KILPATRICK STOCKTON LLP

Swedish Copyright Society

Hot Topics in U.S. Copyright Litigation

May 27, 2004

Joseph M. Beck

Kilpatrick Stockton

HOT TOPICS IN U.S. COPYRIGHT LITIGATION

The topic at the red hot center is the downloading of music, film and video, and efforts under the DMCA, etc. to control it.

But that topic has received at least its share of attention in the popular and legal media and ultimately will most likely be resolved, if at all, through a combination of Congressional legislation and technology.

I will mention instead some warm to medium hot topics that have received less attention:

1. **Is there a new standard for an injunction in copyright infringement cases?**
2. **Rethinking "originality"-ordinary v. discerning observers**
3. **Transformative use: Is it only a parody?**
4. **Moral rights, preemption and the First Amendment**

I. TO GET AN INJUNCTION IN THE U.S.

A. Plaintiff must carry the burden of persuasion on each of the following four factors:

1) Plaintiff must show a substantial likelihood of prevailing on the merits;

2) Plaintiff must show that it will suffer irreparable harm if an injunction does not issue;

3) Plaintiff must prove that its threatened injury outweighs the harm that would result to defendant from an injunction; and

4) "The injunction must not disserve the public interest."

- *Swatch Watch, S.A. v. Taxor, Inc.*, 785 F.2d 956, 958-59 (11th Cir. 1986); *Snook v. Trust Co. of Georgia Bank of Savannah, N.A.*, 909 F.2d 480, 483 n.3 (11th Cir. 1990).

I. TO GET AN INJUNCTION IN THE U.S. (cont'd)

B. THE TRADITIONAL "BLACK LETTER" RULE

1) If the plaintiff is likely to prevail, "irreparable" harm is presumed.

2) That "irreparable" harm (almost) always outweighs harm to the "infringer."

3) No public interest in allowing "piracy" to continue.

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I. TO GET AN INJUNCTION IN THE U.S. (cont'd)

C. Courts have "found" - as opposed to assumed – that the following situations constitute irreparable harm:

1) The possibility that the Defendant cannot pay a judgment
2) A threat to Plaintiff's competitive position due to infringer's cheaper goods supplanting market for legitimate goods
3) Inability of plaintiff to obtain remedy in time to exploit fast moving trends in the market (fabric, design, video games)
4) Inability to track the number of Defendant's infringing items

None of these are present in many copyright cases.

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I. TO GET AN INJUNCTION IN THE U.S. (cont'd)

D. WHERE EVIDENCE SHOWED NO COPYRIGHT DAMAGE, CAN THERE BE "IRREPARABLE" DAMAGE

- "SunTrust focuses on the market value of GWTW and its derivatives, but fails to address and offers little evidence or argument to demonstrate that TWDG would supplant demand" even though such evidence "is crucial to a fair use determination." *SunTrust*
- Also "crucial" to an irreparable harm showing?

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I. TO GET AN INJUNCTION IN THE U.S. (cont'd)

E. EVIDENCE SHOWED NO COPYRIGHT DAMAGE, MUCH LESS "IRREPARABLE" DAMAGE (continued)

- MARKET EFFECT-Readers buy sequels for "more of the same thing that has given pleasure in the past." But "this desire is not satisfied by parodies or other works that are sharply critical of the original." (Literary Agent Jane Chelius, with 34 years of experience in the book publishing industry, including extensive experience with sequels)
- TWDG "is unlikely to have any discernible effect on the market for GWTW sequels other than possibly through its criticism." (Frank Price, formerly Chairman and CEO of Columbia Pictures, produced a number of sequels including The Six Million Dollar Man/Bionic Woman, The Blue Lagoon/Return to the Blue Lagoon, The Karate Kid I and II, and The Psycho III sequel to Psycho)
- Pat Conroy Testimony
- "In contrast, the evidence proffered in support of the fair use defense specifically and correctly focused on market substitution and demonstrates why Randall's book is unlikely to displace sales of GWTW." *SunTrust*

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I. TO GET AN INJUNCTION IN THE U.S. (cont'd)

F. SOME INJUNCTIONS DISSERVE THE PUBLIC INTEREST

- Prior Restraint Law V. Copyright Law
- "While in the 'vast majority of cases, an injunctive remedy is justified because most infringements are simple piracy," such cases are 'worlds apart form many of those raising reasonable contentions of fair use' where' there may be a strong public interest in the publication for the secondary work…" *Cambell, 510 U.S. at 578 n.10.*
- "In assessing the appropriateness of injunctive relief, we urge the Court [on remand] to consider alternatives…in lieu of foreclosing the public's…access to this educational and entertaining work." *Greenberg v. National Geographic Society,* No. 00-10510, 2001 WL 280075 at *7 (11th Cir., Mar. 22, 2001)
- SunTrust v. Houghton Mifflin – The ruling from the bench

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II. SOME SECOND THOUGHTS ABOUT "ORIGINALITY"

A. Should there be a presumption of "originality" upon registration?

1) Copyright office cannot really judge originality.

B. Substantial similarity of copyrightable expression.

2) Evidence of prior art.

