and activities of the plaintiff. The defendant has appropriated that name for its own purposes in the same field as the plaintiff or in a field very closely related thereto. It did so with knowledge of the plaintiff's activities. There is actual confusion in the public mind between the plaintiff and the defendant caused by the defendant's acts. The presumption of fraud is present in the case at bar and every circumstance leads to the conclusion that the presumption is correct."<sup>11</sup>

Several other decisions warrant discussion since they amplify the law of trade symbols and unfair competition as they relate to radio and television. In *American Broadcasting Co. v. Wahl Co.*, plaintiff broadcast an uncopyrighted program entitled "Take It or Leave It." This title was used under a license arrangement with the owner of the program. Defendant broadcast a similar quiz program also entitled "Take It or Leave It". The court refused to enjoin defendant's use of the foregoing title on the ground that plaintiff's

<sup>11</sup> *Town Hall v. Franklin*, 174 Misc. v. *Associated Town Halls*, 44 FSupp 17, 19 NYS2d 670 (1940); *Town Hall* 315 (DC Del 1941).

licensed right was an attempt to license a trade-mark in gross. "A license of a trade-mark that has never been connected with the business of licensee is objectionable for the same reason as an assignment of a trade-mark in gross and transfers no right. . . . We doubt whether there is any right to claim a trade-mark in such a name as 'Take It or Leave It' for a quiz broadcast program. It seems to have been a mere descriptive title and not to have been affixed to any goods."<sup>12</sup>

It is believed that the court's dictum viz., that "Take It or Leave It" is a mere descriptive title is erroneous. This title appears to be arbitrary and fanciful.<sup>13</sup> The court, however, did reach the right result since there was no allegation that plaintiff's title had acquired a secondary meaning.

In *Blish v. National Broadcasting Company*, plaintiff organized a corporation in 1936 known as the "Sons and Daughters of Sam." On February 2, 1942, the corporate name was

<sup>12</sup> *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941). In *Reliance Shoe Limited v. Campbell Soup Company, Ltd.*, [1950] Ontario Weekly Notes 495, plaintiff which sponsored the "Double or Nothing" program in Canada sought to continue an interim injunction enjoining the defendant from using the same title in another radio program. Plaintiff relied on copyright infringement and unfair competition to sustain its claim. On the copyright infringement claim, the court held that plaintiff's certificate of registration could not sustain the interim injunction since the right to the copyright had not been judicially established. The unfair competition count was likewise rejected:

"As to the second ground, in the case of *McCulloch v. Louis A. May (Produce Distributors), Ltd.*, [1947] 2 ALLER 845, Mr. Justice Wynn-Parry, following *The Attorney-General et al. v. Barrett Proprietaries Limited* (1932), 50 RPC 45, made it clear that in a passing-off case the plaintiff must show that he enjoys a reputation in the name in which he claims a proprietary right in respect of some profession or business that he carries on, or in respect of some goods which he sells. He must show that the acts of the defendant of which he complains

have interfered, or are calculated to interfere, with the conduct of his business or the selling of his goods, in the sense that those acts of the defendant have led or are calculated to lead, the public to confuse the business of the plaintiff with the business or goods of the defendant.

It need scarcely be said that there is little likelihood of the plaintiff's shoes being confused with the defendant's soup or pork and beans. On the other hand, can it be said that the acts of the defendant interfere with the business of the plaintiff because both the plaintiff and the defendant soup company advertise by way of radio programs? It seems to me that that proposition is so doubtful that I ought not to continue the injunction. My opinion is that no injunction should be granted restraining the defendants until after the rights of the parties have been adjudicated upon at a trial."

<sup>13</sup> E.g. *California Prune & Apricot Growers Ass'n v. Nicholson Co.*, 69 CalApp2d 207, 158 P2d 764 (1945); *American Grocery Co. v. Sloan* 68 Fed 539 (CC NY 1895); *Barnes v. Pierce* 164 Fed 213 (CC NY 1908); *Reardon Laboratories v. B & B Exterminators*, 71 F2d 515 (4th Cir 1934) modifying 3 FSupp 467 (DC Md 1933).

changed to "Sons and Daughters of Uncle Sam." Plaintiff originated and designed certain insignia which included the corporate title and registered the same with the Copyright Office. Defendant broadcast a program entitled "Daughters of Uncle Sam." Plaintiff sued for copyright infringement and further claimed that defendant's program unfairly competed with his proposed program. Plaintiff's complaint was dismissed.

On the copyright issue, the court held that the words "Sons and Daughters of Uncle Sam" lacked originality and were descriptive terms commonly used to designate the United States.

The court also held that an unfair competition action did not lie since plaintiff's corporate title had acquired no secondary meaning. "There is nothing in the complaint to show that the words have acquired a secondary meaning indicating the individual plaintiff or the corporation or any program carried on by plaintiffs or as a title for their radio drama. It is stated that plaintiffs have composed a radio program entitled, 'Sons and Daughters of Uncle Sam' but not that said term has ever been broadcast or that anybody outside of the plaintiffs knew of such radio program. The complaint does not show a case of unfair competition."<sup>14</sup>

In *Monroe v. Lewis*, the owners of "Screen Test", the title of a radio program used for 26 weeks in 1944, claimed that the television program title "Hollywood Screen Test" constituted an unfair use. Defendant contended that plaintiff's title had never acquired any secondary meaning and that its non-use from 1944 to date constituted an abandonment of the same. Plaintiff's complaint was dismissed, presumably on the ground alleged by defendant.<sup>15</sup>

<sup>14</sup> *Blish v. National Broadcasting Co.*, 49 F.Supp 346 (DC Ill 1942).

<sup>15</sup> *Monroe et al. v. Lewis*, (NYSup Ct 1949) and see *Broadcasting Magazine*, January 17, 1949 at p 36; January 31, 1949, p 31. *Cf.* *Johnson v. Universal International Pictures*, 36 Cal2d 116, 222 P2d 433, 438 (1950): "The question of abandonment falls within the same category; it is one of fact to be determined by the jury upon substantial evidence. *International*

*Film Service v. Associated Producers, Inc.*, DC 273 F 585; *Goldman v. RKO Radio Pictures, Inc.*, 149 Misc 226, 267 NYS 28. In *Goldman v. RKO Radio Pictures, Inc.*, *supra*, 267 NYS at page 29, the court stated: "... a lapse of thirteen years in the use of a title, under the circumstances of this case, raises a question of fact as to whether the title ['Public Defender'] still retains a secondary significance'."

**234. CHARACTERS AND CHARACTER NAMES.**

The courts have had no difficulty in protecting radio characters under the theory that they were akin to trade-names and had acquired a secondary meaning.<sup>1</sup>

In *Feldman v. Amos and Andy*, plaintiffs were engaged in business under the firm name of "Amos and Andy"; they were radio entertainers who provided entertainment to millions of listeners who knew them by such names. Plaintiffs had licensed their names to various manufacturers, who had used them as trade-marks for their products. Defendant, a manufacturer of work clothes sought to register the expression "Amos 'n Andy" as a technical trade-mark. Plaintiffs opposed this registration on the ground that they would be damaged by such registration, since the applicant sought to protect a mark which consisted merely in the name of a firm; such registration was prohibited by section 5 of the 1905 Trade-Mark Act. The Examiner of Trade-Mark Interferences and the Commissioner of Patents denied defendant the right of registration. Upon appeal to the courts, the decision of the Patent Office was affirmed. The court held that the name was a property right entitled to judicial protection. Although plaintiffs' firm name and characters were not employed in connection with the sale of any merchandise, the defendant's registration of this phrase would confuse and deceive the public. For the foregoing reasons, registration was denied.<sup>2</sup>

In the "Old Maestro" case, plaintiff's contract with Ben Bernie, a famous radio performer, obligated the latter to advertise no product except plaintiff's beer. The evidence indicated that plaintiff expended over a million dollars in advertising its product over the radio and that by reason of the exclusive association of Ben Bernie with plaintiff's program, the term "Old Maestro", the soubriquet of Bernie, was linked to plaintiff and its beer. Defendant sold beer under the name of "Olde Maestro" in part of the same territory as that of the plaintiff. The court enjoined the defendant from using

<sup>1</sup> Cf. *Fisher v. Star Co.*, 231 NY 414, 132 NE 133 (1921) *aff'g* 188 AppDiv 964, 176 NYSupp 899 (1919) cert den, 257 US 654, 66 LEd 419, 42 SCt 94 (1921); *Gruelle v. Molly-E's Doll Out-*

*fitters*, 94 F2d 172 (3d Cir 1937); *Pat-ten v. Superior Talking Pictures*, 8 FSupp 196 (DC NY 1934).

<sup>2</sup> *Feldman v. Amos & Andy* 68 F2d 746 (CCPA 1934).

the name "Olde Maestro" because plaintiff's product had acquired a secondary significance through association with Bernie's soubriquet. "The evidence relating to the nature, scope and duration of plaintiff's radio advertising coupled with the evidence of its popularity, convinces me that the radio public is numerically a substantial part of the beer-purchasing public and that it necessarily, human nature being what it is, in substantial part has become impregnated with a conscious or subconscious association between 'Old Maestro' and the plaintiff's products."<sup>3</sup>

The *Uproar* case illustrates the protection given by the courts to the name of a well-known radio performer. The Texas Company, a large gasoline dealer, contracted to sponsor the weekly broadcasts of the famous radio comedian, Ed Wynn. The sponsor also contracted for the services of NBC's announcer, Graham McNamee. The plaintiff, the Uproar Company, contracted with Ed Wynn to publish a weekly pamphlet entitled "Uproar" based on the broadcast programs. Both NBC and the Texas Company protested these publications. The plaintiff sued at law for damages claiming that Texas and NBC were interfering with plaintiff's attempts to secure advertising for its weekly pamphlets. The court held that under the specific contract between Texaco and Wynn, the latter retained the right to publish scripts supplied by him; however, the court stated that plaintiff could publish no scripts if they tended to injure or interfere with the sponsor's benefits derived from its broadcasts. Plaintiff was precluded from using the name "Graham McNamee" or the abbreviation "Graham" in its publication. The wrong to Texaco and NBC was that the "Uproar" pamphlet would confuse the public with respect to the relationship between the plaintiff and defendants and create the impression that the defendants were responsible for what the plaintiff might do.<sup>4</sup>

In the "Aunt Jemima" case, plaintiff had played this role on stage and in radio for many years and was known to a

<sup>3</sup> Premier-Pabst Corporation v. Elm City Brewing Co., 9 FSupp 754 (DC Conn 1934).

<sup>4</sup> Uproar Co. v. National Broadcasting Co., 8 FSupp 358 (DC Mass 1934) modified 81 F2d 373, (1st Cir 1936), cert den, 298 US 670, 80 LEd 1393, 56

SCt 835 (1936). See following notes: (1935) 19 MinnLRev 477; (1935) 33 MichLRev 822; (1935) 83 UofPaLRev 385; (1935) 9 SoCalifLRev 57; (1935) 44 YaleLJ 673; (1936) 35 CalLRev 1011; (1936) 30 ILLRev 1076.

large audience by such name. The defendant had registered "Aunt Jemima" as a trade-mark for its pancake flour in 1890 and had extensively advertised its products under that name.<sup>5</sup> Defendant to further promote its product, engaged in an extensive radio advertising campaign wherein there would be an "Aunt Jemima" character. The sponsor tried to secure plaintiff, but was unsuccessful in its negotiations with plaintiff. It employed another actress. Plaintiff claimed invasion of her right of privacy under the New York Civil Rights Statute and unfair competition.<sup>6</sup>

The court held that the right of privacy extends to public or stage names as well as private names; however plaintiff could claim no invasion of her right of privacy since defendant by virtue of its technical trade-mark was authorized to use this name.

With reference to the more important issue of unfair competition, the court said that "Within the sphere of her fame and activities, the 'name Aunt Jemima' has acquired this unique significance and she may rightly complain of the pirating of such secondary meaning as she has given to it. She may be protected against counterfeiting which deceives the public and perpetrates a fraud upon the public and herself. . . . Appellants would have no right to trade upon her reputation or to pass off an imitation of her singing or form of entertainment which either caused deception . . . or was likely to do so." The court ruled against plaintiff since she had not proved that persons listening to the broadcast program had been confused and deceived. Defendant's technical trade-mark of "Aunt Jemima" stemming back to 1890, permitted it to advertise its product in whatever form it pleased; defendant could freely employ the fictitious character of Aunt Jemima. Plaintiff had built up a theatrical "Aunt Jemima" reputation. The defendant's radio character had not been employed in such a manner so as to confuse her with the theatrical character.<sup>7</sup>

Another instance wherein the courts have protected radio

<sup>5</sup> Aunt Jemima Mills Co. v. Rigney & Co., 247 Fed 407 (2d Cir 1917), cert den, 245 US 672, 62 LEd 540, 38 S Ct 222 (1918).

the viewpoint of right of privacy see, § 275a. The New York Civil Rights Statute is discussed in § 272a.

<sup>7</sup> Gardella v. Log Products Co., 89 F2d 891 (2d Cir 1937).

<sup>6</sup> For a discussion of this case from

F2d 891 (2d Cir 1937).

characters are the "Lone Ranger" cases.<sup>8</sup> These were actions for damages, for an injunction based upon alleged infringement of copyright and unfair competition. Plaintiff had been broadcasting since 1933 copyrighted dramatic serial stories featuring the heroic exploits of a mythical cowboy, "The Lone Ranger" who rode about masked and on a white horse, called "Silver." The "Lone Ranger" championed the cause of the oppressed and redressed the wrongs of the community. Plaintiff licensed a comic strip, entitled "The Lone Ranger"; in addition the name was licensed to vendors of articles. Plaintiff's programs were broadcast nationally and appealed particularly to children. The defendant, Powell, was a motion picture actor who had played the role of the "Lone Ranger" in a motion picture produced under a license from the plaintiff. He was employed by the defendant circus company and assumed the role of the "Lone Ranger", riding masked on a white horse, using the "Lone Ranger's" distinctive calls, "Hi Yo Silver" or "Hi Yo Silver, Away." The court enjoined the defendants' activities. "Here it is, the use of the term 'Lone Ranger' and his distinctive call to his horse in such a way as to lead to the belief on the part of children interested in the programs of the radio broadcast that the entertainment of the defendants is connected in some way with these programs. In all, there is involved the fraudulent attempt of some one to 'reap where he has not sown' and to appropriate to himself 'the harvest of those who have sown.' Cf. Chaffee, Unfair Competition, 53 Harvard Law Review 1289, 1311. Even if relief under the principles of unfair competition were confined to cases of palming off of goods or services, we think that the case at bar would be one calling for relief; but we do not understand that relief in this class of cases is so limited."<sup>9</sup>

<sup>8</sup> The Lone Ranger Inc. v. Cox, 124 F2d 650 (4th Cir 1942), reversing 39 FSupp 487 (DC SC 1941) and noted in (1941) 12 AirLRev 422; (1941) 27 CornellLQ 144; The Lone Ranger Inc. v. Currey, 79 FSupp 190 (DC Pa 1948).

<sup>9</sup> The Lone Ranger Inc. v. Cox, 124 F 2d 650, 653 (4th Cir 1942) *supra* note 8. Cf. Burrus Mill & Elevator Co. v. Wells, (TexasCivApp 1935) 85 SW2d 851, wherein plaintiff flour company had a

registered trade-mark "Light Crust" for flour. It employed defendants as entertainers in its broadcast advertising and called them the "Light Crust Doughboys". After termination of their employment, defendants used the phrase "formerly Light Crust Doughboys." Plaintiff sought to restrain the use of this name. The injunction was denied on the ground that any employee may advertise his former connection.

In the second "Lone Ranger" case, defendant furnished entertainment at rodeos and assumed the role of the "Lone Ranger." The court enjoined the defendant's activities. The court held that "The name of 'The Lone Ranger', the Indian 'Tonto', and the phrase, 'Hi Yo Silver,' and 'Hi Yo Silver Away', have become by-words in the national vocabulary. The result is that the plaintiff has built up immense good will and a business of great value. . . . The use of the term which has attained a clear secondary meaning associated with a radio program will be enjoined as presumptively fraudulent where the defendant with knowledge of the plaintiff's activities under such a term appropriates the term for his own use in a closely related field, and creates confusion in the public mind. . . . The law of unfair competition protects trade names used in radio broadcasting against unfair simulation. These are distinctly radio trade names, exploited and enhanced by radio broadcasting by means of which they have acquired their secondary meaning. The Lone Ranger indicates the origin of the production and proprietorship of the business, just as the name 'Donald Duck' calls to mind Walt Disney, 'Charlie McCarthy' the name of Edgar Bergen, 'Amos and Andy' the names of Gosden and Correll." <sup>10</sup>

Two additional cases warrant discussion. In *Wiley v. National Broadcasting Company*, plaintiff had created a humorous negro character "Wildcat" which appeared in stories and movies. NBC produced a sustaining serial program in which appeared a minor negro character called "Wildcat." This program was called "Sons of the Lone Star," and was of minor importance. Plaintiff's action for unfair competition was premised on his exclusive right to the name. NBC contended that "Wildcat" was a descriptive word having no secondary meaning. The court found for the defendant:

"The suit is for 'unfair competition,' the basis of which is fraud. Was there an intention upon the part of defendant to deceive the public? Was the public deceived by defendant's acts? Was plaintiff damaged in any way by the acts of defendant? Upon a consideration of the whole case, I think each question must be answered in the negative. The burden is upon plaintiff to prove his

<sup>10</sup>The Lone Ranger Inc. v. Currey, 79 FSupp 190, 193, 197 (DC Pa 1948).

case by a preponderance of the evidence, and this he has failed to do."<sup>11</sup>

In *Van Dover v. RKO Radio Pictures*, three radio actors and singers had used the trade name and style of "Tom, Dick and Harry" since 1929. The defendant, a motion picture company which had not heard about plaintiffs, produced and distributed a picture, entitled "Tom, Dick and Harry." The court conceded that the phrase "Tom, Dick and Harry" was generic; it assumed for the purposes of the case that plaintiffs had developed a secondary meaning for the phrase in the field of radio entertainment. The court held that there was no evidence to support the finding that the words had acquired a secondary meaning for motion picture production, distribution and exhibition. The average person would not be deceived by the movie advertising or for that matter, the average radio listener or average movie attendant.<sup>12</sup>

<sup>11</sup> *Wiley v. National Broadcasting Co.*, 31 FSupp 568, 569 (DC Calif 1940).

<sup>12</sup> *Van Dover et al. v. RKO Pictures Inc.*, (DC Ill 1941) 50 USPQ 348, 31 TMR 251. The following English and Canadian cases warrant discussion. In *Hines v. Winnick*, 1 Ch (1947) 708, 64 RPC 113, plaintiff who broadcast under the name of "Dr. Crack and his Crack-pots" was entitled to an injunction restraining the defendant from passing off any musical acts under the same designation. "After all we are not dealing here with a wholly commercial matter. We are dealing with a personal matter connected with an art, and if a man, be he musician, portrait painter or writer of articles in newspapers, gets to be known under a particular name, that name becomes inevitably part of his stock-in-trade, and apart from some special contract or anything of that kind, he is entitled to say that it is his name, and that anyone who adopts or causes the adoption of that name by some other person is inflicting upon him an injury." *Cf. Zlata v. Lever Bros. Ltd.* Quebec Official Law Reports (Superior Court 1948) 459, wherein the Canadian copyright law furnished protection to the character name, "Becassine" employed in literary works from its use on a radio

show. *Cf. McCullough v. May*, 2 AHER 845 (1947) wherein the Chancery Division refused to protect the radio soubriquet of "Uncle Mac" which had achieved a wide popularity in the "Children's Hour" program over BBC. Plaintiff used the trade name of "Uncle Mac" not only in the radio program, but in broadcasting charity appeals, writing of children's books, making of gramophone records, etc. Defendant distributed puffed wheat under the name of "Uncle Mac's Puffed Wheat." In addition its advertising literature made frequent reference to "Uncle Mac." The court applied the English law of unfair competition and did not enjoin defendant's activities. The English cases require a "passing-off" and interference with the conduct of plaintiff's vocation "in the sense that those acts of the defendant have led or are calculated to lead the public to confuse the profession, business or goods of the plaintiff with the profession, business of goods of the defendant. The element of confusion is essential." This was absent since plaintiff was not engaged in producing or marketing puffed wheat and there was no true competition between the parties. *Cf. Reliance Shoe Co. Ltd. v. Campbell Soup Co. Ltd.*, [1950] Ontario Weekly Notes 495.

It is believed that the trade name and style of "Tom, Dick and Harry" should have been protected by the courts if it had acquired a secondary meaning. The latter was assumed for the purposes of the case. The kinship and relationship between radio and motion pictures suggests that names and characters which have acquired a secondary meaning should be protected in either industry. To find a secondary significance in a phrase for the purposes of radio, but not for motion pictures, would appear to ignore the customs and practices of "show business."

It is believed that the Van Dover case would not be applied to television. Any secondary significance of a trade name or characterization developed via television broadcasting has commercial value for motion pictures and vice versa. The kinship between television and motion pictures—both visual and aural media—calls for no extended discussion.

The foregoing cases illustrate the extent to which the law of unfair competition may be invoked to protect distinctive characters and character names. But this remedy cannot be employed to protect distinctive *characterizations*. As Judge Yankwich stated in *Supreme Records Inc. v. Decca Records Inc.*,<sup>13</sup> a characterization "is not copyrightable"<sup>14</sup> or subject to any right recognized under the law of unfair competition. . . . If recognition were given to [this] right . . . we would have to hold that Mr. Charles Laughton, for instance, could claim the right to forbid anyone else from imitating his creative mannerisms in his famous characterization of Henry VIII, or Sir Lawrence Olivier could prohibit anyone else from adopting some of the innovations which he brought to the performance of Hamlet."<sup>15</sup> As discussed elsewhere, the law of unfair competition cannot be invoked to protect characterizations. To do so would result in the pro tanto recognition of performing rights.<sup>16</sup>

### 235. STATION CALL LETTERS.

The doctrine of secondary meaning has been applied to protect the call signs of broadcast stations. In *Bamberger Broadcasting Service, Inc. v. Orloff*, plaintiff was the licensee

<sup>13</sup> 90 FSupp 904 (DC Cal 1950).

<sup>14</sup> *Infra* § 231b.

<sup>15</sup> *Supreme Records Inc. v. Decca*

*Records Inc.*, 90 FSupp 904, 909 (DC Cal 1950).

<sup>16</sup> *Infra* § 215.

of a broadcasting station operating with the call letters WOR since 1922. This station is heard extensively on the Eastern seaboard; it advertises the products of some 200 sponsors and intersperses music and other forms of entertainment to make its programs interesting and attractive. "Each program so broadcast is preceded and followed by the announcement of the call-letters WOR; such programs are listed under said call-letters in approximately 200 newspapers published in 135 cities in the United States." The defendant was originally called the Orloff Press, but several years before the trial changed his name to W. O. R. Printing Company; he conducted a job printing business. The court enjoined defendant's use of the letters WOR because the latter had a secondary meaning identifying plaintiff's business. "In a suit for unfair competition it is sufficient to show that plaintiff's goodwill is likely to be endangered by the use of plaintiff's name or trade-mark. It is no longer necessary to allege and prove direct competition between the products of each."<sup>1</sup>

Defendant further contended that the plaintiff, as a licensee of the FCC could not assert a proprietary interest in the call letters "WOR." This argument was based on one of the basic philosophic premises of the Communication Act of 1934: that a station cannot assert any property interest in a license as against the regulatory authority.<sup>2</sup> The court considered defendant's contention "wholly without merit." "Of course, if the plaintiff's license should be terminated, or even suspended, its good-will in the letters WOR might become worthless, but that is so with respect to any business operated under a license. So long as the licensee conducts any business his property rights are entitled to protection, and I think the presumption is in favor of the plaintiff that it will continue its business so long as it conforms to the requirements of the licensor, and when it has committed a breach it has impaired the value of its good-will by its own act."<sup>3</sup>

The court's disposition of defendant's contention finds sup-

<sup>1</sup> Bamberger Broadcasting Service, Me. v. Orloff, 44 FSupp 904 (DC NY 1942).

<sup>2</sup> 48 STAT 1083 (1934) 47 USCA § 304: "No station license shall be granted by the Commission until the applicant therefor shall have signed a

waiver of any claim to the use of any particular frequency or of the ether as against the regulatory power of the United States because of the previous use of the same whether by license or otherwise."

<sup>3</sup> *Op cit supra*, note 1.

port in the legislative history of the Radio Act of 1927.<sup>4</sup> Both the radio industry and Congress recognized that the call sign of a station was a property interest during the life of a license.<sup>5</sup> Although a licensee may assert no property interest in his license per se as against the regulatory authority, there is nothing in the Communication Act of 1934 which precludes him from asserting a proprietary interest in his call sign which has acquired secondary significance. This proprietary interest may be asserted against one who seeks to misappropriate his good-will.

In the "KWK" case plaintiff, operator of a radio station was successful in enjoining defendant's use of the letters KWK in a corporate name and business which operated hotels, apartments and conducted a general real estate business. The court relied on the WOR case and concluded that plaintiff's call letters "KWK", in use since 1927, had acquired a secondary meaning. "At least in some spheres of activity, nowadays, a plaintiff's trade name is entitled to protection against a subsequent user of the name if the designation complained of is similar to the plaintiff's trade name and there is reasonable likelihood of confusion of source, such that prospective purchasers or clients are likely to regard the name as indicating the source identified by the name and consequently future injury to good-will, reputation or business."<sup>6</sup>

### 236. SLOGANS, UNIQUE CALLS, MELODY BITS, ETC.

In the "Lone Ranger" cases, the court referred to the unique call or cry of "Hi Yo Silver" and "Hi Yo Silver Away" and stated that they "have become by-words in the national vocabulary." Defendants in both cases were enjoined from using plaintiff's unique calls. Thus the doctrine of secondary meaning has been employed to protect unique calls which are distinctive and ear-arresting.<sup>1</sup>

Courts will have no difficulty in protecting advertising slo-

<sup>4</sup> Warner, Radio and Television Law (1948) Ch IX, "The Legislative Basis of Broadcast Regulation."

<sup>5</sup> At the Fourth Annual Radio Conference (1925) the Committee on Legislation recommended "that call letters shall be recognized as representing a property right and be treated accordingly during the life of the license." See also remarks of Senator Dill on the

Conference Report No 718 to HR 9971, on the floor of the Senate, 68 Cong Rec 2869, 2870, 2873 (1927).

<sup>6</sup> Thomas Patrick Inc. v. KWK Investment Co., 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>1</sup> The Lone Ranger Inc. v. Cox, 124 F2d 650 (4th Cir 1942); The Lone Ranger Inc. v. Currey, 79 FSupp 190 (DC Pa 1948).

gans exploited by radio or television. The following slogans received judicial protection: "Every Good Nut That Grows";<sup>2</sup> "Be Sure to Work the Horse";<sup>3</sup> and "New Smart Way to Carry Money."<sup>4</sup> When the courts enjoin simulation of a station's call sign, they are protecting slogans which are indigenous to the radio industry.<sup>5</sup>

A melody bit has reference to a music theme identifying a program. If the music is copyrighted, no other program may employ that theme.<sup>6</sup> If, on the other hand, the theme is in the public domain, viz., the "William Tell Overture" which identifies the "Lone Ranger" program, plaintiff may invoke the doctrine of secondary meaning to prevent any other person from poaching on his good-will. This does not mean that a station is precluded from playing the "William Tell Overture" as part of its program fare. However, the proprietor of the "Lone Ranger" program may enjoin a broadcast station which employs this theme to identify a program.

### 237. TELEVISION.

The foregoing discussion indicates clearly that the doctrines of unfair competition have been employed to protect aural attention-arresting devices, such as titles, character names, station call letters, unique calls, slogans, etc. Television with its visual techniques will invoke the doctrine of secondary meaning to protect identifying devices.

It is believed that the "cartoon and comic strip" cases illus-

<sup>2</sup> *Cash Inc. v. Steinbook*, 220 App Div 569, 222 NYS 61 (1927), *aff'd*, 247 NY 531, 161 NE 170 (1928).

<sup>3</sup> *Bickmore Gall Cure Co. v. Karns*, 134 Fed 833 (3d Cir 1905).

<sup>4</sup> *Swanson Mfg. Co. v. Feinberg-Henry Mfg. Co.*, 54 FSupp 805 (DC NY 1943).

<sup>5</sup> *Bamberger Broadcasting Service Inc. v. Orloff*, 44 FSupp 904 (DC NY 1942); *Thomas Patrick Inc. v. KWK Investment Company*, 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>6</sup> *Cf. Blanc v. Lantz et al.*, (Cal Superior Ct 1949) 83 USPQ 137, wherein plaintiff claimed that he had a common law literary property right in the musical laugh "Ha-ha-ha-ha-ha" created by him and known to the public as the laugh of that fictitious character, "Woody Woodpecker". Defendants

moved the court for a judgment on the pleadings on the ground that the plaintiff dedicated this musical laugh to the public. It is believed that the court erroneously applied the doctrine of publication by concluding that the distribution of such film with the musical laugh incorporated on the sound track of such film to commercial motion picture houses was a general publication. See *infra* §§ 203 and 203a. In any event the court assumed for the purposes of the case that "plaintiff is the creator of the musical laugh of Woody Woodpecker and as such entitled to a common law copyright therein." It is believed that the musical laugh lacked the requisite length to be the subject of either common law or statutory copyright. *Id.* § 201. See also § 231a.

trate the approach which the courts may employ in applying the doctrine of unfair competition to television.<sup>1</sup>

At the outset it should be pointed out that comic strip characters which embody an original arrangement of incidents and literary expressions are protected by the Copyright Code.<sup>2</sup> A comic strip or cartoon may be registered with the Copyright Office as a book<sup>3</sup> or periodical.<sup>4</sup> The characters appearing therein may likewise be registered as works of art.<sup>5</sup> As discussed elsewhere the Copyright Code does not furnish adequate protection unless the characters reflect "an original arrangement of incidents and a pictorial and literary form."<sup>6</sup> The registration of a character per se as a work of art protects only the drawing; it does not preclude colorable imitations.

If, however, the characters, their characteristics and names have acquired a secondary meaning, the publication of imitations will be enjoined.<sup>7</sup> Both the Lanham Act and the law of unfair competition furnish better protection to the creator of comic strips and cartoons than the Copyright Code.<sup>8</sup>

The extent of protection furnished by the law of unfair competition is illustrated by the well-known "Mutt and Jeff" case, where the plaintiff's comic strip and characters were widely known to millions of readers and had obviously acquired

<sup>1</sup> E.g. *Fisher v. Star Co.*, 188 AppDiv 964, 176 NYSupp 899 (1919), *aff'd*, 231 NY 414, 132 NE 133 (1921), cert den, 257 US 654, 42 SCt 94, 66 LEd 419 (1921); *Gruelle v. Molly-Es Doll Outfitters*, 94 F2d 172 (3d Cir 1937) cert den, 304 US 561, 58 SCt 943, 82 LEd 1528 (1938); *Star Co. v. Wheeler Syndicate*, 91 Misc 640, 155 NYSupp 782 (1915), *aff'd*, 188 AppDiv 964, 176 NYSupp 923 (1919). See also *Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928).

<sup>2</sup> 61 STAT 652 (1947), 17 USCA § 4 (Supp 1951).

<sup>3</sup> *Id.* § 5: "The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs: (a) Books, including composite and cyclopedic works, directories, gazateers and other compilations. And see *Hill v. Whalen & Martell Inc.*, 220 Fed 359 (DC NY 1914).

<sup>4</sup> *Id.* (b): "Periodicals, including newspapers." A comic strip may be registered on Form B5 as a contribution

to a periodical. See § 37 FR § 202.1(c) (1948). See: *Fleischer Studios v. Freundlich*, 5 FSupp 808 (DC NY 1934), *aff'd*, 73 F2d 276 (2d Cir 1934), cert den, 294 US 717, 55 SCt 516, 79 LEd 1250 (1935); *Hill v. Whalen & Martell*, 220 Fed 359 (DC NY 1914); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951).

<sup>5</sup> *Id.* § 5(g): "Works of art; models or designs for works of art."

<sup>6</sup> *Detective Comics v. Bruns Publications*, 28 FSupp 399 (DC NY 1939), *aff'd*, 111 F2d 432 (2d Cir 1940); *Detective Comics v. Fox Publications*, 46 FSupp 872 (DC NY 1942); *National Comics Publications v. Fawcett Publications*, 191 F2d 594 (2d Cir 1951). See § 231b.

<sup>7</sup> *Op cit supra*, note 1. See also *Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928).

<sup>8</sup> *Passim* § 242. See also *Ooms & Frost Incontestability* (1949) 14 Law & Contemp. Problems 220.

a secondary meaning. Plaintiff had sold certain of these comic strips and cartoons to defendant who was engaged in the business of furnishing cartoons to American newspapers, but the contract between them terminated long prior to the happening of the incidents leading up to the filing of suit. Plaintiff's suit for unfair competition was based on defendant's employees imitating plaintiff's characters and advertising them as "the original Mutt and Jeff cartoons." Defendant was enjoined from making and publishing the figures, characters and their names and the title "Mutt and Jeff":

"The figures and names have been so connected with the respondent as their originator or author, that the use by another of new cartoons exploiting the characters 'Mutt and Jeff' would be unfair to the public and to the plaintiff. No person should be permitted to pass off as his own the thoughts and works of another. If appellant's employees can so imitate the work of the respondent that the admirers of 'Mutt and Jeff' will purchase the papers containing the imitations of the respondent's work, it may result in the public tiring of the 'Mutt and Jeff' cartoons by reason of inferior imitations or otherwise, and in any case in financial damage to the respondent and an unfair appropriation of his skill and the celebrity acquired by him in originating, producing and maintaining the characters and figures so as to continue the demand for further cartoons in which they appear."<sup>9</sup>

In the Charlie Chaplin case, Chaplin's costume, mannerisms and method of performances was protected by injunction via the doctrine of secondary meaning.<sup>10</sup> The protection furnished and devised by the courts in the "Lone Ranger" cases indicates that the originator of this character may enjoin any party who seeks to poach on the good-will created thereby.<sup>11</sup>

It is submitted that television characters can acquire a secondary significance with more ease and greater-celerity than radio characterizations. The courts will obviously protect any visual attention-arresting character or device which acquires a secondary meaning.

<sup>9</sup> Fisher v. Star Company, 231 NY 414, 132 NE 133 (1921), *aff'g* 188 AppDiv 964, 176 NYSupp 899 (1919). cert den, 257 US 654, 42 Sct 94, 66 LEd 419 (1921). See also Star Co. v. Wheeler Syndicate Co. 91 Misc 640, 155 NYSupp 782 (1915) *aff'd* in 188 AppDiv 964, 176 NYSupp 923 (1919).

<sup>10</sup> Chaplin v. Amador, 93 CalApp 358, 269 Pac 544 (1928). See also Supreme Records Inc. v. Decca Records, Inc., 90 FSupp 904 (DC Cal 1950).

<sup>11</sup> The Lone Ranger Inc. v. Cox, 124 F2d 650 (4th Cir 1942); The Lone Ranger Inc. v. Currey, 79 FSupp 190 (DC Pa 1948).

## Book II: Part B

### Chapter XXIV

#### THE LANHAM ACT AND THE PROTECTION OF RADIO AND TELEVISION SERVICE MARKS

- § 240. Introduction.
241. Trade-Mark Legislation Prior to The Lanham Trade-Mark Act.
242. The Lanham Trade-Mark Act: General Discussion.
- 243a. The Scope of the Lanham Trade-Mark Act in Relation to Radio and Television: Radio.
- 243b. The Scope of the Lanham Trade-Mark Act in Relation to Radio and Television: Television.
244. Appendix: Legislative History of Radio and Television Service Marks.

#### 240. INTRODUCTION.

On July 5, 1946, the Lanham Trade-Mark Act became law;<sup>1</sup> it went into effect a year later. This law culminates over twenty years of effort to obtain a revised trade-mark law.<sup>2</sup>

One of the most important contributions of this legislation was the registration and the consequent protection accorded radio and television service marks. The latter are comprehended by the term "service mark", which is defined in § 45 of the Act:

"2. *Service mark.* The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce."<sup>3</sup>

This broad definition tenders a host of questions regarding the scope and coverage of service marks. Commentators who have discussed this legislation are by no means in agreement as to its scope and effect.<sup>4</sup> Thus soon after the passage of

<sup>1</sup> Act of July 5, 1946 c 540, 60 STAT 427, 15 USCA §§ 1051 *et seq.*

<sup>2</sup> See HRep't No 219, 79th Cong 1st Sess (1945) which accompanied HR 1654; and HRep't No 1333, 79th Cong 2d Sess (1946) which accompanied HR 1654.

<sup>3</sup> 60 STAT 427, 443 (1946), 15 USCA § 1127.

<sup>4</sup> See: Barnett, How Lanham Act Will Affect Radio, *Broadcasting Magazine* April 28, 1947, pp 30, 32 and 34, 37 TMRP 254; Robert, *The New Trade-Mark Manual* (1947), 42:

the law, one commentator injected a note of caution in discussing radio and television marks:

“Indeed, it may well develop that but relatively few distinctive features of radio advertising can be protected. . . . How far the courts will go in protecting ‘radio marks’ under the new act is a matter of conjecture.”<sup>5</sup>

Another commentator suggested the registration of all radio marks which identify the advertising media employed or the goods or services advertised. Thus, radio marks capable of registration would include program titles, theme song or music of programs, expression of language, sound effects, station call letters, characters, etc.<sup>6</sup>

At first, the Patent Office, which administers the Lanham Trade-Mark, adopted a restrictive definition of both service marks in general and radio marks in particular which were eligible for registration. To quote Mr. Derenberg, former trade-mark counsel for the Patent Office:

Amdur, *Trade-Mark Law and Practice* (1948) 42, § 15 *et seq.*; Derenberg, *The Lanham Trade-Mark Act of 1946, Practical Effects and Experiences After One Year's Administration* (1948) 38 *TMRep* 831; Derenberg, *The Second Year of Administration of the Lanham Trade-Mark Act of 1946* (1949) 39 *TMRep* 651; Greenberg, *Radio Service Marks* (1949), 39 *TMRep* 75, 31 *JPatOffSoc* 915; Warner, *The Applicability of the Lanham Trade-Mark Act of Radio and Television Service Marks* (1950) 23 *SoCalif LRev* 309; 4 Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) § 98.4(b) at p 2126 ff hereinafter designated as Callmann; Oppenheim, *Unfair Trade Practices* (1950) 394 ff.

<sup>5</sup> Barnett, *How Lanham Act Will Affect Radio*, *Broadcasting Magazine*, April 28, 1947 pp 30, 32 and 34; and see Robert, *The New Trade-Mark Manual* (1947), 42: “The discussion which took place in the Congressional hearings in connection with this language [§ 1127] reveal that there was no unanimity of opinion either as to the meaning or scope of the provision.”

<sup>6</sup> Amdur, *Trade-Mark Law and Practice* (1948), 42, § 15, *et seq.*; Address of Commissioner of Patents,

Ooms before the annual meeting of National Advertisers, Sept., 1946:

“I somewhat tremble when I think of what we shall do when somebody attempts to register the distinctive cackle of a radio comedian under this provision of the law. In all seriousness it apparently can be done. . . .

“Another distinctive feature of the Act is the provision for the registration of service marks upon a separate register. While ordinarily these marks are thought to be the marks used by the operator of a service establishment such as a laundry or a hotel, the definition of the term service mark is so broad in the statute that it apparently includes the identifying devices of radio commentators, actors, advertising writers, airplane operators and many similar and dissimilar enterprisers. The statute apparently recognizes in the category of service marks not only such devices as may be represented by what we call the graphic arts but distinctive features of radio or other advertising;”

Greenberg, 77-78: “With the enactment of the Trade-Mark Act of July 5, 1946 [The Lanham Act] the radio service mark achieved statutory recognition.”

“In other words, house marks used by broadcasting stations or railroads for all their services would unquestionably qualify for registration. But doubt begins to arise immediately if registration is sought of the name of a particular service such as the name of a particular radio program or train or the like.”<sup>7</sup>

Fortunately, the Patent Office expanded its interpretation of service marks and now registers program titles, sound marks, slogans, etc.<sup>8</sup> However, protection is not accorded to the call letters of stations<sup>9</sup> and it is very doubtful whether distinctive characters appearing in radio and television programs may be registered.<sup>10</sup>

This variance of views as to the scope and effect of the Lanham Trade-Mark Act necessitates inquiry into the deficiencies of pre-Lanham trade-mark legislation and the intent of Congress in enacting this statute.

#### 241. TRADE-MARK LEGISLATION PRIOR TO THE LANHAM TRADE-MARK ACT.

On July 8, 1870, Congress enacted the first Federal Trade-Mark Act, entitling it as one to “revise, consolidate, and amend the statutes relating to patents and copyrights.”<sup>1</sup> This legislation provided for the registration of trade-marks whether or not they were used in interstate commerce. In 1879, in the famous *Trade-Mark Cases*, the Supreme Court declared this act unconstitutional. It held that Congress had no power under the patent and copyright clause of the Constitution, *i.e.*, “to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discover-

<sup>7</sup> Derenberg, *The Lanham Trade-Mark Act of 1946, Practical Effects and Experiences After One Year's Administration*, 38 TMR 831, 845 (1948)—hereinafter cited as “Derenberg I”; Derenberg, *The Second Year of Administration of the Lanham Trade-Mark Act of 1946*, 82 PatQuar, Sept. 17, 1949, 39 TMRRep 651—hereinafter cited as “Derenberg II”—at p 4: “3. Call letters of radio stations. These letters are not considered registrable since they are only licensed to the station by the Federal Communications Commission and are, therefore, not capable of exclusive rights.”

<sup>8</sup> See section 243a.

<sup>9</sup> *Id.* See also Derenberg II, *supra* note 7.

<sup>10</sup> See section 243a. And see *Ex Parte Carter Publications, Inc.*, 92 USPQ 251 (1952).

<sup>1</sup> Callan, *A Review of Federal Trade-Mark Legislation*, 19 JourPatOffSoc 277 (1937); Robert, *Commentary on the Lanham Trade-Mark Act*, published in 15 USCA 265-288 (1948)—hereinafter cited as “Robert, Commentary”; 2 Nims, *Unfair Competition and Trade-Marks* (4th ed 1947), 734, § 224—hereinafter cited as “Nims.”

ies'' to enact trade-mark legislation.<sup>2</sup> The Supreme Court suggested that Congressional authority to promulgate such legislation might better be premised on the commerce clause of the Constitution.

There was no federal law dealing with trade-marks for approximately two years following the *Trade-Mark Cases*. In 1881, a new law provided for the registration of marks used in commerce with foreign nations and with Indian tribes, but did not include interstate commerce.<sup>3</sup> This Act was declared constitutional, since it added no substantive rights, other than registration and the latter in no way changed the nature or function of a trade-mark.<sup>4</sup>

On February 20, 1905, Congress enacted new basic legislation for the registration and protection of technical trade-marks.<sup>5</sup> This legislation did not establish new and exclusive substantive rights in marks; it provided a registration procedure and prescribed the protection and remedies for the enforcement of the common law rights inherent in a mark.<sup>6</sup> The right to a mark does not depend upon the statute; it stems

<sup>2</sup> *United States v. Steffens* (Trade-Mark Cases), 100 US 82, 25 LEd 550 (1879); *cf.* *United States Ptg. & Litho Co. v. Griggs, Cooper & Co.*, 279 US 156, 49 SupCt 267, 73 LEd 650 (1929).

<sup>3</sup> Act of March 3, 1881, c 138, 21 STAT at L 502; see Callan, *op cit supra*, footnote No. 1. See also Diggins, *Federal and State Regulation of Trade-Marks* (1949) 14 *Law and Contemp. Prob.* 200.

<sup>4</sup> *United States ex rel. South Carolina v. Seymour*, 153 US 353, 14 SupCt 871, 38 LEd 742 (1894); *Edison v. Thomas A. Edison, Jr. Chemical Co.*, 128 Fed 1013 (CC Del 1904), *Rossman v. Garnier*, 211 Fed 401 (CCA8th 1914); *Louis Bergdoll Brg. Co. v. Bergdoll Brg. Co.*, 218 Fed 131 (D Pa 1914); see, also, *Dwinnel-Wright Co. v. National Fruit Product Co., Inc.*, 129 F2d 848 (CCA1st 1942), *aff'g* 42 FSupp 1016 (D Mass 1942).

<sup>5</sup> Act of Feb. 20, 1905, c 592, 33 STAT at L 724; Callan, *op cit supra*, footnote No 1; 2 Nims, 734, § 224.

<sup>6</sup> *Dwinnel-Wright Co. v. National Fruit Product Co., Inc.*, 129 Fed2d 848, 851 (CCA 1st 1942), *aff'g* 42

FedSupp 1016 (D Mass 1942): "What registration under the act does is to affect the registrant's remedies for the enforcement of the rights given him by the common law. It does not abridge the remedies available to him without registration, but it enlarges them, and among the remedial rights conferred is the right to invoke the jurisdiction of the federal courts, regardless of diversity of citizenship and amount in controversy, 15 USCA § 97, and the right, in case a registrant shall recover a verdict against one who has infringed, to obtain a judgment 'for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.' 15 USCA § 96."

See also: *United Drug Co. v. Theodore Rectanus Co.*, 248 US 90, 39 SupCt 48, 63 LEd 141 (1918); *American Steel Foundries v. Robertson*, 269 US 372, 46 SupCt 160, 70 LEd 317 (1926); *United States Ptg. & Litho Co. v. Griggs, Cooper & Co.*, 279 US 156, 49 SupCt 267, 73 LEd 650 (1929).

from the common law and is perfected by prior appropriation and use.<sup>7</sup>

The 1905 Act permitted only the registration of technical trade-marks. The latter were susceptible of registration under the following conditions:

- (1) the mark had to be fanciful, arbitrary, unique, distinctive and non-descriptive in character;
- (2) the mark had to be "used" in interstate commerce; and
- (3) the mark had to be "affixed" to goods "used" in interstate commerce.<sup>8</sup>

A major amendment to the 1905 Act was the Act of March 19, 1920,<sup>9</sup> which had for its purpose the implementation of international commitments under the Inter-American Convention of 1910 for the Protection of Industrial Property.<sup>10</sup> International trade-mark law requires registration in the home country as a condition precedent to foreign registration. Prior to 1920, a manufacturer could not register a secondary-meaning mark unless it was used actually and exclusively for ten years prior to the passage of the 1905 Act.<sup>11</sup> A secondary-meaning mark is a name or descriptive or geographical word which has acquired a secondary meaning—

<sup>7</sup> 2 Nims, 732, § 223a: "Registration under the statutes confers no new rights to the mark claimed or any greater rights than already exist at common law without registration." Consult, also: *Prestonettes v. Coty*, 264 US 359, 44 SupCt 350, 68 LEd 731 (1924); *United States Ptg. & Litho. Co. v. Griggs, Cooper & Co.*, 279 US 156, 49 SupCt 267, 73 LEd 650 (1929); *Kellogg Co. v. National Biscuit Co.*, 305 US 111, 59 SupCt 109, 83 LEd 73 (1938); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 59 SupCt 191, 83 LEd 195 (1938); *Prichard Co. v. Consumers Brg. Co.*, 136 Fed2d 512 (CCA 6th 1943); *Griesedieck Western Brewery Co. v. Peoples Brg. Co.*, 56 FedSupp 600 (D Minn 1944), *aff'd*, 149 Fed2d 1019 (CCA 8th 1945); *House of Westmore, Inc. v. Denney*, 151 Fed2d 261 (CCA 3d 1945); *Gould Engineering Co. v. Goebel*, 320 Mass 200, 68 NE2d 702 (1946).

<sup>8</sup> Robert, Commentary, 265-266. See also: *Pure Oil Co. v. Puritan Oil Co.*, 127

F2d 6 (2d Cir 1942); *American Broadcasting Co. v. Wahl*, 121 F2d 412 (2d Cir 1941); *Hazelton Boiler Co. v. Hazelton Tripod Boiler Co.*, 142 Ill 494, 30 NE 339 (1892); *Westminister Laundry v. Hesse*, 174 MoApp 238, 156 SW 767 (1913).

<sup>9</sup> Act of March 19, 1920, c 104, 41 STAT at L 533; 2 Nims, 736, § 224a.

