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You Can't Always Get What You Want, But If You Try Sometimes You Can Steal It and Call It Fair Use: A Proposal to Abolish the Fair Use Defense for Music

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YOU CAN'T ALWAYS GET WHAT YOU WANT, BUT IF YOU TRY SOMETIMES YOU CAN STEAL IT AND CALL IT FAIR USE: A PROPOSAL TO ABOLISH THE FAIR USE DEFENSE FOR MUSIC

William Henslee⁺

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I. INTRODUCTION

The courts, in the interest of learning and science, have at all times and in all countries recognized the right of subsequent authors, compilers, and publishers to use the works of others to a certain extent, but the great difficulty has always been, and always must be, to determine where such use ceases to be legitimate, and becomes an invasion of the rights of others.¹

The fair use² doctrine in copyright has become the excuse for every creatively challenged author³ who gets caught using someone else's intellectual property without paying for it and tries to pass it off as his or her own. Fair use has also become the means to use someone else's work for purposes unrelated to the original without paying for the use.⁴ This was evident in the 2008 presidential

1. *Farmer v. Calvert Lithographing, Etc. Co.*, 8 F. Cas. 1022, 1026 (C.C.E.D. Mich. 1872) (No. 4651).

2. The fair use doctrine is codified in 17 U.S.C. § 107 (2000):

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

3. See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) ("To qualify for copyright protection, a work must be original to the author. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, 'no matter how crude, humble or obvious' it might be. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying." (citations omitted) (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 1.08[C][1] (1990))).

4. See Memorandum of Points & Authorities in Support of Defendant John McCain's Motion to Dismiss under FRCP 12(b)(6) at 2–3, *Browne v. McCain*, No. CV08-05334 (C.D. Cal. Dec. 8, 2008), available at <http://news.justia.com/cases/featured/california/cacdce/2:2008cv05334/423317/> [hereinafter Memorandum of Points & Authorities].

Senator John McCain's attorneys wrote:

The facts necessary to resolve this Motion and dispose of this case are undisputed and incorporated by reference in the Complaint: the Political Video. The Political Video is one minute and twenty seconds long and starts with clips of Ohio television news reporters discussing high gasoline prices. One reporter asks "How do you bring down the price of gas here in northeast Ohio and across the U.S.A.?" and the Political Video cuts to Obama saying at a rally "making sure your tires are properly inflated."

election campaign when Senator John McCain, his campaign organization, and the GOP used songs from various artists in his advertisements without the artists' permission.⁵ Jackson Browne sued Senator McCain and his campaign organization for copyright infringement and the defense was, predictably, fair use.⁶

While there are scholars who believe fair use should be more widely applicable than it already is,⁷ this Article will discuss how the fair use defense in music has been expanded far beyond the original legislative intent and has been applied too liberally by the courts, potentially rendering an author's rights under 17 U.S.C. § 106⁸ meaningless. For authors to recapture these lost rights,

The sound of a needle scratching an album is heard as the screen flashes the word "What?!" Information is shown about McCain's energy plans and McCain is shown speaking at a rally and stating that low-income Americans are bearing the brunt of a failed energy policy. A screen then poses the question: "What's that Obama plan again?" At this point, 50 seconds into the Political Video, music (but no lyrics) from the Song is first heard in the background. Obama is shown stating that "we can save all the oil they're talking about getting off drilling if everyone was just inflating their tires." Senator Hillary Clinton is then shown saying (at a press conference during a time when she was also a presidential candidate), "Shame on you, Barack Obama!" A picture of Obama then appears next to the caption "Barack Obama: No Solutions" and the words "No Solutions" change to "Not Ready to Lead." This screen with the picture and words appears at 1:11 of the Political Video, and at this point the sound of Browne singing the lyrics "running on empty" along with a few other words that bracket that phrase in the Song can be heard.

Id.; see also Complaint at 2–3, *Browne v. McCain*, No. CV08-05334 (C.D. Cal. Aug. 14, 2008), available at <http://news.justia.com/cases/featured/california/cacdcce/2:2008cv05334/423317/> (stating that the McCain campaign used not only the plaintiff Jackson Browne's song without a license, but also songs of Franki Valli, ABBA, and John Mellencamp).