3) Apply "discerning," not "ordinary," observer standard to all disputes.

C. The "Discerning" Observer – separating what allegedly has been copied and comparing just that with the copyrighted work. *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759 (2d Cir. 1991); *cf. Mitek Holdings, Inc. v. Arce Engineering Co., Inc.*, 89 F.3d 1548 (1996) ("virtual identicality" required to prove infringement of non-literal elements of compilation).

D. Play comparisons of "Boyz Night Out" by Cooper and Broussard with "Bounce With Me" by Jermaine Dupri, da Brat and Lil Bow Wow.

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY?

Parody, satire, comment and criticism – like news reporting – are generally favored as fair use under 17 U.S.C. 107.

- This is especially the case where the allegedly infringing use is "transformative"; and parody is a classic example of transformative" use. *Campbell v. Acuff-Rose Music Inc.*, 510 U.S. 569, 114 S. Ct. 1164 (1994).
- (Play Orbison / 2 Live Crew)

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY? (cont'd)

- A parody is a work, belonging to a long literary tradition, which imitates another work and in doing so comments on that work, usually in order to ridicule it or to suggest its limitations. (Sitter Decl. ¶ 15)
- A parody is a work of literature that references or imitates an earlier literary work in order to ridicule or mock it. (McCaskill Decl. ¶ 3)
- A parody is a work…which imitates another work and in doing so comments on that work, usually is order to ridicule it or to suggest its limitations. (Gates Decl. ¶ 3)
- "[Author] Randall has fully employed those conscripted elements from *GWTW* to make war against it." (Birch, J.)
- *c.f. D.C. Comics v. Unlimited Monkey Business* and *MGM v. Showcase Atlanta*

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY? How About Satire? (cont'd)

- Satire is not (necessarily) parody
  - Because it does not transform the copyrighted work
  - *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992) – satirical critique of materialistic society did not criticize (transform) photograph of couple holding puppies

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY? How About Satire? (cont'd)

Satire must target the copyrighted work, *i.e.*, it must be satire AND parody to be transformative

- *Dr. Seuss Enterprises, L.P. v. Penguin Books*, 109 F.3d 1394 (9th Cir. 1997) – mimicry but not ridicule of Dr. Seuss' style; satire of O. J. Simpson/trial, not parody of *The Cat in the Hat*
- *C.f. D. C. Comics* – mimicry without ridicule/no transformation of Superman® or Wonderwoman® characters

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY? (cont'd)

- *Estate of Martin Luther King, Jr., Inc. v. CBS, Inc.,* 194 F.3d 1211 (11th Cir. 1999)
  - (Inter-cutting photos of slaves, George Wallace, etc. with "I Have A Dream")

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III. TRANSFORMATIVE USE – IS IT MORE THAN A PARODY? (cont'd)

Non-Parody Examples Of . . . Transformative Use"?? (cont'd)

- *Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512, 517 (7th Cir. 2002) (Posner, J.) (citations omitted), *cert. denied*, 123 S. Ct. 892 (2003)
- *Kelly v. Arriba Soft Corp.*, 280 F.3d 934 (9th Cir. 2002) – thumbnails yes, full size, no

Is this what Judge Leval had in mind?

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IV. Moral Rights, Preemption and the First Amendment

- *Monroig v. RMM Records and Video Corp.*, 196 F.R.D. 214 (P.R. 2000), affirmed jury verdict of $6,137,500 for moral rights violations committed within Puerto Rico and other countries.
- Defendants changed record lyrics without consent of the writer.
- The writer claimed the changes damaged the memory of his father.

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IV. Moral Rights, Preemption and the First Amendment (cont'd)

- Our client obtained license to make phonorecords of songs by two Puerto Rican writers.
- Writers alleged unauthorized changes to the compositions.
- Attorney in *Monroig* cited Puerto Rico Intellectual Property Act (PRIPA), 31 L.P.R.A. § 1401; upheld three times by the Puerto Rican Supreme Court.
- The PRIPA provides "The author or beneficiary of a literary, scientific, artistic and/or musical work has the right to benefit from it, and the exclusive prerogatives to attribute to him/herself or retract its authorship, dispose of his/her work, authorize its publication and protect its integrity, in accordance with the special laws in effect on the matter."

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IV. Moral Rights, Preemption and the First Amendment (cont'd)

- We argued that the PRIPA:
  - Applies to "speech;
  - Failed to provide adequate notice of conduct prohibited; and
  - Was unconstitutionally vague and overbroad.

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IV. Moral Rights, Preemption and the First Amendment (cont'd)

- We also alleged that the claims under the PRIPA were completely preempted under the copyright laws of the United States.
- But Section 301(f)(2)(B) provides "Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any state with respect to -- . . . activities violating legal or equitable rights that are not equivalent to any of the rights conferred by Section 106(A) with respect to works of visual art . . . ."
- It can be inferred that Congress, in enacting VARA, did not intend to occupy the field with respect to moral rights.

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IV. Moral Rights, Preemption and the First Amendment (cont'd)

- The First Amendment and Preemption arguments require more time than we have.
- Attached is an article by the speaker and colleagues detailing the arguments and the risks from moral rights claim

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