<sup>10</sup> 2 Nims, 736, § 224a; Robert, Commentary, 266; *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 59 SupCt 151, 83 LEd 195 (1938).

<sup>11</sup> *Thaddens Davids Co. v. Davids Mfg. Co.*, 233 US 461, 34 SupCt 648, 58 LEd 1046 (1914); *J. E. Bates & Co. v. A. J. Bates Co.*, 55 AppDC 305, 5 Fed2d 128 (1925); *Henderson v. Peter Henderson & Co.*, 9 Fed2d 787 (CCA 7th 1925); *American Watch Import Co. v. Western Clock Co.*, 57 AppDC 7, 16 Fed2d 347 (1926); *John B. Stetson Co. v. Stephen L. Stetson Co.*, 85 Fed2d 586 (CCA 2d 1936); *Elgin Natl. Watch Co. v. Elgin Razor Corp.*, 25 FedSupp 886 (D Ill 1938).

the public assumption that a certain word or mark describes certain characteristics of a particular article.<sup>12</sup>

To return to the 1920 Act, since most manufacturers acquired secondary-meaning marks subsequent to the passage of the 1905 Act, they had no protection against the piracy of their marks in foreign countries. To correct this situation, the Trade-Mark Convention was held in Buenos Aires in 1910 and the Trade-Mark Act of 1920 carried its agreement into effect. A special register was provided for foreign marks which could be registered upon proof of one year *bona fide* or exclusive use in interstate or foreign commerce.<sup>13</sup> Although the 1920 Act was intended to protect trade-marks in foreign markets, the administrative practice implementing this legislation, and sanctioned by the Supreme Court, extended its protection to domestic trade-marks. Non-technical trade-marks vested with a secondary meaning could be registered under the 1920 Act by showing a *bona fide* use for not less than one year in interstate or foreign commerce.<sup>14</sup>

The protection furnished by the Act of 1920 may be briefly summarized: <sup>15</sup>

1. "A descriptive mark may be registered."<sup>16</sup>
2. "A corporation name may be registered."<sup>17</sup>
3. "These registrations are granted without publication for opposition, and there is no provision for interferences with respect to them."<sup>18</sup>

<sup>12</sup> See *Best Foods, Inc. v. General Mills, Inc.*, 3 FRD 459 (D Del 1944), quoting *Coca-Cola Co. v. Koke Co. of America*, 254 US 143, 41 SupCt 113, 65 LEd 189 (1930), that secondary meaning exists when a word indicates "a single thing coming from a single source." And see cases cited in footnote No 6, *supra*.

<sup>13</sup> Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) § 97.1 at 2657—hereinafter cited as "Callmann"; cf. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 323, 59 SupCt 191, 195, 83 LEd 195, 200 (1938).

<sup>14</sup> *Ibid.* See, also *Kellogg Co. v. National Biscuit Co.*, 71 Fed2d 662 (CCA2d 1934).

A major amendment to the 1905 Trade-Mark Act was the Act of June 10, 1938, c 332, 52 STAT at L 638, 15

USCA § 1051. This amendment was designed to carry out certain international commitments and provided for registration of collective marks. The legislation failed to define such marks, and confusion resulted thereby. See Robert, *Commentary*, 267.

<sup>15</sup> This summary of the rights secured by the Act of 1920 is derived from Assistant Commissioner Fenning's opinion in *Fitzpatrick Bros. v. Heller & Co.*, 1925 CD 149 (1925).

<sup>16</sup> *Wright v. Sar-A-Lee Co.*, 328 OG 787, 1924 CD 114 (1924).

<sup>17</sup> *Certain-teed Products Corporation v. Clark*, 337 OG 476.

<sup>18</sup> *Lincoln Paint and Color Co. v. American Paint Works*, 318 OG 3, 1924 CD 1 (1924); *State Oil v. Hickok Producing Co.*, 313 OG 231, 1923 CD 40 (1923).

4. "They may be cancelled however, in a manner similar to cancellation proceedings under the act of 1905."<sup>19</sup>

5. "In order to be eligible for registration under the act of 1920 the mark has been in exclusive use for one year prior to the application for registration."<sup>20</sup>

6. "In order to be registrable, however, the mark must must have been used as a trade-mark."<sup>21</sup> . . . "A label is not registrable."<sup>22</sup>

7. "While the original purpose of the bill which subsequently became the act of 1920 was to place the marks on the register for the purpose of allowing them to be registered abroad, there was also included in the law as passed legislation giving to registrations under the 1920 act substantially all the attributes of registration under the act of 1905, excepting that they do not become prima facie evidence of ownership of the mark."<sup>23</sup>

8. "The registration of such marks may be assigned."<sup>24</sup>

9. "The decision of the Commissioner of Patents is final, no provision being made by the act of 1920 for appeal to the Court of Appeals of the District of Columbia."<sup>25</sup>

10. "A mark which is similar to the mark of another on goods of the same descriptive properties may not be registered."<sup>26</sup> "A mark may not be registered under the act of 1920 if it includes the mark of another used on similar goods."<sup>27</sup>

The deficiencies of trade-mark legislation prior to the Lanham Act are illustrated by the "Take It or Leave It" case.<sup>28</sup> Plaintiff, the American Broadcasting Company, broadcast a radio quiz program entitled "Double or Nothing"; the program content was copyrighted. Approximately four months after this quiz program began, plaintiff broadcast an uncopyrighted program under the title "Take It or Leave It." This title was used under a so-called license arrangement with the owner of the program. The defendant broadcast a similar

<sup>19</sup> Dr. S. A. Richmond Nervine Co. v. Dr. Miles Medical Co., 313 OG 3.

<sup>20</sup> Postum Cereal Co. v. California Fig Nut Co., 313 OG 453, 1923 CD 43 (1923).

<sup>21</sup> Ex parte Marret *et al.*, 308 OG 231, 1923 CD 16 (1923).

<sup>22</sup> Ex parte Standard Oil Co., 328 OG 785, 1924 CD 110 (1924).

<sup>23</sup> Rouss Inc. v. Winchester, 300 Fed 706 (2d Cir 1924).

<sup>24</sup> Coty Inc. v. Parfums De Grande Luxe, 298 Fed 865 (2d Cir 1924) *aff'g*

292 Fed 319 (1923), cert den, 266 US 609, 45 S Ct 94, 69 LEd 466 (1924).

<sup>25</sup> U. S. Compression Tube Co. v. Climax Rubber Co., 53 App DC 370, 290 Fed 345 (1923).

<sup>26</sup> Macy & Co. Inc. v. The Macey Co., Inc., 295 OG 463, 1922 CD 2 (1922); Opinion of the Solicitor, 277 OG 181, 1920 CD 89 (1920).

<sup>27</sup> Ex Parte Jacobs & Sons Inc., 336 OG 754.

<sup>28</sup> American Broadcasting Co. v. Wahl, 121 Fed2d 412 (CCA2d 1941).

quiz program under the title "Take It or Leave It." The plaintiff's suit for copyright infringement, trade-mark infringement and unfair competition was dismissed. The court held:

"The second cause of action for infringement of the trade-mark did not lie. A trademark is intended to identify the goods of the owner and to safeguard his good will. The designation if employed by a person other than one whose business it served to identify would be misleading. Consequently 'a right to the use of a trade-mark or trade-name cannot be transferred in gross.' Restatement of Torts § 755; *Falk v. American West Indies Trading Co.*, 180 N.Y. 445, 73 N.E. 239, 1 L.R.A., N.S., 704, 105 Am. St. Rep. 778, 2 Ann. Cas. 216; *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 39 S. Ct. 48, 63 L. Ed. 141. A license of a trade-mark that has never been connected with the business of the licensee is objectionable for the same reason as an assignment of a trade-mark in gross and transfers no rights. *Lea v. New Home Sewing Machine Co.*, C.C. E.D. N.Y. 139 F. 732; *Macmahon Pharmacal Co. v. Denver Chemical Mfg. Co.*, 8 Cir., 113 F. 468, 474; *Affiliated Enterprises v. Gantz*, 10 Cir., 86 F(2d) 597; *Seck & Kade, Inc. v. Pertussin Chemical Co.*, 235 App. Div. 251, 252, 256 N.Y.S. 567; *Schering & Glatz, Inc. v. American Pharm. Co., Inc.*, 236 App. Div. 315, 317, 258 N.Y.S. 504. We doubt whether there is any right to claim a trade-mark for such a name as 'Take It or Leave It' for a quiz broadcast program. It seems to have been a mere descriptive title and not to have been affixed to any goods . . . the suit for infringement of the trade-mark cannot be supported on the merits because of an attempted license in gross. . . ."<sup>29</sup>

Thus, the primary obstacle to the registration of radio service marks under the 1905 and 1920 Trade-Marks Acts was the fact that they could neither be applied nor affixed to the goods.<sup>30</sup> This requirement of affixation precluded registration of a mark used on advertising material<sup>31</sup> or in connec-

<sup>29</sup> *American Broadcasting Co. v. Wahl*, 121 Fed2d 412, 413-414 (CCA2d 1941).

<sup>30</sup> Trade-Mark Act of 1905, § 1; *Deiderich v. Schneider Wholesale Wine & Liquor Co.*, 195 Fed 35 (CCA8th 1912), app dis, 232 US 720, 34 SupCt 601, 58 LEd 814 (1914); *Berghoff Brg. Assn. v. Popel-Giller Co.*, 50 AppDC 364, 273 Fed 328 (1921).

<sup>31</sup> *Gray v. Armand Co.*, 58 AppDC 50, 24 Fed2d 878 (1928); *Sears, Roebuck & Co. v. Old Colony Shoe Co.*, 82 Fed2d 709 (CtCusPatApp 1936); *Borg-Warner Corp. v. Easy Washing Machine Corp.*, 104 Fed2d 65 (CtCusPatApp 1939); *West Coast-Manchester Mills v. Hartley's*, 35 FedSupp 540 (D Fla 1941).

tion with sales in a trade-marked store, *e.g.*, "the Rexall Store"<sup>32</sup>: Affixation likewise prohibited the registration not only of service<sup>33</sup> and system marks<sup>34</sup> but also of slogans.<sup>35</sup>

## 242. THE LANHAM TRADE-MARK ACT: GENERAL DISCUSSION.

A brief summary of the purposes and objectives and provisions of the Lanham Trade-Mark Act is warranted because the general features of this legislation are applicable to radio and television service marks.<sup>1</sup>

The Lanham Trade-Mark Act is intended to accomplish the following:

1. To put all existing trade-mark statutes in a single piece of legislation.
2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled.
3. To modernize the trade-mark statutes so that they will conform to legitimate present day business practices.
4. To remedy constructions of the prior acts which have

<sup>32</sup> United Drug Co. v. Wiley, 82 Fed2d 293 (CtCusPatApp 1936).

<sup>33</sup> Lever Bros. Co. v. Butler Mfg. Co., 88 Fed2d 842 (CtCusPatApp 1937).

<sup>34</sup> *Ibid.*; Affiliated Enterprises v. Gantz, 86 Fed2d 597 (CCA10th 1936).

<sup>35</sup> Burmel Handkerchief Corp. v. Cluett, Peabody & Co., 127 Fed2d 318 (CtCusPatApp 1942); Derenberg I, 833-834; Robert, Commentary, 268. Slogans were also denied registration since the words or phrase "identify or distinguish nothing. They are entirely collateral and subordinate to the applicant's trade-mark . . . and serve only as an advertising feature calling attention to those trade-marks." Ex Parte Skinner & Sons, 82 USPQ 315 (Com'r Patents 1949); Ex Parte American Enka Corp., 81 US PQ 476 (Com'r Patents, 1949).

<sup>1</sup> The Lanham Trade-Mark Act has been extensively discussed: Callmann, §§ 97 *et seq.*; Callmann, The New Trade-Mark Act of July 5, 1946 (1946) 46 ColLRev 929; Trade-Marks in

Transition-Symposium 14 Law & Contemp Problems (1949); Robert, Commentary on the Lanham Trade-Mark Act in 15 USCA §§ 1051-1127; Robert, The New Trade-Mark Manual (1947); Derenberg, The Lanham Trade-Mark Act of 1946, Practical Effects and Experiences after One Year's Administration (1948) 38 TMRep 831; Derenberg, The Second Year of Administration of the Lanham Trade-Mark Act of 1946 (1949) 39 TMRep 651; Judge Galston, Some Aspects of the Lanham Trade-Mark Act (1947) 6 FRD 375; Andrus and Seeales, The New Trade-Mark Act, (1947) WisLRev 618; Killips, The New Trade-Mark Registration Statute (1947) 42 IllLRev 204; Amdur, Trade-Mark Law and Practice (1948); Greenberg, Radio Service Marks, (1949) 39 TMRep 75; Allen, Service Marks for Services Connected with the Sale of Merchandise Bearing the Mark (1949) 39 TMRep 973; Oppenheim, Unfair Trade Practices (1950) 394 ff.

in several instances obscured and perverted their original purpose.

5. To simplify trade-mark practice, to secure trade-mark owners in the goodwill which they have built up and to protect the public from imposition by the use of counterfeit and imitated marks and false trade descriptions.<sup>2</sup>

In addition to these purposes, the Act "broadens the area of registrable trade-marks, the protection accorded such marks and the general remedies for false description or representation of goods."<sup>3</sup> More importantly, the Act places "federal trade-mark law upon a new footing"<sup>4</sup> by creating substantive rights in trade-mark registration.<sup>5</sup> This is illustrated by the so-called incontestability provisions which provide that with certain enumerated exceptions for unfairness, illegality, etc.,<sup>6</sup> a registered trade-mark (and this includes service marks) is immune from cancellation after five years and is conclusive evidence of the registrant's exclusive right to use the mark.<sup>7</sup> Similarly registration on the Principal Register offers constructive notice throughout the United States of the registrant's claim of ownership.<sup>8</sup> This means that as long as a mark is on the Principal Register, everyone is charged with notice of the claim of ownership; and no rights may be claimed in the mark by another who commenced to use it after the registration is published in the Official Gazette.<sup>9</sup> Briefly

<sup>2</sup> HRep't No 219, 79th Cong 1st Sess (1945) which accompanied HR 1659.

<sup>3</sup> Judge Clark dissenting in *Best & Co. v. Miller*, 167 F2d 374, 378 (2d Cir 1948).

<sup>4</sup> Judge Learned Hand in *S. C. Johnson & Son, Inc. v. Johnson*, 175 F2d 176 (2d Cir 1949).

<sup>5</sup> *Id.* Callmann, § 97.3(a) at 2067. *Cf.* *Phileo Corp. v. Philips Mfg. Co.*, 133 F2d 663 (7th Cir 1943).

<sup>6</sup> The exceptions to incontestability are spelled out in §§ 14, 15 and 33(b) 1-7 of the Lanham Act.

<sup>7</sup> *Oppenheim, Unfair Trade Practices* (1950) 400: "At this point it is necessary to warn that the 'incontestability' concept under the new Act is not absolute. The events and conditions upon which 'incontestability' can be acquired and the exceptions thereto dilute the strength of that

protection but the net effect is nevertheless to grant greater security to certain classes of marks." For an analysis of the limitations of the "incontestability" concept see: Robert, *The New Trade-Mark Manual* (1947) 133-148; Williamson, *Trade-Marks Registered under the Lanham Act Are Not "Incontestable"* (1947) 37 *TMR* 404; Ooms and Frost, *Incontestability* (1949) 14 *Law & Contemp Prob* 220. *Cf.* Callmann, § 97.3(c) *et seq.* at 2074 ff.

<sup>8</sup> Section 22 of the Lanham Act: "Registration of a mark on the principal register provided by this Act or under the Act of March 3, 1881 or the Act of February 20, 1905, shall be constructive notice of the registrant's claim of ownership thereof." See also §§ 29 and 33(a) and (b).

<sup>9</sup> Sections 1(a)1 and 2(d) authorize concurrent registration of the same or

stated, the substantive rights conferred by the Act are intended to furnish an incentive to registration.<sup>10</sup>

The Lanham Trade-Mark Act defines the various marks used in trade into four categories:

“1. *Trade-mark*. The term ‘trade-mark’ includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”

“2. *Service mark*. The term ‘service mark’ means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbol, titles, designations, slogans, characters names, and distinctive features of radio or other advertising used in commerce.”

“3. *Certification mark*. The term ‘certification mark’ means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.”

“4. *Collective mark*. The term ‘collective mark’ means a trade-mark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.”<sup>11</sup>

similar marks by more than one user, provided that no confusion, mistake or deception will result therefrom. See Callmann, § 98.3(b) at 2115 *et seq.*

<sup>10</sup> The act likewise furnishes new remedies for infringement. Oppenheim, *Unfair Trade Practices* (1950) 401:

“(a) New remedies against infringement include a civil action by the registrant for printing of labels, wrappers, receptacles, or advertisements which bear reproductions or colorable imitations of a registered trade-mark, when such materials are intended to be used in connection with the sale of goods or services (§ 32(1)(b)). (b) The courts are given new powers to determine the right to registration in any action involving a regis-

tered mark, and may order the cancellation of registrations in whole or in part, restore canceled registrations and otherwise rectify the register. (c) A novel provision is § 43 which creates liability in a private civil action against any person who uses a false designation of origin or false descriptions in connection with goods or services. Any person who with knowledge of the falsity causes the goods or services to be transported in commerce is civilly liable to any person who is likely to be damaged by the false matter. (d) The obligations and rights of the United States under various International Conventions are codified in Title IX of the new Act.”

<sup>11</sup> These definitions are set forth in the Act of July 5, 1946, c 540, 60

All four classes of marks may be registered on the Principal Register provided that they are distinctive, i.e., they must identify or distinguish the goods, services or characteristics certified.<sup>12</sup> The Principal Register refers to the register of marks established under the Act of 1905;<sup>13</sup> it has been expanded to include several types of marks which could not be registered under the Act of 1905, viz., service and collective marks. The Principal Register may also be employed to register "secondary meaning" marks. The latter refers to a mark "used by the applicant which has become distinctive of the applicant's goods in commerce." Thus a mark which has lost its primary meaning and acquired a secondary significance may be registered, and proof of "substantially exclusive and continuous use" for five years prior to the application for registration constitutes prima-facie evidence of registration.<sup>14</sup>

The statute likewise provides for a Supplemental Register which is a continuation of the register of marks under the Act of 1920.<sup>15</sup> The Supplemental Register contains some novel

STAT at L 427, 443, 15 USC § 1127. The act also provides: "The terms 'trade name' and 'commercial name' include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any other manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of being sued in a court of law." "The term 'mark' includes any trade-mark, service mark, collective mark or certification mark entitled to registration under this chapter whether registered or not." Section 5 provides for the registration of marks by "related companies": "Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public."

Section 45 defines "related" company as "any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used." On "related companies," see Taggart, Trade-Marks and Related Companies: A New Concept in Statutory Trade-Mark Law (1949) 14 Law & Contemp Prob 234; Schneiderman, Trade-Mark Licensing—A Saga of Fantasy and Fact (1949) 14 Law & Contemp Prob 248; Callmann, § 98.3(c) at 2118 *et seq.*

<sup>12</sup> Section 2 of the Lanham Act precludes registration of marks which are: (a) immoral, deceptive, scandalous and disparaging; (b) consists of the flag, coat of arms or an insignia of a country, state or municipality; (c) consists of a name, portrait or signature of a particular living individual without his consent; (d) is confusingly similar to a registered mark or a mark or trade name previously used in the United States; descriptive or deceptively mis-descriptive; (e) primarily geographical.

<sup>13</sup> Section 22 of the Lanham Act.

<sup>14</sup> *Id.* § 2 f.

<sup>15</sup> *Id.* § 23. Section 3 provides that "the Commissioner [of Patents] may

requirements. "All marks capable of distinguishing applicant's goods or services and not registrable on the principal register . . . which have been in lawful use in commerce by the proprietor thereof, upon or in connection with any goods or service for the year preceding the filing of the application may be registered on the supplemental register."<sup>16</sup> One of the most controversial features of this section is the definition of a mark:

"For the purposes of registration on the supplemental register, a mark may consist of any trade-mark, symbol, label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral, or device or any combination of any of the foregoing, but such mark must be capable of distinguishing the applicant's goods or service."<sup>17</sup>

Registration of a mark on the Supplemental Register does not preclude registration on the Principal Register.<sup>18</sup> Registration on the former is not as effective as registration on the latter.<sup>19</sup>

The Lanham Act defines and expands the phrase "use in commerce." Prior trade-mark legislation did not define this phrase, although the Patent Office and the courts required the "affixed" mark to be sold and transported across state lines or into an Indian territory or reservation or into a foreign country. The Lanham Act clarifies and extends the meaning of the phrase "use in commerce":

establish a separate register for such service marks."

<sup>16</sup> *Id.* § 23.

<sup>17</sup> *Id.* Derenberg I at 24 in discussing this clause points out that since by § 27, registration on the Supplemental Register does not preclude registration on the Principal Register, the section may be interpreted to authorize the registration of packages and configurations on the Principal Register if they acquire a secondary significance under § 2(f) of the Act. The first year's experience under the new Act revealed that "The vast majority of those who now seek registration for configurations, packages, etc., are not interested in foreign trade or export at all, but seek hybrid registration of little value in the United States solely for the purpose of putting

one more notice on a label, package or design which frequently already bears one or more design patent, copyright and trade mark notices."

<sup>18</sup> Section 27 of the Lanham Act.

<sup>19</sup> A mark on the Supplemental Register does not create a prima facie presumption of ownership and is not constructive notice of the registrant's claim of ownership. It cannot become incontestable, is subject to cancellation by any third person damaged by the registration, and cannot be filed with the Treasury Department to stop importation of goods bearing infringing marks. See Callmann, §§ 97.3(d)1 and 97.3(d)2 at 2085 and 2086 ff. But a mark on the Supplemental Register may acquire a secondary significance under 2(f) and hence would qualify for registration on the Principal Register.

“*Use in commerce.* For the purpose of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therein or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.”<sup>20</sup>

It is significant that the use of a mark identifying services satisfies the terms of the statute, provided the services are rendered in commerce.<sup>21</sup> If radio and television broadcast-

<sup>20</sup> Act of July 5, 1946, c 540, 60 STAT at L 427, 444, 15 USC § 1127; Robert Commentary, 268-269:

“The new Act clarifies and extends the phrase ‘use in commerce’ far beyond the previous laws and the decisions thereunder.

“‘Commerce’ is defined as meaning all commerce which may lawfully be regulated by Congress. This includes commerce between States, between Territories, between States and Territories, within the District of Columbia, within the Territories, between States and the District of Columbia, between Territories and the District of Columbia, and between States, Territories or the District of Columbia and foreign nations. Since there is no limitation, it also appears to extend to any other commerce which burdens, restricts or interferes with the free flow of interstate, territorial or foreign commerce. The Supreme Court has held that an activity which is local in its nature may be regulated by Congress if it exercises substantial economic effect on interstate commerce. It is therefore apparent that purely intrastate uses may come under the provisions of the Act if they have a substantial economic effect on interstate, territorial or foreign commerce.

“‘Use in commerce’ is also clearly defined in the Act. A mark is deemed to be used in commerce (1) when it is placed on the goods, their containers, on displays associated with the goods, or on tags or labels, and the goods are sold or transported in commerce; or (2) when it is used or displayed in the sale or advertising of services and the services are rendered in commerce. Whereas the prior Acts required physical affixation of the mark to the goods,

use of the mark on displays associated with the goods is sufficient to comply with the present Act. But more important is the provision that if an interstate sale is consummated, use may be deemed to have commenced at the time of the sale of the trade-marked goods, irrespective of shipment of delivery. Furthermore, under the new Act, sale of the trade-marked goods is not required. Transportation across State or territorial lines or in foreign commerce is sufficient.”

*Cf.* *Cole of California v. Collette of California*, 79 USPQ 267 (D Mass 1948), with *C. B. Shane Corp. v. Peter Pan Style Shop*, 80 USPQ 559 (ND Ill 1949).

<sup>21</sup> *Cf.* *Ex Parte Gill*, 87 USPQ 274 (Com’r of Patents 1950) wherein a service mark relating to the painting of automobiles was refused registration because it was not shown that the services were rendered in interstate commerce. The applicant claimed he was engaged in interstate commerce since his establishment was close to the state line, he worked on cars bearing foreign license plates and he advertised in newspapers having an interstate circulation. “It does seem to me, however, from the language of the Act that a service must be actively rendered in interstate commerce in order to be registrable in contrast with one which merely affects interstate commerce.” But *cf.* *United States v. Yellow Cab Co.*, 332 US 218, 67 S Ct 1560, 91 LEd 2010 (1947); *United States v. Sullivan*, 332 US 689, 68 S Ct 331, 92 LEd 298 (1948); *Pure Oil Co. v. Puritan Oil Co.*, 127 F2d 6 (2d Cir 1942); *Ex Parte Taylor*, 68 USPQ 113 (Com’r Patents 1946).

ing are comprehended by the definition of "service mark," they clearly are services used in commerce. All radio and television broadcast stations are engaged in interstate communications.<sup>22</sup>

We are primarily concerned with the definition and meaning of the term "service mark" and its applicability to the radio and television broadcasting business. In this connection, the Lanham Act definition of the term "service mark" contains the only reference in the Act to the word "radio." The other definitions of marks in this Act are not particularly applicable to radio or television. A technical trade-mark under the Lanham Act must still be affixed to goods or displays;<sup>23</sup> and a collective mark and a certification mark are specialty marks which indicate membership in a union or other organization, or which certify regional origin, quality, accuracy, material, mode of manufacture, production by union labor etc., respectively.<sup>24</sup>

Service marks which were protected at common law had reference to the distinctive marks of such service establishments as a laundry, tailor, transportation company, bank, insurance and telephone companies, etc.<sup>25</sup> The statutory

<sup>22</sup> *KVL, Inc. v. Tax Comm.*, 12 FSupp 497 (D Wash 1935); *National Broadcasting Co. v. Board of Public Utility Commrs. of New Jersey*, 25 FSupp 761 (D NJ 1938); *Tampa Times v. Burnett* 45 FSupp 166 (D Fla 1942); and see *Whitmore v. Bureau of Revenue*, 64 FSupp 911 (D NM 1946), *aff'd*, 329 US 668, 67 SupCt 62, 91 LEd 589 (1947).

<sup>23</sup> *Derenberg I*, 833; and see, also, *Derenberg II*, 1 *et seq.*

<sup>24</sup> Callmann, § 68.3 at 1034.

<sup>25</sup> 2 Callmann, § 68.1 at 1026-1027: "A service mark is the mark of a business that only renders service and is not engaged in the manufacture or sale of goods. The service mark may be either a business or merchandise mark. An illustration would be the case of a single business, that has different marks for the separate branches of its service, e.g., an insurance company dealing in life and other types of insurance, or a cleaning, dyeing and renovating establishment that uses different marks for each type of service. The service may be independent of the sale of any goods as in the transportation, undertaking,

bank, insurance, telephone and other similar businesses. It may be rendered with respect to finished merchandise or may constitute but one step in the manufacture of goods as in the dyeing or bleaching of unfinished goods. The courts have recognized a service trade-mark only in the last mentioned cases. A trade-mark for a business system was also refused. It is purely a technical question whether such a mark may be registered, but there should be no doubt that the owner of any service trade-mark is entitled to protection against infringement. It has been properly said that a dealer's mark, now universally acknowledged as valid, identifies his service more so than the goods with which it is connected, and that it is only reasonable to protect the marks of all others rendering a trade service regardless of whether or not they are dealers." *Derenberg II* at 3: "1 Hotel and restaurant names. Such names may be registered as service marks if they show the elements of a mark in addition to being merely the trade name of the applicant, and if the

definition of "service mark" seems to enlarge its common law meaning but, in so doing, renders the phrase ambiguous and uncertain. This is evident from the legislative history of section 45.<sup>26</sup>

The Vestal Bill of 1928 sought to protect service including radio marks by permitting registration of the device used in commerce in relation to a specific service.<sup>27</sup> Subsequent legislation defined a service mark as a mark "so used to distinguish the user's service of any nature from the similar or related services of another."<sup>28</sup> The Lanham Bill, H. R. 5461, made the first reference to a radio service mark.<sup>29</sup> The bill's definition of service mark is similar to that enacted into law. The Congressional intent in the adoption of this definition is gleaned from the hearings on H. R. 5461 and related legislation;<sup>30</sup> excerpts from this testimony are quoted in the appendix to this chapter.<sup>31</sup>

#### 243a. THE SCOPE OF THE LANHAM TRADE-MARK ACT IN RELATION TO RADIO AND TELEVISION: RADIO.

The broad definition of the term "service mark" in the Lanham Trade-Mark Act has opened up a wide area of con-

letter is engaged 'in commerce.' A chain of hotels or restaurants will satisfy this latter requirement, while an individual establishment within a state ordinarily would not.'

<sup>26</sup> See § 244.

<sup>27</sup> Greenberg, Radio Service Marks (1949) 39 TMRP 75, 78. The concept of a service mark was first suggested in the Perkins Bill, HR 11592, 72d Cong 1st Sess (1932).

<sup>28</sup> HR 6618, accompanied by HRep't No 944, 76th Cong 1st Sess (1939). See also: HR 6618, accompanied by SRep't No 1562, 76th Cong 3d Sess (1939); HR 102, 77th Cong 1st Sess (1941). For the history of trade-mark legislation from HR 6618 to the bill culminating in the Lanham Act, see SRep't No 1333, 79th Cong 2d Sess (1946) which accompanied HR 1654 and HRep't No 219, 79th Cong 1st Sess (1945) which accompanied HR 1654.

<sup>29</sup> HR 5461, 77th Cong 1st Sess (1941). The text of § 45 first appeared in the Hearings on HR 102, 77th Cong 1st Sess (1941) and was suggested by the Lanham Trade-Mark Bill Co-Ordina-

tion Committee, consisting of representatives from the National Association of Manufacturers, Trade-Mark Committee of the American Bar Association, New York Patent Law Association and the Association of National Advertisers. The companion bill in the Senate was S 895, 77th Cong 2d Sess (1942) accompanied by SRep't No 2283. HR 5461 was succeeded by HR 82, 78th Cong 1st Sess (1943) accompanied by HRep't No 1303. HR 82 was succeeded by HR 1654, 79th Cong 1st Sess (1945), accompanied by HRep't No 219. HR 1654 was introduced in the Senate, 79th Cong 2d Sess (1945) accompanied by SRep't No 1333. The bill was approved by the House and Senate and became law in 1946.

<sup>30</sup> SRept No 1333 and HRept No 219, *supra*: "In the Seventy-seventh Congress, trade-mark bills before Congress included HR 102, HR 5461 and the companion Senate bill, S 895."

<sup>31</sup> See § 244.

<sup>†</sup> Act of July 5, 1946, c 540, 60 STAT at L 427, 443, 15 USC § 1127: "The term 'service mark' means a

jecture and uncertainty.<sup>2</sup> This is evident not only from the language of the definition itself, but also from the lack of any unanimity of opinion at the Congressional hearings as to its meaning or scope.<sup>3</sup>

The statutory definition of a service mark suggests that there are "four indispensable prerequisites for a registrable service mark":<sup>4</sup>

- (1) the applicant must be rendering a service;
- (2) such service must be rendered in commerce;
- (3) the applicant must be using a mark;
- (4) the service must not be entirely incidental to the advertising or sale of merchandise.

The application of the foregoing criteria must be considered against the objectives, purposes and function of a service mark. The latter, like a trade-mark, is a limited monopoly which protects both the consumer and the businessman. The public interest is protected "by the preservation of honesty and fair dealing in business and in procuring the security of the fruits of individual enterprise."<sup>5</sup> The service mark protects the businessman, who gains a strategic advantage through the building up of goodwill, which is protected from unfair practices by competitors who would poach on that goodwill.<sup>6</sup>

mark used in the sale or advertising of services to identify the service of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce."

<sup>2</sup> Derenberg I, 841.

<sup>3</sup> Robert, *The New Trade-Mark Manual* (1947), 42: "The discussions which took place in the Congressional hearings in connection with this language [service marks] reveal that there was no unanimity of opinion either as to the meaning or scope of the provision. It was agreed that use of any of these designations or devices on the radio was a use in commerce sufficient to acquire rights under the Act. It is not clear, however, what services are rendered in a radio program."

<sup>4</sup> Derenberg I, 841; Derenberg II, 3.

<sup>5</sup> *Eastern Wine Corp. v. Winslow-Warren, Ltd., Inc.*, 137 Fed2d 955 (CCA2d 1943).

<sup>6</sup> Robert, *The New Trade-Mark Manual* (1947), 41: "... a service mark identifies and distinguishes services and must be used in the sale or advertising of services which are rendered in commerce before any rights accrue. Congress intended to give the right of registration to marks, names, symbols, designations, slogans, character names and distinctive features of radio advertising. One witness amplified the meaning of "distinctive features of radio or other advertising." "Thus many radio programs are identified by a theme song or music. Although music may be protected by copyright, a song may identify a program and this program should be able to exclude others from using it as an introductory theme to introduce another program . . ." ". . . all that is intended to be done here is to protect the use of that music from use as an introductory theme of another program, but not otherwise than as applied to some other radio program."

Since the service mark is a limited monopoly, the mark, name, symbol, title, designation, slogan, character name, etc., employed as a service mark is withdrawn from commercial circulation. The Lanham Trade-Mark Act extended the limited monopoly concept of the trade-mark statutes to service marks. How far and to what extent the Patent Office shall afford protection to such limited monopolies as compared to the freedom of ideas, words, expressions, etc., needed in commercial intercourse is the crucial issue tendered in interpreting § 45.<sup>7</sup>

The first limitation imposed by the statutory definition of a service mark is that the applicant must be in the business of rendering a service. Obviously, insurance, shipping and transportation companies, cleaning establishments, banks, etc., furnish services. But does a radio program furnish a service?

At the inception of the administration of this Act, the Patent Office was of the opinion that whether the radio and television industries were service organizations was within "the realm of controversy."<sup>8</sup> This controversy has been resolved. The

<sup>7</sup> Cf. Mr. Justice Brandeis, dissenting, in *International News Service v. The Associated Press*, 248 US 215, 250, 39 SupCt 68, 76, 63 LEd 211, 225 (1918), that, as a "... general rule of law ... the noblest of human productions—knowledge, truths ascertained, conceptions, and ideas—became, after voluntary communication to others, free as the air to common use."

And cf. the following comment of Professor Handler in the Hearings on HR 102, HR 5461 and S 895, 77th Cong 1st Sess (1941), 228; "There appears to have been tacked upon the definition of service marks in Section 46 at page 44, lines 16 to 21 of the committee print, a provision of the widest import which appears to confer monopoly rights in any mark, symbol, title, designation, slogan, character names, or other distinctive features of radio or other advertising used in commerce. The breadth of the definition makes it meaningless. If the purpose of the provision is to define what may be adopted as a service mark, it would appear that the same language used in the definition of trade-mark might be repeated here. If the provision is intended to confer monopoly rights in all advertising matter, it goes beyond the law of trade-marks, patent and copyright."

<sup>8</sup> *Derenberg I*, 843: "The applicant must be in the business of rendering a service. It is, I believe, generally recognized that a service such as a delivery service which is totally incidental to the sale of merchandise falls outside the scope of Section 3. It is also recognized that the service does not necessarily have to have any direct relationship to merchandise. You will note that most of the service marks thus far published involve insurance, the loan business, shipping and similar services. We already enter into the realm of controversy if we come to services rendered by restaurants or hotels or entertainment services. The office has not yet decided whether 'the service' offered by the owner of a basketball team or an orchestra or a ventriloquist fall within or without the statutory definition." And see *Derenberg II*, 4: "5. Entertainment has to some extent been recognized as a 'service' so that in appropriate cases artists, orchestras, radio performers, radio stations and others may register marks used for entertainment purposes. It should be noted, however, that all other requirements for a service mark must be met in these cases. The applicant must be rendering entertainment service in commerce, and the name sought to be registered

registration of program titles,<sup>9</sup> slogans,<sup>10</sup> sounds marks,<sup>11</sup> etc., indicates that the Patent Office recognizes that the radio and television industries are engaged in the performance of service functions. All of the activities and facets of the radio and television industries culminate in a program or programs which are broadcast by radio and television stations. The programs broadcast by such stations render a duofold service function:

Firstly, all radio and television stations are licensed to broadcast in the public interest, convenience and necessity by the Federal Communications Commission. The administrative and judicial interpretation of that phrase requires radio and television stations to furnish a varied program service, including entertainment, religious, agricultural, educational, news and discussion programs.<sup>12</sup> Thus broadcast stations render not only an entertainment service, but educational, informational, religious, etc., services to their respective communities.<sup>13</sup> The failure or refusal of a broadcast station to render a varied program service which would benefit the listening and viewing public, would warrant the Commission in denying a renewal of license.<sup>14</sup> The concept of service to the public by a radio or television station in their broadcast operations is inherent in the standard of public interest, convenience and necessity.

Secondly, broadcast stations act as service organizations for advertisers of goods by furnishing the public with useful information concerning their products and wares.<sup>15</sup> The principal reason for advertising is an economic one—to sell goods and services. In effectuating that objective, it performs

must qualify as a 'mark'. Thus, the Official Gazette for July 19, 1949, shows publication of the mark 'National Symphony'. In the issue of July 26, the mark 'Duffy's Tavern' is published 'for advertising and entertainment services in the nature of a radio program.'"

<sup>9</sup> For illustrations, see text of this section.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> The application forms for new stations and for renewal of licenses for existing stations call for this information. See Warner, Radio and Television Law (1948), § 33a.

<sup>13</sup> This is discussed in detail in

Warner, Radio and Television Law (1948), c III, Administrative Control of Program Standards; and see Warner, The Administrative Process of the Federal Communications Commission, 19 Southern California Law Review, 191, 227-241 (1946).

<sup>14</sup> E.g.: *Simmons v. F.C.C.*, 169 F2d 670 (App DC 1948), cert den, 335 US 846, 69 Sup Ct 67, 93 LEd 35 (1948); *Bay State Beacon, Inc. v. F.C.C.*, 171 F2d 826 (App DC 1948); *Kentucky Broadcasting Corp. v. F.C.C.*, 174 F2d 38 (App DC 1949); *Johnston Broadcasting Co. v. F.C.C.*, 175 F2d 351 (App DC 1949).

<sup>15</sup> *Hettinger, A Decade of Radio Advertising* (1933), 4-5.

two main functions: to inform buyers what is to be bought, where and at what price; and to persuade and influence the public to buy.<sup>16</sup> The broadcast station is thus a conduit for the informative function of advertising. And, to that extent, advertising broadcast over radio and television stations performs a service function, both for the public and for the sponsor of the program.<sup>17</sup>

The concept that radio and television stations are service organizations has been implemented by the current practice of the Patent Office. The term service mark has been converted into the following eight service classes:

- Class 100: Miscellaneous
- Class 101: Advertising and Business
- Class 102: Insurance and Financial
- Class 103: Construction and Repair
- Class 104: Communication
- Class 105: Transportation and Storage
- Class 106: Material Treatment
- Class 107: Education and Entertainment<sup>18</sup>

<sup>16</sup> Brown, Advertising and the Public Interest: Legal Protection of Trade Symbols, 57 *YaleLJour* 1165, 1167 (1948).

<sup>17</sup> Cf. Greenberg, Radio Service Marks, 39 *TMR* 75, 77 (1949):

"The economic aspects of radio broadcasting have been carefully studied in the last decade. It seems well established that a radio broadcast company is a service firm which earns revenue by rendering service through its equipment and personnel. Radio broadcasting is simultaneously a theatre, a lecture hall, a newspaper and a billboard. Essentially the four basic units required for our American system of broadcasting consist of: The broadcaster (stations and technical operators required to operate them); the sponsor (the industrial firm whose advertising fees sustain the broadcasting); the agency (the program producer who supplies the talent, music, copy and program package); finally, the listening or looking public (the set owner).

"T. T. Eoyang developed a chart entitled 'Economic Cycle of Radio Broadcasting.' In it he sought to demonstrate visually the economic aspects of the radio broadcast industry.

His theory was that: 'Radio broadcasting as it stands today in the United States, and when it is viewed as an industry, begins nowhere and ends nowhere, although it takes the form of a business enterprise in which time is sold in terms of a commodity which requires no capital for its procurement and possession. . . . Although entertainments and programs may be considered as services, yet they are intangible, in that they can hardly be appraised in a concrete sense in terms of monetary units. The money invested in one way or the other is, however, ultimately brought back with more or less multiplied increment.'

"The intangible asset flowing to the public is entertainment, whether the sponsor or broadcaster provide the program. The sponsor derives good will and trade-mark acceptance as his intangible asset for his service, and the broadcaster secures revenue for his service. It is self-evident that the marks used in these services attain values of considerable magnitude and represent 'radio service marks'."

<sup>18</sup> Rule 16.1 of Rules of Practice in Trade-Mark Cases, Patent Office (1949).

Listed in the margin are illustrations of the foregoing "servemark" classifications.<sup>19</sup> Radio and television service marks are registered primarily in Class 104, Communication, or Class 107, Education and Entertainment.

The second limitation imposed by the statutory definition of a service mark is that the service must be rendered in commerce. It is clear that radio and television broadcasting stations by their very nature and operation are engaged in interstate commerce:

"It does not seem to be open to question that radio transmission and reception among the states are interstate commerce. To be sure it is a new species of commerce. Nothing visible and tangible is transported. There is not even a wire, over which 'ideas, wishes, orders, and intelligence' are carried. A device in one state pro-

<sup>19</sup> Class 100:

"Don the Beachcomber" is registered by a restaurant in Los Angeles in Class 100 rendering a food and beverage service.

Class 101:

Federal Underwriters has registered "Associated Federal Hotels" for hotel management, operation of hotels and tourist camps. "Brink's" has been registered by Brink's Inc. for receiving and cashing checks, carrying money, securities and payrolls. "Joseph M. Mitchell of Philadelphia" has registered his name for the service of appraising law libraries, printing of legal briefs, cataloguing, cleaning and repairing books. The "Southern Pine Service Association" has registered its name for an informational service to the Southern Pine lumber industry and to promote the industry. "Nielsen Marketing Service" has registered its name under § 2(f) and renders a marketing research service.

Class 102:

The Aetna Life Insurance Company has registered the mark "AETNA" in the life, health and insurance category. "Harry Schlossberg, Dairy Products Trading Post" render a dairy products brokerage service. The "Bank of America" has been registered under 2f as an institution rendering financial services.

Class 103:

The Radio Corporation of America

has registered "RCA" for the maintenance, inspection and repair of various communications equipment.

Class 104:

Triangle Publications Inc., has registered "Fax-Flash" and "Fax-Feature" for broadcasting facsimile editions of a newspaper; station WARL has registered the slogan "The Family Station"; Booth Radio Stations, Inc., has registered "The Voice of Flint" to identify broadcasting services and the Crosley Broadcasting Corporation has registered the following program titles: "Family Fair"; "Everybody's Farm"; "World Front" and "Cross-Roads Cafe".

Class 105:

In Class 105, dealing with transportation and storage, the Chicago & Northwestern Railway Company has registered "C. & N.W."; "CNW"; "The Pioneer Railroad of Chicago and the West". Pan-American Airways has registered "Clipper".

Class 107:

The "National Symphony" has been registered in this class. "Dubinsky Brothers" has also been registered as an entertainment service for the showing of motion pictures in theatres. Performers have registered the following marks: "The Old Smoothies"; "The Polkateers"; "6 Fat Dutchmen"; "Ark Valley Boys"; "Beale Street Boys"; "The Lady in Blue"; "Globetrotter"; "Red Heads".

duces energy which reaches every part, however small, of the space affected by its power. Other devices in that space respond to the energy thus transmitted. The joint action of the transmitter owned by one person and the receiver owned by another is essential to the result. But that result is the transmission of intelligence, ideas, and entertainment. It is intercourse, and that intercourse is commerce.”<sup>20</sup>

The third requirement is that the applicant must be using a mark. At the outset, the statutory definition begins with the words, “The term service mark means a mark.” This would exclude from registration ordinary business names and addresses which do not satisfy the requirements of trademark or trade-service use:

“A letterhead reading ‘A & B Consultants’ or ‘X Life Insurance Company’ or ‘A & B Construction Engineers’ or the name of a railroad is not a mark which would be registerable on either register, but specific emblems used such as ‘Santa Fe’ or the ‘Rock of Gibraltar’ would be.”<sup>21</sup>

Thus the call letters of a radio or television station, or a pictorial illustration or design employed by a television station to identify itself would qualify for registration.<sup>22</sup>

The Lanham Act particularized the definition of service mark by including “without limitation the marks, names, symbols, titles, designations, slogans, character names and distinctive features of radio or other advertising used in commerce.” As stated previously, the Patent Office at first was cautious in extending the protection of the statute to such

<sup>20</sup> United States v. American Bond & Mtg. Co., 31 F2d 448 (D Ill 1929), *aff’d*, 52 F2d 318 (CCA7th 1931); accord: Fisher’s Blend Station, Inc. v. Tax Comm., 207 US 650, 56 SupCt 608, 80 LEd 956 (1936); and see Federal Radio Comm. v. Nelson Bros. Bond & Mtg. Co., 289 US 266, 53 SupCt 627, 77 LEd 1166 (1933): “No state lines divide the radio waves, and national regulation is not only appropriate but essential to the efficient use of radio facilities.” *Cf.* Tampa Times Co. v. Burnett, 45 FSupp 166 (D Fla 1942); Whitmore v. Bureau of Revenue, 64 FSupp 911 (D NM 1946), *aff’d*, 329 US 668, 67 SupCt 62, 91 LEd 589 (1948).

<sup>21</sup> *Derenberg I*, 845.

<sup>22</sup> *Ibid.*: “In other words, house marks used by broadcasting stations or railroads for all their services would unquestionably qualify for registration.” On second thought, Mr. *Derenberg*, in his article on the Second Year of Administration of the Lanham Trade-Mark Act of 1946, 82 PatQ, September 17, 1949 (herein cited as *Derenberg II*), would refuse to register call letters of a radio station “since they are only licensed to the station by the Federal Communications Commission and are, therefore not capable of exclusive rights.” But see text of this chapter, *passim*.

attention-arresting devices as program titles, slogans, unique sounds, etc. Today, program titles, slogans and unique sounds are registrable. But the Patent Office has expressed doubt whether characters employed in radio and television programs qualify for registration. Similarly, it has refused to define "distinctive features of radio or other advertising used in commerce."<sup>23</sup>

The Patent Office must obviously move with caution in administering the act; its determination as to the registrability of such attention-arresting devices as program titles, unique sounds, slogans, etc., affect not only the practice and volume of the Patent Office's work, but are of vital concern to the entertainment industries. The approach of the Patent Office has been governed to some extent by the trade symbol cases. Thus the Patent Office has suggested that unless the definition of a service mark be restricted to the common law meaning of a trade-mark or trade name, it would result in limited monopolies in the names, symbols, characters, etc., so registered withdrawing those phrases from commercial circulation and thus going far beyond the law of trade-marks, patents and copyrights.<sup>24</sup>

Congress in enacting the Lanham Trade-Mark Act, was of the opinion that the statutory recognition and protection accorded to service marks would defeat monopoly and stimulate competition.<sup>25</sup> The Patent Office's views have some merit. Unquestionably the registration of a service mark results in the establishment of a statutory monopoly which withdraws registered marks, words, phrases, symbols, etc., from commercial circulation. Thus the Patent Office objects to the registration of distinctive characters viz., "Claramel" the clown in the "Howdy-Doody" program. If protection is extended to characters appearing in radio and television pro-

<sup>23</sup> Cf. *Ex Parte Pacific Coast Aggregates Inc.*, 91 USPQ 210 (Com'r of Patents 1951); *Ex Parte Tampax Incorporated*, 91 USPQ 215 (Com'r of Patents 1951).

<sup>24</sup> See the comment of Professor Handler quoted in note 7. See also § 244.

<sup>25</sup> E.g., SRep No 1333, 79th Cong, 2d Sess, which accompanied HR 1654 (1946): "Trademarks are not monopolistic grants like patents and copyrights . . . Trade-marks, indeed, are

the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. . . . To protect trademarks [is] . . . to foster fair competition. . . ."