5. See Complaint, *supra* note 4, at 2–3.

6. Memorandum of Points & Authorities, *supra* note 4, at 1, 4. The memorandum supporting Senator McCain's Motion to Dismiss argued that the first fair use factor favored McCain because "the making of an exact copy of a work 'may be transformative so long as the copy serves a different function than the original work.'" *Id.* at 10 (quoting *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir. 2007)). The memorandum next stated that McCain should prevail on the second factor because, "while the entire Song itself might be creative, the limited portion of it used in the Political Video was not particularly creative." *Id.* at 11. The memorandum went on to state that the third factor favored McCain because "[t]he Political Video only used a small portion of the Song" and "[t]he qualitative analysis . . . furthers the purpose of the expressive work." *Id.* at 12. Fourth, "[t]he Political Video does not usurp the demand for the Song." *Id.* at 14.

7. See, e.g., William F. Patry & Shira Perlmutter, *Fair Use Misconstrued: Profit, Presumptions, and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667 (1993); Lisa M. Babiskin, Comment, *Oh, Pretty Parody: Campbell v. Acuff-Rose Music, Inc.*, 8 HARV. J.L. & TECH. 193 (1994); Julie Bisciglia, *Parody and Copyright Protection: Turning the Balancing Act Into a Juggling Act*, 34 COPYRIGHT L. SYMP. (ASCAP) 1 (1987).

8. 17 U.S.C. § 106 (2000) states the following:

Exclusive rights in copyrighted works

Subject to sections 107 through 121, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

the defense should be severely restricted, abolishing it for all but a very few narrowly tailored exceptions.

The concept of fair use has always been difficult to apply for both practitioners and the courts.⁹ Although its foundation lies in the common law, the fair use defense was not codified until the 1976 Copyright Act.¹⁰ The struggle to balance the competing interests of copyright holders and the public is at a critical point today. The history of fair use, discussed in greater detail below, demonstrates how courts and practitioners have struggled to characterize certain uses as fair uses. In 1909, the year the first comprehensive copyright act was enacted, two cases involving the same plaintiff, court, and plaintiff's lawyer, Nathan Burkan,¹¹ were decided with opposite outcomes.¹²

Irene Franklin Green, a popular singer of the time, brought two cases against two different performers for mimicking her during a musical "performance."¹³ In these cases, two different judges sitting in the Circuit Court for the Southern District of New York found factual differences to distinguish two parodies of Green's performances of two different songs.¹⁴ In the first case, *Green v. Minzensheimer*, the defendant "imitate[d] the voice, postures and mannerisms of the complainant Irene Franklin Green by singing one verse and the chorus of 'Redhead.'"¹⁵ The lyrics and chorus were not accompanied by music, which led the court to find that the performance constituted a fair use.¹⁶

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

17 U.S.C. § 106 (2000).

9. David Nimmer, *Codifying Copyright Comprehensively*, 51 UCLA L. REV. 1233, 1274 (2004) ("As has often been remarked, it is only after litigating a case all the way to the Supreme Court level that one truly knows whether a previous utilization qualified as 'fair' or 'unfair.'").

10. Copyright Act of 1976, Pub. L. No. 94-553, § 107, 90 Stat. 2541, 2456 (codified as amended at 17 U.S.C. § 107 (2000)).

11. Burkan was the first attorney for the American Society of Composers, Authors and Publishers (ASCAP).

12. Compare *Green v. Minzensheimer*, 177 F. 286, 286 (C.C.S.D.N.Y. 1909), with *Green v. Luby*, 177 F. 287, 288 (C.C.S.D.N.Y. 1909).

13. *Luby*, 177 F. at 287; *Minzensheimer*, 177 F. at 286.

14. *Luby*, 177 F. at 287; *Minzensheimer*, 177 F. at 286.

15. *Minzensheimer*, 177 F. at 286.

16. *Id.*

In the second case, *Green v. Luby*, the defendant admitted to singing "the copyrighted song with musical accompaniment" in her act where she mimicked Ms. Green.¹⁷ In finding infringement, the court stated:

The mimicry is said to be the important thing; the particular song, the mere incident. But I am not satisfied that, in order to imitate a singer, it is necessary to sing the whole of a copyrighted song. "The mannerisms of the artist impersonated," to use the language of the defendant's brief, may be shown without words. And if some words are absolutely necessary, still a whole song is hardly required, it is not too much to say that the imitator should select for impersonation a singer singing something else than a copyrighted song.¹⁸

While *Luby* stated what is not a fair use, neither case provided any clear guidance for what type of use would constitute fair use.¹⁹

In a 1955 presentation for the American Society of Composers, Authors and Publishers (ASCAP), Saul Cohen synthesized the elements of fair use used by various courts throughout the nation and determined that there were eight factors to be considered in the determination of fair use.²⁰