But cf. Mr. Justice Frank in *Eastern Wine Corp. v. Winslow-Warren, Ltd., Inc.*, 137 F2d 955 (CCA2d 1943), and his concurring opinion in *Standard Brands, Inc. v. Smidler*, 151 F2d 34 (CCA2d 1945).

grams, it would mean that all distinctive characters in the entertainment industries could be registered. The Patent Office is likewise concerned with the interpretation, scope and effect of the phrase "distinctive features of other advertising," which is included within the definition of service mark. This phrase is new in our jurisprudence; it has no background or common law meaning and the Congressional intent is at best ambiguous. The Patent Office fears that a broad interpretation of this phrase would result in a registered service mark on all advertising and this is clearly beyond the scope of the trade-mark, patent and copyright laws.<sup>26</sup>

It is believed that Congress intended to furnish statutory recognition to such attention-arresting devices as program titles,<sup>27</sup> station call letters,<sup>28</sup> characters and character

<sup>26</sup> Derenberg I, 841 *et seq.*; Robert, *The New Trade-Mark Manual* (1947), 43 *et seq.*:

"It is difficult to see how rights can be acquired in 'distinctive features of other advertising used in commerce' so as to qualify them for registration. It is not doubted that rights may be acquired in such features but for purposes of the Act, a service mark must be used or displayed in the advertising and sale of services. What is the service rendered by advertisements? Can it be that advertising is a service to inform people of goods? Unless advertising itself can be termed a 'service', the provision is meaningless. Advertising agencies, of course, render a service to their clients, but are the fruits of their service, that is, the advertisements themselves, also a service? If so, then all distinctive features of advertisements disseminated in commerce are registrable and eligible to receive the benefits of the Act. Strict interpretation would require a holding that 'distinctive features of advertising used in commerce' must be 'used or displayed in the sale or advertising of services' which are rendered in commerce. This would limit registration to advertisements of services and would prevent equal recognition to advertisements of goods. No prophecy is made regarding a possible interpretation by the Courts or the Patent Office.

"The Congressional hearings indicate that there was an intent to grant the

right of registration to all trade slogans used in commerce. Such slogans frequently are used only in advertising goods and not on or in connection with the sale of the goods themselves. If the use of such a trade slogan cannot qualify as a trade-mark use, that is, on the displays associated with the sale of goods, it is difficult to see how it could qualify, as a service mark use unless, as stated above, advertisements themselves constitute a service. Here we have a situation where trade slogans used by service establishments in the advertising of services are clearly entitled to the benefits of the Act, but whether trade slogans used in advertising of goods are equally so entitled is a question not explicitly answered by the language." See also Barnett "How Lanham Act Will Affect Radio," *Broadcasting Magazine*, April 28, 1947, pp 30, 32 and 34.

<sup>27</sup> *Prouty v. National Broadcasting Co.*, 26 FSupp 265 (D Mass 1939); *Time, Inc. v. Barshay*, 27 FSupp 870 (D NY 1939); *American Broadcasting Co. v. Wahl*, 121 F2d 412 (CCA2d 1941); *Town Hall v. Associated Town Halls*, 34 FSupp 315 (D Del 1941); *The Lone Ranger, Inc. v. Cox*, 124 F2d 650 (CCA4th 1942); *The Lone Ranger, Inc. v. Currey*, 79 FSupp 190 (D Pa 1948); *Golenpaul v. Rossett*, 174 Misc 114, 18 NYS2d 889 (1940); *Town Hall, Inc. v. Franklin*, 174 Misc 17, 19 NYS2d 670 (1940).

<sup>28</sup> *Bamberger Broadcasting Service*,

names,<sup>29</sup> slogans<sup>30</sup> and unique sounds<sup>31</sup> which had been sanctioned and protected by the law of unfair competition.<sup>32</sup> This is confirmed by Judge Learned Hand's opinion in *S. C. Johnson & Sons Inc. v. Johnson* wherein he stated that in interpret-

*Inc. v. Orloff*, 44 FSupp 904 (D NY 1942); *Thomas Patrick, Inc. v. KWK Invest. Co.*, 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>29</sup> *Uproar Co. v. National Broadcasting Co.*, 8 FSupp 358 (D Mass 1934), modified 81 F2d 373 (CCA1st 1936), cert den, 298 US 670, 56 SupCt 835, 80 LEd 1393 (1936), noted in: 19 MinnLRev 477 (1935); 9 Southern California Law Review, 57 (1935); 33 MichLRev 822 (1935); 83 UnivPaLRev 385 (1935); *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 FSupp 754 (D Conn 1935); *Feldman v. Amos & Andy*, 68 F2d 746 (CtCusPatApp 1934); *Gardella v. Log Cabin Products Co.*, 89 F2d 891 (CCA2d 1937); *Wiley v. National Broadcasting Co.*, 31 FSupp 568 (D Cal 1940); *Dan Dover v. R.K.O. Pictures, Inc.*, 50 USPQ 348, 31 TMR 251 (D Ill 1941); *The Lone Ranger, Inc. v. Cox*, 124 F2d 650 (CCA4th 1942); *The Lone Ranger, Inc. v. Currey*, 79 FSupp 190 (D Pa 1948); and see 2 Nims, *Unfair Competition and Trade Marks* (4thEd 1947), 884 §§ 271a *et seq.*

<sup>30</sup> *Cf. Ott v. Keith Mass Corp.*, 309 Mass 185, 34 NE2d 683 (1941), wherein plaintiff used the following slogan: "That's Right, You're Wrong," as the title of a play; *Kay Kyser*, a band leader, used the slogan: "You're Right, That's Wrong," as an answer to a quiz program; the court refused to enjoin *Kyser's* use of the slogan, since plaintiff's title had acquired no secondary meaning.

See also: *Bickmore Gall Cure Co. v. Karns*, 134 Fed 833 (CCA3d 1905); *American Broadcasting Co. v. Wahl*, 121 F2d 412 (CCA2d 1941); *Orth v. Paramount Pictures Inc.*, 311 Mass 580, 42 NE2d 524 (1942); *Cash, Inc. v. Steinbook*, 220 AppDiv 569, 222 NYS 61 (1927), *aff'd*, 247 NY 531, 161 NE 170 (1928).

<sup>31</sup> *The Lone Ranger, Inc. v. Cox*, 124 F2d 650 (CCA4th 1942); *The Lone*

*Ranger, Inc. v. Currey*, 79 FSupp 190 (D Pa 1948).

<sup>32</sup> The foregoing radio service marks are protected via the doctrine of secondary meaning. See 1 Nims, *Unfair Competition and Trade-Marks* (4thEd 1947), 152 § 36, *et seq.*; 2 Callmann, *Unfair Competition and Trade-Marks* (2dEd 1950), § 77.1.

The classic definition of secondary meaning is set forth in *G. & C. Merriam Co. v. Saalfeld*, 198 Fed 369, 373 (CCA6th 1912), *aff'd and modified* in 238 Fed 1 (CCA6th 1917), cert den, 243 US 651, 37 SupCt 478, 61 LEd 947 (1917). The secondary meaning theory ". . . contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be to them, his trade-mark. So it was said that the word had come to have a secondary meaning, although this phrase, 'secondary meaning,' seems not happily chosen, because, in the limited field, this new meaning is primary rather than secondary; that is to say, it is, in that field, the natural meaning."

For additional cases on "secondary meaning," in addition to the cases cited in footnotes 27 to 32, *supra*, see: *Elgin Natl. Watch Co. v. Illinois Watch-Case Co.*, 179 US 665, 21 SupCt 270, 45 LEd 365 (1901); *Coca-Cola Co. v. Koke Co. of America*, 254 US 143, 41 SupCt 113, 65 LEd 189 (1920); *Kellogg Co. v. National Biscuit Co.*, 305 US 111, 59 SupCt 109, 83 LEd 73 (1938); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 US 315, 59 SupCt 191, 83 LEd 195 (1938).

ing the Lanham Act, "we are . . . to be guided by the existing common law, especially in regard to issues as to which that law was well settled in 1946."<sup>33</sup>

The following media of identification in radio and television have been or should be registrable:

A. Programs<sup>34</sup>

- (1) Name of Programs<sup>35</sup>
  - (a) Duffy's Tavern<sup>36</sup>
  - (b) Family Fair
  - (c) See-Saw Zoo
  - (d) Kukla, Fran and Ollie
  - (e) Captain Video
- (2) Theme Song or Music<sup>37</sup>
  - (a) Harp "gimmick" to identify a "disc jockey program.
  - (b) Briarhoppers
- (3) Slogans<sup>38</sup>

<sup>33</sup> S. C. Johnson & Son v. Johnson, 175 F2d 176 (2d Cir 1949). But cf. Callmann, § 97.1 at 2060.

<sup>34</sup> I am indebted to Amdur, Trade-Mark Law and Practice (1948), 42, § 15 *et seq.*, who suggested the table set forth in the text. He defines a "radio mark" as "an expression of language (such as the name of a program), a sound (such as station Chimes), the name, tag-line, mannerisms and other characteristics of a radio entertainer, etc., which is used for: (a) purposes of identification, or (b) purposes of entertainment."

<sup>35</sup> All of the identifying devices listed in this chart have been registered with the Patent Office, unless otherwise indicated.

<sup>36</sup> ~~Derenberg II, 4:—"In the issue~~ of July 26, the mark 'Duffy's Tavern' is published 'for advertising and entertainment services in the nature of a radio program.' This is believed to be the first such mark passed to publication by the Office. Of course, a title of a book or play which would not qualify for trade-mark protection or copyright protection cannot be made registrable as a service mark on the ground that the book or play is read or performed over the radio."

<sup>37</sup> Derenberg II, 4: "Sound marks are registrable as service marks if they function as such. In such cases, no drawing is required, but the mark will be described somewhat as follows: THE MARK COMPRISES (description of mark) . . . Within the very near future one such mark will be published. A proposed new rule, as published in the Federal Register of July 29, 1949, sets forth the specific requirements for specimens in such cases pointing out, inter alia, that three single face unbreakable disk recordings, will be accepted by the Office." The National Broadcasting Company has registered its chimes as a "sound mark."

<sup>38</sup> The unique calls on the Lone Ranger Program, i.e., "Hi-Ho Silver" were protected in Lone Ranger, Inc. v. Currey, 79 FSupp 190 (D Pa 1948). Derenberg II, at 4, states that "Slogans are not excluded from registration as service marks on the principal register but very few slogans have thus far been submitted which would seem to meet the requirements of section 2 of the Act. Here, again, the test should not be the number of words, but the method in which the language is used to identify the services of the applicant."

- (a) Call for Philip Morris <sup>39</sup>
- (b) "Hi Yo Silver" from the Lone Ranger <sup>40</sup>
- (4) Sound Effects <sup>41</sup>
  - (a) Harp "gimmick" to identify a disc jockey type of program
  - (b) Briarhoppers
  - (c) NBC Chimes
- B. Stations
  - (1) Call Letters <sup>42</sup>
    - (a) WOR <sup>43</sup>
    - (b) KWK <sup>44</sup>
  - (2) Slogans <sup>45</sup>
    - (a) "The Family Station"
    - (b) "The Voice of Flint"
  - (3) Sound Effects
    - Recorded Sound of Liberty Bell Ringing
- C. Networks
  - (1) Initials
    - (a) NBC, ABC and CBS <sup>46</sup>
  - (2) Slogans
    - (a) Paul Bunyan Network
  - (3) Sound Effects
    - (a) NBC Chimes
- D. Product and Service Identification <sup>47</sup>
  - (1) Names or Marks of Sponsors
    - (a) Celanese Theatre
    - (b) Texaco Star Theatre
    - (c) Camel News Caravan
  - (2) Sound Effects
    - (a) BO fog horn-Lifebuoy
    - (b) Talking Train-Bromo Seltzer

<sup>39</sup> Not registered with Patent Office but see *supra* note 38.

<sup>40</sup> *Id.*

<sup>41</sup> *Derenberg II* at 4 quoted in note 38 *supra*.

<sup>42</sup> The Patent Office refuses to register station call letters. This is discussed in text of this section.

<sup>43</sup> The doctrine of unfair competition was invoked to protect the call sign of Station WOR in *Bamberger Broadcasting Service, Inc. v. Orloff*, 44 FSupp 904 (D NY 1942).

<sup>44</sup> The call letters "KWK" were

protected via the law of unfair competition in *Thomas Patrick, Inc. v. KWK Invest. Co.*, 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>45</sup> *Op cit supra*, note 41.

<sup>46</sup> The National Broadcasting Company has registered NBC; however, ABC and CBS have not been registered as yet.

<sup>47</sup> None of these identification devices have been registered. It is believed registration could be effectuated on the Supplemental Register or on the Principal Register under § 2(f) if

## (3) Slogan

(a) The Pause That Refreshes

E. Character Names and Characters <sup>48</sup>

## (1) Names of Performers

(a) The Jack Benny Show

(b) The Dinah Shore Show

(c) The Red Skelton Show

(d) The James Melton Festival

## (2) Characters

(1) The Lone Ranger <sup>49</sup>(2) Amos & Andy <sup>50</sup>(3) Charlie McCarthy <sup>51</sup>(4) Aunt Jemima <sup>52</sup>

Several of the foregoing sub-classifications warrant discussion.

The current practice of the Patent Office is to refuse registration of the call letters of a station on the theory that "they are only licensed to the station by the Federal Communications Commission and are, therefore, not capable of exclusive rights".<sup>53</sup> However, the call letters of stations have been protected by the law of unfair competition.<sup>54</sup> In addition, the legislative history of the Communications Act of 1934 indicates that Congress intended that "call letters shall be recognized as representing a property right and be treated accordingly during the life of the license."<sup>55</sup> It is submitted that Congress intended that the call letters of a station should be an exclusive property right of the station, during the life of the license. The incontestability provisions of the Lanham Trade-Mark Act would be no bar to registration of station call

the mark has acquired a secondary meaning.

<sup>48</sup> *Id.*

<sup>49</sup> *The Lone Ranger, Inc. v. Currey*, 79 FSupp 190, 197 (D Pa 1948): "The law of unfair competition protects trade names . . . exploited and enhanced by radio broadcasting by means of which they have acquired their secondary meaning. The 'Lone Ranger' indicates the origin of the production and proprietorship of the business, just as the name 'Donald Duck' calls to mind Walt Disney, 'Charlie McCarthy' the name of Edgar Bergen, 'Amos & Andy' the names of Gosden and

Correll." The "Lone Ranger" has been registered as the title of a program.

<sup>50</sup> *Feldman v. Amos & Andy*, 68 F2d 746 (CtCusPatApp 1934).

<sup>51</sup> *Op cit supra*, note 49.

<sup>52</sup> *Gardella v. Log Cabin Products Co.*, 89 F2d 891 (2d Cir 1937).

<sup>53</sup> *Derenberg, II.*

<sup>54</sup> *Bamberger Broadcasting Service, Inc. v. Orloff*, 44 FSupp 904 (DC NY 1942); *Thomas Patrick, Inc. v. KWK Investment Co.*, 357 Mo 100, 206 SW2d 359, 76 USPQ 77 (1947).

<sup>55</sup> *Warner, Radio & Television Law* (1948) § 92a, note 42.

letters, since a service mark may be cancelled when it is abandoned.<sup>56</sup>

The classification labeled "Product and Service Identification," warrants discussion. A mark which is employed to identify and advertise a product, viz., "Lucky Strike," "Rinso" or "Serutan" is not a service mark because it may be used in connection with a radio or television program. The foregoing merchandise marks are employed primarily to advertise products; they do not identify the selling or advertising of services.<sup>57</sup> On the other hand a merchandise mark may be employed to identify an entertainment or communication service viz., "Celanese Theatre," "Texaco Star Theatre" and "Camel News Caravan." Since the Patent Office recognizes that the same mark can be used as a trade-mark and a service mark,<sup>58</sup> the product or name of a sponsor which identifies a service may also be registered as a service mark. Similarly sound marks and slogans which render the dual functions of identifying products and services are registrable both as trade-marks and service marks.

With reference to the names of performers which are also the titles of programs, section 2 (c)(3) of the Lanham Act precludes registration of the name of an individual which "is primarily a surname."<sup>59</sup> But where the name of a performer is used for commercial purposes and has acquired a secondary significance, it may be registered as a service mark.<sup>60</sup> It

<sup>56</sup> Section 45 of Lanham Act: "Abandonment of mark. A mark shall be deemed to be 'abandoned'—(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment. (b) When any course of conduct of the registrant, including acts of omission as well as commission, cause the mark to lose its significance as an indication of origin."

<sup>57</sup> E.g., Ex Parte Pacific Aggregates Inc., 91 USPQ 210 (Com'r of Patents 1951) wherein applicant sought to register "Pacific Coast Aggregates Inc." as a service mark for the processing, transportation and sale of rock, sand and gravel. Registration was denied because the name was employed to identify the applicant and the prod-

ucts it sold. To the same effect is Ex Parte Tampax Incorporated, 91 USPQ 215 (Com'r of Patents 1951) wherein registration was sought of the notation "No Belts

No Pins

No Pads" symmetrically arranged on a rectangular black background. The Commissioner held that the notation did not render a service but was used in the advertising to identify a product. See also Ex Parte Radio Corporation of America, 92 USPQ 247 (Com'r of Patents, 1952).

<sup>58</sup> Section 27 of the Lanham Act Ex Parte Tampax Incorporated, 91 USPQ 215 (Com'r of Patents, 1951).

<sup>59</sup> See Callmann, § 98.6 at 2146 *et seq.*

<sup>60</sup> The law of unfair competition has been employed to protect: "Mutt and Jeff" (Fisher v. Star Co., 213 NY 414,

has been suggested that even in the absence of a secondary significance, a name may be registered as a program or entertainment service on the ground that "every performance over the radio, on television, on the stage or in a concert hall, is a service for which a service mark as a medium of identification is justified."<sup>61</sup>

As stated previously, the Patent Office has denied registration to distinctive characters appearing in radio and television programs. This refusal is premised on two grounds: section 45 does not specifically provide for the registration of characters; and if characters are registrable, it would mean that the photograph of every character employed in an entertainment service, whether personal appearance, radio or television performance would qualify for registration as a service mark.<sup>62</sup>

It is believed that distinctive characters are registrable. Since the purpose of the Lanham Act is to conform the law of registration with the common law of trade-marks,<sup>63</sup> the distinctive characters protected by the law of unfair competition are entitled to the benefits of the Lanham Act.<sup>64</sup> Secondly, a distinctive character is comprehended by the statutory definition of a service mark. A character may be considered as a symbol, designation or distinctive feature of radio advertising.<sup>65</sup> Finally, a character such as "Clara the Clown" in the "Howdy-Doody" program, identifies the communication or entertainment service to the same extent as the title of such program.

435, 1321 NE 133 (1921); "Charlie Chaplin" (Chaplin v. Amador, 93 Cal App 358, 269 Pac 544 (1928)); "Amos & Andy," (Dave Feldman Inc. v. Amos & Andy, 68 F2d 746 (CtCusPat App 1934)); "The Lone Ranger," (The Lone Ranger Inc. v. Cox, 124 F2d 650 (4th Cir. 1942); The Lone Ranger Inc. v. Currey, 79 FSupp 190 (DC Pa 1948).

<sup>61</sup> Callmann, § 98.4(b) at 2132.

<sup>62</sup> Amdur, Trade-Mark Law and Practice (1948) § 15a at 44 suggests that characters and characterizations do not qualify for registration under the Lanham Act since they relate more to copyrights than trade-marks. But see *infra* §§ 234 and 237. And see *Ex Parte Carter Publications Inc.*, 92

USPQ 251 (Com'r of Patents 1952).

<sup>63</sup> S. C. Johnson & Son v. Johnson, 175 F2d 176 (2d Cir 1949).

<sup>64</sup> In the illustrative cases cited in note 60 *supra*, the costume and mannerisms of the characters were also protected via the law of unfair competition.

<sup>65</sup> Any distinctive character appearing in a radio or television program is comprehended by the phrase, "distinctive feature of radio advertising." Whether the program is sustaining or commercial is immaterial. The character identifies and advertises a station's program service not only to the listening audience but to potential advertisers.

The fourth limitation imposed on the statutory definition of a service mark is that the service must not be entirely incidental to the advertising or sale of merchandise. Thus a merchandise mark which identifies a product and is advertised via radio and television cannot qualify as a service mark; it offers no substantial service divorced from the sale of goods.<sup>66</sup> On the other hand, the attention arresting devices of program titles, station call letters, characters and character names, slogans and unique sounds are marks which are primarily employed in the sale and advertising of services.

The Lanham Trade-Mark Act, which has introduced new concepts into trade-mark law, will require administrative and judicial clarification.<sup>67</sup> This is illustrated by the discussion on the scope and meaning of the term service mark. Another question tendered is who, *e.g.*, the sponsor, talent or producer, shall register the radio service mark.<sup>68</sup> This problem can be illustrated readily. In the "Old Maestro" case, both the radio program and the performer had been associated over a long period of time with the advertising of Blue Ribbon Malt and Pabst Blue Ribbon Beer.<sup>69</sup> If the phrase "Old Maestro," which was a sobriquet for Ben Bernie, was created and popularized by Mr. Bernie prior to his association with the Premier-Pabst Corporation, registration should be obtained by him. If, on the other hand, the sponsor of the program or the producer thereof is responsible for the creation and exploitation of the sobriquet "Old Maestro," it would appear that registration should be effected in their names. The confusion and deception to the public occurs when a radio performer with a nickname transfers his allegiance to another product. This is illustrated by a Texas case wherein the plaintiff flour company had a registered trade-mark "Light Crust" for flour.

<sup>66</sup> See *Ex Parte Pacific Coast Aggregates Inc.*, 91 USPQ 210 (Com'r of Patents, 1951); *Ex Parte Tampax Incorporated*, 91 USPQ 215 (Com'r of Patents, 1951).

<sup>67</sup> *E.g.*, Robert, *Commentary*, 265, 279.

<sup>68</sup> Robert, *The New Trade-Mark Manual* (1947), 42: "The question of ownership of 'radio marks' presents a knotty problem because of the various methods used in the field for producing and selling radio programs. Whether in the case of the production and sale

of so-called 'package programs' the rights will be acquired by the sponsor of the program or by the person producing the program will have to be determined by the facts in each case. These provisions being an innovation in our law, will require interpretation and clarification and the administration and handling of applications to register under them will require careful scrutiny by the Patent Office tribunals."

<sup>69</sup> *Premier-Pabst Corporation v. Elm City Brewing Co.*, 9 FSupp 754 (D Conn 1934).

It employed defendants as entertainers in its broadcast advertising and publicly called them the "Light Crust Doughboys." After termination of the contract, the singers, who had acquired a reputation under this name, used the phrase "formerly Light Crust Doughboys" in another program. The court held that the defendants were precluded from using the sobriquet "Light Crust Doughboys" but that there would be no objection to the use of that phrase if it was joined with the qualifying word "former."<sup>70</sup> Plaintiff's request for injunction to restrain the use of this name was denied on the principle that a partner or employee of a firm may advertise his former connection, provided there is no evidence of fraud or deception which would mislead and confuse the public.<sup>71</sup>

The question of ownership of radio service marks will have to be handled on a factual basis. It is suggested that the customs and practices of the trade should materially aid the Patent Office and the courts in solving these and related problems.

#### 243b. THE SCOPE OF THE LANHAM TRADE-MARK ACT IN RELATION TO RADIO AND TELEVISION: TELEVISION.

The statutory definition of a service mark includes television as well as radio. The term radio or radio communication includes "the transmission by radio of writings, signs, signals, pictures. . . ."<sup>1</sup>

Television which will employ visual means for the distinctive identification of services, slogans, characters, etc. will and has already furnished a more fertile field for the registration of service marks. Thus the title of programs, slogans identifying programs, station and network call signs and slogans may be associated with distinctive pictorial illustrations. One illustration will suffice. "See-Saw Zoo" which has been registered as the title for a series of televised film programs

<sup>70</sup> *Burrus Mill & Elevator Co. v. Wills*, 85 SW2d 851 (TexCivApp 1935). But *cf.* *The Lone Ranger, Inc. v. Cox*, 124 F2d 650 (CCA4th 1942), wherein the court enjoined one of the defendants from being billed and advertised as "Lee Powell, the Original Lone Ranger of Talking Pictures."

<sup>71</sup> *Singer Mfg. Co. v. Stanage*, 6 Fed 279 (CC Mo 1881); *Henri Petetin, Inc.*

*v. Baudean*, 18 LaApp 314, 137 So 755 (1931); *Holbrook v. Nesbitt*, 163 Mass 120, 39 NE 794 (1895); *Newark Coal Co. v. Spangler*, 54 NJEq 354, 34 Atl 932 (1896).

<sup>1</sup> Act of June 19, 1934, 48 STAT 1065, 47 USCA § 153, as amended by the Act of May 20, 1937, 50 STAT 189.

consists of two puppets on a see-saw with the legend "See-Saw Zoo" inscribed thereon.<sup>2</sup> Similarly products and services, names of performers, etc. may be identified by visual means and thus would qualify for registration. The physical appearance of characters, *i.e.*, face, figure and dress appearing on a television broadcast would be protected to the same extent as pictures and portraits.<sup>3</sup> The transitory nature of a television broadcast would be no bar to the registration of any television service mark. Congress intended that the distinctive features of radio and television which appeal to the eye and the ear should receive statutory recognition and protection as service marks under the Lanham Trade-Mark Act.<sup>4</sup>

#### 244. APPENDIX: LEGISLATIVE HISTORY OF RADIO AND TELEVISION SERVICE MARKS.

Hearings before the Subcommittee on Trade-Marks of the House Committee on Patents, 77th Cong. 1st Sess. on H. R. 102, H. R. 5461 and S. 895 (1941), at pp. 170 *et seq.*

*Mr. Handler*—Might I ask whether the latter part of the definition "service mark" on page 44, lines 16 to 21, relates to marks used to identify services which are sold and advertised, or does it relate to any advertising used in commerce? The language in lines 19 to 21 is rather unclear and is broad enough to cover any advertising matter, because it is not expressly limited to the advertising of services.

*Mr. Lanham*—The paragraph itself seems to relate to service.

*Mr. Martin*—That would be certainly my construction of it. That with service marks, and the particular phrase relating to distinctive features of radio and other advertising used in commerce was suggested at the February meeting of the section of Patents, Trademarks and Copyrights in Washington,

<sup>2</sup> The following titles of television programs have been registered with the Patent Office: "The Beulah Show"; "Kukla, Fran and Ollie"; "Champagne and Orchards"; "Telepix"; "Captain Video"; "Suspense".

<sup>3</sup> *Ostermoor & Co. v. Rose Spring & Mattress Co.*, 55 AppDC 307, 5 F2d 268 (1925); *Jantzen Knitting Mills v. Spokane Knitting Mills*, 44 F2d 656 (D Wash 1930); *New York Good*

*Humor, Inc. v. Standard Commercial Body Corp.*, 145 Misc 752, 260 NYS 167 (1932), *aff'd*, 237 AppDiv 859, 261 NYS 933 (1932); *cf. New York Mackintosh Co. v. Flam*, 198 Fed 571 (D NY 1912); *Correct Ptg. Co. v. Ramapo River Ptg. Co.*, 16 FSupp 573 (D NY 1936); *Hier v. Abraham*, 82 NY 519 (1880).

<sup>4</sup> See Appendix, § 244.

and was expressly passed on by the section at that time, and I have never felt free to change that particular section, because it received considerable discussion at that time and was expressly approved at that time.

*Mr. Louis Robertson*—It does, however, on its face seem to include within the definition of “service marks” things which are not necessarily service marks, and unless the intention of the committee is clear that only such things are intended to be included as are advertisements of services or something of that kind, it would seem to include more than is intended.

*Mr. Handler*—I took the liberty of revising that language so as to make it conform with the definition of “trade-marks” which immediately precedes, which is a very broad definition and which covers everything; whereas, the present definition by its enumeration might lead to difficulty. So, if I may, I would like to read the substitute into the record.

*Mr. Lanham*—Very well.

*Mr. Handler*—I follow very closely the definition of “trade-mark” in lines 12 to 15, only I related it to services, and it reads as follows:

The term “service mark” includes any word, name, symbol, or device, or any any combination thereof, adopted and used in the sale or advertising of services to identify such services and to distinguish them from the services of others.

*Mr. Fenning*—That, of course, does not include a radio broadcast, which probably is not service, and the American Bar Association was very definite in wanting to have a radio slogan protected.

*Mr. Handler*—Is this radio slogan, Mr. Fenning, used in the advertising of services?

*Mr. Fenning*—Used in the advertising of anything. Radio is analogous to something which is service. It is not goods. It is not attached to goods. When you consider this you should bear this in mind: This section is doing a very serious thing. Heretofore, marks which have been registered have always been applied to the goods, and that is the common law. That is what the court protects. That is what Congress protects. Now, you are saying to a man that he may mark his goods with his own trade-mark and sell them as such, but he can use 92

other trade-marks in 92 separate advertisements for the same goods, and register all of those marks, although only one of them is on the goods and only one identifies the goods. The others are merely used in advertising. Now, it seems to me that possibly the committee should realize that fact and I wonder if they are not going too far. I do not think a word, slogan, or what not, that is used in advertising alone identifies any goods. One advertisement is written this way this week, another one next week, and before very long, if a man registers every one of his advertisements, there will be nothing left. Nobody can use anything because—you know what the advertising people do. Along this line, if you are using advertising, the idea has been this: There are two kinds of advertising at least. One is printed advertising and the other is the advertisement which goes over the radio. Now, if you are going to say that an advertisement which is printed is registrable, then you should say that the slogan which identifies a radio performance should be registered, and if you are going to take in advertising, then certainly keep radio in somehow or other, but what Mr. Handler has suggested omits the radio business entirely, as I understand it.

*Mr. Handler*—Is this correct, Mr. Fenning, that as you read the section, this really is a substitute for the copyrighting of advertising, which as I understand it would be possible where the advertising satisfies the copyright law?

*Mr. Fenning*—No; it might be a substitute for a thing which should be in the copyright law but which is not. That is the protection of a slogan or a section of an advertisement. You can copyright an entire advertisement which has little value, but the single word used in the advertisement cannot be copyrighted. This provides that it can be registered.

*Mr. Handler*—If you read the latter part of the paragraph, “distinctive features of radio or other advertising used in commerce.” That would cover an exclusive feature in newspaper advertising.

*Mr. Fenning*—It covers the mark, not the advertising.

*Mr. Handler*—But the whole advertisement may be distinctive or it may have numerous distinctive features.

*Mr. Fenning*—Yes.

*Mr. Handler*—That would substitute a new test unknown

to any lawyer today, because it is not the test of trade-mark, it is not the test of patent, it is not the test of copyright.

*Mr. Fenning*—It is a protection of advertising.

*Mr. Handler*—Might I ask what is the legal test of what is a distinctive feature of a newspaper advertisement?

*Mr. Fraser*—I would like to ask this question: How else can a service be used except in advertising?

*Mr. Fenning*—By putting it on the goods, the goods that are serviced. You go to a laundry, and the clean laundry comes back to you in a box which has a mark on it. You go to Byron S. Adams to get your printing done, and your printing will come to you in a wrapper which has on it "I never disappoint." That is applied to the goods. It may be that the owner of the mark sells the goods, but the same thing applies to any sort of services.

*Mr. Fraser*—What about a bus-line operator? How is he going to use a mark except in advertising?

*Mr. Fenning*—They put it on the bus.

*Mr. Fraser*—The trade-mark is for the service, not the bus.

*Mr. Fenning*—It is advertising of a type, but it is carried by goods. It is on the goods.

*Mr. Thomas Robertson*—In some cases the user of the mark does not own the goods, never has owned the goods. In the case of a laundry the patron takes his goods there to be cleaned or dyed, and a mark, a service mark, is put on them when they are returned, and the man who uses this service mark gets nothing except his fee for doing the dyeing or cleaning. He never has had any title whatever to the goods.

*Mr. Rogers*—Under existing law those marks are not registered because they are not affixed to the goods.

\* \* \* \* \*

At this point Wallace H. Martin (page 173) introduced his construction of the definition. A more detailed discussion of radio marks resulted.

\* \* \* \* \*

*Mr. Martin*—With reference to Mr. Fenning's remarks, it seems to me that they might be construed in a way different from what certainly those with whom I have worked have construed this provision with reference to service marks. This

language mentioning the features of radio and other advertising, we have always considered was limited to the definition of a service mark which immediately precedes it, namely, only those radio features and advertising would be included in this particular provision which consisted of a mark used in the sale or advertising of services, to identify the services of one person and distinguish them from the services of others. With that limitation on it, it seemed to the committee that there could be no harm in this particular language, and certainly any radio advertising which fits that definition of a service mark should be properly registrable.

*Mr. Lanham*—This whole section is taken up with the connotation of the respective terms that are used in the act. This particular paragraph has to do with service marks exclusively, and therefore this paragraph would apply only to services. Is that not correct?

*Mr. Martin*—Exactly.

*Mr. Lanham*—However, Mr. Savage brings up the suggestion that in line 20, page 44, the word “other” should be omitted before “distinctive.” I have heard no expression on that.

*Mr. Martin*—I see no reason why it should not be omitted.

*Mr. Lanham*—If there is no objection, we will omit it.

*M. Fenning*—I think we ought to take up the question of advertising and make up our minds whether we are going to let an advertisement be recorded as a trade-mark. Remember, these service marks are put on the principal register. They are given all the dignity of a registered trade-mark. They are never applied to the goods, and a man may put out a 52 weeks’ advertisement, using a different term each week.

*Mr. Lanham*—That is an objection to the paragraph itself, is it not?

*Mr. Fenning*—That is an objection to the word “advertising.” If you take out in line 17 the words “or advertising” so that it reads “The term ‘service mark’ means a mark used in the sale of services.”

*Mr. Savage*—A mark used continuously, not changed every week.

*Mr. Fenning*—He might be using 50 advertisements in 50 magazines.

*Mr. Savage*—But as soon as he discontinues the use of it, he abandons it and it is no longer a valid registration.

*Mr. Fenning*—If he intends to abandon it.

*Mr. Savage*—If he does abandon it, whether he intends to or not. If he discontinues its use, he abandons it.

*Mr. Martin*—May I say this, Mr. Fenning: This radio feature was intended to cover such advertising features, radio advertising features as Amos and Andy, for example, where “Amos and Andy” would be a service mark owned by these particular individuals who use those names.

*Mr. Fenning*—What service is there, there?

*Mr. Martin*—The service varies with different goods. In one instance it would be one goods, and if it changed their sponsor it would be other goods. But the mark belongs to Amos and Andy. Now, that was a typical example to fit this radio feature. That is what I had in mind.

*Mr. Fenning*—One of the other things was a score of music which was used as an introduction to a radio feature, such as Charlie McCarthy.

*Mr. Lanham*—Would not that come more under copyright than trade-mark?

*Mr. Fenning*—It was thought if you are going to protect advertising which is printed and give the man benefit of that protection, then you ought to give the man who advertises over the radio the same benefit, and I think maybe there is some justification in that, if you are going to take care of advertising which is not a mark placed on the goods. Personally, I think advertising should be omitted.

*Mr. Stevenson*—So do I.

*Mr. Lanham*—Well, if you omit it there, would you omit it in line 21 also?

*Mr. Fenning*—Yes, because radio cannot apply to the goods. It is pure advertising—unless you look on the radio program itself as a service.

*Mr. Martin*—How would the sponsors of Amos and Andy protect that mark?

*Mr. Fenning*—Take out “or other advertising” in line 21, so it would read “and other distinctive features of radio advertising used in commerce.”

*Mr. Martin*—That would do it.

*Mr. Fenning*—Take out “advertising” in both instances. It seems to me that will take care of Amos and Andy.

*Mr. Handler*—Would not Amos and Andy be covered by the title of the radio program rather than “distinctive features”?

*Mr. Lanham*—Leave out “or other advertising” and it would certainly be covered by this, would it not, “distinctive features or radio used in commerce”? That is certainly a distinctive feature of radio used in commerce.

*Mr. Rogers*—We can hear these programs all night and never hear the sponsor. Of course, everybody knows Bergen is the sponsor of Charlie McCarthy.

*Mr. Lanham*—The public knows who the sponsor is.

*Mr. Fenning*—The “other distinctive features” was put in here to cover music, which is brought in by many radios. I think I can say that reasonably, because I was the one who suggested that it be put in.

*Mr. Lanham*—Does that inhere in trade-mark legislation?

*Mr. Fenning*—Just as much as Amos and Andy does.

*Mr. Rogers*—Many of these programs are identified by a theme song or bar of music at the beginning, and people get to recognize the program in that way.

*Mr. Lanham*—Could we not protect that by copyright?

*Mr. Rogers*—Frequently it is old music.

*Mr. Stevenson*—What right would they have to any protection on that, any more than I would?

*Mr. Fenning*—Because it has acquired a secondary meaning.

*Mr. Rogers*—It is used to identify a particular program.

*Mr. Stevenson*—I could play or sing as well as they can and should have that right, too. Why should they exclude anybody else from using a bar of music?

*Mr. Rogers*—They should be able to exclude them only at one point, to introduce a radio program with that particular bar of music, so that particular program would get the advantage of registration.

*Mr. Stevenson*—But why are they any more sacred or entitled to protection more than anybody else because they happened to think of using Annie Rooney, or some other song to start a program?

*Mr. Fenning*—But let us put it this way: You would not

think anyone could use Amos and Andy merely because they used that slang talk on the radio, and if a man introduces a program by a bar of music and that is always the way he does introduce it, then that bar of music, in effect, is Amos and Andy.

*Mr. Rogers*—If he uses it often enough.

*Mr. Fenning*—Then you should not be allowed, after he has adopted that, to go on the radio the next hour or the next day at the same time, or some other time, and use the same introduction and let the public think that he is going to come on instead of you. You use it to mean that that is your problem.

*Mr. Handler*—That, of course, is not clear from the wording of this provision, and that is a question for judicial construction, as the Congressman states. One program starts with the opening bars of Beethoven's Fifth Symphony. Now supposing New York Philharmonic starts their program next week with Beethoven's Fifth Symphony?

*Mr. Lanham*—Of course, the sponsor of a radio program might adopt a certain piece of music as its introductory theme. All that is intended to be done here is to protect the use of that music from use as an introductory theme of another program, but not otherwise than as applied to some other radio program.

*Mr. Rogers*—Like the slogan of the American Tobacco Co., the tobacco auctioner. There is no exclusive right in that, if someone else started a program that way, people would say "That is the Lucky Strike Program." And so to that extent, it identifies the program and ought to be protected. In other words, give no monopoly on the general use of a piece of music, but only as applied in that particular way.

*Mr. Fenning*—And generally only one bar or two or three bars, not the whole piece of music.

*Mr. Pohl*—Might not the word "symbol" take care of it? The word "symbol" is a pretty broad term, not confined to any particular form of rendition.

*Mr. Fenning*—Maybe so, but the chances are that "symbol" would be interpreted to be something written, because that is what a trade-mark is. One of the definitions of trade-mark is "symbol."

*Mr. Louis Robertson*—This again brings up the question of

incontestability. I think maybe Mr. Stevenson has something really important there. The thing that is registered, supposedly distinctive, may be quite a long piece that does not have any secondary meaning, but if the registrant gets away with using it for five years he has got an incontestable right to use it.

*Mr. Fenning*—The feature of incontestability probably is not going to work satisfactorily—certainly not as drawn here. It probably will cause a great many headaches, but it is the protection generally. If you think it is desirable, I suppose we will have to stand for it. Personally I never had any interest in incontestability.

*Mr. Louis Robertson*—I do not believe the profession generally thinks so. The only time the question was presented to the American Bar Association it was taken out. At the February meeting of the patent section and at Indianapolis the question of incontestability was not separately presented.

*Mr. Lanham*—Now, gentlemen, it all resolves itself to this; whether the advertising slogans that have nothing to do with the goods but are simply used by particular firms or concerns to show the advisability of utilizing their services should be included, and whether it should be extended to other advertising.

*Mr. Fenning*—I would take out “or other advertising.”

*Mr. Lanham*—You would take out “or advertising” in line 17, “or other advertising” in line 21.

*Mr. Fenning*—I would take out both of them.

*Mr. Lanham*—So far as radio is concerned, that would not interfere.

*Mr. Fenning*—No; because it is not an advertisement. In radio it is an identification of that particular service.

*Mr. Lanham*—Then the question reverts to whether or not it is advisable to have it in line 17.

*Mr. Savage*—I think it ought to stay in 17, because the mark is used either in the sale or advertising of services. I think that should stay in line 17. It is distinctly tied up with services. Down below the clause “or other advertising” might stay in. It is in the subjunctive. It is not tied up with anything. But I am opposed to striking it out in line 17.

*Mr. Martin*—I might point out, Mr. Lanham, that some serv-

vices are such that you cannot use the mark on the services. For example, take an advertising agency or a bank. A bank has never been able to register a trade-mark because it did not use the mark on the goods. They perform a service, and the only way they can use their mark on the service is on advertising literature. They can put out a little pamphlet with their advertising on it.

*Mr. Pohl*—They can put it on their bank books and checks.

*Mr. Martin*—They have never been able to register a mark. Now, with “advertising” in here, that would permit a bank to register a service mark, and that is why this language was used here, to cover banks, advertising agents who perform services and cannot use a mark on the service.

*Mr. Fenning*—But a bank could register under this without advertising the service, because the bank puts it on something, on a circular, on the passbook, on the checkbook.

*Mr. Savage*—But when you get down to fundamentals, is not a service mark always an advertisement of the service? It cannot be anything else.

*Mr. Fenning*—Every mark is an advertisement of the goods.

*Mr. Savage*—It cannot be anything but an advertisement.

*Mr. Fenning*—A trade-mark is advertising the goods.

*Mr. Pohl*—But where you have goods, you can apply the mark to the goods, but where you have services you can only apply it to something that comes with the service.

*Mr. Savage*—To advertise the service is its sole function.

*Mr. Lanham*—Well, gentlemen, we will just have to settle this as best as we can.

*Mr. Fenning*—I would like to take out “all advertising” in line 21 anyhow.

\* \* \* \* \*

*Mr. Handler* at page 228:

“There appear to have been tacked upon the definition of service marks in section 46 at p. 44, line 16 to 21 of the committee print, a provision of widest import which appears to confer monopoly rights in any mark, symbol, title, designation, slogan, character names or other distinctive features of radio or other advertising used in commerce. The breadth of the definition makes it meaningless. If the purpose of the provision is to define what may be adopted as a service mark, it would appear that

the same language used in the definition of 'trade-mark' might be repeated here. If the provision is intended to confer monopoly rights in all advertising matter, it goes beyond the law of trade-marks, patents and copyrights.

"If it is desired to confer special rights on original advertising material, a much more comprehensive and carefully worked out piece of legislation is necessary. . . . I accordingly recommend that lines 16 to 21 be eliminated from page 44 of the committee draft and the following definition of service marks be substituted therefor:

'The term "service mark" includes any word, name, symbol, or device or any combination thereof, adopted and used in the sale or advertising of services to identify such services and to distinguish them, from the services of others.'

If it be desired to protect the titles and musical signatures of radio programs, a more carefully phrased definition is necessary than that now contained in the bill."

*Book III*  
**Protection of  
IDEAS  
in Radio and Television Programs**

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# Book III

## Chapter XXV

### LEGAL PROTECTION OF PROGRAM IDEAS

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#### 250. INTRODUCTION.

The tremendous commercial value of ideas, popularly referred to as the “hot idea” industry has been and is an extremely significant development in the motion picture, advertising, radio, and now television industries. The suggestion that a “Lassie” picture be produced with its locale in the Pacific Northwest may involve the expenditure of hundreds of thousands of dollars. The use of “L.S.M.F.T.” as an advertising slogan is now part of our national vocabulary. The idea that a “disc jockey” broadcast on a nation-wide hook-up likewise results in the expenditures of substantial moneys.<sup>1</sup>

<sup>1</sup> The commercial worth of ideas is discussed in *Johnston v. Twentieth Century-Fox Film Corp.*, 82 CalApp2d 796, 187 P2d 474 (1947). The appropriation of ideas resulted in the following jury verdicts: *Golding v. RKO Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 208 P2d 1 (Cal 1949), *aff'd on rehearing*, 35 Cal2d 690, 221 P2d 95 (1950) (\$25,000); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*,

208 P2d 9 (Cal 1949), *aff'd on re-argument*, 35 Cal2d 653, 221 P2d 73 (1950) (\$35,000); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944) (\$8,000); *Kovaes v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950) (\$25,000); *Masterson et al. v. KLAC Radio-Television Station et al.*, (CalSuperCt 1951), the jury returned a verdict of \$800,000; the case was settled for approximately \$50,000.

For the most part, "hot ideas" are suggested by the craftsmen of the motion picture, radio and television industries and advertising agencies. But when suggestions emanate from the general public, the originators of such ideas should be compensated. On the other hand, the consumers of ideas should be protected from fraudulent and spurious claims.

The basic problem before the courts in furnishing protection to ideas was aptly stated by Lord Mansfield in 1785:

"[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labor; the other that the world may not be deprived of improvements, nor the progress of arts retarded."<sup>2</sup>

Mr. Justice Brandeis rephrased the problem in the *Associated Press* case: "The fact that a product of the mind has cost its producer money and labor, and has a value for which others are willing to pay, is not sufficient to insure to it this legal attribute of property. The general rule of law is that the noblest of human productions—knowledge, truths ascertained, conceptions and ideas—become, after voluntary communication to others, free as the air to common use."<sup>3</sup> Furthermore, because "to appropriate and use for profit, knowledge and ideas produced by other men, without making compensation or even acknowledgment, may be inconsistent with a finer sense of propriety; but with the exceptions (under copyright and patent statutes) or in cases of special relationship 'where the suit is based upon breach of contract or of trust or upon unfair competition' the law has heretofore sanctioned the practice."<sup>4</sup>

<sup>2</sup> Sayre v. Moore, 1 East 361, 31 EngRep 140 (KB 1785).

<sup>3</sup> Mr. Justice Brandeis dissenting in *International News Service v. Associated Press*, 248 US 215, 250, 39 Sup Ct 68, 76, 63 LEd 211, 225 (1918).

<sup>4</sup> *Id.* at 257, 39 SupCt at 79, 63 LEd at 228; see *Detmold v. Reeves*, 7 FCas No 3,831, at 549 (CCED Pa 1851): "Men may be enriched, or made happy, by physical as well as by moral or political truths, which, nevertheless, go without reward for their authors. He who devised the art

of multiplication could not restrain others from using it after him, without paying him for a license. The miner who first found out that the deeper veins were the richer in metal, could not compel his neighbor to continue digging near the surface.

"The more comprehensive truths of all philosophy, whatever specific name we give to them, cannot be specifically appropriated by anyone. They are almost elements of our being. We have not reasoned them out, perhaps, and may even be unconscious of their ac-

Thus scientific discoveries such as a new fact, principle or truth cannot be protected by the courts. Similarly the so-called "business idea" is unprotected unless it has been reduced to concrete form and falls within the ambit of copyright or patent law.<sup>5</sup> The latter is illustrated by the refusal of the courts to protect ideas reflected in fashion designs.<sup>6</sup> Similarly, the courts have been reluctant to furnish legal protection to uncopyrighted advertising ideas which have been appropriated by competitors.<sup>7</sup> One illustration will suffice. In *Feil Co. v. Robbins Co.*,<sup>8</sup> defendant made and sold an item similar to one sold by the plaintiff. Defendant paraphrased plaintiff's advertising literature including its cuts and pictures, and in response to decoy letters ordering plaintiff's item, sent his own. The

tion; yet they are about us, and within us, entering into and influencing our habitual thoughts, and pursuits, and modes of life—contributing to our safety and happiness. And they belong to us as effectively as any of the gifts of heaven. If we could search the laws of nature, they would be, like water and the air, the common property of mankind; and those theories of the learned which we dignify with this title, partake, just so far as they are true, of the same universally diffused ownership. It is their application to practical use which brings them within the domain of individuals and it is the novelty of such an application that constitutes it the proper subject of a patent."

<sup>5</sup> Cf. *Johnston v. Twentieth-Century Fox Film Corporation*, 82 CalApp2d 796, 187 P2d 474 (1947); *Guthrie v. Curlett*, 36 F2d 694 (2d Cir 1929); *Dyer v. Sound Studios of New York*, 85 F2d 431 (2d Cir 1936). See also Note, *Non-Patentable and Non-Copy-rightable Business Ideas* (1948) 97 UofPaLRev 94; Note, *Recognition of Legal Rights in Ideas* (1934) 47 HarvLRev 1419; Knoth, *The Protection of Unpatented Ideas and Inventions* (1950) 32 JPatOffSoc 268.