The cases indicate that there are eight elements which the courts consider; any one of the eight may, in a particular case, be decisive. These factors are: (1) the type of use involved; (2) the intent with which it was made; (3) its effect on the original work; (4) the amount of the user's labor involved; (5) the benefit gained by him; (6) the nature of the works involved; (7) the amount of material used; and (8) its relative value.²¹

In a 1961 presentation to Congress by the Registrar of Copyright, Alan Latman's 1958 report detailed a study of fair use from jurisdictions around the world.²² Latman suggested that Congress either recognize the doctrine in general terms, specifying general criteria for fair uses, or leave the definition to the courts.²³ He stated that a use would be considered a fair use if it was incidental, for review or criticism, a parody or burlesque, for a scholarly work or compilation, for personal or private use, for news reporting, for use in litigation, or for nonprofit or governmental purposes.²⁴

17. *Luby*, 177 F. at 288.

18. *Id.*

19. *See id.*, 177 F. at 287–88; *Minzensheimer*, 177 F. at 286.

20. Saul Cohen, *Fair Use in the Law of Copyright*, 6 COPYRIGHT L. SYMP. (ASCAP) 43, 53 (1955).

21. *Id.*

22. ALAN LATMAN, FAIR USE OF COPYRIGHTED WORKS 24–29 (1958), reprinted in SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE S. COMM. ON THE JUDICIARY, 86TH CONG. (Comm. Print 1960) (Study No. 14).

23. *Id.* at 18.

24. *Id.* at 8–14.

Congress chose to include some of Latman's situational fair uses in crafting the current four-factor test set forth in the 1976 Copyright Act.²⁵ Rather than clarifying the analysis for determining fair use, the 1976 Act merely created criteria for courts to consider when deciding whether a particular use is fair or not.²⁶ The factors, situations, and circumstances of fair use have always been inclusive rather than exclusive.²⁷ Although the statute was enacted to increase public use and access to copyrighted material, it has been abused by users who have taken advantage of the defense.²⁸ With the ability to create exact digital copies of the original, and to manipulate the music and vocal performances with computer programs, the fair use doctrine needs to be modified to protect music copyright owners from unauthorized free use of their intellectual property and misuse.

II. FAIR USE PRIOR TO THE 1976 COPYRIGHT ACT

While fair use may have always existed in some form, the term "fair use" did not emerge until 1869, when it appeared in *Lawrence v. Dana*, in the phrase, "[E]vidence of innocent intention may have a bearing upon the question of 'fair use.'"²⁹ Prior to the 1909 Copyright Act, and even after its enactment, the courts did not have a codified test for what constituted "fair use." Section 1 of the 1909 Copyright Act codified copyright owners' exclusive rights.³⁰ While exclusive rights included the rights to publish, copy,

25. 17 U.S.C. § 107 (2000).

26. See *id.*; see also Nimmer, *supra* note 9, at 1274 ("[T]hose four factors fail abysmally to provide transparent guidance in advance for actors wishing to comport their behavior with the law.").

27. See H.R. REP. NO. 94-1476, at 65 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5679 ("[T]he courts have evolved a set of criteria which, though in no case definitive or determinative, provide some gauge [sic] for balancing the equities.").

28. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 599 (1994) (Kennedy, J., concurring) ("We should not make it easy for musicians to exploit existing works and then later claim that their rendition was a valuable commentary on the original. . . . And underprotection of copyright disserves the goals of copyright just as much as overprotection, by reducing the financial incentive to create.").

29. *Lawrence v. Dana*, 15 F. Cas. 26, 60 (C.C.D. Mass. 1869) (No. 8136).

30. Copyright Act of 1909, ch. 320, § 1, 35 Stat. 1075, 1075 (codified at 17 U.S.C. § 1 (1976) (revised in entirety 1976)). Exclusive rights granted to the copyright owner included:

(a) To print, reprint, publish, copy, and vend the copyrighted work;

(b) To translate the copyrighted work into other languages or dialects;

(c) To deliver, or authorize the delivery of the copyrighted work in public for profit if it be a lecture, sermon, address or similar production;

....

(e) To perform the copyrighted work publicly for profit if it be a musical composition

Id. In 1971 Congress granted copyright in sound recordings to protect against music piracy:

(f) To reproduce and distribute to the public by sale or other transfer of ownership, or by rental, lease, or lending, reproductions of the copyrighted work if it be a sound recording: *Provided*, That the exclusive right of the owner of a copyright in a sound

and vend, the copyright owner did not have an exclusive right to *use* the copyrighted work.³¹ This notion is the basis of fair use. The sentiment behind the creation of fair use of an author's work can be traced back to the days of Lord Mansfield:³²

[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 labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded. The Act that secures copy-right to authors guards against the piracy of the words and sentiments; but it does not prohibit writing on the same subject.³³

Although the 1909 Act allowed for the finding of fair use, it did not provide statutory guidelines to aid the courts' determination of what was "fair."³⁴ Because there was no codification of the principle, multiple loose uses of the term "fair use" emerged. One was that fair use was a technical infringement, excused because there was a "minimal" amount of the original material taken,

recording to reproduce it is limited to the right to duplicate the sound recording in a tangible form that directly or indirectly recaptures the actual sounds fixed in the recording: *Provided further*, That this right does not extend to the making or duplication of another sound recording that is an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording; or to reproductions made by transmitting organizations exclusively for their own use.

Sound Recording Act of 1971, Pub. L. No. 92-140, § 1(a), 85 Stat. 391, 391 (codified at 17 U.S.C. § 1(f) (1976) (revised in entirety 1976)).

31. See Copyright Act of 1909 § 1, 35 Stat. 1075; see also *Eichel v. Marcin*, 241 F. 404, 410 (S.D.N.Y. 1913) ("There is an important distinction between copyrights and patents. Letters patent give a monopoly to make, vend, and use, while copyright does not give an exclusive right to use. Copyright protection is extended to authors, mainly with a view to inducing them to give their ideas to the public, so that they may be added to the intellectual store, accessible to the people, and that they may be used for the intellectual advancement of mankind.").

32. William Murray Lord Mansfield was appointed to the King's Bench as Chief Justice in 1756, and fulfilled his duties with the utmost distinction. See LORD CAMPBELL, 3 THE LIVES OF THE CHIEF JUSTICES OF ENGLAND 290 (James Cockcroft & Co. 1873) ("Although he did not then delineate in the abstract the *beau ideal* of a perfect judge, he afterwards proved to the world by his own practice that it had been long familiar to his mind."). He made many important contributions to the development of English commercial law, *id.* at 304 n.2, and retired in 1788 because of deteriorating health, see *id.* at 457.

33. *Sayre v. Moore* (1785) (K.B.) (Lord Mansfield, C.J.), as reprinted in *Cary v. Longman*, (1801) 102 Eng. Rep. 138, 138 n.2 (K.B.).

34. See 17 U.S.C. § 1; see also LATMAN, *supra* note 22, at 6 ("The silence of the 1909 act on the question of fair use is consistent with prior history. There has apparently never been any specific statutory provision dealing with the question in the copyright law of the United States. At least one specific provision of the 1909 act has, however, had an indirect impact. Section 1(b) extends to the owner of a copyright in a literary work the exclusive right 'to make any version thereof.' . . . In general, however, the rationale underlying the fair use doctrine and the criteria for its application are discernible in a body of case law unaffected by legislative developments.").

now referred to as a *de minimis* use.³⁵ Another was that fair use was an appropriation of unprotected material.³⁶ The two principles developed into an uncodified approach, best stated in *Shapiro, Bernstein & Co. v. P.F. Collier & Son Co.*³⁷ While a multi-prong test emerged, that test did not indicate how the prongs were to be used, if they were exhaustive or illustrative, if they were to be weighed equally, or if all three prongs had to be used in the analysis.³⁸

Section 1(b) of the Copyright Act of 1909 allowed for a series of exclusive rights to be granted to the copyright owner.³⁹ These rights included creating a new version of a literary work and arranging or adapting a musical work.⁴⁰

35. See *Folsom v. Marsh*, 9 F. Cas. 342, 344-45 (C.C.D. Mass. 1841) (No. 4901) (Story, Circuit Justice) (seeking to find a balance between "fair and reasonable criticism" and "superseding the use of the original work" and looking to intellectual labor as the balance). In *Folsom*, Justice Story, riding circuit, wrote:

[N]o one can doubt that a reviewer may fairly cite largely from the original work, if his design be really and truly to use the passages for the purposes of fair and reasonable criticism. On the other hand, it is as clear, that if he thus cites the most important parts of the work, with a view, not to criticise, but to supersede the use of the original work, and substitute the review for it, such a use will be deemed in law a piracy. . . . It is clear, that a mere selection, or different arrangement of parts of the original work, so as to bring the work into a smaller compass, will not be held to be such an abridgment. There must be real, substantial condensation of the materials, and intellectual labor and judgment bestowed thereon; and not merely the facile use of the scissors; or extracts of the essential parts, constituting the chief value of the original work.

Id. at 344-45.