<sup>6</sup> *Fashion Originators' Guild of America v. Federal Trade Commission*, 114 F2d 80 (2d Cir 1940), *aff'd*, 312 US 457, 61 SupCt 703, 85 LEd 949 (1941); cf. *Margolis v. National Bellas Hess Co.*, 139 Misc 738, 249 NYSupp 175 (SupCt 1931); *William Filene's*

*Sons Co. v. Fashion Originators' Guild*, 90 F2d 556 (1st Cir 1937); *Cheney Bros. v. Doris Silk Corp.*, 35 F2d 279 (2d Cir 1929), cert den, 281 US 728, 50 SupCt 245, 74 LEd 1145 (1930).

<sup>7</sup> *International Heating Co. v. Oliver Oil Gas Burner Co.*, 288 Fed 708 (8th Cir 1923), cert den, 263 US 714, 44 SupCt 135, 68 LEd 521 (1923); *Perlberg v. Smith*, 70 NJEq 638, 62 Atl 442 (1905).

<sup>8</sup> 220 Fed 650 (7th Cir 1915); see *Perlberg v. Smith*, 70 NJEq 638, 642, 62 Atl 442, 444 (1905): "Care must be taken in these cases not to extend the meaning of the word 'unfair' to cover that which may be unethical but is not illegal. It may be unethical for one trader to take advantage of the advertising of his neighbor, but his so doing would in many instances be entirely legal."

And see *Aurolite Co. v. Fiedler*, 147 F2d 496 (2d Cir 1945), cert den, 326 US 726, 66 SupCt 32, 90 LEd 431 (1946); *Goldschmidt Thermit Co. v. Alumino-Thermit Corp.*, 25 F2d 196 (D NJ 1926), modified, 25 F2d 206 (2d Cir 1928); *International Heating Co. v. Oliver Oil Gas Burner Co.*, 288 Fed 708 (8th Cir 1923), cert den, 263 US 714, 44 SupCt 135, 68 LEd 521 (1923); *Krank Manufacturing Co. v. Pabst*, 277 Fed 15 (6th Cir 1921), cert den, 259 US 580, 42 SupCt 464, 66 LEd 1073 (1922); *Hilker Mop Co. v. United States Mop Co.*, 191 Fed 613 (6th Cir 1911).

court held this was not actionable, *i.e.*, was not unfair competition since defendant distinguished his product by its dress and by the name of the maker. "The defendants' actions were unethical rather than fraudulent."<sup>9</sup>

Within the last few years the courts have commenced to furnish protection to a combination of ideas reduced to concrete form. Legal protection has been extended to a combination of ideas reflected in a series of radio and television programs,<sup>10</sup> advertising slogans<sup>11</sup> and the like<sup>12</sup> because public policy as exemplified by the trade practices and customs of the entertainment and advertising industries demand such protection. On the other hand, the denial of protection to abstract ideas can also be attributed to public policy and the administrative difficulties confronting the courts in prescribing standards of protection.<sup>13</sup>

Our problem is to reconcile the need for the free flow of ideas, knowledge and truths with the equally meritorious requirement that the creators of "hot ideas" be compensated for their intellectual efforts.

## 251. JUDICIAL REFUSAL TO PROTECT IDEAS: GENERAL DISCUSSION.

The reluctance of the courts to protect ideas is attributable to their evanescent character and intangibility. Coupled with this evanescence, referred to the courts as "lacking a property interest" are the magnitude of administrative difficulties which would burden the judiciary in examining and passing upon the innumerable issues of date of discovery, novelty, useful-

<sup>9</sup> Feil Co. v. Robbins Co., 220 Fed 650, 652 (7th Cir 1915).

<sup>10</sup> Cases cited in *op cit supra*, note 1.

<sup>11</sup> Liggett & Myers Tobacco Co. v. Meyer, 101 IndApp 420, 194 NE 206 (1935), discussed in Note, (1935) 44 YaleLJ 1269; Note (1936) 21 Cornell LQ 486; Ryan & Associates v. Century Brewing Association, 185 Wash 600, 55 P2d 1053 (1936); Healey v. R. H. Macy & Co., 251 AppDiv 440, 397 NYSupp 165 (1937), *aff'd*, 277 NY 681, 14 NE2d 388 (1938). *Cf.* Thomas v. R. J. Reynolds Tobacco Co., 350 Pa 262, 38 A2d 61 (1944).

<sup>12</sup> *Cf.* Matarese v. Moore-McCormack Lines, Inc., 158 F2d 631 (2d Cir 1946) (inventive idea); Brunner v.

Stix Baer & Fuller Co., 352 Mo 1225, 181 SW2d 643 (1944) (business idea); See also: Klivitsky, Protection of Unpatentable Ideas (1935) 17 JPatOffSoc 854; Brown, Liability in Submission of Ideas Cases (1947) 29 JPatOffSoc 161; Knoth, The Protection of Unpatented Ideas and Inventions (1950) 32 JPatOffSoc 268.

<sup>13</sup> *Cf.* Aey v. Whaley, 281 Ky 400, 136 SW2d 575 (1940): . . . "when ideas are expressed in some concrete form, the proof may be certain and administrative difficulties are not so great." See also Smoley v. New Jersey Zinc Co., 106 F2d 314 (3d Cir 1939).

ness, duration of right, payment of royalties,<sup>1</sup> etc. These difficulties were enumerated by Mr. Justice Brandeis in his dissenting opinion in *International News Service v. Associated Press*; he suggested that the legislative processes be invoked to resolve these difficulties.<sup>2</sup>

The approach of both the English and American courts is illustrated by the leading case of *Haskins v. Ryan*.<sup>3</sup> Plaintiff claimed that he had crystallized and formulated a plan which he tendered the defendant, whereby the white lead industries in the United States, not already a part of the National Lead Company, could be combined into one corporation; and that he had either purchased options thereon or had opened negotiations for their purchase. An elaborate prospectus was prepared containing data concerning the white lead industries with respect to production, principal consumers and the desirability of consolidation. An outline of the procedure to be used in putting the plan into effect was set out and the prospectus concluded with a recapitulation concerning the organization of the new company and issuance of stock. The court regarded the scheme as merely an idea incapable of legal protection:

“I come now to the precise question here involved. It is this: Has the complainant a property right in the scheme or idea to be found in his plan, as contra distinguished from the property right which he has in his manuscript, regarded as a combination of words and figures—a thing of ink and paper? A right is defined to be that interest entitling him to hold it or convey it at pleasure. But that can hardly be styled “property” over which there is not some sort of dominium. Now, as I have already said, the combination of words and figures contained in complainant’s plan belongs to him absolutely. Its publication or reproduction or exhibition in any form may be enjoined.

<sup>1</sup> Callmann, *Unfair Competition and Trade-Marks* (2d Ed 1950) 914 n 40: “A good example may be found in Reader’s Digest, September, 1938, p 114: A life insurance agent takes an all-around hired man with him while traveling in the country; when he calls on a farmer who is milking, plowing or pitching hay and who claims he has no time to listen, the hired man does the farmer’s chores; under those circumstances anybody will sit down and

lend an ear. How shall we properly protect those ‘bright ideas’?” See also *Stone v. Marcus Loew Booking Agency*, 63 NYS2d 220 (NY SupCt 1946).

<sup>2</sup> *International News Service v. Associated Press*, 248 US 215, 250, 39 SCt 68, 76, 63 LEd 211 (1918).

<sup>3</sup> 71 NJEq 575, 64 Atl 436 (1906) *aff’d mem.*, 75 NJEq 623, 73 Atl 1118 (1909).

But the idea contained in the plan differs from ideas to which I have already called attention in this important respect: It involves the voluntary action and cooperation of many different men. . . . The means of carrying out the plan of giving effect to the idea, lay, therefore, beyond his control. It was an idea depending for its realization upon the concurring minds of many individuals, each of them unbound by contract and free to act as he chose. Such a project or idea can scarcely be called "property." It lacks that dominium, that capability of being applied by its originator to his own use, which is the essential characteristic of property. It differs fundamentally from the secret process or patented invention which is capable of material embodiment at the will of the inventor alone. It is worthless unless others agree to give it life. It was as far as complainant was concerned, an idea pure and simple. Now, it has never, in the absence of contract or statute, been held, so far as I am aware, that mere ideas are capable of legal ownership or protection."<sup>4</sup>

Similarly, in the oft-cited case of *Carter v. Bailey*, it was

<sup>4</sup> *Id.* at 579, 64 Atl at 438. In *Bristol v. Equitable Life Assurance Society*, 52 Hun 161 (NY 1889), *aff'd*, 132 NY 264, 30 NE 506 (1892), plaintiff claimed he had submitted in confidence a new system for the solicitation of life insurance. The letter submitted outlined a vague plan for selling insurance with the suggestion that advertising costs be reduced, commercial agency reports be employed, etc. Plaintiff claimed a property right in the ideas and alleged that defendant was precluded from using the same without compensating him therefor. The court rejected this contention, stating, at 165: "It is difficult to see how a claim to a mere idea or scheme, unconnected with particular physical devices for carrying out that idea, can be made the subject-matter of property. So long as the originator or possessor of the naked idea retains it whether germinating under the laws of metaphysics, it be regarded as Platonic or Cartesian in its make-up, it is his property, but it ceases to be his own when he permits it to pass from him."

In *Fendler v. Morosco*, 253 NY 281, 287, 171 NE 56, 58 (1930), a case involving an infringement suit on an unpublished and uncopyrighted play, it was held that "there may be literary property in a particular combination

of ideas or in the form in which ideas are embodied. There can be none in the ideas. . . . 'Ideas, it has always been admitted . . . are free as the air. If you happen to have any, you fling them into common stock, and ought to be well content to see your poorer brethren thriving upon them.'" For additional cases see *Maxwell v. Goodwin*, 93 Fed 665 (CCND Ill 1899); *Burnell v. Chown*, 69 Fed 993 (CCND Ohio 1895); *Universal Savings Corp. v. Morris Plan Co.*, 234 Fed 382 (SDNY 1916); *Stein v. Morris*, 120 Va 390, 91 SE 177 (1917).

In *Moore v. Ford Motor Co.*, 28 F2d 529 (SDNY 1928), *aff'd*, 43 F2d 685 (2d Cir 1930), plaintiff claimed he had written a letter to the Ford Motor Company submitting a sales plan for selling cars through weekly deposits in banks; the Ford Company was to pay ten per cent interest on such deposits. The plan was elaborately discussed in the letter submitted, but its details were not worked out. The court dismissed the complaint and stated at 536: "[I]t is the form, sequence, and manner in which the composition expresses the idea which is secured to the author, not the idea."

And see *Lueddecke v. Chevrolet Motor Co.*, 70 F2d 345 (8th Cir 1934).

held that "the doctrine that an author has a property right in his ideas and is entitled to demand for them the same protection which the law accords to the proprietor of personal property generally, finds no recognition either in the common law or in the statutes of any civilized countries."<sup>5</sup>

The views of the English courts are aptly set forth by Justice Yates in his dissenting opinion in *Millar v. Taylor*:

"Now where are the indicia or distinguishing marks of ideas? What distinguishing marks can a man fix upon a set of intellectual ideas so as to call himself the proprietor? They have no earmarks upon them."<sup>6</sup>

### 251a. JUDICIAL REFUSAL TO PROTECT IDEAS: AT COMMON LAW.

The common law has long recognized an author's property right to his creative efforts prior to publication.<sup>1</sup> Common law copyright comprehends every new and original product of mental labor reduced to a tangible form and which remains unpublished.<sup>2</sup> Thus a common law copyright or property interest inheres in an unpublished motion picture scenario,<sup>3</sup> motion picture treatment,<sup>4</sup> and radio<sup>5</sup> or television<sup>6</sup> broadcast script.

<sup>5</sup> Carter v. Bailey, 64 Me 458, 461, 18 AmRep 273 (1874). See also Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457, 470.

<sup>6</sup> 4 Burr 2303, 2366 (KB 1769). See Jeffreys v. Boosey, 4 HLCas 815, 965 (1854): "*Volat irrevocabile verbum*, whether borne on the wings of the wind or the press and the supposed owner loses all control over them. . . . He has produced the thought and given it utterance, and, *eo instante*, it escapes his grasp."

<sup>1</sup> *Caliga v. Inter-Ocean Newspaper Co.*, 215 US 182, 30 SupCt 38, 54 LEd 150 (1909); *Wheaton v. Peters*, 8 Pet 591 (US 1834); *Twentieth Century-Fox Film Corp. v. Dieckhaus*, 153 F2d 893 (8th Cir 1946), cert den, 329 US 716, 67 SupCt 46, 91 LEd 621 (1947); *Atlas Manufacturing Co. v. Street & Smith*, 204 Fed 398 (8th Cir 1913); *Bobbs-Merrill Co. v. Straus*, 147 Fed 15 (2d Cir 1906), *aff'd*, 210 US 339, 28 SupCt 722, 52 LEd 1086 (1908); *Berry v. Hoffman*, 125 PaSuper 261, 189 Atl 516 (1937). For a general

discussion of this subject see Warner, *Protection of Content of Radio and Television Programs by Common Law Copyright*, 3 VandLRev 209 (1950); See also *infra* § 201.

<sup>2</sup> *White v. Kimmel*, 94 FSupp 502 (DC Cal 1950) rev'd on the facts, 193 F2d 744 (9th Cir 1952); *Aranson v. Baker*, 43 NJEq 365, 12 Atl 177 (1888).

<sup>3</sup> *Thompson v. Famous Players-Lasky Corp.*, 3 F2d 707 (DC Ga 1925).

<sup>4</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Barsha v. Metro-Goldwyn-Mayer Pictures, Inc.*, 32 CalApp2d 556, 90 P2d 371 (1939); *Burtis v. Universal Pictures Co.*, 237 P2d 41 (Cal App 1951).

<sup>5</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950); *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>6</sup> *Masterson et al. v. KLAC-Radio Television Station* (CalSup unreported 1951).

Common law copyright terminates upon "publication."<sup>7</sup> The latter term is a word of art which has received exhaustive judicial treatment.<sup>8</sup> A general publication may be described as an act of the owner whereby the subject matter is made available to the general public under circumstances permitting copies to be made or which indicate an intention of rendering the work common property, and imply an abandonment and dedication of the work to the general public.<sup>9</sup> A limited publication on the other hand is one which communicates a knowledge of its contents under conditions expressly or impliedly precluding its dedication to the public.<sup>10</sup> The rendition of a performance before a radio microphone and television camera "is not an abandonment of ownership of the literary property or a dedication of it to the public at large."<sup>11</sup>

Courts have refused to protect ideas at common law because:

- (1) there is no property right in an abstract idea;
- (2) the communication of the idea to others constitutes a dedication of the same to the general public.

Judicial protection has been denied an original method of teaching bridge,<sup>12</sup> new magician's tricks,<sup>13</sup> a plan and procedure for bank night,<sup>14</sup> a new sales plan concerning installment

<sup>7</sup> Moore v. Ford Motor Co., 43 F2d 685 (2d Cir 1930); Grant v. Kellogg Co., 58 FSupp 48 (SDNY 1944), *aff'd*, 164 F2d 59 (2d Cir 1945); Kraft v. Cohen, 32 FSupp 821 (ED Pa 1940), *rev'd* on other grounds, 117 F2d 579 (3d Cir 1941); White v. Kimmel, 94 FSupp 502 (DC Cal 1950) *rev'd* on the facts, 193 F2d 744 (9th Cir 1952).

<sup>8</sup> This subject is discussed in greater detail, *infra* § 203 ff.

<sup>9</sup> Kraft v. Cohen, 32 FSupp 821 (ED Pa 1940), *rev'd* on other grounds, 117 F2d 579 (3d Cir 1941); Berry v. Hoffman, 125 PaSuper 261, 189 Atl 516 (1937); Ball, Law of Copyright and Literary Property 129 ff. (1944).

<sup>10</sup> Werckmeister v. American Lithographic Co., 134 Fed 321 (2d Cir 1904).

<sup>11</sup> Stanley v. Columbia Broadcasting System, Inc., 192 P2d 495, 508 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); Brown v. Mollé Co.,

20 FSupp 135 (SD NY 1937); Uproar Co. v. National Broadcasting Co., 8 FSupp 358 (D Mass 1934), modified, 81 F2d 373 (1st Cir 1936), *cert den*, 298 US 670, 56 SupCt 835, 80 LEd 1393 (1936).

<sup>12</sup> Downes v. Culbertson, 153 Misc 14, 275 NYSupp 233 (SupCt 1934).

<sup>13</sup> Glazer v. Hoffman, 153 Fla 809, 16 S2d 53 (1943). *Contra*: Goldin v. Clarion Photoplays, 202 AppDiv 1, 195 NYSupp 455 (1st Dep't 1922).

<sup>14</sup> "However good and valuable an idea, plan, scheme, or system is, the moment it is disclosed to the public without the protection of a patent, it becomes public property, and the fact that it has been made popular by advertising and the expenditure of effort, time and money on the part of the originator does not alter the situation." *Affiliated Enterprises v. Gruber*, 86 F2d 958, 961 (1st Cir 1936).

buying,<sup>15</sup> an original system of loaning money to people,<sup>16</sup> and suggestions to improve the Chevrolet<sup>17</sup> and Chrysler cars,<sup>18</sup> on the ground that "when plaintiff voluntarily divulged his mere idea and suggestion, whatever interest he had in it became common property, and, as such was available to the defendants."<sup>19</sup>

Judicial protection has been denied new ideas employed in radio programs because abstract ideas once published become common property subject to the use of all persons.

In an unreported case arising in the Minnesota District Court, suit was brought for wrongful appropriation of an advertising idea submitted for approval by plaintiff to defendant's agent. The plan was to broadcast three programs a week, which would consist of a playlet, music and commercial announcements, all in connection with the publication of an amateur newspaper of a small town variety; the radio audiences were to be invited to become reporters of the newspaper by sending in contributions for publication. The newspaper was to be distributed at retail outlets of defendant. Plaintiff conceded that "there was nothing new in the idea," but contended that the various steps as outlined in his scheme, taken together, were novel in advertising through radio broadcasting. In directing a verdict for defendants, the court held that there could be no property right in an abstract idea, for "an abstract idea once published becomes property subject to the use of all persons."<sup>20</sup>

In *Bowen v. Yankee Network, Inc.*,<sup>21</sup> plaintiff brought an action against the network and the Wrigley Company for appropriation of an idea for a radio program. The idea or plan was entitled "Radio Presentation" and involved the use

<sup>15</sup> *Moore v. Ford Motor Co.*, 28 F2d 529 (SD NY 1928), *aff'd*, 43 F2d 685 (2d Cir 1930).

<sup>16</sup> *Universal Savings Corp. v. Morris Plan Co.*, 234 Fed 382 (SD NY 1916); *Stein v. Morris*, 120 Va 390, 91 SE 177 (1917).

<sup>17</sup> *Lueddecke v. Chevrolet Motor Co.*, 70 F2d 345 (8th Cir 1934); see *Haskins v. Ryan*, 71 NJEq 575, 64 Atl 436 (1906), *aff'd mem.*, 75 NJEq 623, 73 Atl 1118 (1909); *Bristol v. Equitable Life Assurance Society*, 132 NY 264, 30 NE 506 (1892).

<sup>18</sup> *Hisel v. Chrysler Corp.*, 91 FSupp 996 (DC Mo 1951).

<sup>19</sup> *Lueddecke v. Chevrolet Motor Co.*, 70 F2d 345 (8th Cir 1934). See also: *Hampton v. La Salle Hat Co., Inc.*, 88 FSupp 153 (DC NY 1949); *Edwards v. Tennis*, 105 Misc 609, 173 NYSupp 500 (1919), *aff'd*, 190 AppDiv 478, 179 NYSupp 807 (1920); *Martin v. Wyeth, Inc.*, 96 FSupp 689 (DC Md 1951).

<sup>20</sup> *Midwest Recordings, Inc. v. Mid-Continent Petroleum Co.*, (Minn unreported 1938).

<sup>21</sup> 46 FSupp 62 (DC Mass 1942).

of local musicians. Plaintiff's plan was presented in manuscript form to an agent of the Wrigley Company. The agent examined the plan, acquired knowledge of it and returned it to the plaintiff as unacceptable. The Wrigley Company disclosed the plan to the network which thereupon produced a show called "Spreading New England," which contained all the ideas and features of plaintiff's plan. The show advertised the Wrigley Company's products. The court dismissed the complaint:

"Assuming that plaintiff could have protected his idea by contract . . . he failed to do so, and when he voluntarily communicated his idea, whatever interest he had in it became common property. . . . The plaintiff maintains that he has a common-law property right in the plan and that it cannot be appropriated by the defendants with impunity. There is no property right in mere ideas. Ideas not reduced to concrete form are not protected. Such a right can only exist in the arrangement and combination of the ideas, *i.e.*, in the form, sequence and manner in which the composition expresses the ideas, not the ideas themselves."<sup>22</sup>

In *Grombach Productions, Inc. v. Waring*,<sup>23</sup> plaintiff originated and forwarded to defendant for examination a radio script. The script was entitled "Your Song," with an alternate title of "Stop, Look and Listen." The plan was communicated orally to defendant's agent; it provided for the radio audience to be solicited to write in to the sponsor the name of a song which associated itself with some experience in the writer's life.

The plaintiff set up three causes of action: the first alleged the use and appropriation by the defendant of plaintiff's idea without payment; the second alleged the breach of an express contract to pay for the idea; the third, that plaintiff submitted the plan to defendant in conformance with a well-established custom in the advertising and radio world—"When someone submits the formula of a program to an agency, advertiser, network or talent, the people to whom it is presented either are interested in that idea and pay a reasonable value therefor, or make a deal with the person who produced the program

<sup>22</sup> *Id.* at 63. See *Rodriguez v. Western Union Telegraph Co.*, 285 NY 667, 34 NE2d 375 (1940).

<sup>23</sup> 293 NY 609, 59 NE2d 425 (1944).

based on that formula, or they do not do anything with it and forget about it. In other words, there is a relationship of trust there.”<sup>24</sup>

At the trial Waring testified that the agent to whom the plaintiff had communicated the idea, had not passed it on to him. Plaintiff withdrew the count based on an alleged breach of an express contract. The lower court submitted two questions to the jury: (1) Was there a contract implied in fact—which the jury answered “no”; (2) Was there a contract implied in law, based on the customs of the trade—which the jury answered “yes” and awarded plaintiff a judgment.

The appellate court reversed, holding that plaintiff’s idea differed widely from the program which defendant actually broadcast. The court also held that the customs of the trade “cannot create a contract where there has been no agreement by the parties and none is implied by law . . . and the prior, gratuitous, unsolicited disclosure allegedly made by the plaintiff’s president unprotected by contract, does not create an enforceable contract implied in law.”<sup>25</sup>

#### 251b. JUDICIAL REFUSAL TO PROTECT IDEAS: BY PATENT.

Radio and television program ideas cannot invoke the cloak of patent protection. The latter comprehends “any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvements thereof.”<sup>1</sup> Program ideas are excluded from any of the foregoing categories.

A program idea is not “any new and useful art” since the latter refers only to such operations as are capable of producing a tangible product or of accomplishing a change in the character or quality of some material object.<sup>2</sup> The following were not considered as new and useful arts: an idea for a joint or consolidated tariff index showing all tariffs in force on a number of railroads;<sup>3</sup> a method of cash registering and

<sup>24</sup> *Id.* at 615, 59 NE2d at 428.

<sup>25</sup> *Ibid.* And see *Matarese v. Moore-McCormack Lines*, 158 F2d 631 (2d Cir 1946); *Mitchell Novelty Co. v. United Mfg. Co.*, 94 FSupp 612 (DC Ill 1950).

<sup>1</sup> 29 STAT 692 (1897), 35 USC § 31 (1946).

<sup>2</sup> “The abstract must have been resolved into the concrete. The patent

must be for a thing—not for an idea merely.” *Detmold v. Reeves*, 7 FCas No 3,831 at 549 ED Pa 1851); *Indiaua & Illinois Coal Corp. v. Clarkson*, 91 F2d 717 (7th Cir 1937), cert den, 302 US 749, 58 SupCt 267, 82 LEd 579 (1938); *Tropic-Aire, Inc. v. Sears Roebuck & Co.*, 44 F2d 580 (8th Cir 1930).

<sup>3</sup> *Guthrie v. Curlett*, 10 F2d 725 (2d Cir 1926).

coin checking;<sup>4</sup> a system of code messages;<sup>5</sup> and a method for distributing and regulating alternating electric currents by secondary generators.<sup>6</sup>

Obviously if a program idea is not comprehended by the phrase "new and useful arts," it cannot be regarded or classified as a "machine, manufacture or composition of matter."<sup>7</sup>

### 251c. JUDICIAL REFUSAL TO PROTECT IDEAS: BY THE COPYRIGHT CODE.

We have discussed elsewhere that the Copyright Code furnishes protection to the *expression* of a combination of ideas, their development through incidents and a sequence of events and the interplay of characters.<sup>1</sup> The Copyright Code does not furnish protection to an abstract idea, viz., a theme, isolated incidents, emotions, etc; these may be freely borrowed by others.<sup>2</sup> What the Copyright Code secures to the author is the form, sequence and manner which a combination of ideas or an idea expresses, and not the idea itself.<sup>3</sup>

The courts usually ascribe two reasons, both of which are intermingled and used interchangeably, in refusing to extend the scope of the Copyright Code to protect ideas.

In the first place, ideas when disclosed are common property and are not susceptible of private appropriation. In *Taylor v. Commissioner of Internal Revenue*,<sup>4</sup> petitioner devised a plan for newspaper advertising, termed the "Taylor

<sup>4</sup> Hotel Security Checking Co. v. Lorraine Co., 160 Fed 467 (2d Cir 1908).

<sup>5</sup> Berardini v. Tocci, 190 Fed 329 (CCSD NY 1911), *aff'd mem.*, 200 Fed 1021 (2d Cir 1912).

<sup>6</sup> Westinghouse Electric & Manufacturing Co. v. Saranac Lake Electric Co., 108 Fed 221 (CCND NY 1901).

<sup>7</sup> Dyer v. Sound Studios of New York, Inc., 85 F2d 431 (3d Cir 1936); Greenwalt v. Stanley Company of America, 54 F2d 195 (3d Cir 1931); New Jersey Zinc Co. v. Singmaster, 4 FSupp 967 (SD NY 1933), modified, 71 F2d 277 (2d Cir 1934), cert den, 293 US 591, 55 SupCt 106, 79 LEd 685 (1934).

<sup>1</sup> *Infra* § 150 ff.

<sup>2</sup> Dellar v. Samuel Goldwyn, Inc., 150 F2d 612 (2d Cir 1945), cert den, 327 US 790, 66 SupCt 802, 90 LEd 1016

(1946); Becker v. Loew's Inc., 133 F2d 889 (7th Cir 1943), cert den, 319 US 772, 63 SupCt 1438, 87 LEd 1720 (1944); Gropper v. Warner Bros. Pictures, Inc., 38 FSupp 329 (SD NY 1941); Brunner v. Stix, Baer & Fuller Co., 352 Mo 1225, 181 SW2d 643 (1944).

<sup>3</sup> Golding v. RKO Pictures, Inc., 193 P2d 153, 163 (CalApp 1948), *aff'd*, 35 Cal2d 690, 221 P2d 95 (1950); "Ideas as such are not protected. . . . At common law, as well as under the copyright acts, it is the form, sequence and manner in which the composition expresses the idea which is secured to the author, not the idea."

<sup>4</sup> 51 F2d 915 (3d Cir 1931), cert den, 284 US 689, 52 SupCt 265, 76 LEd 581 (1932).

Plan.” Plaintiff claimed the plan was an exhaustible asset within the terms of the Revenue Act which allowed a reasonable allowance for the wear, tear and exhaustion of property used in the taxpayer’s course of business. The plan was copyrighted; however, the court refused to regard it as property:

“What was the Taylor Plan? Taylor had an idea, theory or system in his head. It could not be subject to ownership in a legal sense any more than the multiplication table.”<sup>5</sup>

In the copyright infringement cases, similarity in the central idea does not establish a cause of action. “Neither ideas nor phrases nor ordinary English idioms or words are protected by copyright. They are all in the public domain.”<sup>6</sup> Eugene O’Neill’s drama, “Strange Interlude,” was not considered an infringement of a prior work; literary larceny requires more than the appropriation of ideas, for an author “must do more than filch ideas.”<sup>7</sup> The theme of romance between a Jewish boy and an Irish girl is not protected by the Copyright Code, since “emotions, like mere ideas, are not subject to preemption; they are common property.”<sup>8</sup>

The second reason for denying protection of the Copyright Code to ideas is premised on grounds of public policy. The grant of a monopoly in ideas would discourage authors and inventors from exploiting their ideas for the common good and thus restrict the opportunity for progress.<sup>9</sup>

“The object of copyright is to promote science and the use-

<sup>5</sup> *Id.* at 917.

<sup>6</sup> *Park v. Warner Bros. Pictures, Inc.*, 8 FSupp 37, 39 (SD NY 1934); *cf.* *Shipman v. RK Radio Pictures, Inc.*, 20 FSupp 249 (SD NY 1937), *aff’d*, 100 F2d 533 (2d Cir 1938).

<sup>7</sup> *Lewys v. O’Neill*, 49 F2d 603, 607 (SD NY 1931).

<sup>8</sup> *Nichols v. Universal Pictures Corp.*, 34 F2d 145, 147 (SD NY 1929), cert den, 282 US 902, 51 SupCt 216, 75 LEd 795 (1930); *Holmes v. Hurst*, 174 US 82, 19 SupCt 606, 43 LEd 904 (1899); *London v. Biograph Co.*, 231 Fed 696 (3d Cir 1916); *Borden v. General Motors Corp.*, 28 FSupp 330 (SD NY 1939); *Long v. Jordon*, 29 FSupp 287 (ND Cal 1939); *Ornstein v. Para-*

*mount Productions, Inc.*, 9 FSupp 896 (SD NY 1935); *Wiren v. Shubert Theatre Corp.*, 5 FSupp 358 (SD NY 1933), *aff’d*, 70 F2d 1023 (2d Cir 1934), cert den, 293 US 591, 55 SupCt 105, 79 LEd 685 (1935); see Howell, *The Copyright Law* 43 (1948).

<sup>9</sup> See Logan, *Legal Protection of Ideas*, 4 *MolRev* 239, 251 (1939). “This situation is aptly illustrated in the field of drama, where it is said there are only a dozen basic plots, and if the law were to extend its protection to ideas, the complete supply of plots would soon be exhausted, making it impossible for an author to write a play without paying royalty to the originator of the basic plot.”

ful arts. If an author by originating a new arrangement and form of expression of certain ideas or conceptions could withdraw these ideas or conceptions from the stock of materials to be used by other authors, each copyright would narrow the field of thought open for development and exploitation, and science, poetry, narrative, and dramatic fiction and other branches of literature would be hindered by copyright, instead of being promoted. A poem consists of words, expressing conceptions of words or lines of thought; but copyright in the poem gives no monopoly in the separate words, or in the ideas, conceptions, or facts expressed or described by the words. A copyright extends only to the arrangement of the words. A copyright does not give a monopoly in any incident in a play. Other authors have a right to exploit the facts, experiences, field of thought, and general ideas, provided they do not substantially copy a concrete form, in which the circumstances and ideas have been developed, arranged, and put into shape.”<sup>10</sup>

## 252. TESTS EMPLOYED FOR PROTECTION OF PROGRAMS IDEAS: GENERAL DISCUSSION.

Prior to the *Kovacs*,<sup>1</sup> *Weitzenkorn*<sup>2</sup> and *Kurlan*<sup>3</sup> cases, ideas protected by the courts were denominated as “protectible interests.”<sup>4</sup> This terminology was employed to distinguish it from the concept of a property right or quasi-property right which are inherent in common law<sup>5</sup> and statutory copy-

<sup>10</sup> *Eichel v. Marcin*, 241 Fed 404, 408 (SD NY 1913); *Baker v. Selden*, 101 US 99, 26 LEd 841 (1879); *De Montijo v. Twentieth Century-Fox-Film Corp.*, 40 FSupp 133 (SD Cal 1941); *Seltzer v. Sunbrock*, 22 FSupp 621 (SD Cal 1938); *Carter v. Bailey*, 64 Me (4 Smith) 458 (1876); See *Yankwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

<sup>1</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>2</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>3</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>4</sup> *Stanley v. Columbia Broadcasting*

*System*, 35 Cal2d 653, 221 P2d 73 (1950); *Golding v. RKO Pictures, Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>5</sup> E.g., *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US 862, 65 SupCt 1197, 89 LEd 1983 (1945); *Berry v. Hoffman*, 125 PaSuper 261, 189 Atl 516 (1937); 61 STAT 652 (1947), 17 USC § 2 (Supp 1951): “Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication or use of such unpublished work without his consent, and to obtain damages therefor.”

right<sup>6</sup> and in an unfair competition action.<sup>7</sup> From a practical point of view, when a court designates an idea as a "protectible interest," the latter is clothed with all the attributes of a property interest. Under such circumstances ideas which have been reduced to a tangible and material form are as much literary property as common law or statutory copyright.<sup>8</sup> This approach has enabled the California courts to employ the tort theory of plagiarism to protect program ideas.<sup>9</sup>

The basis for furnishing protection to ideas lies in the mental effort required to produce the work and the right of everyone to the fruit of his labor.<sup>10</sup> Thus the originator of an idea has "the feeling of ownership which anyone has in a field of commercial exploitation which he has created or first found. This feeling is universal and deep-rooted. Such a finder regards himself as a pioneer, and resents the intrusion of anyone else upon what he regards as his own domain. Sympathetic recognition of this claim of right is the foundation of our patent and copyright laws."<sup>11</sup>

To constitute a protectible interest under the common law, the material embodiment of the idea must be concrete. This is a preliminary jurisdictional prerequisite which is resolved by the courts as a question of law.<sup>12</sup> Once this issue is resolved

<sup>6</sup> 61 STAT 652 (1947), 17 USCA § 209 (Supp 1951). See also: *Home Art v. Glensder Textile Corp.*, 81 FSupp 551 (DC NY 1948); *Chain Store Business Guide v. Wexler*, 79 FSupp 726 (DC NY 1948); *Jerry Vogel Music Co. v. Forster Music Publisher*, 147 F2d 614 (2d Cir 1945), cert den, 325 US 880, 65 Sct 1573, 89 LEd 1996 (1946); *M. Witmark & Sons v. Callo-way*, 22 F2d 412 (DC Tenn 1927).

<sup>7</sup> *International News Service v. Associated Press*, 248 US 215, 39 Sct 68, 63 LEd 211 (1918).

<sup>8</sup> E.g., *Wodehouse v. Commissioner of Internal Revenue*, 166 F2d 986 (2d Cir 1948), rev'd on other grounds, 337 US 369, 69 SupCt 1120, 93 LEd AdvOps 1043 (1949); *O'Brien v. RKO Pictures, Inc.*, 68 FSupp 13 (SD NY 1944); *Ketcham v. New York World's Fair 1939, Inc.*, 34 FSupp 657 (ED NY 1939), *aff'd*, 119 F2d 422 (2d Cir 1941).

<sup>9</sup> Cases cited in *op cit supra* notes 1 to 3 inclusive.

<sup>10</sup> *American Tobacco Co. v. Werckmeister*, 207 US 284, 28 SupCt 72, 52 LEd 280 (1907); *Werckmeister v. American Lithographic Co.*, 134 Fed 321 (2d Cir 1904), reversing 126 Fed 244 (SD NY 1903); *Johnston v. Twentieth-Century Fox Film Corporation*, 82 CalApp2d 796, 187 P2d 474 (1947): "While an abstract idea as such may not be the subject of a property right, yet, when it takes upon itself concrete form or when the material is the expression of an idea or a concrete combination of ideas and elements it then becomes a property right subject to sale."

<sup>11</sup> *Fair & Carnival Supply Co. v. Shapiro*, 257 Fed 558 (DC Pa 1919).

<sup>12</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950); *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

in the affirmative, the question then tendered is which of the following remedies may be invoked by an originator of a sequential combination of program ideas:

- a) express contract;
- b) implied contract;
- c) fiduciary or trust relationship;
- d) unjust enrichment;
- e) tort theory of plagiarism;
- f) unfair competition.

The cases are by no means in agreement as to the extent to which the elements of originality and novelty are prerequisites to an action for recovery. Thus as was stated in the *Stanley* case:

“As a general observation from the cases, it may be stated that the right of the originator of an idea to recover from one who uses or infringes it seems to depend upon whether or not the idea was novel and reduced to concrete form prior to its appropriation by the defendant, and, where the idea was disclosed by the originator to the appropriator, whether such disclosure took place under circumstances indicating that compensation was expected if the idea was used.

Where these prerequisites exist, recovery may be had upon a theory of contract implied in fact or in law.”<sup>13</sup>

However, in the *Weitzenkorn*<sup>14</sup> and *Kovacs*<sup>15</sup> cases, the California courts have held that the plaintiffs may recover upon the theories of express or implied contract even though the ideas lacked novelty and originality and were open to public knowledge.<sup>16</sup> The decisions are in conflict as to whether originality and novelty are prerequisites in actions premised on a breach of fiduciary relationship<sup>17</sup> or unjust enrichment.<sup>18</sup> Where the tort theory of plagiarism is employed, originality is a question of fact for the trier of facts.<sup>19</sup> Since there has been but one case wherein a jury *may* have relied on an unfair competition count to protect a combination

<sup>13</sup> *Id.*

<sup>14</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>15</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950). Cf. *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>16</sup> *Passim* §§ 261 and 262.

<sup>17</sup> *Passim*, § 263.

<sup>18</sup> *Passim*, § 264.

<sup>19</sup> *Infra* §§ 153 and 153a. See also *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

of program ideas,<sup>20</sup> no prediction can be made at this time as to whether originality and novelty are prerequisites for recovery.

### 252a. TESTS EMPLOYED FOR PROTECTION OF PROGRAM IDEAS: CONCRETENESS.

The courts will protect an author only if a "concrete combination of ideas" has been appropriated.<sup>1</sup> The advertising and radio cases illustrate this requirement.

In the oft-cited case of *Liggett and Myers Tobacco Co. v. Meyer*,<sup>2</sup> plaintiff sent defendant a letter offering to sell it an advertising idea described as follows: "The idea consists of this: Two gentlemen, well-groomed, in working clothes or hunting togs apparently engaged in conversation, one extending to the other a package of cigarettes, saying, 'Have one of these', the other replying, 'No thanks; I smoke Chesterfields.'" Plaintiff claimed that defendant utilized this idea in its advertising and sought reasonable compensation for such use. Judgment in the trial court was for the plaintiff. The appellate court affirmed this judgment:

"This is a common-law action. The rules of the common law are continually changing and expanding with the progress of the society in which it prevails. It does not lag behind, but adapts itself to the conditions of the present so that the ends of justice may be reached. While we recognize that an abstract idea as such may not be the subject of a property right yet, when it takes upon itself the concrete form which we find in the instant case, it is our opinion that it then becomes a property right subject to sale. Of course, it must be something novel and new; in other words, one cannot claim any right in the multiplication table."<sup>3</sup>

<sup>20</sup> *Passim*, § 266.

<sup>1</sup> Plus Promotions, Inc. v. RCA Manufacturing Co., 49 FSupp 116 (SD NY 1943); Stanley v. Columbia Broadcasting System, Inc., 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949) *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); Stone v. Liggett & Myers Tobacco Co., 260 AppDiv 450, 23 NYS2d 210 (1st Dep't 1940); Williamson v. New York Central R. R., 258 AppDiv 226, 16 NYS2d 217 (2d Dep't 1939); Downes v. Culbertson, 153 Misc 14, 275 NYSupp 233

(SupCt-1934); Thomas v. R. J. Reynolds Tobacco Co., 350 Pa 262, 38 A2d 61 (1944); Belt v. Hamilton National Bank, 21 LW 2287 (DC DC 1952).

<sup>2</sup> 101 IndApp 420, 194 NE 206 (1935).

<sup>3</sup> *Id.* at 430, 194 NE at 210; Note, 44 YaleLJ 1269 (1935). But *cf.* Thomas v. R. J. Reynolds Tobacco Co., 350 Pa 262, 38 A2d 61 (1944), wherein plaintiff's idea submitted to defendant was that defendant's cigarettes burned twice as long as other brands; re-

Other advertising slogans considered sufficiently concrete are "Beer of the Century"<sup>4</sup> and "A Macy Christmas, Means a Happy New Year."<sup>5</sup>

In *Cole v. Phillips H. Lord, Inc.*,<sup>6</sup> the element of concreteness was reflected in a "combination of ideas evolved into a radio program." Plaintiff, a writer, actor and radio director was in the employ of the defendant advertising agency. He delivered certain radio scripts to another employee of defendant when he commenced his employment, for the purpose of having his scripts available should there be a possibility of their sale. One of the scripts consisted of a radio show or series of radio shows to be entitled "Racketeers & Company" or "137 Centre Street," and featuring a district attorney at war with the underworld. Plaintiff claimed his ideas were appropriated by defendant's radio production, entitled "Mr. District Attorney." The court held that "a property right [synonym for concreteness] exists with respect to a combination of ideas evolved into a program, as distinguished from rights to particular scripts. . . . In the radio field there is a well-recognized right to an original idea or combination of ideas, set forth in a formula for a program. Such program contemplates an indefinite number of broadcasts in a series. Each broadcast has a script which represents the dialogue and 'business' of that particular broadcast. The idea or the combination of ideas formulated into the program remains constant, whereas, of course, the script varies in each separate broadcast."<sup>7</sup> In other words concreteness is present by virtue of the customs of the radio industry.<sup>8</sup>

The *Stanley* case<sup>9</sup> discusses at length the requirement of concreteness. Plaintiff submitted a format, sample script

covery was denied. In *Alberts v. Remington Rand, Inc.*, 175 Misc 486, 23 NYS2d 892 (SupCt 1940), a written suggestion that defendant company produce and distribute to its customers a graph of the direction in which the hair on an individual's face grows was held too abstract.

<sup>4</sup> *Ryan & Associates, Inc. v. Century Brewing Association*, 185 Wash 600, 55 P2d 1053 (1936); Notes, 36 ColLRv 1375 (1936), 35 MichLRv 164 (1936).

<sup>5</sup> *Healey v. R. H. Macy & Co.*, 251 AppDiv 440, 297 NYSupp 165 (1st

Dep't 1937), *aff'd*, 277 NY 681, 14 NE2d 388 (1938).

<sup>6</sup> 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941).

<sup>7</sup> *Id.* at 120, 28 NYS2d at 409.

<sup>8</sup> *Cf. Grombach Productions, Inc. v. Waring*, 293 NY 609, 59 NE2d 425 (1944).

<sup>9</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950).

and a recording of a dramatic program to defendant which consisted of the following: the program was entitled "Hollywood Preview" and the title was repeated and emphasized throughout the production; the announcer introduced a prominent motion picture personality as master of ceremonies; the latter stated the full title of the play and the name of the star; the drama, a different one each week, was presented; it was a play not previously seen in motion pictures; named guests present in the studio were requested to give their opinion of the play; listeners were requested to advise the motion picture personality whether the play should be made into a movie; the writer of the best letter would be awarded a suitable prize. Plaintiff claimed that defendant's program, likewise entitled "Hollywood Preview," pirated his script. Judgment was entered for plaintiff by the court, which found substantial similarity, not in the actual text of defendant's program, but in its combination of ideas.<sup>10</sup>

A plan or outline of an idea which requires implementation of detail or alteration and which is not applied to a particular object is not sufficiently concrete.<sup>11</sup> Thus in the *Stanley* case, "Plaintiff's abstract idea as originally conceived, that is the idea without application to anything in particular might have stated thus: An announcer and a master of ceremonies; performance of a drama; listeners invited to say whether they would like to see the drama in a motion picture; prizes for best letters; drama criticized by a board of judges or others. Such an idea, if disclosed to others, could have been used by them without hindrance from plaintiff and without liability

<sup>10</sup> *Id.* at 500.

<sup>11</sup> E.g., *Bowen v. Yankee Network, Inc.*, 46 FSupp 62 (D-Mass 1942); *Moore v. Ford Motor Co.*, 28 F2d 529 (SD NY 1928), *aff'd*, 43 F2d 685 (2d Cir 1930). In *Stone v. Liggett & Myers Tobacco Co.*, 260 AppDiv 450, 23 NYS2d 210 (1st Dep't 1940), plaintiff prepared radio continuities and thereafter prepared a rough script for motion picture purposes. The court, in denying recovery, stated at 451, 23 NYS2d at 212: "It is familiar law that owing to the difficulties of enforcing such rights, the courts have uniformly refused to assume to protect

property in ideas that have not been reduced to concrete form"; *Plus Promotions v. RCA Mfg. Co.*, 49 FSupp 116 (DC NY 1943).

See *Williamson v. New York Central R. R.*, 258 AppDiv 226, 16 NYS2d 217 (2d Dep't 1939). In *O'Brien v. RKO Pictures, Inc.*, 68 FSupp 13 (SD NY 1946), an idea that a motion picture be built around the story of the Palace Theatre in New York, coupled with four brief suggestions for story treatment, lacked the necessary detail. *Cf. Shubert v. Columbia Pictures Corp.*, 189 Misc 734, 72 NYS2d 851 (SupCt 1947).

to him for compensation."<sup>12</sup> Similarly a rough outline of a projected film with but four brief suggestions for story treatment was held too abstract.<sup>13</sup>

"Although there is no property right in an idea there may be property in a particular combination of ideas" that have been reduced to concrete form.<sup>14</sup> In the *Stanley* case, this was evidenced by plaintiff's submission to defendant of a fully developed, completely written concrete program. "Hollywood Preview" left nothing to be inserted nor altered, other than the drama which was a different one each week. "His program was as concrete, definite and specific as could be devised by the use of words."<sup>15</sup>

The test applied by the courts is whether the idea has been presented with sufficient completeness.<sup>16</sup> The following were considered sufficiently complete: a scenario or synopsis for a photoplay;<sup>17</sup> certain literary material, consisting of a so-

<sup>12</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495, 503 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>13</sup> *O'Brien v. RKO Pictures, Inc.*, 68 FSupp 13 (SD NY 1946); *cf. Shubert v. Columbia Pictures Corp.*, 189 Misc 734, 72 NYS2d 851 (SupCt 1947). But where the composition was a motion picture scenario, plaintiff recovered. *Golding v. RKO Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd* 208 P2d 1 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950). *Barsha v. Metro-Goldwyn-Mayer Corp.*, 32 CalApp2d 556, 90 P2d 371 (1939); *Thompson v. Famous Players-Lasky Corp.*, 3 F2d 707 (ND Ga 1925); *cf. Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>14</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495, 501 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Belt v. Hamilton National Bank*, 21 LW 2287 (DC DC 1952).

<sup>15</sup> *Id.* at 503. On appeal, the California Supreme Court, at 208 P2d 9, 15, disposed of this issue in a single sentence: "It is conceded by the defendant in its brief that plaintiff's play

had been reduced to the concrete form of a script format and recording."

<sup>16</sup> Note, 16 UofChiLRev 323, 325 (1949): "But not all ideas will be shielded even though similarity, novelty and access are proved. The courts will act to protect the author only if a 'concrete combination of ideas' has been appropriated. This concept is double-barrelled. It seeks to differentiate ideas according to completeness. Thus a rough outline of a projected film is not concrete, though a script may be. And it attempts to distinguish between a single idea and a combination of ideas. Scene, plot, characters, are component parts of a work which are not protected. It is only when they are 'combined' into a whole that relief for appropriation will be granted."

<sup>17</sup> *Thompson v. Famous Players-Lasky Corp.*, 3 F2d 707 (ND Ga 1925); *Golding v. RKO Radio Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 208 P2d 1 (Cal 1949) *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Italani v. Metro-Goldwyn-Mayer Corp.*, 45 CalApp2d 464, 114 P2d 370 (1941); *Barsha v. Metro-Goldwyn-Mayer Corp.*, 32 CalApp2d 556, 90 P2d 371 (1939); *Brown v. Ferris*, 122 Misc 418, 204 NYSupp 190 (NYMunicCt 1924).

called "snake story" and certain other comic gags and material suitable for use in motion picture productions and radio broadcasts;<sup>18</sup> a phrase, scheme, picture or slogan originated for advertising purposes;<sup>19</sup> a detailed plan for the manufacture, design and labeling of candy tablets;<sup>20</sup> a detailed plan furnishing the form and substance of newspaper interviews;<sup>21</sup> a plan to increase charge accounts by dividing clerks into teams with prizes for the team bringing in the most new accounts;<sup>22</sup> and a detailed plan for publishing a novel magazine.<sup>23</sup>

The case of *Golding v. RKO Pictures, Inc.*,<sup>24</sup> which involved an action for infringement or piracy of literary property—a stage play—warrants comment since the opinion discusses at length the concept of "protectible property interest." Plaintiffs submitted the manuscript of a stage play to defendant for production as a motion picture. Defendant retained the manuscript for about six weeks and thereafter rejected the play. Approximately ten months thereafter, defendant released a motion picture entitled "The Ghost Ship" which the plaintiffs claim infringed their stage play. The "basic dramatic core" or the "protectible property interest," which is the basis of the plaintiffs' suit, is set forth in the margin.<sup>25</sup>

<sup>18</sup> *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949); *Hewitt v. Coward*, 180 Misc 1065, 41 NYS2d 498 (SupCt 1942), *aff'd* 266 AppDiv 992, 45 NYS2d 118 (1st Dep't 1943); *Cole v. Phillips H. Lord, Inc.*, 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941).

<sup>19</sup> *Liggett & Myers Tobacco Co. v. Meyer*, 101 IndApp 420, 194 NE 206 (1935); *Healey v. R. H. Macy & Co.*, 251 AppDiv 440, 297 NYSupp 165 (1st Dep't 1937), *aff'd*, 277 NY 681, 14 NE2d 388 (1938); *Ryan & Associates Inc. v. Century Brewing Association*, 185 Wash 600, 55 P2d 1053 (1936).

<sup>20</sup> *American Mint Corp. v. Ex-Lax, Inc.*, 263 AppDiv 89, 31 NYS2d 708 (1st Dep't 1941).

<sup>21</sup> *Jenkins v. News Syndicate Co.*, 128 Misc 284, 219 NYSupp 196 (SupCt 1926).

<sup>22</sup> *Brunner v. Stix Baer & Fuller Co.*, 352 Mo 1225, 181 SW2d 643 (1944).

<sup>23</sup> *Folson v. Great Atlantic & Pacific*

*Tea Co.*, 266 AppDiv 1022, 44 NYS2d 834 (1943).

<sup>24</sup> 208 P2d 1 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>25</sup> *Id.* at 2-3: "The central dramatic situation or core in which the plaintiffs claim property is as follows: The action takes place on board a ship. Only one person aboard, a passenger suspects the captain of being a murderer. He accuses the captain who neither admits nor denies the accusation; in fact, to his crew and passengers the captain clearly infers that his accuser is either guilty of hallucinations or himself desires to kill him. The accuser knows that he is subject to the captain's whims and is in a position where he can be killed or imprisoned. The captain, sure of his authority, informs the accuser that he is free to try to convince anyone on board ship as to the truth of his suspicions. The passenger tells his story to the first mate and to others on the ship but they refuse to believe him and instead suspect the passenger of hallucinations or malice.

The first question presented for decision was whether this basic dramatic situation constitutes protectible literary property. The court then described the customs and practices of the motion picture industry in the use of plots:

... "the basic duty of [the story editor] is to read a book or . . . play . . . and condense the story theme into two or three pages. This material is then used for conferences with producers and executives of the studios so they don't have to read the whole book or play. . . . You have in studios a great problem of budget. . . . That means the studio gives a producer an assignment and says, 'Here is a story, but . . . we don't want you to spend more than this amount of money for the production.' . . . Now in such cases, the story editor goes in and talks over the story with the producer; he says, 'You can do this story . . . for the lower budget cost because you can eliminate certain incidents, certain persons, certain settings, so that you can create the same basic theme and powerful story. . . .'" 26

In other words the real value of a story, play or motion picture scenario may have little to do with specific dialogue or sequence of scenes or locale. The dramatic core of the play, summarized in two or three pages, constitutes the protectible interest. Nor can it be characterized as an abstract idea. The central dramatic situation or core had been reduced to the form of a full stage play. Plaintiffs embellished the "heart"

Finally, however, the captain becomes aware that he is suspected by at least one other person and he threatens to kill, or does kill that person as an intermeddler. Knowledge that his murders are about to be uncovered causes him to lose his mind and brings about his own undoing and death.

"In the plaintiff's play this basic dramatic core was filled out by placing the passengers and crew upon a pleasure cruise and making the captain an imposter who has come to show his superiority to the man in whose shadow he has worked for years; this man is the person throughout who knows the captain's true identity. There are various other sub-characters who give body and filling to the central plot, but as testified to by both Golding and Faulkner, this matter was all superficial and could be changed in innumerable ways

without affecting the literary property and its value.

"The moving picture 'Ghost Ship' has its captain as the dominant figure of the story. The locale of the drama is on a freighter with members of the crew having the subordinate roles. The ship carries no passengers and, to that extent, the minor characters are quite different from those in the play. However, the captain and his obsession with authority and the fact that no one aboard can successfully challenge his position is found in the picture, as is the dramatic struggle between the captain and his adversary, the one person who knows his true nature. Basically, the psychological situation is that described by the plaintiffs as the dramatic core of their work."

26 *Id.* at 4.

or core of their play with scenes, incidents, characters, characterizations, motivation, treatment and full dramatic expression. This furnished the substance or element of concreteness to plaintiffs' protectible interest.

The *Golding* case and other recent cases indicate a trend whereby a combination of ideas reduced to a concrete form, *i.e.*, a radio script, motion picture scenario or "basic dramatic core" as exemplified by the *Golding* decision, will be considered sufficiently complete.<sup>27</sup> A television script which approximates the form and substance of a motion picture scenario is obviously concrete. Not only does it contain the same features of a radio show, *viz.*, scenes, incidents, characters and characterizations, motivation, treatment, dramatic expression, dialogue and sound effects, but in addition it will spell out in detail directions for the director, technicians and actors. Thus the television script may be broken down into sets, sequences and scenes with directions as to the use of the camera, *i.e.*, fade-outs, dissolves, long, medium or close shots, and the like. Not all television scripts will contain as much detail as, for example, CBS' Studio I, or the Milton Berle Show. But it is submitted that the average television script or scenario will be considered a combination of ideas concrete in form and sufficiently complete.

As stated previously, whether an idea has been reduced to a concrete form, tenders a preliminary question of law for the courts.

#### 252b. TESTS EMPLOYED FOR PROTECTION OF PROGRAM IDEAS: ORIGINALITY AND NOVELTY.

"Originality" and "novelty" which have been discussed elsewhere,<sup>1</sup> are terms not susceptible of precise definition since each case tenders a different factual issue.<sup>2</sup>

<sup>27</sup> *Golding v. RKO Pictures, Inc.*, 193 P2d 153 (CalApp 1948), *aff'd*, 208 P2d 1 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Thompson v. Famous Players-Lasky Corp.*, 3 F2d 707 (ND Ga 1925); *Italani v. Metro-Goldwyn-Mayer Corp.*, 45 CalApp2d

464, 114 P2d 370 (1941); *Barsha v. Metro-Goldwyn-Mayer Corp.*, 32 Cal App2d 556, 90 P2d 371 (1939); *Brown v. Ferris*, 122 Misc 418, 204 NYSupp 190 (NYMunicCt 1924); and see *Judge Yankwich, Originality in the Law of Intellectual Property* (1951) 457, 469, n 29.

<sup>1</sup> *Infra* §§ 153 and 153a.

<sup>2</sup> *Commissioner of Internal Revenue v. Affiliated Enterprises, Inc.*, 123 F2d 665 (10th Cir 1941); *Lueddecke v.*

Both elements in a radio or television program are not susceptible of particularization because of the different factors involved. "The particular type of genius required in the creation of an original literary or dramatic composition differs from that which is a prerequisite to a patentable invention, and can hardly be broken down, as is often done in the case of patents, into component parts, for some of which originality may be claimed, and not for the others. In short, once one has claimed that such a composition is original, one has said about as much as can be stated on the subject. I think that from the common sense viewpoint the burden should rather be cast upon the defendant who makes use of the composition to prove its lack of originality—by comparison with other works, or in some other way—in the event such defendant desires to defend upon the ground that there is no originality."<sup>3</sup>

Ideas which are common property are neither original nor novel.<sup>4</sup> Thus a plaintiff who recommended filming short movie features about unusual occupations was denied recovery on the ground that, since similar films had been previously produced, his idea was not unique.<sup>5</sup> The suggestion that prices be raised to increase profits established no right, for "no person can by contract monopolize an idea that is common and general to the whole world."<sup>6</sup> The suggestion that a railroad sell advertising space in its station, cars, or right of ways "was not new nor exclusively within the plaintiff's

Chevrolet Motor Co., 70 F2d 345 (8th Cir 1934); *De Filippis v. Chrysler Corp.*, 53 FSupp 977 (SD NY 1944); *Plus Promotions, Inc. v. RCA Manufacturing Co.*, 49 FSupp 116 (SD NY 1943); *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950); *Liggett & Myers Tobacco Co. v. Meyer*, 101 Ind App 420, 194 NE 206 (1935); *Soule v. Bon Ami Co.*, 201 AppDiv 794, 195 NYSupp 574 (2d Dep't 1922), *aff'd*, 235 NY 609, 139 NE 754 (1923).

<sup>3</sup> *Buckley v. Music Corporation of America*, 2 FRD 328, 333 (D Del 1942).

<sup>4</sup> *Wilkie v. Santley Bros., Inc.*, 91 F2d 978 (2d Cir 1937), cert den, *Larsen v. General Motors Corp.*, 2 FRD

294 (SD NY 1941); *Jenkins v. News Syndicate Co.*, 128 Misc 284, 219 NYSupp 196 (SupCt 1926); *Soule v. Bon Ami Co.*, 201 AppDiv 794, 195 NYSupp 574 (2d Dep't 1922), *aff'd*, 235 NY 609, 139 NE 754 (1923).

<sup>5</sup> *Futter v. Paramount Pictures, Inc.*, 69 NYS2d 438 (SupCt 1947); *Hampton v. La Salle Hat Co.*, 88 FSupp 153 (DC NY 1949); *Larkin v. Pennsylvania R. R. Co.*, 125 Misc 238, 210 NYSupp 374 (1925), *aff'd*, 216 AppDiv 832, 215 NYSupp 875 (1926). *Cf. Stone v. Graselli Chemical Co.*, 65 NJEq 756, 55 Atl 736 (1903).

<sup>6</sup> *Soule v. Bon Ami Co.*, 201 AppDiv 794, 797, 195 NYSupp 574, 576 (2d Dep't 1922), *aff'd*, 235 NY 609, 139 NE 754 (1923).

knowledge, but, was perfectly obvious and well known to all men."<sup>7</sup> A system of finance and a plan for selling cars through weekly deposits were not new ideas.<sup>8</sup>

On the other hand, originality and novelty do not require that every feature be new. "If this were the test for originality and uniqueness it would be difficult to obtain a copyright for a book, song, or play, since plots, materials, ideas and circumstances are constantly repeated but in a different form or combination."<sup>9</sup> Originality was attained in the *Stanley* case by taking common-place materials and acts and making them into a new combination and novel arrangement.<sup>10</sup> The majority opinion in the *Golding* case concluded that the similarity of plaintiffs' basic dramatic core with the plot of prior stories did not defeat the claim of originality.

"It is not essential that any production, to be original or new within the meaning of the law of copyright, shall be different from another . . . the true test of originality is whether the production is the result of independent labor or copying."<sup>11</sup>

<sup>7</sup> *Masline v. New York, N. H. & H. R. R.*, 95 Conn 702, 707, 112 Atl 639, 640 (1921).

<sup>8</sup> *Moore v. Ford Motor Co.*, 28 F2d 529 (SD NY 1928); *Universal Savings Corp. v. Morris Plan Co.*, 234 Fed 382 (SD NY 1916); *Stein v. Morris*, 120 Va 390, 91 SE 177 (1917). For additional cases wherein the courts have denied relief because the ideas were neither new nor of value, see *Lueddecke v. Chevrolet Motor Co.*, 70 F2d 345 (8th Cir 1934); *Heyer v. Allen Electric & Equipment Co.*, 37 FSupp 455 (WD Mich 1939), *aff'd*, 117 F2d 739 (6th Cir 1941); *Haskins v. Ryan*, 71 NJEq 575, 64 Atl 436 (1906), *aff'd mem.*, 75 NJEq 623, 73 Atl 1118 (1909); *Bristol v. Equitable Life Assurance Society*, 132 NY 264, 30 NE 506 (1892); *Burwell v. Baltimore & Ohio R. R.*, 31 Ohio App 22, 164 NE 434 (1928).

<sup>9</sup> *Stanley v. Columbia Broadcasting System, Inc.*, 192 P2d 495, 504 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949), *aff'd on reargument*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>10</sup> *Id.* at 505: "We must apply the rules found in the cases above cited, to wit, that the work or materials need

not be entirely new but may be in the public domain or have been borrowed from others, that a new or different combination of old ideas will be protected against piracy, that originality does not demand that every feature be new, that commonplace materials may be made into a novel arrangement, and finally that the question of originality is one of fact for the jury to determine. The application of these rules, together with evidence of a substantial character sustaining the implied finding of the jury that the form of plaintiff's program and the 'plan, arrangement and combination of materials' were new and novel in radio production, precludes a reviewing court from ignoring the verdict insofar as it determines this feature of the appeal."

<sup>11</sup> *Golding v. RKO Pictures, Inc.*, 208 P2d 1, 4 (Cal 1949), *aff'd on reargument*, 35 Cal2d 690, 221 P2d 95 (1950). See also *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950); *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

The basis of the dissenting opinion in the *Golding* case was the absence of literary novelty in the constituent elements of the basic dramatic core, *viz.*, the dominant and secondary characters, the concept that a ship's captain has supreme authority over his command on the high seas and may demonstrate a mad lust for or a brutal exercise of power; that a paranoiac may captain a ship or be a killer, etc. The dissent contended that plaintiffs' play and defendant's motion picture lacked originality since they both were taken from the public realm of long recognized and often used plots.<sup>12</sup>

In the *Kovacs* case, plaintiff's radio program was based on: 1) soliciting letters from the radio-listening audience expressing their heart's desire; 2) using the letters as the foundation of the program; 3) choosing winning letters on a contest basis; 4) granting and broadcasting of the heart's desires of the winners; 5) using the catch phrase "your heart's desire"; and 6) some of the audience participating therein. Defendant, whose program was substantially similar to plaintiff's, invoked the defense of lack of originality and novelty. The court held:

"Concededly, there is nothing new or novel in the practice of soliciting letters on a radio program, or in having an element of contest between letter writers, or in the give-away type of program or in audience participation; yet the combination of these basic elements, with the additional innovation of soliciting letters from the listening public expressing the writer's heart desire, and having those letters constitute the very basis of the program—the material for the show—was original and novel and had never been done before on a radio program."<sup>13</sup>

In none of the radio cases, have "hot ideas" been disqualified on the ground that they were lacking in novelty or originality. This may be attributed to the practice of the courts who consider originality and novelty not as questions of law, but of fact for the jury to determine.<sup>14</sup>

<sup>12</sup> *Golding v. RKO Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>13</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108, 113 (CalApp 1950).

<sup>14</sup> *Dezendorf v. Twentieth Century-Fox Film Corp.*, 99 F2d 850 (9th Cir 1938); *Stanley v. Columbia Broad-*

*casting System, Inc.*, 192 P2d 495 (Cal App 1948), *aff'd*, 208 P2d 9 (Cal 1949); *Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Cole v. Phillips H. Lord, Inc.* 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941); *Belt v. Hamilton National Bank*, 21 LW 2287 (DC DC 1952).

### 253. OWNERSHIP OF PROGRAM IDEAS: GENERAL DISCUSSION.

“Hot ideas” which are concrete and which may require novelty and originality constitute a protectible property interest under the common law; they are governed for the most part by the same rules of acquisition, transfer and succession as any other personal property.<sup>1</sup>

#### 253a. OWNERSHIP OF PROGRAM IDEAS: PARTNERSHIP AND JOINT VENTURES.

The same principles of law apply to the ownership of ideas by a partnership or joint venture as in the case of statutory copyright. In the latter category of cases, joint authorship has reference to joint labor in furtherance of a common design.<sup>1</sup> The joint authors are deemed tenants in common, each owning an undivided interest in the copyright which insures to the estate of a deceased co-author.<sup>2</sup> Where one of the authors secures a copyright in his own name, he becomes a constructive trustee for the other to the extent of the latter's interest.<sup>3</sup>

Partnerships and joint ventures have likewise been formed to exploit “hot ideas.” If two or more persons agree to collaborate in the creation of a work, a partnership or joint venture will be implied in law, even in the absence of an express agreement.

<sup>1</sup> In *Aronson v. Baker*, 43 NJEq 365, 367, 12 Atl 177, 178 (1888), the court said: “The right to literary property is just as sacred, and just as much entitled to the protection of the law, as the right to any other kind of personal property. Its acquisition and succession are governed by the same legal rules which control the acquisition and succession of other property of the same general class, and, if the rights of the owner are violated, he is entitled to the same remedies to which the owner of other personal property may resort for redress.”

<sup>1</sup> *Snook v. Blank*, 92 FSupp 518 (DC Mont 1948); *Jerry Vogel Music Co. v. Forster Music Publisher*, 147 F2d 614 (2d Cir 1945), cert den, 325 US 880, 65 SupCt 1573, 89 LEd 1996 (1946);

*Marks Music Corp. v. Vogel Music Co.*, 140 F2d 268 (2d Cir 1944); *Shapiro, Bernstein Co. v. Vogel Music Co.*, 73 FSupp 165 (SD NY 1947); *Ball, Law of Copyright and Literary Property* 485 (1944).

<sup>2</sup> *Maurel v. Smith*, 220 Fed 195 (SD NY 1915), *aff'd*, 271 Fed 211 (2d Cir 1921); *Carter v. Bailey*, 64 Me (4 Smith) 458 (1876); see cases cited in note 94 *supra*.

<sup>3</sup> *Marks Music Corp. v. Vogel Music Co.*, 42 FSupp 859 (SD NY 1942), modified, 140 F2d 268 (2d Cir 1944); *Yardley v. Houghton Mifflin Co.*, 25 FSupp 361 (SD NY 1938), *aff'd*, 108 F2d 28 (2d Cir 1939), cert den, 309 US 686, 60 SupCt 891, 84 LEd 1029 (1939).

In *Carlson v. Phillips*,<sup>4</sup> an author sued his collaborator for one-half of the profits resulting from the sale of a radio serial. Plaintiff claimed a joint venture existed between the parties; defendant denied this allegation and claimed that plaintiff's inexperience as reflected by a poorly prepared audition script required a complete revision of the material. Prior to the final sale of the show, defendant repudiated his association with plaintiff. The court held that collaboration in the production of a literary work by two persons who are to share profits therein establishes a joint venture; and the court will imply a contract despite the absence of a written agreement. Defendant's purported repudiation of the contract cannot defeat plaintiff's right to one-half of the profits.

Inequality of contribution by co-authors cannot nullify a partnership nor preclude an equal division of profits. In a California case, the defendant wrote and produced a vaudeville skit; he enlisted plaintiff's aid to sell this act as a radio show. Defendant subsequently sold the show in his name, and thereafter repudiated a partnership agreement with plaintiff. The court held that the reduction of the idea to a concrete form, *viz.*, radio play, was a partnership asset which defendant had transferred to the partnership, and that plaintiff was entitled to recover his share of the profits.<sup>5</sup>

Where a member of a joint venture or a partner misrepresents his contribution to a radio show, his associates may rescind the agreement.<sup>6</sup>

#### 253b. OWNERSHIP OF PROGRAM IDEAS: EMPLOYER—EMPLOYEE RELATIONSHIP.

The question is frequently presented as to the ownership of marketable ideas where the creator or originator thereof is employed by another.

The Copyright Code seeks to solve this question by defining the word "author" to "include an employer in the case of works made for hire."<sup>1</sup> The judicial interpretation of this clause is illustrated by *Brown v. Mollé Co.*<sup>2</sup> Plaintiff con-

<sup>4</sup> 326 IllApp 594, 63 NE2d 193 (1945).

<sup>5</sup> *Lyon v. McQuarrie*, 46 CalApp2d 119, 115 P2d 594 (1941).

<sup>6</sup> *Dunn v. Stringer*, 41 CalApp2d 638, 107 P2d 411 (1940).

<sup>1</sup> 61 STAT 652 (1947), 17 USC § 26 (Supp 1951).

<sup>2</sup> 20 FSupp 135 (SD NY 1937).

cocted a theme song while in the employ of an advertising agency. This song or advertising jingle related to the defendant's product. Plaintiff left the employ of the advertising agency; he subsequently secured a copyright. The court denied recovery:

“The case falls within the rule that where an employee creates something as part of his duties under his employment, the thing created is the property of the employer.”<sup>3</sup>

At common law, the test employed to determine ownership is whether the originator is an employee or independent contractor. One is an employee where there is supervision, control and direction of the details and methods of doing the work.<sup>4</sup> A factor which influences courts in finding an employer-employee relationship is the matter of compensation. One who receives a weekly salary is presumably an employee and the presumption exists that all creative work done by the author within the scope of his employment belongs to the employer.<sup>5</sup> Each case, of course, must be decided on its own facts. A master-servant relationship has been found in a profit-sharing arrangement, and where an author has been paid on a quantity basis, *viz.*, so much per page, word, or minute.<sup>6</sup>

The case of *Phillips v. WGN, Inc.*,<sup>7</sup> affirms the principle that an employee surrenders ownership of ideas to her employer for the stipend received. Plaintiff was employed by defendant to prepare scripts for broadcasting and was paid \$25 per week. The scripts were the first ten episodes of a drama, “Painted Dreams,” which was broadcast daily, the plaintiff taking the principal part therein. Defendant subsequently secured a sponsor for the program; and the plaintiff secured the copyright on the first ten scripts, claiming to be

<sup>3</sup> *Id.* at 136; *Tobani v. Carl Fischer, Inc.*, 98 F2d 57 (2d Cir 1938), cert den, 305 US 650, 59 SupCt 243, 83 LEd 426 (1939); *Von Tilzer v. Jerry Vogel Music Co.*, 53 FSupp 191 (SD NY 1943), *aff'd*, 158 F2d 516 (2d Cir 1944).

<sup>4</sup> *Beach v. Velzey*, 238 NY 100, 143 NE 805 (1924); *cf.* *Bleistein v. Donaldson Lithographing Co.*, 188 US 239, 23 SupCt 298, 47 LEd 460 (1903).

<sup>5</sup> *Brown v. Mollé Co.*, 20 FSupp 135 (SD NY 1937); *cf.* *Uproar Co. v. Na-*

*tional Broadcasting Co.*, 8 FSupp 358 (D Mass 1934), modf'd, 81 F2d 373 (1st Cir 1936), cert den, 298 US 670, 56 SupCt 835, 80 LEd 1393 (1936).

<sup>6</sup> *Lawrence v. Aflalo*, [1902] 1 Ch 264; *Cox v. Cox*, 1 EqRep 94, 68 Eng Rep (Ch 1853); see *London University Press v. University Tutorial Press*, [1916] 2 Ch 601; *Mallory v. Mackaye*, 86 Fed 122 (CCSD NY 1898).

<sup>7</sup> 307 IllApp 1, 29 NE2d 849 (1940); Note, 12 AirLRev 87 (1941).

their author and owner. Defendant denied her ownership but raised plaintiff's salary to \$100 per week. When the sponsor's contract expired, plaintiff was discharged. The broadcasts of "Painted Dreams" were continued from scripts prepared by an employee. Plaintiff claimed infringement of her common-law rights in the set-up, characters and plot. The court found for the defendant:

"Property rights in literary and other property, the product of the brain as between employer and employee, are determined by what was contemplated by the contract of employment."<sup>8</sup>

The evidence supported the finding that "plaintiff was employed by defendants to do particular work; that she did the work, was paid for it, and in such a situation under the law the ownership in the result of what was done belonged to defendants."<sup>9</sup>

An author is an independent contractor when he retains control of the method and detail of the work performed, is usually compensated in a lump sum for his intellectual efforts, and cannot be discharged because he performs his services one way rather than another. A script writer is an independent contractor who reserves all rights not specifically granted the station owner.<sup>10</sup>

In *Bixby v. Dawson*,<sup>11</sup> plaintiff, who had developed and written the initial episodes of a serial drama, sought to restrain defendant from continuing on the air the subsequent episodes which had been written by another author. Plaintiff claimed a property right in the setting, characters and other incidents of the story. The court held that although plaintiff was an independent contractor, he had sold all of his rights to the defendant.

"Bixby was an independent contractor selling his wares but made no reservations of any kind and received for them everything for which he had bargained."<sup>12</sup>

<sup>8</sup> *Phillips v. WGN, Inc.*, 307 IllApp 1, 10, 29 NE2d 849, 852 (1940).

<sup>9</sup> *Id.* at 11, 29 NE2d at 853.

<sup>10</sup> *Dutcher v. Victoria Paper Mills*, 219 AppDiv 541, 220 NYSupp 625 (3d Dep't 1927); *Beach v. Velzey*, 238 NY 100, 143 NE 805 (1924); *Hexamer v.*

*Webb*, 101 NY 377, 4 NE 755 (1886).

<sup>11</sup> 96 NYLJ 7 (July 1, 1936), *aff'd without opinion*, 277 NY 718, 14 NE2d 819 (1938).

<sup>12</sup> *Ibid.*, and discussed in Note, 12 AirLRev 87 (1941).

# Book III

## Chapter XXVI

### LEGAL REMEDIES FOR THE PROTECTION OF PROGRAM IDEAS

- § 260. Protection of Program Ideas: General Discussion.
  - Part A: By Express Contract.
  - § 261. Protection of Program Ideas: Express Contract.
  - Part B: By Implied Contract.
  - § 262. Protection of Program Ideas: Implied Contract.
  - Part C: By Fiduciary or Trust Relationship.
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  - Part D: By Unjust Enrichment.
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  - Part E: By Plagiarism.
  - § 265. Protection of Program Ideas: By Plagiarism.
  - Part F: By Doctrine of Unfair Competition.
  - § 266. Protection of Program Ideas: Unfair Competition.
  - 267. Conclusion.

#### 260. PROTECTION OF PROGRAM IDEAS: GENERAL DISCUSSION.

Both common law and statutory copyright protect a combination of ideas reduced to a concrete form, their development through incidents and a sequence of events and the interplay of characters.<sup>1</sup> The combination of ideas reflected in a series of radio and television programs do not have the implementation and detail which are characteristic of the art of story telling. Thus the basic format of *Cole v. Philips H. Lord Inc.* was a “vigorous crusading district attorney engaged in fighting rackets and racketeers”; which was “the hook upon which the entire series [of radio programs] was suspended.” To be sure, the primary and some of the subsidiary characters were constant. But the incidents and sequence of events in which the principal and subsidiary characters appeared, changed each week.<sup>2</sup> Similarly in the *Stanley* case, the format consisted of a “theatre of the air” type of weekly

<sup>1</sup> E.g. *Sheldon v. Metro-Goldwyn Pictures*, 81 F2d 49, 54 (2d Cir 1936), cert den, 298 US 669, 56 Sct 835, 80 LEd 1392 (1936); *Shipman v. RKO Radio Pictures*, 100 F2d 533 (2d Cir 1938); *Rush v. Oursler*, 39 F2d 468 (DC NY 1938); *De Acosta v. Brown*, 146 F2d 408 (2d Cir 1944), cert den, 325 US

862, 65 Sct 1197, 89 LEd 1983 (1945); Chafee *Reflections on the Law of Copyright* (1945) 45 CalLRev 503, 513; Yankwich, *Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

<sup>2</sup> *Cole v. Philips H. Lord, Inc.*, 262 AppDiv 116, 28 NYS2d 404 (1941).

program, a motion picture personality as master of ceremonies, participation by the listening audience as to whether the play should be made into a motion picture, a contest and prize for the best letter received. Here again the content of the program changed each week; none of the characters were sharply defined and there obviously was no interplay or conflict between or among any of the characters appearing in the program. What the court protected was the general pattern of the program consisting of a sequential combination of ideas.<sup>3</sup>

Thus in the program cases, the expression of ideas lack the detail or embellishments found in the ordinary plagiarism case. This does not mean that the courts are protecting a series of abstract ideas. The combination of ideas have been reduced to the concrete form of a detailed program format, a script and an audition recording.<sup>4</sup> But a comparison between the combination of sequential ideas in the program and ordinary plagiarism cases suggests that the courts in the former are coming close to protecting a series of abstractions.<sup>5</sup> Obviously, there is no mechanical formula for drawing the line between the unprotectible idea and its protectible expression. Each case must be decided on the basis of its own facts. But this much is clear. Public policy as exemplified by the trade practices and customs of the entertainment industries calls for the legal protection of program ideas. The administrative difficulties which the courts formerly invoked and still do on

<sup>3</sup> Stanley v. Columbia Broadcasting System, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>4</sup> Cf. Yankwich, Originality in the Law of Intellectual Property (1951) 11 FRD 457, 469, n 29: "Some recent cases dealing with common-law literary property have been referred to as a departure from these rules. See, Stanley v. Columbia Broadcasting System, 1950, 35 Cal2d 653, 221 P2d 73; Golding v. RKO Radio Pictures, Inc., 1950, 35 Cal2d 690, 221 P2d 95; Barsha v. Metro-Goldwyn-Mayer Pictures Inc., 1939, 32 CalApp2d 556, 90 P2d 371. Only two of these cases, Barsha & Golding involved dramatic compositions. The Stanley case involved a type of radio program. Despite the language of the strong dissents in the Stanley & Golding cases, I am of the view that,

on close analysis, it will be found that in each of these cases, there was originality involved either through the combination of ideas or in the forms in which the ideas were expressed. . . . The Barsha case specifically refers to the statement to that effect in Fendler v. Morosco, 1930, 253 NY 281, 171 NE 56, 58. The majority opinion in the Stanley case cites it, 35 Cal2d at page 663, 221 P2d 73, and the substance of its holding that originality lies in the 'embellishment' of an idea is stated in the Golding case, 35 Cal2d at page 697, 221 P2d 95. So I fail to see in any of these cases a departure from the doctrine here expounded."

<sup>5</sup> Cf. Nichols v. Universal Pictures Corp., 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 S Ct 216, 75 L Ed 795 (1931). And see *infra* § 150.

occasion, to deny protection, have yielded to that public policy. Today, the courts are groping for standards of protection in the form of a remedy which will adequately compensate the originator of ideas and at the same time protect the consumers of ideas from fraudulent and spurious claims. The cases and the remedies invoked by the courts reflect this groping. As will be demonstrated in the following sections, courts have confused and intermingled the various remedies employed to protect ideas; cases which were decided on the implied contract theory have been cited to sustain decisions premised on unjust enrichment, plagiarism, breach of fiduciary relationship and vice versa. We propose to examine and discuss the various remedies which may be invoked to protect program ideas.

#### **PART A: BY EXPRESS CONTRACT.**

##### **261. PROTECTION OF PROGRAM IDEAS: EXPRESS CONTRACT.**

At the outset the differences and similarities between an express and an implied or an implied in fact contract warrant brief comment. An implied contract differs from an express contract only in the mode of establishing its existence. It must still have all the essentials of a contract, including of course, a meeting of the minds. These essentials are established in an express contract by the language of the parties;<sup>1</sup> but in the case of an implied contract, they are inferred from the parties' acts or conduct. Once an implied contract is established, it is as much a consensual agreement as one expressly made.<sup>2</sup>

Ideas which have been reduced to concrete form can obviously be protected by express contract. Thus in the *Kurlan* case, wherein the plaintiff claimed that the "My Friend Irma" program was copied from his program, "My Sister Eileen" based on the Ruth McKenney characters, "Ruth" and "Eileen," the appellate court held that the count based on express contract "to pay plaintiff the reasonable value of his radio program idea and format" was valid.<sup>3</sup> Whether the

<sup>1</sup> Clark, *Contracts* (1931) 14-15.

<sup>2</sup> Clark, *Contracts* (1931) 19-23; Williston, *Contracts* (RevEd 1936) 8-9, § 3, note 6.

<sup>3</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

parties had entered into an express contract and whether such contract had been breached tender questions of fact for the trier of facts.<sup>4</sup>

Originality and novelty are not prerequisites if an express promise is made to pay for the idea disclosed.<sup>5</sup> "If the program lacked novelty it would not follow as a matter of law that it would have been of no value whatever to defendants, even though it might not have been worth to them what it cost plaintiff. The rule that there will be read into such an agreement the implication that the buyer is not required to pay for anything that he could have obtained without cost from other sources does not apply."<sup>6</sup>

But may the creator of an *abstract* idea protect the same by express contract? Thus it has been said that if an idea "cannot be sold or negotiated or used without a disclosure, it would seem proper that some contract should guard or regulate the disclosure."<sup>7</sup>

Several of the decisions have refused to protect an abstract idea on the ground that such an idea, not being property, is not consideration sufficient to support a binding promise. For example an author may submit an idea to another on condition that the latter pay for the same if used. Under accepted principles of contract law the use of the idea should constitute an acceptance thereof. However, since the idea is not property, consideration is lacking to support the promise to pay for its use.<sup>8</sup>

<sup>4</sup> *Id.*; Weitzenkorn v. Lesser, 231 P2d 889 (CalApp 1951).

<sup>5</sup> Brunner v. Stix, Baer & Fuller Co., 352 Mo 1225, 181 SW2d 643 (1944).

<sup>6</sup> Kurlan v. Columbia Broadcasting System, 90 USPQ 267 (CalApp 1951); Cole v. Philips H. Lord, Inc., 262 App Div 116, 28 NYS2d 404 (1941).

<sup>7</sup> Bristol v. Equitable Life Assurance Society, 132 NY 264, 267, 30 NE 506, 507 (1892); Hamilton Manufacturing Co. v. Tubbs Manufacturing Co., 216 Fed 401 (CCWD Mich 1908); Hughes v. West Publishing Co., 225 IllApp 58, 80 NE 59 (1922); Lueddecke v. Chevrolet Motor Co., 70 F2d 345 (8th Cir 1934); cf. Alberts v. Remington Rand, Inc., 175 Misc 486, 487, 23 NYS2d 892, 894 (SupCt 1940): "In the absence of an express agreement the originator

or proprietor of an idea, trade secret or system which cannot be sold, negotiated or used without disclosure, cannot hold another liable, if he uses the idea for his own benefit . . . Only when the idea has been reduced to concrete form prior to its disclosure to and appropriation by the defendant may recovery be had upon an implied contract."

See Anderson v. Distler, 173 Misc 261, 17 NYS2d 674 (SupCt 1940); Whitman v. Metro-Goldwyn-Mayer Corp., 159 Misc 850, 289 NYSupp 961 (SupCt 1936).

<sup>8</sup> Lueddecke v. Chevrolet Motor Co., 70 F2d 345 (8th Cir 1934); Moore v. Ford Motor Co., 28 F2d 529 (SDNY 1928); Fendler v. Moroseo, 253 NY 281, 171 NE 56 (1930).

Two cases, however, have intimated that an abstract idea may be sold under an express contract drawn before disclosure, if the idea is both new and valuable. In *Soule v. Bon Ami Co.*,<sup>9</sup> suit was brought for the breach of an express contract whereby defendant had agreed to pay plaintiff for a method of increasing its profits without expense. The idea disclosed was merely to raise prices. Relief was denied the plaintiff in the lower court:

. . . "does any consideration exist for the agreement by defendant to pay plaintiff one-half of its increased profits? The plaintiff, according to his complaint, was to impart to the defendant valuable information, and this information was to suggest a way or method of increasing the defendant's profits. When this information was furnished to the defendant, it consisted merely of the suggestion that the defendant should increase its price upon its product, and thereby an increased profit would result. The plaintiff did not prove the contract was supported by a valuable consideration, and the complaint should have been dismissed."<sup>10</sup>

The decision was affirmed on appeal on the ground that plaintiff had failed to prove that profits had increased by the adoption of his plan. However the New York Court of Appeals repudiated the dictum of the lower court that an abstract idea was insufficient consideration for an express promise.<sup>11</sup>

In the *Masline*<sup>12</sup> case, the written contract provided that plaintiff would receive a percentage of the profits from the plan which consisted of "information of value in the operation of defendant's [rail] road." Plaintiff suggested that the defendant railroad sell advertising space in its stations, cars and right of way. The court refused to enforce the contract because the plan "could have no market value so as to form the consideration for a contract." But then the court went on to say: "To furnish a consideration for a contract of this kind the plaintiff must upon his proposition either offer a new idea to be protected by the contract, or if the idea is common, he must present a specific method of his own for the

<sup>9</sup> 201 AppDiv 794, 195 NYSupp 574 (2d Dep't 1922), *aff'd*, 235 NY 609, 139 NE 754 (1923).

<sup>10</sup> *Id.* at 795, 195 NYSupp at 575.

<sup>11</sup> 235 NY 609, 139 NE 754 (1923).  
<sup>12</sup> *Masline v. New York, N. H. & H. R. R.*, 95 Conn 702, 112 Atl 639 (1921).

use and application by the defendant of the common idea.”<sup>13</sup>

It is believed that an abstract idea will be protected under an express contract provided it is valuable and useful. Although “the idea disclosed may be common or even open to public knowledge, yet such disclosure if protected by contract, is sufficient consideration for the promise to pay.”<sup>14</sup>

## PART B: BY IMPLIED CONTRACT.

### 262. PROTECTION OF PROGRAM IDEAS: IMPLIED CONTRACT.

Litigants have been more successful in protecting ideas on an implied contract basis than on any other theory. The weight of authority is in accord with Judge Rivkind’s pronouncement in *Plus Promotions v. RCA Mfg. Co.*:

“The theory of the second cause of action is that the defendant is answerable for its implied promise to pay plaintiff the reasonable value of the plan which it has appropriated. Such an action will lie under the law of New York, if the idea is novel and is divulged in concrete form under circumstances indicating that compensation is expected if the idea is used.”<sup>1</sup>

The implied contract theory has been successfully employed in the radio<sup>2</sup> and advertising slogan<sup>3</sup> cases; plaintiffs have contended that the submission of material to defendants and the use of the same by the latter creates an implied agreement to pay for such use. Litigants have also contended that the

<sup>13</sup> *Id.*

<sup>14</sup> *Hugh v. Trade Union Courier Publishing Co.*, 69 NYS2d 526 (Sup Ct 1946). See also Note: Corporate Protective Devices in the Acquisition of Ideas (1952) 65 HLR 673.

<sup>1</sup> *Plus Promotions v. RCA Mfg. Co.*, 49 FSupp 116 (DC NY 1943); *Alberts v. Remington Rand*, 175 Misc 486, 23 NYS2d 892 (1940); *Stone v. Liggett & Myers Tobacco Co.*, 260 AppDiv 450, 23 NYS2d 210 (1940); *Williamson v. N. Y. Central R. Co.*, 258 App Div 226, 16 NYS2d 759 (1940), *aff’d*, 285 NY 667, 34 NE2d 375 (1941).

<sup>2</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951); *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950);

*Yadkoe v. Fields*, 66 CalApp2d 150, 151 P2d 906 (1944); *Cole v. Philips H. Lord Inc.*, 262 AppDiv 116, 28 NYS2d 404 (1941); *Cf. Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951); *Stone v. Liggett & Myers Tobacco Co.*, 260 AppDiv 450, 23 NYS2d 210 (1940); *Bowen v. Yankee Network Inc.*, 46 FSupp 62 (DC Mass 1942).

<sup>3</sup> *Liggett & Myers Tobacco Co. v. Meyer*, 101 IndApp 420, 194 NE 206 (1935); *Cf. Healey v. R. H. Macy & Co.*, 277 NY 681, 14 NE2d 388 (1937); *Ryan & Associates v. Century Brewing Ass’n*, 185 Wash 600, 55 P2d 1053 (1936). *Cf. Thomas v. R. J. Reynolds Tobacco Co.*, 350 Pa 262, 38 A2d 61 (1944).

customs and trade practices of the radio industry establish an implied agreement. In the *Kurlan* case, the court sustained the implied contract count which was "based upon trade customs, practices and usages of the radio industry."<sup>4</sup> On the other hand in *Grombach Productions Inc. v. Waring*, plaintiff testified that it is incumbent upon radio program producers, as a matter of customary trade practice to pay the reasonable value for those submitted ideas which are used by the networks despite the absence of an express contract. Since the jury had rendered a special verdict that there was no implied contract, the appellate court held that the foregoing custom did not create a contract in the absence of any agreement between the parties.<sup>5</sup>

The case of *Yadkoe v. Fields*,<sup>6</sup> illustrates the implied contract theory. Plaintiff composed and prepared certain literary material, consisting of a so-called "snake-story" and certain other comic gags particularly suited for W. C. Fields, the comedian. This material was submitted to the defendant by mail. The first letter stated, "Whatever you think the enclosed radio script is worth is O.K. with me, 'Bill'." Fields replied, stating he would use the "snake-story" either in radio or in motion pictures. He then suggested that plaintiff submit a couple of "gratis" radio scripts and "[If] I am able to use them, who knows, both parties being willing, we might enter into a contract." Plaintiff furnished two radio scripts and scenes and dialogue for a motion picture. Defendant used plaintiff's material both on the radio and in motion pictures.

Plaintiff brought suit for the reasonable worth of the literary material on the basis of an implied contract.

The jury rendered a verdict in favor of the plaintiff in the amount of \$8,000. The judgment was affirmed on appeal:

<sup>4</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951). In *Cole v. Phillips II. Lord, Inc.*, 262 AppDiv 116, 117, 28 NYS2d 404, 406 (1st Dep't 1941), the court concluded that disinterested witnesses had "established that in the radio field there is a well-recognized right to an original idea or combination of ideas, set forth in a formula for a program. Such program contemplates an indefinite number of broadcasts in a series. Each broadcast has a script which represents

the dialogue and 'business' of that particular broadcast. The idea or the combination of ideas formulated into the program remains constant, whereas of course, the script varies in each separate broadcast."

<sup>5</sup> *Grombach Productions Inc. v. Waring*, 293 NY 609, 59 NE2d 425 (1944). Cf. *Matarese v. Moore-McCormack Lines*, 158 F2d 631 (2d Cir 1946).

<sup>6</sup> 66 CalApp2d 150, 151 P2d 906 (1944).

“The basis of the action as framed by the allegations of the complaint, and as demonstrated by the evidence is that of an implied contract to pay for the use of respondent’s material. In fact, the evidence, as shown by the correspondence above quoted, wherein appellant has expressly accepted the material submitted by respondent with his first letter, and has invited respondent to submit further material, would, to such extent, indicate an express contract, from which a promise to pay respondent for such material, if used by appellant, could reasonably be implied. The only item of agreement left unexpressed is the amount or rate of compensation to be paid respondent. The basis of the action here involved distinguishes it from the ordinary case of appropriation or misappropriation of the literary material of an author. . . . To uphold the contention that no liability attached to the use made of respondent’s material, would be to hold that where literary material is offered and accepted under circumstances implying an agreement to pay therefor, the ideas embodied in the material could be taken therefrom and used with impunity as long as the concrete expressions of the author were not employed. Such a conclusion lacks authority even in the cases cited by appellant.”<sup>7</sup>

In the *Stanley*<sup>8</sup> case, recovery was premised upon the implied in fact theory; and in the *Kurlan*<sup>9</sup> and *Weitzenkorn*<sup>10</sup> cases, the counts based upon implied contract were declared valid.

The cases are in conflict on the issue of whether originality and novelty are prerequisites to recovery under the implied contract theory. Thus in the *Weitzenkorn* case, it was held that “a plaintiff may recover upon the theory of implied contract if properly pleaded even though the idea may be common or open to public knowledge.”<sup>11</sup>

However, the majority of the courts employ the standard of novelty and originality in the implied contract cases.<sup>12</sup> One

<sup>7</sup> *Id.* at 157-158, 151 P2d at 910 (1944).

<sup>8</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>9</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>10</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>11</sup> *Id.* See also *Kurlan v. Columbia*

*Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>12</sup> See cases cited in notes 1 to 3 inclusive. See also: *Hampton v. La Salle Hat Co.*, 88 FSupp 153 (DC NY 1949); *Bristol v. Equitable Life Assurance Society of the United States*, 132 NY 264, 30 NE 506 (1892); *Larkin v. Pennsylvania R. R. Co.*, 125 Misc 238, 210 NYSupp 374 (1925),

or two cases have intimated that the foregoing prerequisite tenders a question of law for the court;<sup>13</sup> but the weight of authority is to the contrary. Originality and novelty are questions of fact for the trier of facts.<sup>14</sup>

We have previously stated that the only difference between an express and implied contract is the mode of establishing their existence. The essential elements of an express contract are spelled out by the language of the parties; in an implied contract, they are inferred from the parties' conduct or acts.<sup>15</sup>

The issue thus tendered is whether there is any public policy which demands that ideas protected via an implied contract action be novel and original. A cause of action founded on express contract does not impose this requirement.<sup>16</sup>

It is believed that public policy implemented by the analogies derived from the plagiarism cases have prompted the courts to add this requirement in the implied contract cases.<sup>17</sup> "Courts have justly been assiduous in defeating attempts to delve into the pockets of business firms through spurious claims for compensation for the use of ideas. Thus to be rejected are attempts made by telephoning or writing vague general ideas to business corporations and then seizing upon some later general similarities between their products and the notions propounded as a basis for damages."<sup>18</sup> Thus thousands of unsolicited program ideas have been and are submitted to the entertainment industries. Many of these ideas are common-place and have been used before. Unless the courts impose this standard of novelty and originality, the consumers of ideas will be swamped with litigation. This requirement is a protective device to defeat spurious claims. In the case of an express contract, public policy does not require the employment of this protective device. The express language of a contract negates the suggestion that the claim is

*aff'd*, 216 AppDiv 832, 215 NYSupp 875 (1926).

<sup>13</sup> Thomas v. R. J. Reynolds Tobacco Co., 350 Pa 262, 38 A2d 61 (1944).

<sup>14</sup> Stanley v. Columbia Broadcasting System, 35 Cal2d 653, 221 P2d 73 (1950); Kovacs v. Mutual Broadcasting System, 221 P2d 108 (CalApp 1951); Kurlan v. Columbia Broadcasting System, 90 USPQ 267 (Cal

App 1951). *Cf.* Dezendorf v. Twentieth Century-Fox Film Corporation, 99 F2d 850 (9th Cir 1938).

<sup>15</sup> *Infra* § 261.

<sup>16</sup> *Id.*

<sup>17</sup> E.g. Golding v. RKO Radio Pictures, Inc., 35 Cal2d 690, 221 P2d 95 (1950).

<sup>18</sup> Matarese v. Moore-McCormack Lines, 158 F2d 631 (2d Cir 1946).

spurious. Since the consumer has agreed to compensate the originator of an idea for the use of such idea, the former is bound by the terms of the contract.

Undoubtedly, the courts in groping around for standards to protect ideas, borrowed from the principles of law governing plagiarism cases. As discussed in substantial detail elsewhere, both common law and statutory copyright require that the unpublished productions and the writings of an author be original.<sup>19</sup> Since the tangible product of a combination of ideas approximates the form and substance of the works of authors protected by common law and statutory copyright, the courts have imposed this requirement of novelty and originality.

From a practical point of view, this standard does not impose an onerous burden on a litigant. Originality and novelty in the program idea and plagiarism cases does not demand inventive genius; all that is required is that the particular work "owes its 'origin' to the 'author'." <sup>20</sup>

For whatever value originality and novelty have in defeating spurious claims, it is believed that this standard effectuates a salutary purpose and should be invoked by the courts regardless of the theory employed to protect program ideas.

### **PART C: BY FIDUCIARY OR TRUST RELATIONSHIP.**

#### **263. PROTECTION OF PROGRAM IDEAS: FIDUCIARY OR TRUST RELATIONSHIP.**

Ideas which have been reduced to concrete form may under certain circumstances be protected where a confidential relationship exists or has been created between or among the parties. The protection extended ideas under this theory is akin to the protection accorded trade secrets.<sup>1</sup>

A confidential or fiduciary relationship exists between a trustee and cestui que trust, attorney and client, principal and agent or employer and employee.<sup>2</sup> Thus this relationship

<sup>19</sup> *Op cit supra*, note 17.