36. See, e.g., *Shipman v. R.K.O. Radio Pictures, Inc.*, 100 F.2d 533, 537 (2d Cir. 1938) ("Fair use is defined as copying the theme or ideas rather than their expression."); *Serrana v. Jefferson*, 33 F. 347, 347-48 (C.C.S.D.N.Y. 1888) (stating there is not infringement of copyright where the scenes are so frequent as to be considered "common property of all playwrights"); *Daly v. Palmer*, 6 F. Cas. 1132, 1138 (C.C.S.D.N.Y. 1868) (No. 3552) (initiating the view that ideas are not copyrightable, but impressions and sequences are, by stating that "it is a piracy, if the appropriated series of events, when represented on the stage, . . . convey[] substantially the same impressions to, and excit[e] the same emotions in, the mind, in the same sequence or order").

37. 26 U.S.P.Q. (BNA) 40, 43 (S.D.N.Y. 1934) ("[T]he following are generally 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."); see also *Karll v. Curtis Publ'g Co.*, 39 F. Supp. 836, 837 (E.D. Wis. 1941) ("What is or is not a fair use depends upon the circumstances of each particular case. [T]he court must look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, diminish the profits, or supersede the objects of the original work." (internal quotation marks omitted)); *Broadway Music Corp. v. F-R Publ'g Corp.*, 31 F. Supp. 817, 818 (S.D.N.Y. 1940) ("[S]ome of the tests to be applied: (1) The extent and relative value of the extracts; (2) the purpose and whether the quoted portions might be used as a substitute for the original work; (3) the effect upon the distribution and objects of the original work." (citing *Shapiro*, 26 U.S.P.Q. at 43)).

38. See *Karll*, 39 F. Supp. at 837-38; *Broadway Music Corp.*, 31 F. Supp. at 818-19; *Shapiro*, 26 U.S.P.Q. at 42.

39. 17 U.S.C. § 1(b) (1976).

40. *Id.*

With this statute, the notion of incidental use emerged.⁴¹ The fair use doctrine evolved in a series of cases to allow for the lyrics of a song to be used as the background for a story,⁴² the lyrics to be used as the basis for a magazine article,⁴³ and the use of fifty percent of a song in a magazine comment to constitute fair use.⁴⁴ This series of cases allowed the uses to be considered fair because the courts decided that the use of the music was an "incidental use."⁴⁵ As a result, as long as one adapted the lyrics of the song, and did not adapt the music, the finding was for incidental use.⁴⁶ Because there was no codification of fair use in the 1909 Act, the earliest cases allowed "incidental" uses to be broadly construed as fair uses.

Parody was considered a fair use because using only enough to conjure up the original was determined to be an incidental use. The courts carved out a place for parody prior to the 1909 Act, one court stating:

Surely a parody would not infringe the copyright of the work parodied, merely because a few lines of the original might be textually reproduced. No doubt, the good faith of such mimicry is an essential element; and, if it appeared that the imitation was a mere attempt to evade the owners copyright, the singer would probably be prohibited from doing in a roundabout way what could not be done directly.⁴⁷

While not specifically dealing with music, the groundwork for how parody would be treated in the music industry occurred with a series of "burlesques," or television parodies of major motion pictures.⁴⁸

41. See *Karll*, 39 F. Supp. at 837-38; *Broadway Music Corp.*, 31 F. Supp. at 818; *Shapiro*, 26 U.S.P.Q. at 42.

42. *Shapiro*, 26 U.S.P.Q. at 41, 43 (holding that a story based "principally from the first chorus of [a] song" did not go beyond the limits of fair use).

43. *Karll*, 39 F. Supp. at 837-38 (holding that a magazine article reprinting eight lines of a Green Bay Packer fight song was fair use).

44. *Broadway Music Corp.*, 31 F. Supp. at 818 (holding that, although there was no question that the defendant used the chorus of the song "Poor Pauline," the portion reprinted "was only incidental").

45. See *Karll*, 39 F. Supp. at 838 ("It is my opinion that the use of the chorus in question, under the circumstances present, was purely incidental and a fair use."); *Broadway Music Corp.*, 31 F. Supp. at 818 ("The publication of part of the song 'Poor Pauline' was only incidental."); *Shapiro*, 26 U.S.P.Q. at 41 ("[N]o one reading the story could fail to recognize the words as coming from that song, and as having been incorporated in the story, because they came from a popular, well-known song and their use is a mere incident in the story. They serve somewhat the same purpose as incidental music in a dramatic production.").

46. See *Karll*, 39 F. Supp. at 837; *Broadway Music Corp.*, 31 F. Supp. at 818; *Shapiro*, 26 U.S.P.Q. at 42.

47. *Bloom & Hamlin v. Nixon*, 125 F. 977, 978 (C.C.E.D. Pa. 1903) (No. 18).

48. See *Benny v. Loew's Inc.*, 239 F.2d 532, 533 (9th Cir. 1956), *aff'd sub nom.* *Columbia Broad. Sys., Inc. v. Loew's, Inc.*, 356 U.S. 43 (1958) (per curiam); *Columbia Pictures Corp. v. Nat'l Broad. Co.*, 137 F. Supp. 348, 354 (S.D. Cal. 1955); *Hill v. Whalen & Martell, Inc.*, 220 F. 359, 359-60 (S.D.N.Y. 1914).

The most noted early burlesque case, *Hill v. Whalen & Martell, Inc.* (hereinafter *Mutt and Jeff*), dealt with cartoon characters that had been appropriated and parodied in a dramatic performance by another author.⁴⁹ The artist and author of Mutt and Jeff cartoons created the popular copyrighted characters and received approximately between \$60,000 and \$70,000 in royalties over three years.⁵⁰ The defendant arranged a dramatic performance called *In Cartoonland*, introducing two characters, "Nutt" and "Giff," which were perceived to be likenesses of Mutt and Jeff.⁵¹ The defendant claimed that the character representations were "mere parody or burlesque."⁵² The court noted that a "copyrighted work is subject to fair criticism, serious or humorous"; however, it concluded that, although the representation of the characters could be considered burlesque, falling under the doctrine of fair use, *In Cartoonland* was calculated to have a negative effect on the market for Mutt and Jeff shows and therefore could not be a fair use.⁵³ The court noted the thin line that separates what is "permitted" and "forbidden" in parody, but stated that the applicable test is

whether or not so much as has been reproduced as will materially reduce the demand for the original. If it has, the rights of the owner of the copyright have been injuriously affected. . . . The reduction in demand, to be a ground of complaint, must result from the partial satisfaction of that demand by the alleged infringing production. A criticism of the original work, which lessened its money value by showing that it was not worth seeing or hearing, could not give any right of action for infringement of copyright.⁵⁴

The *Mutt and Jeff* case was the first prominent case to address parody, and over time, the tests for parody would become more defined, complicated, and subjective.

The emergence of television created new problems for the motion picture industry in "fair use." Two early seminal cases, *Columbia Pictures Corp. v. National Broadcasting Co.*⁵⁵ (hereinafter *From Here to Eternity*) and *Benny v. Loew's, Inc.*⁵⁶ (hereinafter *Gaslight*) should be read together to establish a framework for what a television show may take from a motion picture without

49. *Hill*, 220 F. at 359.

50. *Id.* Today the royalties would be worth approximately between \$1.27 million and \$1.49 million. See U.S. Bureau of Labor Statistics, Consumer Price Index Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm.

51. *Hill*, 220 F. at 359. The creator of *In Cartoonland* costumed the characters alike, used similar language, and borrowed some direct quotations. *Id.*

52. *Id.*

53. *Id.* at 360.

54. *Id.*

55. 137 F. Supp. 348 (S.D. Cal. 1955).

56. 239 F.2d 532 (9th Cir. 1956).

infringing on the original. Each case dealt with a television parody of an original motion picture, but ultimately the courts reached different outcomes.

In the *From Here to Eternity* case, the court held that the burlesque of the motion picture on a television show was fair use.⁵⁷ In 1951, James Jones, author of the novel *From Here to Eternity*, licensed Columbia Pictures to create and produce a motion picture based on the novel and authorized Columbia to secure the copyright in the motion picture in Columbia's name.⁵⁸ After the motion picture was released in 1953, NBC televised a twenty minute skit entitled *From Here to Obscurity*, without the consent of Columbia.⁵⁹ The skit⁶⁰ was intended to be a burlesque⁶¹ of *From Here to Eternity*.⁶² The court stated that if there is a substantial taking of material, regardless of whether it is a humorous criticism, it is outside the realm of fair use.⁶³ The test for fair use included three factors: (1) "the character of the two works"; (2) "the nature and object of the selections made"; and (3) "the quantity and value of the materials used."⁶⁴ The court noted the doctrine of fair use would vary in any given case "in accordance with the variations in the factors to be considered in applying that doctrine."⁶⁵ The court held:

Since a burlesquer must make a sufficient use of the original to recall or conjure up the subject matter being burlesqued, the law permits more extensive use of the protectible portion of a copyrighted work in the creation of a burlesque of that work than in the creation of other fictional or dramatic works not intended as a burlesque of the original.⁶⁶

Looking at the theme, characters, general story line, sequence of incidents, dialogue, points of suspense, and the subclimax and climax, the court found that the television show used only enough material to conjure up the original, and therefore NBC did not infringe Columbia's copyright.⁶⁷

57. *Columbia Pictures*, 137 F. Supp. at 354.