<sup>20</sup> *Alfred Bell & Co. v. Catalda Fine Arts*, 191 F2d 99 (2d Cir 1951). *Yankwich, Originality in the Law of Intellectual Property* (1951) 11 FRD 457.

<sup>1</sup> *Callmann, Unfair Competition and Trade-Marks* (2d Ed 1950) Ch 14,

"Trade Secrets" at p 779 *et seq.*; 4 Restatement, Torts (1938) § 757.

<sup>2</sup> *Sachs v. Cluett, Peabody & Co.*, 265 AppDiv 497, 39 NYS2d 853 (1943); *Meinhard v. Salmon*, 249 NY 458, 164 NE 545 (1928); *Cowley v. Anderson*, 159 F2d 1 (10th Cir 1947).

can be invoked where the parties do not deal on equal terms and one trusts and relies on the other. But the courts are reluctant to find a confidential relationship where the parties deal at arm's length, each seeking for himself the best advantage to be derived from the transaction.<sup>3</sup> Thus the owner of a trade secret<sup>4</sup> or inventive idea<sup>5</sup> cannot invoke the cloak of confidential relationship where he discloses his plan to a third party or independent contractor. This is illustrated by *Grombach Productions Inc. v. Waring*, wherein plaintiff claimed that the trade practices and customs of the radio industry created a trust relationship between an organization originating radio programs for sale to commercial advertisers and a producer of radio programs. The trial court rejected the trust relationship, presumably on the ground that the parties were dealing on equal terms.<sup>6</sup>

It is believed that an originator of program ideas would be hard pressed to establish a confidential relationship with the entertainment industries. This is because the former is "under no obligation to disclose his plan . . . and no fiduciary relationship existed between the parties."<sup>7</sup> Of course if there is a principal-agency or employer-employee status, the mantle of confidential relationship may be invoked.

One or two cases have employed this theory to protect trade secrets or inventive ideas disclosed to an independent contractor. Thus in *Booth v. Stutz Motor Car Co.*<sup>8</sup> plaintiff submitted "in confidence" to a principal stockholder of the defendant a novel and detailed plan for improving the design of the Stutz car. Plaintiff's plan was not protected by patent since the design involved no patentable advance over the prior

<sup>3</sup> Callmann, *op cit supra* note 1 § 56.1 at 849: "The courts are generally not favorably disposed toward the owner of a trade secret who, even if under compelling circumstances, disclosed it or confided it in independent contractors, or others who are neither his employees nor partners." But *cf.* *Shellmar Products Co. v. Allen-Qualley Co.*, 36 F2d 623 (7th Cir 1930); *Smith Corp. v. Petroleum Iron Works Co.*, 74 F2d 934 (6th Cir 1935); *Picard v. United Aircraft Corp.*, 128 F2d 632 (2d Cir 1942); *Commar Products Co. v. Universal Slide Fastener Co., Inc.*, 172 F2d 150 (2d Cir 1949).

<sup>4</sup> *Cf.* *Peabody v. Norfolk*, 98 Mass 452, 96 AmDec 664 (1868); *Morison v. Moat*, 9 Hare 241, 68 EngRep 492 (1851). See also Barton, *A Study in the Law of Trade Secrets* (1939) 13 *UofCinLRev* 507.

<sup>5</sup> *Cf.* *Montsanto Chemical Works v. Jaeger*, 31 F2d 188 (DC Pa 1929), *aff'd*, 42 F2d 1018 (3d Cir 1930).

<sup>6</sup> 293 NY 609, 59 NE2d 425 (1944).

<sup>7</sup> *Moore v. Ford Motor Co.*, 28 F2d 529 (DC NY 1928), *aff'd*, 43 F2d 685 (2d Cir 1930). *Cf.* *Pennington Engineering Co. v. Spicer Mfg. Corp.*, 165 F2d 59 (6th Cir 1947).

<sup>8</sup> 56 F2d 962 (7th Cir 1932).

art. The drawings and blue-prints which disclosed this plan were subsequently forwarded to the defendant's engineering staff. Although the defendant denied that it had appropriated plaintiff's plan, "it is apparent from the evidence that the arrangement of the Stutz car was in many ways similar, effecting for it an 'eye appeal' much like that of the Booth car. Notwithstanding dissimilarities in many of the corresponding parts, the general resemblance is far too marked to warrant the conclusion that the Booth designs did not quite substantially enter into the Stutz car." Liability was predicated on the violation of a confidential relationship:

"That the Booth drawings and blueprint were turned over to Stutz in strict confidence thus abundantly appears. If Stutz violated this confidence, and wrongfully, and to its own advantage and to Booth's detriment appropriated Booth's designs, wholly or in part, Booth is entitled to prevail."<sup>9</sup>

In *Hollywood Motion Picture Equipment Co. v. Furer*,<sup>10</sup> plaintiff delivered to defendant's machine shop certain patterns for a microphone which had been invented for use in sound recordings. The defendant manufactured several castings of the pattern and made them available to the trade without the inventor's consent. No relief was sought for patent infringement. The complaint was premised on breach of confidential relationship. The trial court dismissed the suit on the ground that the complaint failed to state a cause of action. On appeal, the appellate court reversed; it held that implicit in the bailor-bailee relationship between the parties was an added confidential relationship which had been breached by defendants. "While the inventor of any product of the mind may forfeit his ownership thereof when it becomes known to the public, yet such forfeiture does not deprive the author of his right to make contracts with reference to his product. Neither does he yield his right to have such contracts protected by the courts where a confidential

<sup>9</sup> *Id.* at 968. See also: *Hoeltke v. Kemp Mfg. Co.*, 80 F2d 912 (4th Cir 1935); *Sandlin v. Johnson*, 152 F2d 8 (8th Cir 1945); *Lorenz v. Colgate-Palmolive-Peet Co.*, 167 F2d 423 (3d Cir 1948). But *cf.* *Kelly-Koett Mfg. Co. v. McEwen*, 130 F2d 488 (6th Cir 1942); *Martin v. Wyeth, Inc.*, 96 FSupp 689 (DC Md 1951).

<sup>10</sup> 16 Cal2d 184, 105 P2d 299 (1940).

relationship has been created on the basis of the inventor's secret."<sup>11</sup>

The California case is consonant with the case law on this subject since the confidential relationship was implicit in the bailor-bailee status between the parties. The *Stutz* case can only be explained on the ground that the plaintiff to quote the court submitted his plan "in confidence."<sup>12</sup> As stated previously "the courts are not favorably disposed toward the owner of a trade secret who, even if under compelling circumstances, disclosed it to or confided it in independent contractors or others who are neither his employees nor partners."<sup>13</sup>

In the limited class of cases where a confidential relationship may be invoked, i.e., principal and agent and employer-employee, the ideas submitted must obviously be reduced to a concrete form.<sup>14</sup> Public policy suggests that ideas protected by this theory be novel and original.<sup>15</sup>

#### **PART D: BY UNJUST ENRICHMENT.**

##### **264. PROTECTION OF PROGRAM IDEAS: BY UNJUST ENRICHMENT.**

The protection accorded an inventive idea via the theory of unjust enrichment, quantum meruit or contract implied in law is illustrated by *Matarese v. Moore-McCormack Lines*.<sup>1</sup> Plaintiff, a part-time stevedore on defendant's docks submitted and demonstrated to defendant's agent a device in model form which would facilitate cargo loading and unloading. The device was subsequently patented, but the complaint was not premised on patent infringement. Plaintiff invoked the theory of unjust enrichment since the defendant had installed and used his device. The appellate court sustained the validity of plaintiff's claim:

"The doctrine of unjust enrichment or recovery in quasi-contract obviously does not deal with situations in which the party to be charged has by word or deed legally consented to assume a duty toward the party

<sup>11</sup> *Hollywood Motion Picture Equipment Co. v. Furer*, 16 Cal2d 184, 105 P2d 299 (1940). See also: *Brookens v. National Refining Co.*, 26 OhioApp 546, 160 NE 97 (1927); *Tabor v. Hoffman*, 118 NY 30, 23 NE 12 (1889).

<sup>12</sup> *Booth v. Stutz Motor Car Co. of*

*America*, 56 F2d 962 (7th Cir 1932).

<sup>13</sup> *Op cit supra*, note 3.

<sup>14</sup> *Cf. Philips v. WGN, Inc.*, 307 IllApp 1, 29 NE2d 849 (1940).

<sup>15</sup> *Infra*, § 262.

<sup>1</sup> 158 F2d 631 (2d Cir 1946).

seeking to charge him. Instead, it applies to situations where as a matter of fact there is no legal contract, but where the person sought to be charged is in possession of money or property which in good conscience and justice he should not retain, but should deliver to another. *Miller v. Schloss*, 218 N.Y. 400, 407, 113 N.E. 337; *Byxhie v. Wood*, 24 N.Y. 607, 610; *White v. Continental Nat. Bank*, 64 N.Y. 316, 21 Am. Rep. 612; *Oneida County v. First Citizens Bank & Trust Co. of Utica*, 264 App. Div. 212, 35 N.Y.S. 2d, 782; 1 *Williston on Contracts*, Rev. Ed. 1936, Sec. 3, p. 9. Where this is true the courts impose a duty to refund the money or the use value of the property to the person to whom in good conscience it ought to belong. *Restatement, Restitution*, 1937, sec. 1(a); *Pullman's Palace Car Co. v. Central Transp. Co.*, 171 U.S. 138, 152, 18 S. Ct. 808, 43 L. Ed. 108. The doctrine is applicable to a situation where, as here, the product of an inventor's brain is knowingly received and used by another to his own great benefit without compensating the inventor. This is recognized in the leading New York case of *Bristol v. Equitable Life Assur. Soc. of New York*, 132 N.Y. 264, 267, 30 N.E. 506, 507, 28 Am. St. Rep. 568. In that case the New York Court of Appeals dismissed a complaint based on the use by defendant of an advertising scheme of which plaintiff had apprised it, because the scheme was not original and because it was not alleged to be marketable. The court, however, was careful to distinguish the situation in which an invention is involved, saying: 'In such cases [of inventions] there is a production which can by multiplying copies be put to marketable use. . . . Whoever infringes takes benefits or profits which otherwise would naturally come to the producer.' Later New York cases have not weakened the force of this exception. In *Rodriguez v. Western Union Tel. Co.*, 259 App. Div. 224, 18 N.Y.S. 2d 759, affirmed 285 N. Y. 667, 34 N.E. 2d 375, the plaintiff's scheme was not in fact adopted by the defendant. In *Williamson v. New York Cent. R. R. Co.*, 258 App. Div. 226, 16 N.Y.S. 2d 217, it was held that the plaintiff's idea for the staging of a miniature railroad at the New York World's Fair was too abstract to be made the basis of a property right and that therefore no inquiry into the novelty of the idea was required."<sup>2</sup>

The doctrine of unjust enrichment has been employed to protect an advertising slogan.<sup>3</sup> In the *Kurlan* case, the court

<sup>2</sup> *Id.*

<sup>3</sup> *Healey v. R. H. Macy & Co.*, 277 NY 681, 14 NE2d 388 (1937); *Ryan*

& Associates, Inc. v. Century Brewing Ass'n, 185 Wash 600, 55 P2d 1053 (1936).

sustained the validity of the fourth count founded "on an implied contract [in law] based upon trade customs, practices and usages of the radio industry."<sup>4</sup> On the other hand in *Grombach Productions Inc. v. Waring*,<sup>5</sup> the theory of unjust enrichment was rejected. The court held that the customs and trade practices of the radio industry "cannot create a contract where there has been no agreement by the parties and none is implied in law . . . the prior gratuitous, unsolicited disclosure allegedly made by the plaintiff's president unprotected by contract does not create an enforceable contract implied in law."<sup>6</sup>

It is unlikely that the courts will employ the doctrine of unjust enrichment to protect program ideas. In the first place the doctrine applies only where another's idea has been knowingly or wrongfully appropriated.<sup>7</sup> This imposes an onerous burden of proof on a litigant. Secondly, and as suggested in the *Matarese* case, public policy precludes the extension of the principle of unjust enrichment in the program idea cases. "Courts have justly been assiduous in defeating attempts to delve into the pockets of business firms through spurious claims for compensation for the use of ideas. Thus to be rejected are attempts made by telephoning or writing vague general ideas to business corporations and then seizing upon some later general similarities between their products and the nations propounded as a basis for damages."<sup>8</sup>

It is believed that the doctrine of unjust enrichment will only be invoked where the factual situation is comparable to the *Matarese* case.<sup>9</sup> Here again the idea must be reduced to concrete form and reflect originality and novelty.<sup>10</sup> But more importantly, the doctrine does not apply unless there has been a deliberate and wrongful appropriation.

## PART E: BY PLAGIARISM.

### 265. PROTECTION OF PROGRAM IDEAS: PLAGIARISM.

In *Kovacs v. Mutual Broadcasting System Inc.*, an appellate court for the first time extended the tort theory of plagiarism

<sup>4</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>5</sup> 293 NY 609, 59 NE2d 425 (1944).

<sup>6</sup> *Id.*

<sup>7</sup> *Huznar v. Cineinnati Chemical Works*, 172 F2d 6 (6th Cir 1949). But

*cf.* *Sehonwald v. Burkhardt Mfg. Co.*, 356 Mo 435, 202 SW2d 7 (1947).

<sup>8</sup> *Op cit supra*, note 1.

<sup>9</sup> But *cf.* *Dawson, Unjust Enrichment* (1950) 52.

<sup>10</sup> *Infra*, § 262.

to a sequential combination of program ideas. Plaintiff claimed that his original radio script and program format had been plagiarized by defendant. The appellate court in affirming the jury's verdict held that plaintiff's sequential combination of ideas were novel and original, that defendant has access or an opportunity to copy plaintiff's ideas, and that there were substantial similarities between the two works, all of which established copying.<sup>1</sup>

In the *Weitzenkorn*<sup>2</sup> and *Kurlan*<sup>3</sup> cases, the California appellate courts overruled two demurrers and held that the plagiarism counts were valid. Finally, in the "Bride and Groom" litigation, the jury by returning a verdict in the amount of \$800,000 (the case was subsequently settled for \$50,000) impliedly found that defendant's program, entitled "Wedding Bells" infringed the "format of the said 'Bride & Groom' program, the scenarios, production, script continuity and concrete combination of ideas concretely embodied therein and thereof."<sup>4</sup>

The basic issue tendered is whether the tort theory of plagiarism should be employed as a remedy to protect a sequential combination of ideas. Prior to the *Kovacs* case, ideas were protected on the basis of an express or implied contract arising from the manner in which the defendants gained access to the material. A contractual action is premised upon an agreement or meeting of the minds between the parties.<sup>5</sup>

The tort theory of plagiarism does not require a consensual agreement. Liability is imposed upon an infringer who misappropriates the pattern and expression of an original work. As a general rule, if the defendant had access to the plaintiff's work and if there are substantial similarities between the two works which pass the bounds of mere accident, an action for plagiarism will lie.<sup>6</sup> But access is not a *sine qua non* to infringement. The similarities between two works may be

<sup>1</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>2</sup> *Weitzenkorn v. Lesser*, 231 P2d 889 (CalApp 1951).

<sup>3</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>4</sup> *Masterson et al. v. KLAC Radio-Television Station*, (CalSupCt 1951, unreported). This case is discussed in detail in § 266.

<sup>5</sup> Clark, *Contracts* (1931) 14-15. *Infra*, § 261.

<sup>6</sup> E.g. *Arnstein v. Porter*, 154 F2d 464 (2d Cir 1946), cert den, 330 US 851, 67 S Ct 1096, 91 L Ed 1294 (1947); *Golding v. RKO Radio Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950). *Infra*, § 150 ff.

so striking as to preclude the possibility that plaintiff and defendant independently arrived at the same result.<sup>7</sup>

In other words, the task confronting an originator of ideas who claims that his intellectual efforts have been misappropriated by another, is simplified if he can invoke the tort theory of plagiarism. He need not prove a consensual agreement which is the heart of an action premised on express or implied contract. But the objection to the plagiarism theory is that a plaintiff may submit a program idea to a station or network; the latter may acknowledge receipt of the idea, return it to the sender, or, in all probability, file it with the thousands of program ideas which are submitted annually. At a later date, the station or network may produce a program which is generally similar to the one submitted by the plaintiff. The latter will seize upon the general similarities and the notions propounded in the two works as the basis of an action for damages. Thus the objection to the plagiarism theory is the plethora of spurious claims which may be asserted against the consumers of ideas.<sup>8</sup>

This does not mean that the originator of program ideas should be barred from using the plagiarism count. As discussed elsewhere, the difference between the usual run of plagiarism cases and the program idea cases is very slight.<sup>9</sup> Both protect the expression of a sequential combination of ideas.<sup>10</sup> In the ordinary plagiarism case, the sequence of incidents and events, the interplay of characters and the development of characterizations are more detailed and complete than in the program idea cases. The latter come closer to the series of abstractions which cannot be protected under any theory of the law.<sup>11</sup> But as long as a program format reflects a sequential combination of ideas which can be identified either through the sequence of incidents or events or through the interplay of characters and characterizations, it is entitled to protection. As exemplified by the *Stanley*,<sup>12</sup>

<sup>7</sup> *Id.*; *Jewel Music Publishing Co. Inc. v. Leo Feist Inc.*, 62 FSupp 596 (DC NY 1945).

<sup>8</sup> *Cf. Matarese v. Moore-McCormack Lines Inc.*, 158 F2d 631 (2d Cir 1946).

<sup>9</sup> *Infra*, § 154, 260.

<sup>10</sup> *Cf. Yankwich, Originality in the Law of Intellectual Property* (1951)

11 FRD 457, 469, n 29.

<sup>11</sup> *Cf. Nichols v. Universal Pictures Corp.*, 45 F2d 119 (2d Cir 1930), cert den, 282 US 902, 51 Sct 216, 75 LED 795 (1931).

<sup>12</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

*Kovacs*,<sup>13</sup> and *Kurlan*<sup>14</sup> decisions, the concrete forms in which the series of program ideas have been reproduced are similar in substance and manner of expression as the stories, plays and motion pictures which have been protected by common law and statutory copyright.

It is believed that a litigant should be permitted to invoke the tort theory of plagiarism to protect a sequential combination of ideas. However, it is suggested that the principles of this theory be strictly applied and enforced to defeat spurious claims. In other words we propose a more stringent standard of access. Plaintiff should be required to prove by a clear preponderance of the evidence that the defendant had an opportunity to copy his work. In the plagiarism cases, access may be proved directly or indirectly.<sup>15</sup> Access established by direct evidence presents no problem. But where a litigant seeks to establish this fact indirectly or by circumstantial evidence, it is suggested that the courts employ a higher or more stringent standard of proof. For example, the mere submission of a program idea to a network station or studio does not warrant the jury or trier of facts in passing upon the issue of access. The litigant should adduce other evidence to substantiate his claim that the defendant had an opportunity to copy his work. Since a sequential combination of program ideas begins to approach the concept of a series of abstractions, it is believed that the courts should be extremely wary in dispensing with proof of access because of the alleged striking similarities between two works. In other words, access would be established by a fair preponderance of the evidence in every instance. This means that the doctrine of internal proof of access, viz., an identity of words, the parallel character of incidents or a striking similarity between two works would not be applicable to the misappropriation of program ideas.<sup>16</sup>

This approach imposes a greater burden of proof than in the ordinary plagiarism case. But a litigant is not necessarily helpless because he is charged with this greater burden. The Federal Rules of Civil Procedure furnish him with adequate tools to ascertain the facts.

<sup>13</sup> *Kovacs v. Mutual Broadcasting System*, 221 P2d 108 (CalApp 1950).

<sup>14</sup> *Kurlan v. Columbia Broadcasting System*, 90 USPQ 267 (CalApp 1951).

<sup>15</sup> *Op cit supra*, note 13. See also § 155a *infra*.

<sup>16</sup> *Id.*

Needless to say, reduction to concrete form, novelty and originality are prerequisites to recovery under the tort theory of plagiarism.<sup>17</sup>

As stated previously, California is the only jurisdiction wherein the doctrine of plagiarism has been employed to protect a sequential combination of ideas. It has been suggested that section 980 of the California Code which furnishes "the author . . . of any composition . . . an exclusive ownership in the representation or expression thereof,"<sup>18</sup> has enabled the California courts to invoke this theory. However the judicial interpretation of this section indicates that section 980 is but a codification of the common law.<sup>19</sup>

Whether other jurisdictions will accept this interpretation and extend the tort theory of plagiarism to a sequential combination of ideas cannot be determined at this time. It is believed that the courts will proceed with caution in prescribing the standards to be employed for protecting program ideas under this theory. This cautious approach is premised on the philosophic bases of our copyright jurisprudence which abhors monopolies in ideas and preserves the fundamental distinction between an idea and its expression. The latter is protectible; the former is not.

## PART F: BY UNFAIR COMPETITION.

### 266. PROTECTION OF PROGRAM IDEAS: UNFAIR COMPETITION.

Litigants have likewise invoked the law of unfair competition to protect ideas. For the most part, the courts have been reluctant to protect ideas under this theory.

In the *Phillips*<sup>1</sup> and *Bixby*<sup>2</sup> cases, scriptwriters for radio programs who had resigned or been discharged, sought to protect program ideas on the theory of unfair competition. The count in unfair competition was premised on the allegation that the station, in continuing the broadcast, deceived the public into believing that the production was a genuine continuation of plaintiffs' work. In the *Phillips* case, plain-

<sup>17</sup> E.g. *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

<sup>18</sup> California Civil Code (1949) § 980.

<sup>19</sup> *Op cit supra*, note 17.

<sup>1</sup> *Phillips v. WGN, Inc.*, 307 IllApp 1, 29 NE2d 849 (1940).

<sup>2</sup> *Bixby v. Dawson*, 96 NYLJ 7 (July 1, 1936), *aff'd without opinion*, 277 NY 718, 14 NE2d 819 (1938).

tiff's suit was dismissed. The court ignored the unfair competition count and decided the case on the theory that an employer-employee relationship existed and that the results of this relationship belonged to the defendant. In the *Bixby* case, the court discussed the unfair competition count. It held that plaintiff was not known to the general public as the author of the scripts, hence defendant's action did not constitute a "passing off" or unfair competition.

The *Phillips* and *Bixby* cases warrant comparison with the "Bride and Groom"<sup>3</sup> litigation. The amended complaint in the latter consisted of two counts: plagiarism and unfair competition. The allegations in the unfair competition count warrant discussion. Plaintiffs alleged that they were the proprietors of a sequential combination of ideas, entitled "Bride and Groom." The format of the program consisted of the following: The presentation and interview by a master of ceremonies with an "engaged couple" immediately prior to and following their marriage; the "best man"; the "maid or matron of honor"; the "flower girl"; and the parents of the engaged couple. After the interviews were concluded, a soloist sang the "favorite song" of the "engaged couple." The latter then told the story of their romance. The marriage ceremony was then performed off-stage. The bride and groom then reappeared and were given various gifts.

The program format of "Wedding Bells" was substantially similar to plaintiffs' program. "Wedding Bells" differed from "Bride & Groom" in that in the former, the marriage ceremony was included in the telecast.

The unfair competition count alleged that the defendants had misappropriated plaintiff's "literary material, format, program, scenario, production, radio and television material, script continuity and concrete combination of ideas of the 'Bride & Groom' program." Plaintiffs also alleged "passing off"—that the public and television sponsors were deceived and misled by the telecasts of "Wedding Bells" in that they believed they were watching and listening to a telecast of "Bride & Groom." Plaintiffs finally alleged that the defendants' program capitalized on their goodwill and that they suffered extensive damages therefrom.

<sup>3</sup> *Masterson et al. v. KLAC Radio Television Station*, (CalSuperCt 1951, unreported).

The case was tried before a jury which returned a verdict of \$800,000. As stated previously, the case was settled for approximately \$50,000. It is believed that the court instructed the jury on both the plagiarism and unfair competition counts.

The following contentions may have been advanced to sustain the unfair competition count:

The term "idea" in a radio or television script, play or motion picture scenario comprehends such concepts as "plot," "sequence of events or incidents," "theme," "characters," and "characterizations." An analysis of a script, play or scenario demonstrates that the theme is the dominant emotion of the basic character; and it is personified by the basic character. The plot furnishes the story or narrative; it is the designed sequence of connected incidents which moves the play from cause to effect. "The theme or dominant emotion personified by the basic character evolves and develops by means of the 'plot'—the story—motivated by conflict, complication or intrigue to a crisis and climax."<sup>4</sup>

The law of unfair competition has heretofore protected radio and motion picture titles and character names.<sup>5</sup> The "Lone Ranger"<sup>6</sup> and "Charlie Chaplin"<sup>7</sup> cases are apt illustrations. The doctrine of secondary meaning has furnished protection to station call letters<sup>8</sup> and the Lone Ranger's call of "Hi-Ho Silver."<sup>9</sup>

If the law of unfair competition may be invoked to protect radio characters and their names, it would appear that the doctrine should be made applicable to the scenes, incidents, sequence of events, motivation, treatment and dramatic expression in which such radio characters appear. The extension of the doctrine to scenes, incidents, and the like, would furnish protection to program ideas.

An analysis of some of the cases indicates that the courts have protected ideas by means of the doctrine of unfair competition. In the *Associated Press* case, the United States

<sup>4</sup> *Golding v. RKO Radio Pictures Inc.*, 35 Cal2d 690, 221 P2d 95 (1950).

<sup>5</sup> *Infra*, § 234.

<sup>6</sup> *Lone Ranger, Inc. v. Currey*, 79 FSupp 190 (MD Pa 1948); *Lone Ranger, Inc. v. Cox*, 124 F2d 650 (4th Cir 1942).

<sup>7</sup> *Chaplin v. Amador*, 93 CalApp 358, 269 Pac 544 (1928).

<sup>8</sup> *Bamberger Broadcasting Service, Inc. v. Orloff*, 44 FSupp 904 (SD NY 1942); *Thomas Patrick, Inc. v. KWK Investment Co.*, 357 Mo 100, 206 SW2d 359 (1947).

<sup>9</sup> See notes 5 and 6 *supra*.

Supreme Court, in enjoining the defendant from copying and re-writing the news, protected ideas.<sup>10</sup>

In *Meyer v. Hurwitz*,<sup>11</sup> plaintiff manufactured picture post-cards which he distributed through vending machines furnished to retailers at cost. The defendant induced retailers to vend his cards through plaintiff's machines, although such action was in contravention of the express prohibition posted thereon. The court enjoined the defendant's interference on the ground of unfair competition:

"But after the plaintiff has, through years of effort and expenditure built up a system and organized a business, the defendant may not, by associating therewith a right which is not denied him, that of imitating the plaintiff's uncopyrighted cards, appropriate to himself the plaintiff's system of organization for the purpose of underselling him and appropriating to himself profits to which the plaintiff through his efforts, expenditures, and industry is entitled."<sup>12</sup>

Similarly, the courts in enjoining the disclosure of trade secrets are furnishing legal protection to ideas. In a Massachusetts case,<sup>13</sup> complainant's former employee was enjoined from disclosing and using an idea for manufacturing petticoats with elastic seams. "The idea of the improvement . . . was not a mere nebulous phantom of the fancy, but a definite conception of a material device so simple that its mere statement would convey as clear a notion as would a model of a complicated mechanism."<sup>14</sup>

Although some precedent exists for the protection of ideas *via* unfair competition, the great majority of the courts would undoubtedly limit the *Associated Press* case to its precise

<sup>10</sup> *International News Service v. Associated Press*, 248 US 215, 39 Sup Ct 68, 63 LEd 211 (1918).

<sup>11</sup> 5 F2d 370 (ED Pa 1925), *aff'd*, 10 F2d 1019 (3d Cir 1926).

<sup>12</sup> *Id.* at 371. *Contra*: *Affiliated Enterprises, Inc. v. Gruber*, 86 F2d 958 (1st Cir 1936).

<sup>13</sup> *Aaronson v. Orlow*, 228 Mass 1, 116 NE 951, cert den, 245 US 662, 38 Sup Ct 61, 62 LEd 536 (1917).

<sup>14</sup> *Id.* at 4, 116 NE at 952; *cf.* *Hughes v. West Publishing Co.*, 225 IllApp 58, 80 NE 59 (1922) wherein

the complaint charged a wrongful appropriation of a key number system idea designed by plaintiff in connection with law books. Recovery was denied since only the general idea had been copied and the parties were not competitors. The decision intimates that if the parties had been competitors, relief might have been granted. For a discussion of the protection of trade secrets via the law of unfair competition, see 1 Callmann, *Unfair Competition and Trade-Marks*, c 14, *Trade Secrets* (1944).

facts. The courts would undoubtedly be guided by Justice Brandeis' dissenting opinion therein that "knowledge, truths ascertained, conceptions and ideas" should be as free as the air and that monopolies in the same should not be readily extended.<sup>15</sup> The protection furnished motion picture and radio characters and its denial to ideas cannot be explained other than on the basis of Judge Hand's classic statement:

"Property is a historical concept; one may bestow much labor and ingenuity which inures only to the public benefit; 'ideas,' for instance, though upon them all civilization is built, may never be 'owned.' The law does not protect them at all, but only their expression; and how far that expression shall go is a question of more or less; an author has no natural 'right' even so far and is not free to make his own terms with the public."<sup>16</sup>

To return to the "Bride & Groom" case, the reasons which prompted plaintiffs to settle this litigation for \$50,000 have not been disclosed. But it is doubtful whether the California appellate courts are prepared to extend the law of unfair competition and thereby protect a sequential combination of program ideas. Assuming *arguendo* that the evidence supported the allegations of "passing off" and dilution of value of plaintiffs' program, it appears unlikely that any court would grant plaintiffs a perpetual monopoly in their sequential combination of program ideas. Furthermore, the law of unfair competition should not be employed as a substitute for an express or implied contract, trust or plagiarism action, particularly when the latter remedies furnish adequate protection.<sup>17</sup> Finally, the application of this doctrine to program ideas could conceivably extend the concept of property or quasi-property rights to ideas *per se*.<sup>18</sup>

## 267. CONCLUSION.

It is apparent from the case law that ideas reduced to a tangible and concrete form with the concomitant attributes

<sup>15</sup> *International News Service v. Associated Press*, 248 US 215, 250, 39 SupCt 68, 76, 63 LEd 211, 225 (1918); see *Triangle Publications, Inc. v. New England Newspaper Publishing Co.*, 46 FSupp 198 (D Mass 1942).

<sup>16</sup> *Whiteman v. RCA Mfg. Co.*, 114

F2d 86, 90 (2d Cir 1940), cert den, 311 US 712, 61 Sct 393, 85 LEd 463 (1941).

<sup>17</sup> This subject is discussed, *infra* § 212.

<sup>18</sup> *Op cit supra*, note 15.

of novelty and originality are considered a protectible interest and will receive judicial protection.<sup>1</sup>

For the most part the courts furnish protection to advertising and program ideas by utilization of the express or implied contract theory.<sup>2</sup> One or two cases have suggested that the doctrine of unjust enrichment has been employed.<sup>3</sup> This theory will seldom be invoked since a litigant will be hard-pressed to establish a deliberate or wrongful appropriation. The plagiarism theory has been applied by the California courts.<sup>4</sup> The kinship between the expression of a sequential combination of program ideas and the subject matter of common law and statutory copyright suggest that the tort theory of plagiarism may also be employed with certain restrictions to protect the former. Lastly it is doubtful whether the law of unfair competition will be utilized for the protection of program ideas.

The likelihood of nuisance suits in the "hot idea" industry is readily apparent. This is one of those subjective factors which has undoubtedly prompted the courts to move with caution in the development of this field. Authors and creators of literary material who furnish the radio, television and motion picture industries with purported original literary material, frequently claim that their ideas have been appropriated. The need for self-protective devices is obvious. Conversely, an originator of a sequential combination of program ideas likewise requires protective devices in the absence of an express contract between the parties.<sup>5</sup>

The conclusions expressed in this chapter are necessarily

<sup>1</sup> E.g., Plus Promotions, Inc. v. RCA Manufacturing Co., 49 FSupp 116 (SD NY 1943); Stanley v. Columbia Broadcasting System, Inc., 192 P2d 459 (CalApp 1948), *aff'd*, 208 P2d 9 (Cal 1949); Cole v. Phillips H. Lord, Inc., 262 AppDiv 116, 28 NYS2d 404 (1st Dep't 1941); Stone v. Liggett & Myers Tobacco Co., 260 AppDiv 450, 23 NYS2d 210 (1st Dep't 1940); Williamson v. New York Central R. R., 258 AppDiv 226, 16 NYS2d 217 (2d Dep't 1939); Downes v. Culbertson, 153 Misc 14, 275 NYSupp 233 (SupCt 1934):

<sup>2</sup> E.g. Liggett & Myers Tobacco Co. v. Meyer, 101 IndApp 420, 194 NE 206 (1935); Yadkoe v. Fields, 66 Cal App2d 150, 151 P2d 906 (1944).

<sup>3</sup> Matarese v. Moore-McCormack Lines, 158 F2d 631 (2d Cir 1946); Healey v. R. H. Macy & Co., 251 App Div 440, 297 NYSupp 165 (1937); Ryan & Associates Inc. v. Century Brewing Ass'n, 185 Wash 600, 55 P2d 1053 (1936); *Cf.* Mitchell Novelty Co. v. United Mfg. Co., 94 FSupp 612 (DC Ill 1950).

<sup>4</sup> Kovacs v. Mutual Broadcasting System, 221 P2d 108 (CalApp 1950); Weitzenkorn v. Lesser, 231 P2d 889 (CalApp 1951); Kurlan v. Columbia Broadcasting System, 90 USPQ 267 (CalApp 1951).

<sup>5</sup> *Cf.* Matarese v. Moore-McCormack Lines, 158 F2d 631 (2d Cir 1946).

tentative and may require revision. This, to quote Judge Schauer in the *Stanley* case is a "newer field; all its vistas have been by no means explored . . . the answer [to this problem] cannot as yet, I think, be found in a catalog nor even in the law books."<sup>6</sup>

The courts will undoubtedly resolve the issues discussed in this chapter and others. In the absence of an empirical study, which necessitates a greater volume of cases, our approach is necessarily premised on broad grounds of public policy. But in the final analysis, the principles of law enunciated in the cases are bottomed on that public policy.

<sup>6</sup> *Stanley v. Columbia Broadcasting System*, 35 Cal2d 653, 221 P2d 73 (1950).

*Book IV*

Protection of  
**INDIVIDUAL RIGHTS**  
in Connection With Radio and  
Television Programs

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	Chapter
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## Book IV: Part A

### Chapter XXVII

#### RADIO, TELEVISION AND THE RIGHT OF PRIVACY

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#### 270. THE PROBLEM.

The right of privacy has been defined as “the right to be let alone” or the right of “inviolate personality.”<sup>1</sup> It has been recently described as the “unwarranted appropriation or exploitation of one’s personality, the publicizing of one’s private affairs with which the public has no legitimate concern, or the wrongful intrusion into one’s private activities, in such manner as to outrage or cause mental suffering, shame or humiliation to a person of ordinary sensibilities.”<sup>2</sup>

<sup>1</sup> Warren and Brandeis, *The Right of Privacy* (1890) 4 HLR 193, 195 state that this phrase was coined by Judge Cooley in *Cooley on Torts* (2d ed) p 29.

<sup>2</sup> *Cason v. Baskin et al.*, 155 Fla 198, 20 So2d 243, 168 ALR 430, 437 (1944) quoting from 138 ALR 25. Nizer, *The Right of Privacy* (1941) 39 MichLR 526, 528: “The right of privacy in essence is anti-social. It is the right

of an individual to live a life of seclusion and anonymity, free from the prying curiosity which accompanies both fame and notoriety. It presupposes a desire to withdraw from the public gaze, to be free from the insatiable interest of the great mass of men in one who has risen above—or fallen below—the mean. It is a recognition of the dignity of solitude, of the majesty of man’s free will and the

From its inception, this doctrine has been primarily concerned with the protection of mental interests.<sup>3</sup> This right “. . . is restricted to matters peculiarly personal, private, seclusive, as distinguished from such wrongs as libel, slander, trespass or injury to property, assault, etc., for which there are other legal remedies.”<sup>4</sup> And as we have discussed elsewhere, the privacy doctrine should not be employed “to fill gaps in our copyright statute, or to supplement causes of action based on contracts express or implied or to extend the law relating to unfair competition or to the appropriation of another’s business or enterprise.”<sup>5</sup>

The right of privacy is not absolute. Opposed to this ideal is the interest of the public in news, in the widespread dissemination of ideas, information and knowledge. In every case involving an assertion of the right of privacy the court is called upon to resolve a conflict between the rights of the individual on the one hand and the interest of society on the other. “On the one hand, he is urged to uphold the right of free speech, the right of society to know the truth, the right to make full use of the wonders of modern civilization which spread intelligence instantaneously to the farthest ends of the earth. On the other hand, he is urged to protect the sensibilities of the individual from the brash and vulgar attentions of the mob, to fence off a small corner of human existence against the predatory advances of selfish commercial interests.”<sup>6</sup>

Television which has entered into millions of homes will

power to mould his own destiny, of the sacred and inviolate nature of one’s innermost self.” See also *Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951) and *Donahue v. Warner Bros.*, 194 F2d 6 (10th Cir 1952).

<sup>3</sup> *Gautier v. Pro-Football League, Inc.*, 7 RR 2048 (NYSupCt 1951) *aff’d*, 304 NY 354, 107 NE2d 485 (1952); *McGovern v. Van Riper*, 137 NJEq 24, 43 A2d 514 (1945). See also *Harper & McNeely, A Reexamination of the Basis for Liability for Emotional Distress* (1938) *WisLRev* 426.

<sup>4</sup> *Gregory v. Bryan-Hunt Co.*, 295 Ky 345, 349, 174 SW2d 510, 512 (1943). It is doubtful whether the privacy doctrine applies to property. In *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa 433, 456, 194 Atl 631, 642 (1937), the concurring opinion of Mr.

Justice Maxey suggested that Waring’s rendition of a musical composition be protected via the privacy doctrine. See also *Winfield, Privacy*, 57 *LaQRv* 23 (1931). But see *Henry v. Cherry & Webb*, 30 RI 13, 25, 73 Atl 97, 102 (1909). It is believed that courts refer to the right of privacy as a property right as a matter of nomenclature. The designation of the privacy doctrine as a property right does not warrant the conclusion that there is a “privacy of property.” Compare *Munden v. Harris*, 153 MoApp 652, 134 SW 1076 (1911), with *Cason v. Baskin*, 155 Fla 198, 20 So2d 243 (1944).

<sup>5</sup> *Gautier v. Pro-Football League Inc.*, 7 RR 2048 (NYSupCt 1951), *Infra*, § 220 *aff’d*, 304 NY 354, 107 NE2d 485 (1952).

<sup>6</sup> *Nizer, supra* note 2 at 529.

tax the ingenuity of the courts in balancing the private rights of an individual against the public rights of society. The problem becomes more complicated for several reasons. Firstly television's actual and potential audience is the largest of all the mass communication and entertainment industries. The circulation of a newspaper or the audience in a motion picture house cannot compete with the listening audience of radio and the listening-viewing audience of television. The television camera is as potent an instrument for the invasion of privacy as exists. The reproduction of the physical likeness and/or voice of an individual is a more effective invasion of privacy than a newspaper account. Similarly an on-the-spot news telecast cannot be edited and cut as are motion picture newsreels.

Within the last few years, there have been several decisions dealing with the invasion of the right of privacy by television stations.<sup>7</sup> Performing artists have invoked this doctrine, claiming that the unauthorized telecast of their vaudeville or animal acts invades their right of privacy.<sup>8</sup> As we have discussed elsewhere, the courts have refused to implement the deficiencies of common law or statutory copyright by the privacy doctrine.<sup>9</sup>

The likelihood of increased litigation in this field is imminent with the increase in the number of television broadcast stations.

The issues which will be tendered the courts will be clarified by several illustrative cases of recent origin in which advisory opinions were requested.

1. John Jones is a participant in one of the national network audience-participation shows akin to Truth or Consequences. He is required to perform a ludicrous act which he alleges invades his right of privacy. Jones was not required to sign any waiver of his right of privacy.

2. Jones is a vaudeville artist who performs between the halves of a football game. In connection with the telecast of the football game, Jones' act is reproduced via television without his consent.

3. John Jones is a spectator at a fire in the business district

<sup>7</sup> *Gautier v. Pro-Football League Inc.*, 7 RR 2048 (NYSupCt 1951); and discussed in 10 FedComBarJ 36, 107 (1949).  
<sup>8</sup> *Peterson v. KMTR Radio Corporation*, 18 USL Week 2044 (CalSupCt 1949).  
<sup>9</sup> *Id.*  
<sup>9</sup> *Infra* § 220.

of a city. The television camera reproduces Jones as a spectator without his permission. The program as televised, is sponsored. In a repeat performance, the program is sustaining.

4. Jones attends a football game which is being televised. Jones becomes intoxicated and gets into a fight. The television camera records Jones in a stage of intoxication, the fight and his being escorted from the stadium.

5. Jones is standing on the corner of a busy thoroughfare. The program being televised is a "documentary." Jones appears, in several scenes without his knowledge or permission.

6. Jones, a professional gambler, is requested to testify before the Kefauver Crime Committee. Jones refuses to testify claiming that his right of privacy would be invaded.

#### 271. HISTORICAL BASIS OF THE RIGHT OF PRIVACY.

The right of privacy was initiated and theoretically outlined in a law review article by Messrs. Warren and Brandeis in 1890.<sup>1</sup> This right had its antecedents in ancient principles of the common law; its development reflects the growth of the law from protection of property and property rights to safeguarding personal or intangible values. Thus the law which at first gave a remedy only for physical interference with life and property<sup>2</sup> progressed to recovery for danger of battery by an attempt at civil harm.<sup>3</sup> Protection was subsequently extended to slander, nuisance, and alienation of affections. The recognition of personal rights<sup>4</sup> in an individual as reflected in the Constitution is described as "the right of life."<sup>5</sup> Similarly, the concept of property was extended to the incorporeal rights and the products and processes of the mind. The protection given common law copyright,<sup>6</sup> goodwill, trade secrets, trademarks and unfair competition was a logical development.<sup>7</sup>

<sup>1</sup> Warren and Brandeis, *The Right of Privacy* (1890) 4 *ILLR* 193.

<sup>2</sup> *Ibid* at 193.

<sup>3</sup> Nizer, *Right of Privacy* (1941) 39 *MICHLR* 526, 527.

<sup>4</sup> *Ibid* at 527: "The category of personal rights also includes freedom of speech, press, assembly and religion, the constitutional privilege of a person accused of crime not to be compelled to testify against himself, the right to

recover damages for false arrest or malicious prosecution, and the inadmissibility in evidence of confidential communications with an attorney, doctor or priest."

<sup>5</sup> Warren and Brandeis, *supra* note 1 at 194.

<sup>6</sup> See *infra* § 211b.

<sup>7</sup> Warren and Brandeis, *supra* note 1 at 194-195.

“The development of the law was inevitable. The intense intellectual and emotional life and the heightening of sensations which came with the advance of civilization, made it clear to men that only a part of the pain, pleasure and profit of life lay in physical things. Thoughts, emotions and sensations demanded legal recognition and the beautiful capacity for growth which characterizes the common law enabled the judges to afford the requisite protection without the interpolation of the legislature.”<sup>8</sup>

The fluidity of the common law to protect the person and to secure the individual the right of inviolate personality is illustrated by *Prince Albert v. Strange* wherein the court in enjoining the unauthorized publication of the etchings made by the Queen and the Prince Consort for their own private amusement on the theory of implied contract, stated that the “common law . . . shelters the privacy and seclusion of thought and sentiment committed to writing.”<sup>9</sup>

It required but one step from *Prince Albert v. Strange* to the introduction and definition of the right of privacy as a new and independent right by Messrs. Warren and Brandeis.

## 272. THE DEVELOPMENT OF THE RIGHT OF PRIVACY.

### 272a. STATUTORY.

Three states, New York, Utah and Virginia have adopted the right of privacy by legislation.<sup>1</sup> The development of this doctrine in New York warrants discussion.

Three early lower court cases recognized and affirmed the right of privacy although the courts did not discuss this doctrine.<sup>2</sup> In *Schuyler v. Curtis* the New York Court of Appeals

<sup>8</sup> *Ibid* 195.

<sup>9</sup> *Prince Albert v. Strange* (1848) 1 Mac&G 25, 41 EngRep 1171, *aff'd*, 2 DeG&Sm 652, 64 EngRep 293 (1849). The English courts have not recognized the right of privacy per se but have permitted recovery in a number of cases involving the right of privacy. The courts have resorted to such fictions as property rights, implied contract, breach of confidence, libel, etc. See *Routh v. Webster* 10 Beav 561, 50 EngRep 698 (1847) (risk of liability); *Harrison v. Rutland* 1 QB 142, 12 EngRulCas 582-CA (1893) (property rights); *Abernethy v. Hutchinson* 3 LJCh 209

(1825) (breach of confidence); *Pollard v. Photographic Co.* LR 40 ChDiv (1888) (breach of implied contract); *Monson v. Taussades Ltd.* 1 QB 671-CA (1894) (libel).

<sup>1</sup> New York Civil Rights Law (McKinney, 1916) §§ 50, 51; Utah Rev Stat (1933) 103-4-7 to 103-4-9; Va Code Annotated (1942) § 5782. The Utah statute was recently construed in *Donhaue v. Warner Bors. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>2</sup> *Marks v. Jaffa*, 6 Misc 290, 26 NY Supp 908 (1893); In *Manola v. Stevens* (unreported, 1890) an injunction was granted to restrain an unauthorized

refused to extend the right of privacy to the surviving heirs of a deceased person. Plaintiffs sought to enjoin the erection, solicitation of funds and exhibition of a statue, as a companion piece to a bust of Susan B. Anthony. The court expressed the opinion that a right of privacy existed and that its invasion was in legal contemplation a wrong, but "it is the right of the living and not of the dead which is recognized."<sup>3</sup>

The impetus to the enactment of the New York Civil Rights Statute was *Roberson v. Rochester Folding Box Co.* which expressly repudiated the right of privacy. In this case the defendant, without the knowledge or consent of the plaintiff printed and circulated about twenty-five thousand lithographic prints, consisting of a good likeness of the plaintiff together with certain advertising matter. These posters were conspicuously displayed in stores, warehouses, saloons and other public places. The plaintiff claimed that her right of privacy had been invaded and sought an injunction and damages. Chief Judge Parker denied the existence of the so-called right of privacy on two grounds: that the supposed right was not mentioned by any of the great commentators, such as Blackstone and Kent, nor was it sustained by any precedents; secondly that the recognition of such a right would open up a vast field of litigation embracing all sorts of absurdities. Three judges dissented, pointing out that the principles of the common law should keep abreast with "the march of the arts and sciences."<sup>4</sup>

This decision invoked a storm of criticism<sup>5</sup> and resulted in the enactment of the New York Civil Rights Law quoted in the margin.<sup>6</sup> The Utah statute follows the general pattern

use of a photograph of an actress. In *Mackenzie v. Soden Mineral Springs* (S Ct 1891) 18 NYSupp 240, the court enjoined the unauthorized use of a physician's name in connection with the endorsement of a patent medicine.

<sup>3</sup> *Schuyler v. Curtis*, 147 NY 434, 42 NE 22 (1895). See also *Moore v. N. Y. Elevated R. R. Co.*, 130 NY 523, 20 NE 997 (1892); *Mayor of New York v. Lent* 51 Barb 19 (1868); *Cyre v. Higbee*, 35 Barb 502 (1861); *Woolsey v. Judd*, 4 Duer 379 (1855).

<sup>4</sup> *Roberson v. Rochester Folding Box Co.*, 171 NY 538, 64 NE 442 (1902).

<sup>5</sup> *Nizer, Right of Privacy* (1941) 39 MichLRev 526, 532: "The decision

(referring to *Roberson v. Rochester Folding Box Co.*) was sharply attacked in the press and there was immediate agitation for a remedial statute. An editorial in the *New York Times* was so critical that a member of the court forsook judicial convention and wrote an article defending the decision." See *O'Brien, The Right of Privacy* (1902) 2 ColLRev 438.

<sup>6</sup> *New York Civil Rights Law* (McKinney 1916): "§ 50. A person, firm or corporation that uses for advertising purposes, or for the purposes of trade, the name, portrait or picture of any living person without having first obtained the written consent of such per-

of the New York privacy act;<sup>7</sup> however it extends the right of privacy to deceased persons and public institutions. The Virginia statute likewise extends the right of privacy to deceased persons.<sup>8</sup>

## 272b. THE COMMON LAW RIGHT OF PRIVACY.

The early decisions of the courts which recognized the right of privacy cloaked their decisions in the guise of property,<sup>1</sup> contract,<sup>2</sup> reputation,<sup>3</sup> libel<sup>4</sup> etc. The more recent decisions have recognized it as an independent legal right and granted relief on that theory alone.<sup>5</sup> The basis and theory underlying

son, or if a minor of his or her parent or guardian, is guilty of a misdemeanor." "§ 51. Any person whose name, portrait or picture is used within this state for advertising purposes or for the purposes of trade without the written consent first obtained as above provided may maintain an equitable action in the supreme court of this state, against the person, firm or corporation so using his name, portrait or picture, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use and if the defendant shall have knowingly used such person's name, portrait or picture in such manner as is forbidden or declared to be unlawful by the last section, the jury, in its discretion, may award exemplary damages. But nothing contained in this act shall be so construed as to prevent any person, firm or corporation, practicing the profession of photography from exhibiting in or about its establishment specimens of the work of such establishment, unless the same is continued by such person, firm or corporation after written notice objecting thereto has been given by the person portrayed." The constitutionality of this statute was affirmed in *Rhodes v. Sperry & H. Co.*, 193 NY 223, 85 NE 1097 (1908) *aff'd* 220 US 502, 55 LEd 561, 31 Sct 490 (1911).

<sup>7</sup> UtahRevStat (1923) 103-4-7 to 103-4-9. The Utah statute is quoted in 138 ALR 44; it is discussed in detail in *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>8</sup> Va Code Annotated (1942) § 5782.

<sup>1</sup> *Munden v. Harris*, 153 MoApp 652,

134 SW 1076 (1911); *Edison v. Edison Polyform & Mfg. Co.*, 73 NJEq 136, 67 A 392 (1907). *Cf.* *Vanderbilt v. Mitchell* 72 NJEq 910, 67 A 97 (1907).

<sup>2</sup> *McCreeery v. Miller's Groceteria Co.*, 99 Colo 499, 64 P2d 803 (1936); *Fitzsimmons v. Olinger Mortuary Ass'n*, 91 Colo 544, 17 P2d 535 (1932).

<sup>3</sup> *Melvin v. Reid*, 112 ColApp 285, 297 P 91 (1931).

<sup>4</sup> *Melvin v. Reid*, *supra*; *Martin v. F.I.Y. Theatre Co.* (ComPict Cuyahoga County 1938) 10 OhioApp 338.

<sup>5</sup> *Pavesich v. New England Mut. L. Ins. Co.*, 122 Ga 190, 50 SE 68 (1905): "The right of privacy within certain limits is a right derived from natural law, recognized by the principles of municipal law, and guaranteed to persons in this state by the Constitutions of the United States and of the State of Georgia, in those provisions which declare that no person shall be deprived of liberty except by due process of law"; *Cason v. Baskin*, 155 Fla 198, 20 So2d 243, 16 ALR 430, 440 (1944).

... "there is a right of privacy, distinct in and of itself and not merely incidental to some other recognized right, and for breach of which an action for damage will lie"; *Hinish v. Meier & Frank Co.*, 166 Or 482, 113 P2d 438, 138 ALR 1 (1941); *Reed v. Real Detective Pub. Co.*, 63 Ariz 294, 162 P2d 133 (1945); *Kerby v. Hal Roach Studios*, 53 CalApp2d 207, 127 P2d 577 (1942); *Gregory v. Bryan-Hunt Co.*, 295 Ky 345, 174 SW2d 510 (1943); *Barber v. Time Inc.*, 348 Mo 1199, 159 SW2d 291 (1942); *McGovern v. Van Riper*, 137 NJEq 24, 43 A2d 514 (1945), *aff'd*, 137 NJEq 548,

the right varies: it has been classified as a property right,<sup>6</sup> an injury to the person,<sup>7</sup> as a natural right<sup>8</sup> and as a constitutional right.<sup>9</sup> Whatever be the theory of the courts, there is a definite trend by the majority of the courts to recognize the privacy doctrine as an independent right.<sup>10</sup> Both Michigan<sup>11</sup>

45 A2d 842 (1946); *Smith et al. v. Doss* 251 Ala 250, 37 So2d 118 (1948).

<sup>6</sup> *Clayman v. Bernstein*, 38 Pa D & C 543 (1940): "The facial characteristics or peculiar cast of one's features . . . belong to the individual and may not be reproduced without his permission." See also *Leverton v. Curtis Pub. Co.*, 192 F2d 974 (3d Cir 1951).

<sup>7</sup> *Reed v. Real Detective Publishing Co.*, 63 Ariz 294, 162 P2d 133 (1945). In *Cason v. Baskin et al.*, 155 Fla 198, 20 So2d 243, 168 ALR 430, 441 (1944), the court related the right of privacy to the constitutional provisions of the Florida Bill of Rights. The court stated that the Constitution of the state guarantees to every person the right to enjoy and defend life and liberty, to pursue happiness and obtain safety, and guarantees a remedy by due course of law, for any injury done a person in his lands, goods, person or reputation. "The word person . . . should not be confined in its meaning to the person's physical body alone. The individual has a mind and spirit as well as a body. He has thoughts, emotions and feelings, as well as physical sensations. So the word 'person' as used in said section, must be construed to mean the whole man, his personality as well as his physical body."

<sup>8</sup> *McGovern v. Van Riper*, 137 NJEq 24, 43 A2d 514 (1945) *aff'd* in 137 NJEq 548, 45 A2d 842 (1946); "It is now well settled that the right of privacy, having its origin in natural law, is immutable and absolute, and transcends the power of any authority to change or abolish it. . . . It is one of the 'natural and inalienable rights' recognized in article 1 § 1 of the Constitution of this state"; *Pavesich v. New England Mutual Life Ins. Co.*, 122 Ga 190, 50 SE 68 (1905).

<sup>9</sup> *Barber v. Time Inc.*, 348 Mo 1199, 159 SW2d 291 (1942): "The right of privacy (or personality) is a part of the right of liberty and the pursuit of

happiness, which recognizes that the individual does not exist solely for the state or society but has inalienable rights which cannot be lawfully taken away from him, so long as he behaves properly"; *Cason v. Baskin et al.*, 155 Fla 198, 20 So2d 243, 168 ALR 430 (1944); *Bednarik v. Bednarik*, 18 NJMisR 633, 16 A2d 80 (1940); *Melvin v. Reid*, 112 CalApp 285, 297 P 91 (1931). The attempt to peg the privacy doctrine on a constitutional right has been challenged. It has been contended that the constitutional guarantees of right of life and liberty are limitations on governmental action and do not confer personal rights on an individual as against other individuals. See 138 ALR 31 and *State ex rel Mavity v. Tyndall* 224 Ind 364, 66 NE2d 755 (1946).

<sup>10</sup> The following states recognize and protect the right of privacy: Alabama: *Smith v. Doss*, 251 Ala 250, 37 So2d 118 (1948); Arizona: *Reed v. Real Detective Pub. Co.*, 63 Ariz 294, 162 P2d 133 (1945); Arkansas: *Mabry v. Kettering*, 89 Ark 551, 117 SW 746 (1909), modified, 92 Ark 81, 122 SW 115 (1909); California: *Kerby v. Hal Roach Studios*, 53 CalApp2d 207, 127 P2d 577 (1942); *Metter v. Los Angeles Examiner* 35 CalApp2d 304, 95 P2d 491 (1939); *Melvin v. Reid*, 112 Cal App 285, 297 P 91 (1931); District of Columbia: In *Elmhurst v. Pearson et al.*, 80 App DC 372, 153 F2d 467 (1946) *aff'g* 58 FSupp 484 (DC 1945) the appellate court left open the question whether the District of Columbia recognized the privacy doctrine. The District Court entertained the action for a violation of the right of privacy. See also *Peed v. Washington Times Co.*, 55 WashLRep (1927) The privacy doctrine was recognized in *Peay v. Curtis Pub. Co.*, 78 FSupp 305 (DC DC 1948); Florida: *Cason v. Baskin*, 155 Fla 198, 20 So2d 430, 168 ALR 430 (1944); Georgia: *Pavesich v. New England Mut. L. Insurance Co.*, 122

and Rhode Island <sup>12</sup> have definitely repudiated it. Its denial in New York, <sup>13</sup> Washington <sup>14</sup> and Wisconsin <sup>15</sup> was upon the ground that it should be recognized by the legislature rather than by the courts. Although Massachusetts has yet to rule on the existence of this right, it would appear that it is favorably inclined towards its recognition. <sup>16</sup>

The disadvantage of a statutory right of privacy is that it is restricted to the unauthorized use of a person's name or physical likeness for advertising or trade purposes. This furnishes protection against the most common form of invasion of the right of privacy. <sup>17</sup> But these statutes are not so com-

Ga 190, 50 SE 68 (1905); *Bazemore v. Savannah Hospital*, 171 Ga 257, 155 SE 194 (1930); *Indiana: State ex rel. Mavity v. Tyndall*, 224 Ind 364, 66 NE2d 755 (1946); *Continental Optical Co. v. Reed*, 86 NE2d 306 (IndApp 1949); *Illinois: Blazek v. Rose* (CirCt Cook County Ill 1922) printed in *Pound and Chaffee, Cases on Equitable Relief Against Defamation and Injuries to Personality* (1930) 138; *Kansas: Kunz v. Allen*; 102 Kans 883, 172 P 532 (1918); *Kentucky: Foster-Melburn v. Chinn* 134 Ky 424, 120 SW 364 (1909); *Gregory v. Bryan-Hunt Co.*, 295 Ky 345, 174 SW2d 510 (1943); *Louisiana: Itzkovitch v. Whitaker*, 115 La 479, 39 So 499 (1905); *Missouri: Barber v. Time, Inc.*, 348 Mo 1199, 159 SW2d 291 (1942); *Munden v. Harris*, 153 MoApp 652, 134 SW 1076 (1911); *New Jersey: McGovern v. Van Riper*, 137 NJEq 24, 43 A2d 514 (1945) *aff'd* 137 NJEq 548, 45 A2d 842 (1946); *Edison v. Edison Polyform & Mfg. Co.*, 73 NJEq 136, 67 A 392 (1907); *North Carolina: Flake v. Greensboro News Co.*, 212 NC 780, 195 SE 55 (1938); *Ohio: Friedman v. Cincinnati Local Joint Executive Board* 20 Ohio Ops 473 (1941); *Oregon: Hinish v. Meier & Frank Co.*, 166 Or 482, 113 P2d 438 (1941); *Pennsylvania: Harlow v. Buno Co.*, 36 PaD&C 101 (1939); concurring opinion of Justice Maxey in *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 A 631 (1937); *Leverson v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951); *South Carolina: Holloman v. Life Insurance Co. of Va.*, 192 SC 454, 7 SE2d 169 (1940). *Iu* 138 ALR 29: "A decision of a court

of Baltimore City, *Graham v. Baltimore Post Co.*, published in the *Baltimore Daily Record*, November 9, 1932, page 3, recognizing the right of privacy, is referred to in 81 UofPaLRev 324, 326." The American Law Institute's *Restatement on Torts*, § 867 recognizes the right: "A person who unreasonably and seriously interferes with another's interests is not having his affairs known to others or his likeness exhibited to the public is liable to the other."

<sup>11</sup> *Atkinson v. John E. Doherty & Co.*, 121 Mich 372, 80 NW 285 (1899); *Dallas v. Crawley, Milner & Co.*, 322 Mich 411, 33 NW2d 911 (1948).

<sup>12</sup> *Henry v. Cherry & Webb*, 30 RI 13, 73 A 97 (1909).

<sup>13</sup> *Roberson v. Rochester Folding Box Co.*, 171 NY 538, 64 NE 442 (1902). The New York Civil Rights Statute quoted in section 222a note 6, rectified the Roberson decision.

<sup>14</sup> *Hillman v. Star Publishing Co.*, 64 Wash 691, 117 P 594 (1911); *Hodgeman v. Olsen*, 86 Wash 615, 150 P 1122 (1915).

<sup>15</sup> *Prest v. Stein*, 220 Wis 354, 265 NW 85 (1936); *Judevine v. Benzies-Montanye Fuel & Warehouse Co.*, 222 Wis 512, 269 WisNW 295 (1936).

<sup>16</sup> *Themo v. New England Newspaper Pub. Co.*, 306 Mass 54, 27 NE2d 753 (1940). *Cf. Wright v. RKO Radio Pictures* (DC Mass 1944) 55 FSupp 639; See also 168 ALR 450.

<sup>17</sup> For typical cases wherein the unauthorized use of a person's picture for advertising purposes constitutes an invasion of the privacy doctrine: *Kunz v. Allen*, 102 Kans 883, 172 P 532 (1918); *Foster-Melburn Co. v. Chinn*,

prehensive as the doctrine of privacy as applied independently of statute.<sup>18</sup> Thus the unauthorized use of a person's name on a petition or in connection with a political or governmental matter,<sup>19</sup> wiretapping or other forms of eavesdropping,<sup>20</sup> and the posting of a debtor by a creditor<sup>21</sup> are not comprehended by the phrase "advertising or trade purposes." In addition the courts have construed the New York Civil Rights Statute strictly since it is part penal.<sup>22</sup>

Legal commentators have urged that the right be recognized under the principles of the common law. They are of the opinion that no statute can be drafted which will anticipate the diversity of methods by which the right of privacy can be invaded.<sup>23</sup>

As stated previously television is the latest and most effec-

134 Ky 424; 120 SW 364 (1909); Munden v. Harris, 153 MoApp 652, 134 SW 1076 (1911); Edison v. Edison Polyform & Mfg. Co., 73 NJEq 136, 67 A 392 (1907); Flake v. Greensboro News Co., 212 NC 780, 198 SE 55 (1938); Loftus v. Greenwich Lithographing Co., 192 AppDiv 251, 182 NYSupp 428 (1920); Kerby v. Hal Roach Studios, 53 CalApp2d 207, P2d 577 (1942).

<sup>18</sup> Nizer, Right of Privacy (1941) 39 MichLRev 526, 538: "The New York statute on the right of privacy has the same practical effect as the property theory; it permits recovery only where the unauthorized use of a person's name or photograph is for advertising or trade purposes. The statute prohibits illicit profit-making by commercializing the identity of another. The statute was enacted in direct response to the public resentment aroused by Roberson v. Rochester Folding Box Co. and did little more than restate the facts of that case and overrule its holding. Designed to fit the facts of one particular case, the statute has never emerged from its shadow. It has been difficult to overcome the inference that other invasions of privacy were not intended to be made actionable."

<sup>19</sup> Hinich v. Meier & Frank Co., 166 Or 482, 113 P2d 438 (1941).

<sup>20</sup> McDaniel v. Atlanta Coca-Cola Bottling Co., 60 GaApp 92, 2 SE2d

810 (1939); Rhodes v. Graham, 238 Ky 225, 37 SW2d 46 (1931).

<sup>21</sup> Brents v. Morgan, 221 Ky 765, 299 SW 967 (1927); Trammel v. Citizens News Co., 285 Ky 529, 148 SW2d 708 (1941); Cf. Quina v. Roberts (LaApp 1944) 16 So2d 558.

<sup>22</sup> Levey v. Warner Bros. Pictures Inc. (DC NY 1944) 57 FSupp 40, 42: "The (New York) statute is in part, at least, penal, and should be construed accordingly." See Binus v. Vitagraph Co., 210 NY 51, 103 NE 1108 (1913); Humiston v. Universal Film Mfg. Co., 189 AppDiv 921, 188 NYS 946 (1919); Pfaudler v. Pfaudler Co., 114 Misc 477, 186 NYS 725 (1920) *aff'd without opinion* in 197 AppDiv 921, 188 NYS 946 (1921); Freed v. Loews Inc., 175 Misc 616, 24 NYS2d 679 (1940).

<sup>23</sup> Ragland, The Right of Privacy (1929) 17 KyLJ 85; Kacedan, The Right of Privacy (1937) 12 BostUniv LRev 353; Nizer, The Right of Privacy (1941) 39 MichLRev 526. For additional literature on the privacy doctrine see: Dickler, The Right of Privacy, A Proposed Redefinition (1936) 70 USLRev 435; DeMott, The Right of Privacy in Relation to Radio Broadcasts (1940) 12 RockyMtLRev 127; DeFuniak, Equitable Protection of Personal or Individual Rights (1947) 36 KyLJ 7; Feinberg, Recent Developments in the Law of Privacy (1948) 48 ColLRev 713.

tive instrument for the invasion of the right of privacy. The common law concept of this doctrine should afford adequate protection for any invasion of this right.

## 273. LIMITATIONS ON THE RIGHT OF PRIVACY.

### 273a. MATTERS OF PUBLIC INTEREST.

As stated elsewhere the right of privacy conflicts with the right of the public to secure full information on all matters of legitimate public interest. Thus the first limitation on the privacy doctrine is that it does not prohibit publication of matter which is of public or general interest.<sup>1</sup> Warren and Brandeis recognized this limitation. They suggested that certain public figures, such as holders of public office sacrificed their privacy and part of their lives to public scrutiny as the price of the powers they attained.<sup>2</sup>

The limitation based on public and private characters has been considerably expanded.<sup>3</sup> What is a matter of legitimate

<sup>1</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 S Ct 393 (1940); *Smith v. Suratt*, 7 Alaska 416 (1926); *Metter v. Los Angeles Examiner*, 35 CalApp2d 304, 95 P2d 491 (1939); *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929); *Themo v. New England Newspaper Publishing Co.*, 306 Mass 54, 27 NE2d 753 (1940); *Barber v. Time Inc.*, 348 Mo 1199, 159 SW2d 291 (1942); *Elmhurst v. Pearson et al.*, 80 AppDC 372, 153 F2d 467 (1946). *Cason v. Baskin et al.*, 155 Fla 198, 20 So2d 243 (1944); *Smith et al. v. Doss* (Ala 1948) 37 So2d 118.

<sup>2</sup> Warren and Brandeis, *The Right of Privacy* (1890) 4 HLR 193, 214 *et seq.*; *Smith v. Suratt* 7 Alaska 416 (1926): "One who is a candidate for public office, or who holds public office, or who is a statesman, artist, or author, is a public man and cannot claim the right of privacy. On the same basis an explorer would be a public character. His equipment would also assume the same character. It would be open to the public"; *actress: Martin v. F.I.Y. Theatre Co.*, 10 OhioAps 338 (1938); *motion picture star: Paramount Pictures Inc. v. Leader*

*Press* (DC 1938) 24 FSupp 1004, reversed on other grounds, 106 F2d 229 (10th Cir 1939); *all-American and professional football player: O'Brien v. Pabst Sales Co.*, 124 F2d 167 (5th Cir 1941), cert den, 315 US 823, 86 LEd 1220, 62 S Ct 917 (1942).

<sup>3</sup> *Nizer, The Right of Privacy* (1941) 39 MichLRev 526, 540: "The determination of what is or is not a subject of public concern frequently requires a delicate appreciation of intangible psychological factors." *Cf. Sutton v. Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 233 (1950): "The protagonists of privacy recognized that there is a public interest in the free dissemination of news and information. The individual always stands protected by the law of libel. His desires for privacy must yield, however, to the broad public interest in a free press, if he becomes newsworthy. While some of the cases refer to the object of the publicity as being a public figure, it is quite clear that being a public figure, whatever that may mean is not the test of publicity. If a person, although not through any choice of his own, becomes involved in the events of the day of public or human interest, the reporting of the happening of his in-

public or general interest is not susceptible of definition. It is not only limited to personalities who are in the public eye, but extends to news—"that indefinable quality of interest which attracts public attention" or which has been also described as "a report of recent occurrence."<sup>4</sup> But as the court pointed out in *Sweenek v. Pathe News Inc.*, "generalities such as these are of little value in the decision of a particular case. Of necessity, what is news of public interest will vary with the circumstances involved."<sup>5</sup> But this much is clear from the reported cases: Where there is a conflict or balancing of interests between the private rights of an individual and the right of the public to secure full information on all matters of legitimate public interest, the courts resolve any doubts in favor of the public interest.<sup>6</sup>

The following cases illustrate the approach of the courts. In a Kentucky case, the plaintiff's husband while walking with her on a city street was attacked and stabbed to death. Plaintiff attacked and struck the men before they escaped. The defendant newspaper described the event and published plaintiff's picture. The court in denying recovery stated:

"There are times, however, when one, whether willingly or not, becomes an actor in an occurrence of public or general interest. When this takes place, he emerges from his seclusion, and it is not an invasion of his right of privacy to publish his photograph with an account of such occurrence."<sup>7</sup>

In a California case, the husband of a woman who had committed suicide by jumping from a public building, claimed that the publication of her picture violated her right of privacy. The court denied his claim since the deceased by her own conduct had temporarily become an object of public interest.<sup>8</sup>

In another case a newspaper was permitted to publish the

involvement is a right of the press and there is no right of the individual to be spared that publicity." See also *Molony v. Boy Comics Publishers*, 277 AppDiv 166, 98 NYS2d 119 (1950), reversing 188 Misc 450, 65 NYS2d 173 (1946).

<sup>4</sup> *Sweenek v. Pathe News*, 16 FSupp 746 (DC NY 1936); *Sutton v. Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 253 (1950); *Molony v. Boy Comics Publishers*, 277 AppDiv 166, 98 NYS2d

119 (1950), reversing, 188 Misc 450, 65 NYS2d 173 (1946); *Gautier v. Pro-Football League, Inc.*, 7 RR 2048 (NYSupCt 1951) *aff'd*, 304 NY 354, 107 NE2d 485 (1952).

<sup>5</sup> *Sweenek v. Pathe News*, 16 FSupp 746 (DC NY 1936).

<sup>6</sup> *Op cit supra*, note 4.

<sup>7</sup> *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929).

<sup>8</sup> *Metter v. Los Angeles Examiner*, 35 CalApp2d 304, 95 P2d 491 (1939).

photograph of the daughter of a man who had been indicted by the grand jury on a charge of conspiracy to defraud the mails.<sup>9</sup>

The New York courts, which have dealt with the right of privacy more extensively than other jurisdictions, are fairly liberal in their treatment of "news." *Lahiri v. Daily Mirror* is illustrative. The Sunday Mirror published in its magazine section an article on the Hindu rope trick. In addition to illustrating the rope trick, the defendant reproduced the photograph of plaintiff, a well-known Hindu musician playing an accompaniment for a well-known Hindu dancer. The court in denying recovery laid down the following rules:

"... there may be no recovery under the statute for publication of a photograph in connection with an article of current news or the immediate public interest. . . . Newspapers publish articles which are neither strictly news items nor strictly fictional in character. They are not the responses to an event of peculiarly immediate interest, but, though based on fact, are used to satisfy an ever-present educational need. Such articles include, among others, travel stories, stories of distant places, tales of historic personages and events, the reproduction of items of past news, and surveys of social conditions. These are articles educational and informative in character. As a general rule, such cases are not within the purview of the statute."<sup>10</sup>

Thus matters of public interest which preclude recovery for invasion of the right of privacy are not limited to "news" but extend to informational and educational items.<sup>11</sup> But in *Molony v. Boy Comics Publishers, Inc.*,<sup>12</sup> the New York courts extended the ruling of the *Lahiri* case. Plaintiff, a much publicized hero in a national disaster, claimed that the reproduction of his exploits in a comic book magazine, some six months later, violated his right of privacy. The court held

<sup>9</sup> *Hillman v. Star Publishing Co.*, 64 Wash 691, 117 P 497 (1911).

<sup>10</sup> *Lahiri v. Daily Mirror*, 162 Misc 776, 295 NYS 382 (1937); *Middleton v. News Syndicate Co.*, 162 Misc 516, 295 NYS 120 (1937); *Sweenek v. Pathe News*, 16 FSupp 746 (DC NY 1936); *Moser v. Press Publishing Co.*, 59 Misc 78, 109 NYS 963 (1908); *Dameron v. Doubleday*, 133 Misc 302, 231 NYS 444 (1928).

<sup>11</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940) cert den, 311 US 711, 85 LEd 462, 61 Sct 393 (1940); *Colyer v. Richard K. Fox Pub. Co.*, 162 AppDiv 297, 146 NYS 999 (1914). See also *Smith et al., v. Doss*, 251 Ala 250, 37 So2d 118 (1948) and cases cited, *op cit supra*, note 4.

<sup>12</sup> 277 AppDiv 166, 98 NYS2d 119 (1950), reversing, 188 Misc 450, 65 NYS2d 173 (1946).

as a matter of law that plaintiff's exploits were matters of legitimate public interest. But then the court went on to say that "in order to escape sections 50 and 51 of the Civil Rights Law, a factual presentation need not be educational, even if it does not pertain strictly to current news. Such subjects as cartoons, Believe-it-or-Not Ripley, gossip and social columns, are not chiefly educational in character, yet, if about persons in the limelight, they are not likely to be actionable, if the facts stated are true and if the comment is fair."<sup>13</sup>

The *Leverton*<sup>14</sup> case warrants comparison with the *Molony decision*. In the latter case plaintiff contended that the reproduction of his exploits some six months after the event was stale news. The court rejected plaintiff's contention on the basis of the *Sidis*<sup>15</sup> case. In that case the New Yorker magazine published a ruthless and merciless exposure of Sidis, a former child prodigy who had lectured to mathematicians at the age of eleven and had graduated from Harvard at sixteen. The New Yorker article came along nearly thirty years afterwards and described Sidis' life subsequent to his childhood prodigy days. The court concluded that the article was not actionable since plaintiff's life "possessed considerable news interest. We express no comment on whether or not the newsworthiness of the matter printed will always constitute a complete defense."<sup>16</sup>

In the *Leverton*<sup>17</sup> case, the plaintiff had been involved in a street accident in Birmingham, Alabama in 1947. A newspaper published a photograph of the plaintiff the following day. Twenty months later, this photograph was used by the Curtis Publishing Company as an illustration for an article on

<sup>13</sup> *Id.* In *Sutton v. Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 233 (1950), defendant published in pictorial form, the story of a turret gunner of a Flying Fortress shot down over Linz, Germany, and his bequest of a rose a week to the plaintiff whom the deceased casually knew. Plaintiff alleged invasion of her right of privacy, that the episode was no longer current news and that the publicity served no purpose. The majority opinion concluded that it was a question for the jury to determine whether the article and its surrounding illustrations were news reporting and thus

allowed under the privacy statute, or if the story was entertainment and thus a violation. The dissenting opinion contended that the episode was a news event and that the plaintiff was entitled to no relief.

<sup>14</sup> *Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

<sup>15</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 SCt 393 (1940).

<sup>16</sup> *Id.*

<sup>17</sup> *Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

traffic accidents. The appellate court sustained a jury verdict for \$5000. The court held that the first publication of the photograph was a privileged invasion of plaintiff's right of privacy since she was an object of legitimate public interest. The next question tendered the court was whether the privilege involved in the original publication was lost by the lapse of time between the date of the original publication immediately following the accident and the reappearance of plaintiff's picture in the Saturday Evening Post some twenty months later. Judge Goodrich concluded that "the immunity from liability for the original publication was not lost through lapse of time when the same picture was again published." Thus a resume of traffic accidents, published by the newspaper which included plaintiff's photograph would not be actionable.

Liability, however, was imposed on the defendant since the use of her picture had nothing at all do to with her accident. The article in question related to the general subject of traffic accident and pedestrian carelessness. Plaintiff at the time of the accident was not careless; the motorist was. "The sum total of all this is that this particular plaintiff, the legitimate subject for publicity for one particular accident, now becomes a pictorial, frightful example of pedestrian carelessness. This we think, exceeds the bound of privilege."<sup>18</sup>

The *Sidis*, *Molony* and *Leverton* cases illustrate the extent to which matters essentially newsworthy, educational and informative circumscribe the privacy doctrine. There is no rule of thumb available to balance the private and public interests involved. Since "the outlines of the [privacy] right and the privilege to invade it are still dimly marked,"<sup>19</sup> each case must be decided on the basis of its own facts and public policy.<sup>20</sup>

Matters of public interest are qualified by another restriction. The rule is fairly well established that public figures or persons thrust in the public eye sacrifice their privacy and expose some part of their lives to public scrutiny. But the right is not waived completely, for "public figures were not to be stripped bare."<sup>21</sup> Warren and Brandeis would permit

<sup>18</sup> *Id.* at 978.

<sup>19</sup> *Id.* at 975.

<sup>20</sup> *Gautier v. Pro-Football League, Inc.*, 7 RR 2048 (NYSupCt 1951) *aff'd*,

304 NY 354, 107 NE2d 485 (1952).

<sup>21</sup> *Sidis v. F-R Publishing Corporation*, *supra* note 15.

publication of articles which related to a public figure's fitness for public office, but publication would be repressed to those matters which concerned the private life, habits, acts and relations of an individual.<sup>22</sup> In the *Sidis* case the court refused to apply the strict standards suggested by Warren and Brandeis:

“But despite eminent opinion to the contrary, we are not yet disposed to afford to all of the intimate details of private life an absolute immunity from the prying of the press. Everyone will agree that at some point the public interest in obtaining information becomes dominant over the individual's desire for privacy. Warren and Brandeis were willing to lift the veil somewhat in the case of public officers. We would go further, though we are not yet prepared to say how far. At least we would permit limited scrutiny of the ‘private’ life of any person who has achieved, or has had thrust upon him, the questionable and indefinable status of a ‘public figure.’”<sup>23</sup>

The divisible concept of the right of privacy i.e. that the right is not completely waived because a person is a public figure, or because an individual is thrust in the public eye because of a news event of informational and educational significance is illustrated by *Barber v. Time Inc.* The defendant published without plaintiff's consent, a description of an unusual malady of a female patient in a hospital, together with a picture showing a close-up view of plaintiff in bed, her name and residence. The article and picture appeared under the

<sup>22</sup> Warren and Brandeis, *supra*, note 2.

<sup>23</sup> *Sidis v. F-R Publishing Corporation*, *supra*, note 15. *Sidis* was a former child prodigy who had been in the public eye. He had lectured to mathematicians at the age of 11, and graduated from Harvard when he was 16. He suffered a nervous breakdown and subsequently “sought to live as unobtrusively as possible.” The New Yorker Magazine published an article on *Sidis* “which may be described as a ruthless exposure of a once public character, who has since sought and has now been deprived of the seclusion of private life.” The court denied recovery since his life “possessed considerable popular news interest. We express no comment on whether or not

the news worthiness of the matter printed will always constitute a complete defense. Revelations may be so intimate and so unwarranted in view of the victim's position as to outrage the community's notions of decency. But when focused upon public characters, truthful comments upon dress, speech, habits and the ordinary aspects of personality will usually not transgress this line. Regrettably or not, the misfortunes, and frailties of neighbors and ‘public figures’ are subjects of considerable interest and discussion to the rest of the population. And when such are the mores of the community, it would be unwise for a court to bar their expression in the newspapers, books and magazines of the day.”

heading of "Medicine" which furnished public medical news and developments. Defendant assumed that plaintiff had consented to the publication, since the article and picture had appeared in the local newspapers. Although the article and picture were described as a news event of informational and educational matter, recovery was permitted. The court balanced the need for medical information against the ethics of the medical profession and the law which hold that the right to receive medical treatment at home or in a hospital is a privileged and confidential matter. The court was of the opinion that the medical information could be publicized without disclosing the name and physical likeness of the plaintiff. "Whatever the limits of the right of privacy may be, it seems clear that it must include the right to have information given to or gained by a physician in the treatment of an individual's personal ailment kept from publication which would state his name in connection therewith without such person's consent. Likewise, whatever may be the right of the press, tabloids or newsreels companies to take and use pictures of persons in public places, certainly any right of privacy ought to protect a person from publication of a picture taken without consent while ill or in bed for treatment or recuperation."<sup>24</sup>

### 273b. WAIVER OF RIGHT OF PRIVACY BY CONSENT.

In those jurisdictions where the privacy doctrine is recognized at common law, it may be waived by consent or by implied conduct.<sup>1</sup> Thus the consent by an individual to the use of his picture and name constitutes a waiver of his right of privacy.<sup>2</sup> Similarly a person through his authorized agent

<sup>24</sup> Barber v. Time Inc., 348 Mo 1199, 159 SW2d 291 (1942); Donalhue v. Warner Bros. Pictures, 194 F2d 6, 13 (10th Cir 1952) "The right of privacy may be waived completely or only in part. It may be waived for one purpose, and still be asserted for another. But the existence of the waiver carries with it the right to invade the right of privacy of the individual only to the extent legitimately necessary and proper in dealing with the matter which gave rise to the waiver. The question whether a person is a public figure and therefore has waived in part his right

of privacy may rest upon various and variable facts and circumstances. And no rule of thumb has been evolved for its easy solution in all cases."

<sup>1</sup> Reed v. Real Detective Pub. Co., 63 Ariz 294, 162 P2d 133 (1945); In Barber v. Time Inc., 348 Mo 1199, 159 SW2d 291 (1942) the previous publication of an article and picture of plaintiff in a hospital did not absolve a publisher from liability, since the latter had not obtained plaintiff's consent.

<sup>2</sup> Marek v. Zanol Products Co., 298 Mass 1, 9 NE2d 393 (1937). Cf.

may consent to the use of his name for advertising and trade purposes.<sup>3</sup> Consent may likewise be implied from conduct.<sup>4</sup> A woman who voluntarily posed in front of an aeroplane at a public airport with a party of five, including her husband and chauffeur cannot recover for invasion of her right of privacy against a newspaper. The newspaper published the picture of plaintiff and chauffeur (deleting the rest) in connection with a news account of a suit by the husband against the chauffeur for alienation of the wife's affections and divorce proceedings between the husband and wife. The court refused to rule whether Massachusetts recognized the privacy doctrine; it referred to the fact that the picture was taken at a public place, that plaintiff asserted no property right in the photograph or negative. "One who . . . poses for a photograph has no right to prevent its publication. It was not taken at the plaintiff's request or for her benefit. She neither paid nor agreed to pay anything for it. There is nothing to indicate that so far as the plaintiff was concerned it was taken for a private use or a restricted purpose."<sup>5</sup>

Conduct was likewise implied when a person who committed suicide, plunged from a public building in the heart of the city. "It was her own act which waived any right to keep her picture from public observation in connection with the news account of her suicide."<sup>6</sup>

The New York and Utah statutes require that consent must be in writing. The early New York cases permitted recovery

Harlow v. Buno Co., 36 PaD&C 101 (1939); Tanner-Brice Co. v. Sims, 174 Ga 13, 161 SE 819 (1913).

<sup>3</sup> O'Brien v. Pabst Sales Co., 124 F2d 167 (5th Cir 1941), cert den, 315 US 823, 86 LEd 1220, 62 S Ct 917 (1942).

<sup>4</sup> In the cases involving "public figures", the courts have held there is implied consent. Corliss v. E. W. Walker Co., 64 F 280 (DC Mass 1890); Cf. Sidis v. F-R Publishing Corporation, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 S Ct 393 (1940); Smith v. Suratt, 7 Alaska 416 (1926); Pavesich v. New England Mutual L. Ins. Co., 122 Ga 190, 50 SE 68 (1905); Munden v. Harris, 153 MoApp 652, 134 SW 1076 (1911). Nizer, Right of Privacy (1941) 39

MichLRev 526, 556: "Even the most famous have a right to be protected against unauthorized use of their names and photographs in a manner not connected with their public life," citing Foster-Melburn Co. v. Chinn, 134 Ky 424, 120 SW 364 (1909); Eliot v. Jones, 66 Misc 95, 120 NYS 989 (1910), *aff'd*, 140 AppDiv 911, 125 NYS 1119 (1910); Edison v. Edison Polyform & Mfg. Co., 73 NJEq 136, 67 A 392 (1907); Sinclair v. Postal Telegraph Cable Co., 94 NYLJ 291: 3 (July 20, 1935). But *cf.* Melvin v. Reid, 112 CalApp 285, 297 P 91 (1931).

<sup>5</sup> Thayer v. Worcester Post Co., 284 Mass 160, 187 NE 292 (1933).

<sup>6</sup> Metter v. Los Angeles Examiner, 35 CalApp2d 304, 312, 95 P2d 491 (1939).

on the theory that oral consent did not comply with the statute.<sup>7</sup> Later decisions have for all practical purposes disregarded the statutory requirement of written consent.<sup>8</sup> Thus oral consent to the use of the plaintiff's name or picture may be asserted as a partial defense in mitigation of damages.<sup>9</sup> In another case a court exercising equitable jurisdiction refused to enjoin the publication of plaintiff's photograph, since the latter had consented thereto and knew the purposes for which the picture was intended.<sup>10</sup> In *Sweenek v. Pathe News* the court waived the statutory requirement of written consent. Plaintiff orally consented to be photographed in a newsreel which depicted a reducing class in a gymnasium. "It is conceded by counsel for the defendant that the written consent required by the statute was not given. . . . While the court is not prepared to say that the express words and requirement of the statute may always be regarded as waived by oral consent, yet, such consent having been given the whole action leaves the impression of being an afterthought on the part of the plaintiff."<sup>11</sup>

There is but one decision which discusses the revocation of consent or license. In *Garden v. Parfumerie Rigaud*, plain-

<sup>7</sup> *Almind v. Sea Beach R. Co.*, 157 AppDiv 230, 141 NYS 842 (1913); *Wyatt v. James McCreery & Co.*, 126 AppDiv 650, 111 NYS 86 (1908); See also *Hammond v. Crowell Publishing Co.*, 253 AppDiv 205, 1 NYS2d 728 holding that consent implied by conduct could not be asserted as an estoppel which would be a complete defense to an action based on the statute, since the latter specifically requires written consent.

<sup>8</sup> *Sweenek v. Pathe News* (DC NY 1936), 16 FSupp 746.

<sup>9</sup> In *Miller v. Madison Square Garden Corp.*, 176 Misc 714, 28 NYS2d 811 (1941) plaintiff orally consented to the publication of his name; he admitted he was subject to no humiliation or ridicule as a result of the publication. The court directed a verdict for the plaintiff for the technical violation of the New York statute and gave nominal damages in the amount of six cents. To the same effect is *Harris v. H. W. Gassard Co.*, 194 AppDiv 688, 185 NYS 861 (1921).

See also *Lane v. F. W. Woolworth Co.*, 171 Misc 66, 11 NYS2d 199 (1939) *aff'd without opinion*, 256 AppDiv 1065, 12 NYS2d 352 (1939); *Buscello v. Conde Nast Publications*, 173 Misc 674, 19 NYS2d 129 (1940). In *Sidney v. A. S. Beck Shoe Corporation*, 153 Misc 166, 274 NYS 559 (1934), plaintiff, an actress sought to recover for an unauthorized use of her photograph for advertising purposes without her written consent. The court permitted as a partial defense and in mitigation of damages the general custom of the theatrical profession whereby persons in it permitted and encouraged the use of their pictures in advertisements without compensation and without their written consent, for the purpose of exploiting themselves in their profession.

<sup>10</sup> *Wendell v. Conduit Machine Co.*, 74 Misc 201, 133 NYS 758 (1911); *Alexandre v. Westchester Newspapers*, 169 Misc 398, 9 NYS2d 744 (1938).

<sup>11</sup> *Sweenek v. Pathe News* (DC NY 1936) 16 FSupp 746, 748.

tiff gave her gratuitous written consent, to the use of her name and portrait in connection with a perfume originated and manufactured by the defendant. The latter obtained a trademark for the article and invested considerable money to popularize it. The court held that this gratuitous license was revocable at will despite the investment and popularization of the trademarked article by defendant. "Regardless of plaintiff's reason for her refusal to continue permission to use her name, and even admitting that her reason is ulterior and mercenary, it cannot be denied that her name and portrait are her own and during her life solely at her disposal."<sup>12</sup>

Nizer's comment on this phase of the problem is instructive:

"The statutory provision that consent must be in writing, although well motivated, has created unnecessary difficulties. All too frequently, the legislature's effort to protect gullible plaintiffs has caused injustice to gullible defendants, while the courts have sought to overcome the imposed restrictions in order to reach a just result. The test should be the reality and genuineness of the consent. The purpose of the statutory requirement of written consent is to guard against fraudulent defenses. Yet some kinds of oral consent, bolstered by conduct, are as convincing as any writing. If the defendant establishes to the satisfaction of the trier of fact that the plaintiff has given his consent, it should be immaterial what form that consent takes. If the alleged consent is oral, the burden to establish it should be heavier and the degree of proof higher."<sup>13</sup>

## 274. ADVERTISING AND TRADE PURPOSES.

The privacy doctrine originated with those cases which involved the unauthorized use of a person's name or physical likeness for advertising and trade purposes.<sup>1</sup> This has been and still is the frequently recurring case before the courts.<sup>2</sup>

<sup>12</sup> *Garden v. Parfumerie Rigaud*, 151 Misc 692, 271 NYS 187 (1933). Cf. *State ex rel. La Follette v. Hinkle*, 131 Wash 86, 229 P 317 (1924).

<sup>13</sup> Nizer, *The Right of Privacy* (1941) 39 MichLRev 526, 558-559.

<sup>1</sup> *Routh v. Webster*, 10 Beav 561, 50 EngRep 698 (1847); *Walter v. Ashton*, 2 Ch 282 (1902); *Kunz v. Allen*, 102 Kans 883, 172 P 532 (1918); *Foster-Milburn Co. v. Chinn*, 134 Ky

424, 120 SW 364 (1909); *Munden v. Harris*, 153 MoApp 652, 134 SW 1076 (1911); *Edison v. Edison Polyform & Mfg. Co.*, 73 NJEq 136, 67 A 392 (1907); *Pavesich v. New England Mut. L. Ins. Co.*, 122 Ga 190, 50 SE 68 (1905).

<sup>2</sup> E.g. in *Neyland v. Home Pattern Co.*, 2d Cir 1933, 65 F2d 363, cert den sub nom. *Curtis Publishing Co. v. Neyland*, 290 US 661, 78 LEd 572, 54

Obviously all courts which recognize the right of privacy will permit recovery where the name and photograph of a person are used without permission for commercial exploitation.<sup>3</sup>

The test of trade and advertising was perhaps adequate at the inception of the privacy doctrine. It furnished an easy rule of thumb to guide the courts. But as has been discussed elsewhere, the right to be let alone impinges upon matters of public interest, and the latter has been extended to include matters of public interest of an informational and educational nature.

The more recent cases would appear to qualify the rule that any unauthorized use of a person's name or picture for adver-

Sct 76 (1933), an artist was entitled to recover under the New York statute for the use of his name in connection with a reproduction of one of his paintings in a magazine, offering for sale patterns based on reproductions of such painting. The court held that the sale of patterns of his paintings was "trade" and that the use of plaintiff's name to further such sales was "advertising" or an incident to "trade in patterns." But *cf.* *Sidis v. F-R Publishing Corporation*, 2d Cir 1940, 113 F2d 806, cert den, 311 US 711, 85 LEd 462, 61 Sct 393, wherein the article about *Sidis* published in the *New Yorker Magazine*, was advertised in a newspaper. The court held that since the article itself was unobjectionable, "the advertisement shares the privilege enjoyed by the article." See also *Lane v. Woolworth Co.*, 171 Misc 66, 11 NYS2d 199 (1939); *Flake v. Greensboro News Co.*, 212 NC 780, 195 SE 55 (1938); *Bennett v. Gusdorf*, 101 Mont 39, 53 P2d 91 (1935); *Contra: Atkinson v. John E. Doherty Co.*, 121 Mich 372, 80 NW 285 (1899) and *Prest v. Stein*, 220 Wis 354, 265 NW 85 (1936). In the *Prest v. Stein* case, a competitor sought to enjoin the defendant from selling cigars known as the "Franklin D. Roosevelt" cigar on the ground that the foregoing practice was an unfair trade practice. The court said: "At common law, the use of the name and photograph of another for advertising purposes was not unlawful (citing cases). A differ-

ent view prevails in some jurisdictions (citing cases). Apparently there is no Federal statute securing to an individual the right to the exclusive use of his name and photograph. Wisconsin has no such statute. In the absence of such a statute, it was not unlawful for the defendant to use the name and portrait of the President for advertising purposes. The fact that it is in poor taste and shocks our sense of propriety that the name and portrait of the Chief Magistrate of the nation should be so used does not make it illegal and unlawful." See also *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952); *Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

<sup>3</sup> In *Kerby v. Hal Roach Studios*, 53 CalApp2d 207, 127 P2d 577 (1942), the unauthorized use of the name of an actress and singer as the signer of a printed advertisement of a motion picture, purporting to be an autographed letter of the actress, violated her right of privacy. It is rather significant that the name signed to the letter was also the name of the character in two works of fiction and of the chief feminine character in the motion picture. The letter which was salacious in character embarrassed the plaintiff in that she received telephone calls and personal visits from "hopeful" males and "irate" wives. The court held that the letter referred to the plaintiff and resulted in the undesirable consequences referred to above.

tising or trade purposes is a violation of the right of privacy.<sup>4</sup> The publication in a newspaper or newsreel of a person's name and physical likeness who is involved in a news event of legitimate public interest indirectly promotes trade or advertising. For the newspaper, it aids circulation; for the newsreel it is reflected in the price the public pays to gain admission to the motion picture theatre.

The New York courts have been wrestling with this phase of the problem. It has been suggested that the publication of a person's name and portrait, connected with a news item in a single issue of a daily newspaper does not violate the New York statute.<sup>5</sup> But if it appeared in a cartoon and was syndicated to a number of newspapers, the advertising and trade purposes outweighed the public interest features.<sup>6</sup>

Another approach is suggested by the *Sidis* case. Plaintiff claimed that the publication in the New Yorker Magazine, concerning the details of his life was "for the advertising purposes or for the purposes of trade" as spelled out in the statute. The court in denying recovery held:

"In this context, it is clear that 'for the purposes of trade' does not contemplate the publication of a newspaper, magazine, or book which imparts truthful news or other factual information to the public. Though a publisher sells a commodity; and expects to profit from the sale of his product, he is immune from the interdict of §§ 50 and 51 so long as he confines himself to the unembroidered dissemination of facts."<sup>7</sup>

Still another approach is suggested by the *Gautier*<sup>8</sup> case. Plaintiff a well-known showman, claimed that his name and picture had been used for advertising and trade purposes in an unauthorized telecast. Plaintiff's act which was performed

<sup>4</sup> Cf. *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929); *Metter v. Los Angeles Examiner*, 35 CalApp2d 304, 95 P2d 491 (1939); *Temo v. New England Newspaper Publishing Co.*, 306 Mass 54, 27 NE2d 753 (1940); *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 Sct 393 (1940).

<sup>5</sup> *Moser v. Press Publishing Co.*, 59 Misc 78, 109 NYS 963 (1908); *Neyland v. Home Pattern Co.*, 65 F2d 363 (2d Cir 1933), cert den sub nom *Curtis*

*Pub. Co. v. Neyland*, 290 US 661, 78 LEd 572, 54 Sct 76 (1933).

<sup>6</sup> *McNulty v. Press Publishing Co.*, 136 Misc 883, 241 NYS 29 (1930).

<sup>7</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 Sct 393 (1940). See also *Leverton v. Curtis Publishing Corp.*, 192 F2d 974 (3d Cir 1951).

<sup>8</sup> *Gautier v. Pro-Football League Inc.*, 7 RR 2048 (NYSupCt 1951, *aff'd*, 304 NY 354, 107 NE2d 485 (1952).

between the halves of a professional football game in Washington, D. C., was televised and viewed in the New York area. The lower court sustained a judgment of \$500.00 in behalf of plaintiff. The Appellate Division reversed. In answer to plaintiff's contention that the use of his name and picture in a sponsored telecast constituted, "ipso facto" a use for advertising purposes, Judge Shientag held:

"The unique economic necessities of radio and television, however, require, that, in large part, programs appear under the sponsorship of commercial advertisers. To hold that the mere fact of sponsorship makes the unauthorized use of an individual's name or picture on radio or television a use for 'advertising purposes' would materially weaken the informative and educational potentials of these still developing media. We hold, therefore, that in the absence of exploitation of a name or picture in the commercial announcement or in direct connection with the product itself, there is no use 'for advertising purposes.'"<sup>9</sup>

A more difficult question presented the court was whether the use was "for the purposes of trade." Judge Shientag then defined this term in terms of "established categories of immunity and liability." Thus the overriding social interest in the dissemination of news establishes an almost absolute interest in the use of names and pictures in connection with the reportage of news.<sup>10</sup> The telecast of plaintiff's act was within this category. "Plaintiff's act while basically for the purpose of entertainment was televised in connection with a public event of general interest. It appears through a medium which affords unique opportunities for the instantaneous dissemination of news and events of public import, a medium which should not be confined by too restricted a delineation of the permissible scope of its operation." Finally, the reproduction of plaintiff's act via a telecast did not exceed the legitimate bounds of permissible reporting of matters of public interest.<sup>11</sup>

<sup>9</sup> *Id.* And see *Rogers v. Republic Productions, Inc.*, 7 RR 2072 (DC Cal 1951).