58. *Id.* at 351.

59. *Id.* at 352.

60. The parody may be seen on YouTube. *From Here to Obscurity* (NBC television broadcast Sept. 12, 1953), available at <http://www.youtube.com/watch?v=DPOams8jA6g> (pt. 1), <http://www.youtube.com/watch?v=0DMOiaunXEU> (pt. 2).

61. Burlesque "is a recognized form of literary art. In a burlesque, a part of the content is used to conjure up at least the general image of the original." *Columbia Pictures*, 137 F. Supp. at 352.

62. *Id.*

63. *Id.* at 353 ("The test as to whether a taking of protectible property is a substantial taking is not primarily a quantitative one. The question is one of quality rather than quantity, and is to be determined by the character of the work and the relative value of the material taken.").

64. *Id.* at 354.

65. *Id.*

66. *Id.*

67. *Id.* at 352.

Conversely, in the *Gaslight* case, the court found that too much material was appropriated to constitute fair use, regardless of whether it was deemed to be burlesque.⁶⁸ In 1942, Loew's, Inc. (known by its trade name as Metro-Goldwyn-Mayer, or MGM) acquired exclusive motion picture rights to the play *Gas Light*.⁶⁹ The film was a major success, taking more than two and a half years to complete, starring Ingrid Bergman, Charles Boyer, and Joseph Cotton, and grossing more than four million dollars.⁷⁰ In 1945, MGM allowed Jack Benny, a successful comedian, to perform a fifteen-minute burlesque of the film over the radio.⁷¹ Six years later, in 1952, CBS wrote and produced a half-hour burlesque television show starring Jack Benny.⁷² Looking at (1) the locale and period of the works; (2) the main setting; (3) the characters; (4) the story points; (5) the development of the story; and (6) the dialogue, the court found the source material to be copied in substantial part.⁷³ The court stated that "no federal court, in any adjudication, has supposed that there was a doctrine of fair use applicable to copying the substance of a dramatic work, and presenting it, with few variations, as a burlesque."⁷⁴ Although fair use is subjective, and subject to parody, the court indicated that there is a certain point where the material becomes a recitation of the original author's work, with no intellectual labor, thereby making it infringement.⁷⁵

The 1909 Copyright Act left unanswered the question of fair use.⁷⁶ As early as 1924, the legislature began exploring ways to reform the "fair use doctrine."⁷⁷ It was not until the 1976 Copyright Act that fair use factors were

68. *Benny v. Loew's, Inc.*, 239 F.2d 532, 536–37 (9th Cir. 1956), *aff'd sub nom.* Columbia Broad. Sys., Inc. v. Loew's, Inc., 356 U.S. 43 (1958) (per curiam).

69. *Id.* at 533.

70. *Id.* This calculates to roughly \$63.2 million in today's dollars. See U.S. Bureau of Labor Statistics, Consumer Price Index Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm.

71. *Benny*, 239 F.2d at 533.

72. *Id.*

73. *Id.* at 535–36.

74. *Id.* at 536.

75. See *id.*, at 536–37; see also *Columbia Pictures Corp. v. Nat'l Broad. Co.*, 137 F. Supp. 348, 350–51 (S.D. Cal. 1955).

76. The legislative history of the 1909 Act shows that it was "not an attempt to codify the common law." *Arguments Before the Comms. on Patents of the S. and H.R., Conjointly, on the Bills S. 6330 and H.R. 19853, to Amend and Consolidate the Acts Respecting Copyright*, 59th Cong. 15 (1906) (statement of Herbert Putnam, Esq., Librarian of Congress) ("Now, many such definitions [for example, fair use,] were proposed and lengthily discussed, and omitted because they did not stand the test of the best expert opinion of the most conservative advisers of the conference . . .").