<sup>10</sup> *Molony v. Boy Comics Publishers Inc.*, 277 AppDiv 166, 98 NYS2d 119 (1950) reversing, 188 Misc 4500, 65 NYS2d 173 (1946); *Sutton v.*

*Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 233 (1950).

<sup>11</sup> *Molony v. Boy Comics Publishers Inc.*, 277 AppDiv 166, 98 NYS2d 119 (1950), reversing 188 Misc 450, 65 NYS2d 173 (1946): "While a newspaper is a commercial enterprise and

What constitutes advertising and trade purposes will require further clarification by the courts. The hard case, as has been suggested, is the use of a person's name and physical likeness in a magazine, newspaper, newsreel or telecast. The more recent cases suggest that because the media in which the name and physical likeness appear, are commercial enterprises, this does not mean that there has been a commercial exploitation and thus an invasion of the right of privacy.<sup>12</sup>

It is believed that the proper approach for the courts is to reconcile the private interests of the individual—the protection of the personality of an individual against the mental strain and distress, humiliation and disturbance of peace of mind—with the public right of information. Each case will have to be considered on its individual merits. In each instance it will be a “question of degree”—the balancing of the private rights against the need for public information of an educational and informative nature.

## 275. CASE LAW ON RIGHT OF PRIVACY.

### 275a. RADIO CASES.

Since there are but a handful of radio cases which involve the right of privacy, we shall discuss all such cases.

In *Mau v. Rio Grande Oil Co.*,<sup>1</sup> the plaintiff had been held up by a robber and shot, suffering serious injury. Defendants, CBS and the commercial sponsor, broadcast a dramatization of the holdup and shooting and used the plaintiff's name without his consent. “When plaintiff heard the broadcast he suffered mental anguish, aggravated by telephone calls from sympathetic friends who also heard the broadcast and were desirous of rehashing the near-tragedy which plaintiff wished

its publication is for trade, items of news are not treated as trade. As contrasted with a motion picture dramatization involving repeated showings for the price of admission, the daily newspaper falls in a different class with a wider leeway.” And see *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>12</sup> *Gautier v. Pro-Football League Inc.*, 7 RR 2048 (NYSupCt 1951) *aff'd*, 304 NY 354, 107 NE2d 485 (1952); *Sutton v. Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 233 (1950); *Molony v.*

*Boy Comics Publishers Inc.*, 277 App Div 166, 98 NYS2d 119 (1950), reversing 188 Misc 450, 65 NYS2d 173 (1946); *Koussevitzky v. Allen, Towne & Heath, Inc.*, 188 Misc 479, 68 NYS2d 779 (1947); *Toscani v. Hersey*, 271 AppDiv 445, 65 NYS2d 814 (1946). *Cf. Leverton v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951); *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>1</sup> *Mau v. Rio Grande Oil, Inc., et al.*, (DC Calif 1939) 28 FSupp 845.

to forget. On the day following the broadcast, and as a direct result thereof, plaintiff's physical and mental condition were such that he was unable to drive an automobile with safety, and he was promptly discharged by his employer." The court held that plaintiff's right of privacy was invaded relying on *Melvin v. Reid*.<sup>2</sup> California recognizes a right of privacy but "pegs" such right on a provision in its Constitution.<sup>3</sup> The federal district court in the *Mau* case applied the California law of *Melvin v. Reid* and ruled that "plaintiff's right to be let alone has been violated."

In *Elmhurst v. Pearson et al.*, plaintiff was one of the defendants on trial on the criminal charge of conspiring to undermine the morale of the armed forces of the United States. This trial received nationwide notoriety through the press and over the radio networks. Defendant, Pearson, in a radio broadcast advised the public that plaintiff was employed as a bartender and waiter at the Shoreham Hotel in Washington, D. C. and "that he is in a position to overhear private conversations carried on by James F. Byrnes, Barney Baruch, and other high officials." Plaintiff claimed that the broadcast and attendant publicity caused his discharge by the Shoreham Hotel. He claimed an invasion of his right of privacy. The lower court dismissed the suit on the theory that plaintiff's right of privacy did not include protection from publication of matters of legitimate public or general interest.<sup>4</sup> The appellate court in affirming this decision refused to rule on the question of whether the District of Columbia recognized the right of privacy.<sup>5</sup> It held that "the appellant's misfortune is being a defendant in the nationally-discussed sedition trial made him the object of legitimate public interest, and that, consequently, Pearson had the right to comment as he did."<sup>6</sup>

<sup>2</sup> *Melvin v. Reid*, 112 CalApp 285, 297 P 91 (1931).

<sup>3</sup> Section 1 of Article 1 of the California Constitution quoted in *Mau v. Rio Grande Oil Inc., et al.*, *supra* note 1: "All men are by nature free and independent, and have certain inalienable rights, among which are those of enjoying and defending life and liberty; acquiring, possessing, and protecting property; and pursuing and obtaining safety and happiness."

<sup>4</sup> *Elmhurst v. Pearson* (DC District of Col 1945) 58 FSupp 484.

<sup>5</sup> In *Peay v. Curtis Publishing Company*, 78 FSupp 305 (DC DC 1948) the federal district court in the District of Columbia recognized and applied the privacy doctrine.

<sup>6</sup> *Elmhurst v. Pearson*, 80 AppDiv DC 372, 153 F2d 467 (1946): . . . "one who becomes an actor in an occurrence of public or general interest must pay the price of publicity through

In *King v. Winchell*, defendant mentioned plaintiff's name in a broadcast and made the plaintiff appear ridiculous. Defendant's motion to dismiss the complaint was granted on the ground that an incidental use of a person's name in a broadcast did not violate the New York Civil Rights Statute. The opinion further intimates that the court may have considered the story as a news report by a commentator.<sup>7</sup>

A recent Alabama case illustrates the impact of matters of legitimate public interest on the right of privacy. In *Smith v. Doss*,<sup>8</sup> two sisters claimed that their right of privacy had been violated and their names injured by defendant's broadcast. Defendant, owner of station WJRD broadcast an incident which occurred in 1905. Plaintiffs' father disappeared from his home in 1905, a local townsman was accused of robbing and murdering plaintiff's father; the townsman was acquitted because of insufficiency of evidence. In 1930, plaintiff's father died in California. In his will he designated one of his daughters as principal beneficiary. "It was by means of this will that the California authorities found that he had a family in Tuscaloosa, Alabama, where his body finally came to rest in 1930."

The court held that although an action for violation of the right of privacy might be maintained in Alabama, it must yield to matters of legitimate public interest.

"By his own acts John Lindgren made himself a public character. The passage of time could not give privacy to his acts because the story of John Lindgren is a part of the history of the community. It is embedded in the public records through the imprisonment of John Sobrey on a charge of murder and his fight in the courthouse to prove his innocence and to free himself from the stigma of that charge. The will of John Lindgren is a public record. The broadcast was based on fact. We see no reason why the right of privacy of the daughters might not be violated by unwarranted and offensive publicity with reference to their deceased father, but

news reports concerning his private life, unless those reports are defamatory. It is also said that even one who unwillingly comes into the public eye because he is involved in a publicized criminal prosecution is subject to the

same limitations upon his right of privacy."

<sup>7</sup> *King v. Winchell* (AppDiv 1936) 290 NYS 558.

<sup>8</sup> 251 Ala 250, 37 So2d 118 (1948).

conclude for the reasons given that the allegations in this case do not state a cause of action."<sup>9</sup>

The California case of *Mau v. Rio Grande Oil Company* has been discussed previously.<sup>10</sup> The *Pearson* and *Winchell* cases have one significant feature in common. Both broadcasts were commercially sponsored but neither court made any reference to this fact and the opinions contain no discussion of the "advertising or trade purposes" of the broadcasts. In the *Pearson* case, the public interest outweighed whatever right of privacy the plaintiff enjoyed. In the *Winchell* case, the court applied another qualification to the right of privacy—recovery is barred for the incidental use of a name or photograph in a motion picture<sup>11</sup> or novel,<sup>12</sup> where the name or picture of the plaintiff could make no real impression.

There are few related decisions which warrant discussion. There is a dictum in *Gardella v. Log Cabin Products Co.* which extends the right of privacy to assumed professional names in radio broadcasts.<sup>13</sup> Conversely the right of privacy cannot be invoked by an attorney whose name is used in a comedy program over the radio, where the character represented is obviously fictitious and there was no showing that the name used, referred to the plaintiff.<sup>14</sup>

In *Waring v. WDAS Broadcasting Station*, the concurring opinion of Mr. Justice Maxey extended the right of privacy to cover an unauthorized broadcast of phonograph records of the plaintiff's interpretation of popular music.<sup>15</sup> This deci-

<sup>9</sup> *Id.*

<sup>10</sup> 28 FSupp 845 (DC Cal 1939).

<sup>11</sup> *Cook v. Twentieth Century-Fox Film Corp.*, 95 NYLJ 2200:7 (December 15, 1936) quoted in *Nizer, The Right of Privacy* (1941) 39 MichLRev 526, 552; *Merle v. Sociological Research Film Corporation*, 166 AppDiv 376, 152 NYS 829 (1915).

<sup>12</sup> In *Damron v. Doubleday D & Co.*, 133 Misc 302, 231 NYS 444 (1928) *aff'd without opinion* in 226 AppDiv 796, 234 NYS 773 (1929) a single mention of plaintiff's name "little Wayne Damron" in *Edna Ferber's "Showboat"* was not actionable under the New York statute; *Swacker v. Wright*, 154 Misc 822, 277 NYS 296 (1935). *Semler v. Ultem Publications*, 170 Misc 551, 9 NYS2d 319 (1938);

*Krieger v. Popular Publications*, 167 Misc 5, 3 NYS2d 480 (1938).

<sup>13</sup> *Gardella v. Log Cabin Products Co.*, 2d Cir 1937, 89 F2d 891. In *Davis v. R.K.O. Radio Pictures* (DC NY 1936 16 FSupp 195, the court held that the New York Civil Rights statute did not apply to an assumed or "stage" name. It is believed that the *Gardella* case overrules the *Davis* case.

<sup>14</sup> *Beegel v. National Broadcasting Co.*, (unreported, 1936). To the same effect are: *Nebb v. Bell Syndicate* (DC NY 1941) 41 FSupp 929; *Tosconi v. Hersey*, 271 AppDiv 445, 65 NYS2d 814 (1946).

<sup>15</sup> *Waring v. WDAS Broadcasting Station*, 327 Pa 433, 194 A 631 (1937).

sion is discussed in detail elsewhere.<sup>16</sup> It is doubtful whether Mr. Justice Maxey's reasoning will be followed by other courts.

### 275b. MOTION PICTURE CASES.

The kinship between motion pictures and television suggests that the courts will rely on the motion picture cases in developing the law of privacy in television.

In *Melvin v. Reid*, plaintiff had been a prostitute, was tried for murder and was acquitted. This occurred in 1918. She abandoned her life of shame, became rehabilitated and married. She assumed a place in respectable society and made many friends who were unaware of her former life. In 1925 defendants, without her consent used her true maiden name and featured the unsavory incidents of her past life in a motion picture, called the "Red Kimona." The court held that plaintiff's right of privacy had been invaded.<sup>1</sup>

This was the first California case which dealt with the right of privacy. The court impliedly recognized that a matter of legitimate public interest qualifies the right of privacy. Thus the court expressed the view that the use of mere incidents from the life of the plaintiff in the motion picture was not in itself actionable, since these incidents appeared in the record of her trial for murder and was a public record. The court imposed liability on the following ground:

"We believe that the publication by respondents of the unsavory incidents in the past life of appellant after she had reformed, coupled with her true name, was not justified by any standard of morals or ethics known to us and was a direct invasion of her inalienable right guaranteed to her by our Constitution, to pursue and obtain happiness. Whether we call this a right of privacy or give it any other name is immaterial, because it is a right guaranteed by our Constitution that must not be ruthlessly and needlessly invaded by others."<sup>2</sup>

A clear case of invasion of the right privacy is *Kunz v. Allen*. The defendant had motion pictures taken of a customer in his store and exhibited the same in a neighborhood

<sup>16</sup> *Infra* § 220.

<sup>2</sup> *Id.*

<sup>1</sup> *Melvin v. Reid*, 112 CalApp 285, 297 (Pac 91 (1931)).

theater for the purpose of advertising the store. The motion pictures were taken without plaintiff's consent. The court held that plaintiff's right of privacy was invaded and that she was entitled to damages against the owner of the store.<sup>3</sup>

The New York courts have had occasion to apply the right of privacy to motion pictures and newsreels more frequently than any other court. In *Binns v. Vitagraph Company of America*, defendant exhibited a motion picture story of a shipwreck which reenacted the first rescue at sea resulting from a radio SOS call. The film was shot in defendant's studio, plaintiff's true name was used in the story six times or more, and his purported picture, posed by a professional actor appeared five times. The court held that plaintiff's right of privacy had been invaded. It held:

"The defendant used the plaintiff's alleged picture to amuse those who paid to be entertained. . . . We hold that the name and picture of the plaintiff were used by the defendant as a matter of business and profit and contrary to the prohibition of the statute."

The court also pointed out that the picture was not a true reenactment of a current event but "mainly a product of the imagination, based, however, largely upon such information relating to an actual occurrence as could be readily obtained." In other words a fictionalized portrayal of a person on the screen, based on a newsworthy event constitutes an invasion of the right of privacy.<sup>4</sup>

The *Binns* case warrants comparison with *Levey v. Warner Bros. Pictures Inc.* Plaintiff, divorced wife of the late George M. Cohan claimed her right of privacy had been invaded by the motion picture "Yankee Doodle Dandy," a fictional biographic presentation of Cohan's life. The court carefully reviewed the facts and concluded that the picture did not sufficiently portray or picture Cohan's divorced wife to justify the conclusion that her right of privacy had been violated. The court stated that in a fictionalized work, the statute requires a clear representation of a person "at least approach-

<sup>3</sup> *Kunz v. Allen*, 102 Kans 883, 172 P 532 (1918). In *Friedman v. Cincinnati Local Joint Board 20 OhioAps* 473 (1941), a restaurant proprietor enjoined labor pickets from taking mo-

tion pictures of patrons of his restaurant on the ground that such acts invaded their right of privacy.

<sup>4</sup> *Binns v. Vitagraph Co. of America*, 210 NY 51, 103 NE 1108 (1913).

ing likeness.” The plaintiff was not represented in appearance, personality, character, mannerism or action.<sup>5</sup>

In two cases, the incidental portrayal of the physical likeness and name and business of plaintiffs barred recovery under the statute. In *Freed v. Loews, Inc.*, plaintiff a sailor in the United States Navy was ordered as part of his naval duties to pose as a model for a navy recruiting poster. The motion picture, produced with the cooperation of the Navy Department, showed fictitious scenes of naval operations, was 94 minutes long and consisted of 8,542 feet of film. The poster appeared in 9 feet of film, which took six seconds to run, and plaintiff’s face was seen for three seconds. The court concluded that the portrait of plaintiff represented the artist’s idealized conception of plaintiff, that this was not a portrait or picture of plaintiff within the meaning of the statute, and that defendant’s use was incidental to the portrayal of a naval picture with no intent of exhibiting the plaintiff or his likeness.<sup>6</sup> In *Merle v. Sociological Research Film Corporation*, defendant produced a motion picture entitled “The Inside of the White Slave Traffic.” One of the scenes showed a factory building upon which appeared the plaintiff’s name and business. The court denied recovery:

“Certainly where a man places his sign upon the outside of a building he cannot claim that a person who would otherwise have a right to photograph the building is precluded from using that picture because the sign also appears on the picture. To constitute a violation of the Civil Rights Law, I think it must appear that the plaintiff’s picture or name is itself for the purpose of trade and not merely an incidental part of a photograph of an actual building, which cannot be presumed to add to the value of the photograph for trade or advertising, and even a use that may in a particular instance cause acute annoyance cannot give rise to an action under the statute unless it fairly falls within the terms of the statute.”<sup>7</sup>

The above two cases cannot be reconciled with the *Blumenthal* decision. This was a “short subject” depicting actual

<sup>5</sup> *Levey v. Warner Bros. Pictures, Inc.*, (DC NY 1944) 57 FSupp 40. To the same effect is *Wright v. R.K.O. Pictures, Inc.*, (DC Mass 1944) 55 FSupp 639.

<sup>6</sup> *Freed v. Loew’s Inc.*, 175 Misc 616, 24 NYS2d 679 (1940).

<sup>7</sup> *Merle v. Sociological Research Film Corporation*, 116 AppDiv 376, 152 NYS 829 (1915).

scenes and events in New York City. Two actors portraying guides described various points of interest to a group of visiting school teachers. One sequence showed a closeup of the plaintiff selling bread and rolls to passers-by on a street. Recovery was allowed on the ground that this was a fictionalized story and that plaintiff's appearance in the film was for advertising and trade purposes.<sup>8</sup>

The recent case of *Donohue v. Warner Bros. Pictures*,<sup>9</sup> warrants discussion because it illustrates the principle that liability will be imposed where the medium viz., motion pictures, is employed primarily for entertainment purposes. Warner Bros. produced a motion picture entitled "Look for the Silver Lining." This picture used the name of Donahue, a deceased entertainer, as the leading male star therein; it also depicted a fictionalized treatment of his life. Plaintiffs, the wife and daughters of Donahue, invoked the Utah privacy statute which provides that the heirs or personal representatives of a deceased person shall be entitled to recover damages for injuries sustained by the wrongful use for advertising purposes or for purposes of trade, of the name, portrait or picture of the deceased person.<sup>10</sup> The Utah federal district court granted defendant's motion for summary judgment and dismissed the action with prejudice. The Tenth Circuit Court of Appeals reversed. It held that the unauthorized use of the deceased's name and the fictionalized portrayal of his life were employed for the purposes of trade in violation of the statute. "The manufacture, distribution, and exhibition of a motion picture of the kind pleaded in the amended complaint, based primarily upon fiction or the imaginative, and designed primarily to entertain

<sup>8</sup> *Blumenthal v. Picture Classics*, 235 AppDiv 570, 257 NYS 636 (1938) *aff'd without opinion* in 261 NY 504, 185 NE 713 (1933). *Contra* is *Cook v. Twentieth Century-Fox Film Corporation*, 95 NYLJ 2200:7 (Dec 15, 1936) reported in *Nizer, Right of Privacy* (1941) 39 MichLRev 526, 546, wherein plaintiff's face appeared in a crowd scene in a fictionalized story. Recovery was denied. "The court distinguished the *Blumenthal* case on the ground that it involved a front view closeup rather than a mob scene." In

*Feeney v. Young*, 191 AppDiv 501, 181 NYS (1920), the exhibition in motion picture houses open to the public of a motion picture showing a "Caesarian section" operation, as part of a picture named "Birth" violated the New York statute. Plaintiff orally consented to the making of motion pictures for exhibition to medical societies. Its inclusion in the film was clearly for trade and advertising purposes.

<sup>9</sup> 194 F2d 6 (10th Cir 1952).

<sup>10</sup> 5 Utah Code Annotated §§ 103-4-8 and 103-4-9.

and amuse an audience desiring entertainment and willing to pay therefor, does not constitute the publication of information and educational matters, or the dissemination of news, or the recounting or portrayal of actual events of public interest in the form of a newsreel, as distinguished from commercial activities for gain or profit, within the intent and meaning of the statute." The court likewise rejected defendant's contention that Donahue's accomplishments as a singer, dancer, comedian, etc., made him a public figure and "that his name, picture, or career could be dramatized in a motion picture photoplay based primarily upon fiction and the picture exhibited in Utah for commercial purposes, without violating the right of privacy which the statute was intended to protect."

In addition to the majority opinion in the *Donahue* decision, Judge Huxman concurred and Judges Philips and Pickett dissented. The concurring opinion would draw the line as to whether the article or publication was primarily historical for the education or information of the public, or primarily fictional for entertainment and amusement. If the article is historical, its publication does not violate the statute; if fictional, it constitutes a violation thereof.<sup>11</sup>

The dissenting opinion for all practical purposes repudiated the *Binns*<sup>12</sup> case. It held that the fictionalized portrayal of a well known public figure was not actionable.<sup>13</sup>

The *Donahue* case tenders another problem which will require clarification by the courts. Plaintiffs in the *Donahue* case were non-residents of Utah; they first saw the motion picture dealing with Donahue's life in Beverly Hills, California. Plaintiffs filed suit in the Utah federal district court because Utah and Virginia are the only states which authorize the heirs or legal representatives of deceased persons to maintain privacy actions. In all of the states which recognize the privacy doctrine at common law and in New York, the right of privacy does not survive the death of the injured claimant.<sup>14</sup>

The narrow issue tendered by the dissenting opinion in the *Donahue* case was whether the law of California should not

<sup>11</sup> *Donahue v. Warner Bros. Pictures*, 194 F2d 6, 14 (10th Cir 1952).

<sup>12</sup> *Binns v. Vitagraph Co. of Amer-*

*ica*, 210 NY 51, 103 NE 1108 (1913).

<sup>13</sup> *Op cit supra*, note 11 at 15 ff.

<sup>14</sup> *Infra*, § 272a.

have been applied.<sup>15</sup> The dissenting opinion would apply the law of California and deny recovery to plaintiffs because since this case involved a multistate invasion of right of privacy, it would apply the law of the place "where the seal of privacy was first broken"<sup>16</sup> or the law of the domicile of the complaining party, being the place most intimately connected with such party.<sup>17</sup>

The larger issues suggested by the *Donahue* case are whether the nation-wide telecast of a program results in multistate liability for invasion of right of privacy, where was the right of privacy invaded, and would recovery in one action preclude suit in some other state?<sup>18</sup>

The foregoing issues will require clarification by the courts. The paucity of case law on these issues precludes a definitive answer at this time on the questions previously suggested.<sup>19</sup>

At the outset it would appear that the multistate circulation of a program would create a separate and distinct cause of action in each state which recognized the right of privacy;<sup>20</sup> and each state would apply its local law.<sup>21</sup> The objections to this rule are that it permits a plaintiff to harass the defendant by separate actions in each state. In addition, the fear of litigation may impede and hamper the communication and expression of ideas.<sup>22</sup>

These objections may have prompted several states to adopt the so-called "single-publication" rule. The latter provides that "one issue of a newspaper or magazine, although it consists of thousands of copies widely distributed, gives rise to one cause of action, there being but one publication. . . . The number of copies is considered as aggravating the seriousness of the publication, and therefore, being evidence of the extent of the injury, goes only to the matter of damages."<sup>23</sup>

<sup>15</sup> Under the teachings of *Erie Railroad Co. v. Tompkins*, 304 US 64, 82 LEd 1188, 58 S Ct 817 (1938) all privacy actions brought in the federal courts are governed by local law.

<sup>16</sup> *Banks v. Kings Feature Syndicate*, 30 FSupp 352 (DC NY 1939); *Sweeny v. Caller-Times Publishing Co.*, 41 FSupp 163 (DC Tex 1941).

<sup>17</sup> Note, *The Choice of Law in Multistate Defamation and Invasion of Privacy* (1947) 60 HarvLRev 941, 947.

<sup>18</sup> These issues were suggested but

were not answered in *Levertov v. Curtis Publishing Co.*, 192 F2d 974 (3d Cir 1951).

<sup>19</sup> *Op cit supra*, note 17. *Cf. Hartmann v. Time, Inc.*, 166 F2d 127 (3d Cir 1948).

<sup>20</sup> *O'Reilly-Curtis Publishing Co.*, 31 FSupp 364 (DC Mass 1940); *Cf. Hartmann v. Time Inc.*, 166 F2d 127 (3d Cir 1948).

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

<sup>22</sup> *Op cit supra*, note 17 at 945.

<sup>23</sup> *Hartmann v. Time Inc.*, 64 FSupp

No court as yet has had occasion to apply the "single-publication" rule for defamatory remarks uttered via radio or television broadcasting stations or for invasion of the right of privacy.<sup>24</sup>

The second issue tendered is where has the right of privacy been invaded. Thus a telecast originates in New York City and is given nation-wide distribution. Several rules have been suggested for determining what law governs in an action for violation of privacy. One case proposes the law of the place "where the seal of privacy was first broken."<sup>25</sup> This rule cannot be invoked where there is a telecast, since the latter is simultaneously produced or reproduced in various states. Another rule suggested is the law of the domicile of the complaining party.<sup>26</sup> The dissenting opinion in the *Donahue* case proposed that the conventional rule that the law of the place of the wrong govern the right of recovery for injuries to the person.<sup>27</sup> The place of the wrong would be the state where the last event necessary to make an actor liable for an alleged tort takes place. Thus if the act of omission complained of and the injury occur in different places, the place of the wrong, the locus delicti, is the place where the injury sustained was suffered, rather than the place where the act or omission occurred, or, it is the place where the last event necessary to make an actor liable for an alleged tort takes place.<sup>28</sup>

As stated recently, "the current state of choice-of-law rules for multistate publication reveals a virtual vacuum. A more direct and searching analysis of cases by courts is the

671, 679 (DC Pa 1946), reversed on other grounds, 166 F2d 127 (3d Cir 1947). To the same effect are *Age-Herald Publishing Co. v. Huddleston*, 207 Ala 40, 92 So 193 (1921); *McGill v. Time, Inc.*, (Circuit Court Cook County, Ill 1945, unreported); *Winrod v. McFadden Publications Inc.*, 62 FSupp 249 (DC Ill 1945); *Backus v. Look Inc.*, 39 FSupp 662 (DC NY 1941); *Cannon v. Time Inc.*, 39 FSupp 660 (DC NY 1939); *Wolfson v. Syracuse Newspapers, Inc.*, 254 AppDiv 211, 4 NYS2d 640 (1938), *aff'd per curiam*, 279 NY 716, 18 NE2d 676 (1939).

<sup>24</sup> *Cf. Coffee v. Midland Broadcasting Co.*, 8 FSupp 889 (DC Mo 1934);

*Irwin v. Ashlurst*, 158 Ore 61, 74 P2d 1127 (1938); *Singler v. Journal Co.*, 218 Wis 263, 260 NW 431 (1935); See also *Warner, Radio & Television Law* § 37. But see the recent case of *Dale System Inc. v. General Teleradio Inc.*, 105 FSupp 745 (DC NY 1952).

<sup>25</sup> *Banks v. King Features Syndicate, Inc.*, 30 FSupp 352 (DC NY 1939).

<sup>26</sup> Note, *The Choice of Law in Multistate Defamation and Invasion of Privacy* (1947) 60 HarLRev 941, 947.

<sup>27</sup> *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>28</sup> Restatement, *Conflict of Law* § 377 (1934).

most pressing need at present. The few decisions attempting to grope with the issue along traditional lines . . . illustrate its inadequacy."<sup>29</sup>

### 275c. NEWSREEL CASES.

Newsreels as a general rule consist of motion pictures of current public interest. The New York courts which have discussed the newsreel cases, have refused recovery on the ground that "publication of matters of public interest in . . . newsreels is not a trade purpose within the meaning and purview of the statute."<sup>1</sup> Thus in the Humiston case, plaintiff who had solved a murder mystery of great current interest, had her name and physical likeness mentioned and depicted in defendant's newsreel. The appellate court denied recovery on the ground that plaintiff's name and picture were not used for advertising and trade within the meaning of the New York statute. The court also pointed out that if recovery were permitted, it would mean that the written consent of the spectators and participants in a parade, baseball game or football game would be required. The impossibility of securing written waivers from thousands of persons, because their faces appeared in newsreels requires no comment.<sup>2</sup> In *Sweenek v. Pathe News Inc.*, a newsreel showing a group of corpulent women exercising with various types of apparatus in a gymnasium was held not to be actionable. The court stated that "pictures of a group of corpulent women attempting to reduce with the aid of some rather novel and unique apparatus do not cross the borderline, at least so long as a large proportion of the female sex continues its present concern about any increase in poundage. The amusing comments which accompanied the pictures did not detract from their news value."<sup>3</sup>

Of course where newsreel shots of a golfer or bullfighter are incorporated into a "short subject," recovery was allowed

<sup>29</sup> *Op cit supra*, note 26 at 952. And see *Dale System Inc. v. General Tele-radio Inc.*, 105 FSupp 745 (DC NY 1952).

<sup>2</sup> *Humiston v. Universal Film Mfg. Co.*, 189 AppDiv 467, 178 NYS 752 (1919).

<sup>1</sup> *Sweenek v. Pathe News* (DC NY 1936) 16 FSupp 746.

<sup>3</sup> *Sweenek v. Pathe News* (DC NY 1936) 16 FSupp 746.

on the ground that this constituted an unauthorized use for trade and advertising purposes.<sup>4</sup>

### 275d. RATIONALE OF THE MOTION PICTURE AND NEWS-REEL CASES.

The paucity of cases in those jurisdictions which recognize a right of privacy at common law preclude the enunciation of a rule or rules of conduct pertaining to motion pictures and newsreels. The California law appears to be fairly liberal in recognizing and protecting rights of privacy, even where it conflicts with a matter of legitimate public interest.<sup>1</sup>

The New York courts, operating under a restrictive statute draw a distinction between fact and fiction. A picturization of a person's face in a fictionalized story or a fictionalized current event is actionable.<sup>2</sup> Of course if the fictionalized story does not portray or resemble the plaintiff, the latter cannot recover.<sup>3</sup> Similarly the incidental portrayal of a person's physical likeness or name bars recovery.<sup>4</sup> Lastly, immunity is granted to fact as distinguished from fiction in newsreels.<sup>6</sup>

This distinction between fact and fiction is presumably bottomed on a belief that fiction performs a relatively less significant function in the dissemination of information to the public.<sup>6</sup> Although this principle has been questioned,<sup>7</sup> it

<sup>4</sup> *Franklin v. Columbia Pictures Corporation*, 246 AppDiv 35, 284 NYS 96 (1935), *aff'd* 271 NY 554, 2 NE2d 691 (1936); *Redmond v. Columbia Pictures Corporation*, 253 AppDiv 708, 1 NYS2d 643 (1937), *aff'd* 277 NY 707, 14 NE2d 636 (1938). *But cf. Ruth v. Educational Films*, 194 AppDiv 893, 184 NYS 948 (1920).

<sup>1</sup> *Melvin v. Reid*, 112 CalApp 285, 297 P 91 (1911) and *Mau v. Rio Grande Oil Inc.*, 28 FSupp 845 (DC Cal 1939). *Cf. Melvin v. Reid with Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 Sct 393 (1940).

<sup>2</sup> *Binus v. Vitagraph Co. of America*, 210 NY 51, 103 NE 1108 (1913); *Blumenthal v. Picture Classics*, 235 AppDiv 570, 257 NYS 636 (1938) *aff'd without opinion* in 261 NY 504, 185 NE 713 (1933).

<sup>3</sup> *Levey v. Warner Bros. Pictures, Inc.*, 57 FSupp 40 (DC NY 1944).

<sup>4</sup> *Freed v. Loew's Inc.*, 175 Misc 616, 24 NYS2d 679 (1940); *Merle v. Sociological Research Film Corporation*, 166 AppDiv 376, 152 NYS 829 (1915).

<sup>5</sup> *Humiston v. Universal Film Mfg. Co.*, 189 AppDiv 467, 178 NYS 752 (1919). The vital distinction between fact and fiction as a basis for liability is explained in *Lahiri v. Daily Mirror*, 162 Misc 776, 295 NYS 382 (1937): "It is hardly conceivable that the Blumenthal case was intended to stand for the proposition that the inclusion of passers-by in a current newsreel of a fire would give them a cause of action."

<sup>6</sup> *Gautier v. Pro-Football League Inc.*, 7 RR 2048 (NYSupCt 1951), *aff'd*, 304 NY 354, 107 NE2d 485 (1952).

<sup>7</sup> *Winters v. New York*, 333 US 507, 68 Sct 665, 92 LEd 840 (1948).

is established in the jurisprudence of New York<sup>8</sup> and presumably Utah.<sup>9</sup>

### 275e. THE TELEVISION CASES.

There have been but two formal written decisions applying the right of privacy to television broadcasting; these cases dealt with public performers who claimed that the unauthorized telecasts of their performances invaded their right of privacy.<sup>1</sup> The other four or five television cases are based on the experience of television broadcasters who have requested opinions on their rights and liabilities.

A word of caution is appropriate at this time. Undoubtedly the courts in balancing the right of privacy against the need for public information on matters of legitimate public interest will be guided by the adjudicated cases, and particularly the motion picture cases. But there will be tangible and intangible factors which will undoubtedly influence a court's judgment in the application of the privacy doctrine to television. Thus in balancing the private versus the public rights, the courts will consider the wide-spread publication of television programs into millions of homes. A television program will focus the attention of millions of people on the "personal rights" of an individual. On the other hand many television programs, particularly news and sports programs are on-the-spot broadcasts. Obviously technicians such as cameramen are not trained in the niceties and fine distinctions which have been developed in the law of privacy. A motion picture newsreel is cut and edited before public release; thus the newsreels company can eliminate any scenes which may violate a person's right of privacy. An on-the-spot television news program offers neither the time nor opportunity to cut and eliminate questionable scenes.

The foregoing are some of the factors which undoubtedly will influence the courts in the application of the right of privacy to television broadcasting.

Obviously the unauthorized use of a person's physical like-

<sup>8</sup> *Op cit supra*, notes 4 and 5.

<sup>9</sup> *Donahue v. Warner Bros. Pictures*, 194 F2d 6 (10th Cir 1952).

<sup>1</sup> *Peterson v. KMTR Radio Corpo-*

*ration*, 18 USL Week 2044 (CalSuperCt 1949); *Gautier v. Pro-Football League*, 7 RR 2048 (NYSupCt 1951), *aff'd*, 304 NY 354, 107 NE2d 485 (1952).

ness in a television program to exploit a commercial product constitutes a clear violation of his right of privacy which is actionable at common law and by statute.<sup>2</sup>

To return to the television cases, in the first case John Jones is a participant in an audience-participation show and is required to perform a ludicrous act, which he claims, violates his right of privacy. Jones alleges that he signed no waiver of his right of privacy.

At the outset a station or network can adequately protect itself by attaching as a condition precedent to the ticket of admission, the requirement that the holders of all such tickets waive their right of privacy. This waiver can be incorporated on the back of the ticket; in addition an appropriate announcement should be made before the telecast commences, advising the audience that their appearance on the show, constitutes a consent or waiver of their rights of privacy. In the absence of a waiver of the privacy doctrine either by the ticket of admission or an announcement to that effect, it is believed that Jones waives his right of privacy by his conduct. Jones is presumably familiar with the format of audience-participation shows; his participation in the show implies consent by conduct. This would be the rule in those states which recognize the right of privacy at common law.<sup>3</sup> The problem is more difficult under the New York statute. The latter provides that consent must be in writing. As discussed elsewhere, the New York courts have for all practical purposes disregarded this statutory requirement. It is believed that the New York courts will look with disfavor upon Jones who, having appeared in an audience-participation show, brings suit on the ground that the written consent required by the statute is lacking.<sup>4</sup>

In the second case, Jones is a well-known vaudeville artist whose act is reproduced without his consent via television during the halves of a football game. This was the factual pattern for the *Gautier*<sup>5</sup> and *Peterson*<sup>6</sup> cases. In both cases the courts held that public performers could not invoke the

<sup>2</sup> E.g. *Kunz v. Allen*, 102 Kans 883, 172 Pae 532 (1918).

<sup>3</sup> E.g. *Metter v. Los Angeles Examiner*, 35 CalApp2d 304, 95 P2d 491 (1939).

<sup>4</sup> See cases cited in § 273b *infra*.

<sup>5</sup> *Gautier v. Pro-Football League*

*Inc.*, 7 RR 2048 (NYSupCt 1951), *aff'd*, 304 NY 354, 107 NE2d 485 (1952).

<sup>6</sup> *Peterson v. KMTR Radio Corporation*, 18 US Law Week 2044 (Cal Super Ct 1949).

privacy doctrine to protect their business, commercial or property interests. As was stated in the *Gautier case*, "It [the right of privacy] provided primarily a recovery for injury to the person, not to his property or business. The recovery is grounded on the mental strain and distress, on the humiliation, on the disturbance of the peace of mind suffered by the individual affected. True, where an individual's right of privacy has been invaded there are certain other elements which may be taken into consideration in assessing damages. Thus, where a cause of action under the Civil Rights statute has been established, damages may include recovery for a so-called 'property' interest inherent and inextricably interwoven in the individual's personality . . . but it is the injury to the person not to the property which establishes the cause of action."

In the third case Jones is a spectator at a fire. The television camera reproduces his physical likeness as part of a news program which is sponsored; in a repeat performance, the telecast is a sustaining program.

Jones' right of privacy must yield to the right of the public to secure full information on all matters of legitimate public interest. Jones by being present at the fire, becomes a participant in an event of general public interest, thus willingly or not, his right of privacy is lost.<sup>7</sup>

It is doubtful whether the courts will impose liability because the telecast is sponsored as contrasted to a sustaining program. We have discussed elsewhere that to impose liability based on a rule-of-thumb formula of trade or advertising purposes is not workable. The test which should be applied by the courts is whether the commercial sponsorship of a news telecast is overbalanced by the news and informative content of the program. In the case under discussion, the news and informative content of the program clearly outweighs its commercial factor.<sup>8</sup>

It is very unlikely that the courts would absolve a broad-

<sup>7</sup> E.g. *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929). *Lahiri v. Daily Mirror*, 162 Misc 776, 295 NYS 332 (1937): "It is hardly conceivable that the Blumenthal case (*Blumenthal v. Picture Classics*, 235 AppDiv 570, 257 NYS 800 (1932),

*aff'd* 261 NY 504, 185 NE 713 (1933)), was intended to stand for the proposition that the inclusion of passerbys in a current newsreel of a fire would give them a cause of action."

<sup>8</sup> See § 273a *infra*.

caster from liability on the ground that the repeat performance was a sustaining program. In the copyright and unfair competition cases, the courts do not distinguish between commercial and sustaining programs. Thus in a copyright case, it was held that the unauthorized broadcast of a musical composition on a sustaining program was a performance for profit.<sup>9</sup> The courts have concluded that although sustaining programs do not produce direct revenues, they are commercial in character since they build a listening audience and are intended to aid in obtaining advertisers.<sup>10</sup> Thus it is unlikely that the courts will permit recovery for an invasion of the right of privacy on the ground that the program is sponsored, and deny recovery when a program is sustaining. As stated heretofore, the question in a commercial or sustaining program, is whether the commercial factor is outweighed by the news and informative content of the program.

In the fourth case Jones is a spectator at a football game which is being televised. Jones becomes intoxicated and gets into a fight. The television camera records Jones in a stage of intoxication, the fight and Jones being escorted from the stadium.

This is the hard case.

Firstly, a football game or any athletic contest is a matter of legitimate public interest.<sup>11</sup> The reproduction of the physical likeness of thousands of spectators is not actionable. The spectators are participants in a public event and have thus waived their right of privacy. Secondly and from a practical point of view, it would be impossible to obtain written waivers from the thousands of spectators whose faces might be identifiable in a television broadcast.

But John Jones who is singled out by the television camera which records his intoxicated condition, the fight and his

<sup>9</sup> Remick & Co. v. American Automobile Accessories Co., 5 F2d 411 (6 Cir 1925); Remick & Co. v. General Electric Co., 16 F2d 829 (SD NY 1926).

<sup>10</sup> Pittsburgh Athletic Co. v. KQV Broadcasting Co., 24 FSupp 490, 493 (DC Pa 1938): "Defendant contends it is not unfairly competing with any of the plaintiffs because it obtains no compensation from a sponsor or otherwise from its baseball broadcasts. It

concedes, however, that KQV seeks by its broadcast of news of baseball games to cultivate the goodwill of the public for its radio station. The fact that no revenue is obtained directly from the broadcast is not controlling, as these broadcasts are undoubtedly designed to aid in obtaining advertising business."

<sup>11</sup> Cf. Sweenek v. Pathe News, 16 FSupp 746 (DC NY 1936).

ejection from the stadium under police escort, may have a cause of action. Jones' bundle of personal rights are not completely waived by his participation in a public event. He retains a majority of those personal rights which are safeguarded from public view via a television receiver.<sup>12</sup> Jones is obviously a wrong-doer and at fault. But his derelictions do not warrant the television broadcaster from publicizing these reserved personal rights to the world.<sup>13</sup> Furthermore, it must be remembered that the public event being televised is a football game. Jones' participation as a spectator is not the primary public interest. Thus it could be contended that the television broadcaster has over-emphasized Jones' derelictions in lieu of the football game, which is the legitimate matter of public interest.

This case is not free from doubt. Public policy and the mores of the day may produce a different result. Variations in the facts may likewise produce a different conclusion. Until the law is blocked out by the courts, it is suggested that

<sup>12</sup> Sidis v. F-R Publishing Corporation, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 85 LEd 462, 61 Sct 393 (1940): "Warren and Brandeis realized that the interest of the individual in privacy must inevitably conflict with the interest of the public in news. Certain public figures, they conceded, such as holders of public office, must sacrifice their privacy and expose at least part of their lives to public scrutiny as the price of the powers they attain. But even public figures were not to be stripped bare. 'In general, then, the matters of which the publication should be repressed may be described as those which concern the private life, habits, acts, and relations of an individual, and have no legitimate connection with his fitness for public office. . . . Some things all men alike are entitled to keep from public curiosity, whether in public life or not, while others are only private because the persons concerned have not assumed a position which makes their doings legitimate matters of public investigation.' Warren and Brandeis, *supra* at page 216.

"It must be conceded that under the strict standards suggested by these

authors plaintiff's right of privacy has been invaded. Sidis today is neither politician, public administrator, nor statesman. Even if he were, some of the personal details revealed were of the sort that Warren and Brandeis believed 'all men alike are entitled to keep from popular curiosity.'

"But despite eminent opinion to the contrary, we are not yet disposed to afford to all of the intimate details of private life an absolute immunity from the prying of the press. Everyone will agree that at some point the public interest in obtaining information becomes dominant over the individual's desire for privacy. Warren and Brandeis were willing to lift the veil somewhat in the case of public officers. We would go further, though we are not yet prepared to say how far. At least we would permit limited scrutiny of the 'private' life of any person who has achieved or has thrust upon him the questionable and indefinable status of a 'public figure'."

<sup>13</sup> Jones may have a cause of action for defamation. See the annotation in 99 ALR 878 on the law of libel and slander as applied to motion pictures.

the television camera scan the entire audience as a background to the main event and not as the main event.

In the fifth case, Jones is standing on the corner of a busy thoroughfare. Jones is televised without his knowledge or permission and appears in several scenes. The program is a "documentary" production. If the program is an unembroidered factual presentation of a matter of legitimate public interest, and Jones' appearance is incidental, it is believed that Jones has no cause of action. If on the other hand the "documentary" is a fictionalized story and Jones is identifiable, even in a few scenes, he may have a cause of action. The foregoing conclusions are premised on the law as developed in New York.<sup>14</sup> "Immunity is granted to fact as distinguished from fiction regardless of the medium by which it is conveyed."<sup>15</sup>

In the last case, Jones, a professional gambler refuses to testify before the Kefauver Crime Committee, claiming that the reproduction of his voice and physical likeness invades his right of privacy.

At the outset we are concerned with the extremely narrow issue of Jones' right of privacy. Excluded from this discussion is Jones' right to refuse to testify if the testimony would incriminate him. Likewise excluded are various proposals that Congressional investigating committees establish codes of procedure to safeguard the rights of individuals.<sup>16</sup>

The contention that Jones must yield his right of privacy when he is subpoenaed to testify before the committee is premised on the following arguments:

The investigative powers of a committee extend to any matter affecting the public interest upon which the legislature may require information.<sup>17</sup> The primary limitation on an investigative committee, other than the constitutional guarantee against self-incrimination is the committee's self-restraint and desire to safeguard individual rights. Any individual who is required to testify is a participant in a public event and to that extent has lost his right of privacy. In other

<sup>14</sup> *Infra* §§ 275b and 275c.

<sup>15</sup> Nizer, *The Right of Privacy* (1941) 39 MichLRev 526, 545.

<sup>16</sup> Gossett, *Justice and TV* (1952) 38 ABA Journal 15; Arnold, *Mob Justice and Television* (1951) 12 FedCom

BarJ 4; Taylor, *The Issue Is Not TV, But Fair Play* (1951) 12 FedComBarJ 10.

<sup>17</sup> See Symposium on Congressional Investigations (1951) 18 UofChiLRev 421.

words, as far as witnesses are concerned, there can be no right of privacy in a legal public hearing.<sup>18</sup>

On the other hand, Jones may contend that the reproduction of his voice and physical likeness via television, the bustle, confusion and activity attendant the telecast are equivalent to the "third degree"; that all of this activity causes Jones, mental strain, distress and humiliation, all of which precludes him from properly answering the Committee's questions. It is a close question as to whether a Congressional committee can pluck an innocent person off the street and subject him to the widespread publicity and notoriety which results from his participation in a "crime" telecast. But an innocent person, or Jones, the professional gambler, may utilize the right of privacy as a constitutional guarantee, claiming that the mental strain, humiliation and disturbance to his peace of mind is equivalent to a forced confession.<sup>19</sup>

The remedies for such abuses as may exist in the telecasting of legislative hearings lie with Congress and not with the courts.<sup>20</sup> There can be no doubt that the telecast of legislative hearings and proceedings would be salutary. But it must be remembered that where a legislative hearing takes on the trappings and aspects of a judicial hearing, particularly where there is compulsory examination of witnesses, it should conform to the following judicial traditions:

"It must be public and at the same time not a device for publicity.

"It must protect the innocent even at the cost of letting the guilty escape."<sup>21</sup>

A final word of caution is appropriate at this time. The right of privacy is a recent development in our jurisprudence. It is still in its formative stage; there are large gaps of unanswered law which will be supplied in time by the judicial process of inclusion and exclusion. Television intensifies the problem; perhaps it may accelerate the filling in of these gaps.

But the basis of the law of privacy is public policy and the

<sup>18</sup> E.g. *Jones v. Herald Post Co.*, 230 Ky 227, 18 SW2d 972 (1929); *Sutton v. Hearst Corp.*, 277 AppDiv 155, 98 NYS2d 233 (1950); *Molony v. Boy Comics Publishers, Inc.*, 277 AppDiv 166, 98 NYS2d 119 (1950), reversing, 188 Misc 450, 65 NYS2d 173 (1946).

<sup>19</sup> *And of. Pavesich v. New England Life Insurance Co.*, 122 Ga 190, 50 SE 68 (1905) with *Henry v. Cherry & Webb*, 30 RI 13, 36 (1909).

<sup>20</sup> *Op cit supra*, note 16.

<sup>21</sup> *Arnold, Mob Justice and Television* (1951) 12 FedComBarJ 4, 9.

mores of the day. Each case resolves itself into a conflict between the private rights of the individual against the public right of the free flow of information and exchange of ideas. And this conflict must be resolved against the background of an ever-changing public policy. Thus we are dealing with a branch of law which is in a very fluid form and susceptible of change. Our conclusions will require re-evaluation in the light of a dynamic public and changing mores.<sup>22</sup>

<sup>22</sup> *Sidis v. F-R Publishing Corporation*, 113 F2d 806 (2d Cir 1940), cert den, 311 US 711, 61 S Ct 393, 85 LEd 462 (1940).

“We express no comment on whether or not the news worthiness of the matter printed will always constitute a complete defense. Revelations may be so intimate and so unwarranted in view of the victims position as to outrage the community’s notions of decency. But when focused upon public char-

acters, truthful comments upon dress speech, habits, and the ordinary aspects of personality will usually not transgress this line. Regrettably or not, the misfortunes and frailties of neighbors and ‘public figures’ are subjects of considerable interest and discussion to the rest of the population. And when such are the mores of the community, it would be unwise for a court to bar their expression in newspapers, books and magazines of the day.’”

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