77. See LATMAN, *supra* note 22, at 18–24 (citing early proposals for legislative revisions). For instance, the Dallinger Bill, H.R. 8177, 68th Cong. (1924), provided that fair use existed in "any work for the purpose of study, research, criticism, or review." *Id.* at 18.

codified.⁷⁸ When Congress was drafting the legislative language for section 107, it stated:

Although the courts have considered and ruled upon the fair use doctrine over and over again, no real definition of the concept has ever emerged. Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts. On the other hand, the courts have evolved a set of criteria which, though in no case definitive or determinative, provide some guage [sic] for balancing the equities. These criteria have been stated in various ways, but essentially they can all be reduced to the four standards which have been adopted in section 107: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work."⁷⁹

III. FAIR USE AFTER THE 1976 COPYRIGHT ACT

A. *Sony v. Universal Studios*

In 1976, on the verge of the passage of the 1976 Copyright Act, Universal Studios and Walt Disney Productions commenced an action against Sony.⁸⁰ The controversy was over a Betamax machine, commonly known as a VTR/VCR (video tape recorder or video cassette recorder), which allowed individuals to record, or "time-shift," programs from their television sets to watch at a later time.⁸¹ The issues in the case were whether Sony could be held liable as a contributory infringer, and whether a private viewing of a recorded program constituted fair use.⁸² The action was initiated in the United States District Court for the Central District of California, which held that noncommercial home-use recording was considered fair use.⁸³ The Ninth

78. 17 U.S.C. § 107 (1976).

79. H.R. REP. NO. 94-1476 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5679.

80. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 420 (1984) (5-4 decision).

81. *Id.* at 423 (noting that Sony and Universal's surveys "showed that the primary use of the machine for most owners was 'time-shifting'—the practice of recording a program to view it once at a later time").

82. *Id.* at 434, 447-49.

83. *Id.* at 420; *see also* Jessica Litman, *The Story of Sony v. Universal Studios: Mary Poppins Meets the Boston Strangler*, in *INTELLECTUAL PROPERTY STORIES* 358, 362 (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds., 2006).

Circuit reversed, holding Sony liable for contributory infringement and ordering the district court to determine the proper relief.⁸⁴

Sony was the first case in which the Supreme Court provided a written opinion on the fair use doctrine.⁸⁵ After hearing oral argument, the Justices were conflicted by the implications of a decision in favor of either party.⁸⁶ As indicated in the papers of Justice Thurgood Marshall and Justice Harry Blackmun, the majority of Justices were initially voting to uphold the Ninth Circuit decision, finding for contributory infringement without a finding of fair use.⁸⁷ As a result, Justice Blackmun was assigned to write the majority opinion upholding the Ninth Circuit, while Justice Stevens was to write the dissent.⁸⁸ In his initial draft, Justice Stevens expressed concern with the possibility that an individual might be liable for infringement for copying a single program for a single, private use.⁸⁹ Justice Brennan considered joining the dissent because the Betamax was capable of substantial non-infringing uses.⁹⁰ As a result, Justice Stevens shifted the basis of his opinion to address Justice Brennan's concern about substantial non-infringing uses because the suit was not against the home-users, but against the manufacturers.⁹¹ Justice O'Connor was also troubled by Justice Blackmun's "majority" opinion because it stated that actual harm did not need to be found.⁹² Unable to accept this fault-without-harm concept, Justice O'Connor shifted her vote, making the decision five to four in favor of Sony and Justice Stevens's opinion now the majority opinion.⁹³

1. *The Majority Opinion*

The majority noted that copyright law has always had to "respon[d] to significant changes in technology."⁹⁴ Both policy and history indicate that

84. *Sony*, 464 U.S. at 420; see also Litman, *supra* note 83, at 363-64.

85. *Sony*, 464 U.S. at 475 (Blackmun, J., dissenting) ("This Court thus far has provided no guidance; although fair use issues have come here twice, on each occasion the Court was equally divided and no opinion was forthcoming." (citing *Williams & Wilkins Co. v. United States*, 487 F.2d 1345 (Ct. Cl. 1973), *aff'd*, 420 U.S. 376 (1975); *Benny v. Loew's, Inc.*, 239 F.2d 532 (9th Cir. 1956), *aff'd sub nom. Columbia Broad. Sys., Inc. v. Loew's Inc.*, 356 U.S. 43 (1958) (per curiam))).

86. See Jonathan Band & Andrew J. McLaughlin, *The Marshall Papers: A Peek Behind the Scenes at the Making of Sony v. Universal*, 17 COLUM.-VLA J.L. & ARTS 427, 432-33 (1994); Litman, *supra* note 83, at 367-68.

87. See Band & McLaughlin, *supra* note 86, at 432-33; Litman, *supra* note 83, at 367.

88. See Band & McLaughlin, *supra* note 86, at 432-33; Litman, *supra* note 83, at 368.

89. See Band & McLaughlin, *supra* note 86, at 433; Litman, *supra* note 83, at 368.

90. See Band & McLaughlin, *supra* note 86, at 437-38; Litman, *supra* note 83, at 371-72.

91. See Band & McLaughlin, *supra* note 86, at 444; Litman, *supra* note 83, at 370-72.

92. See Band & McLaughlin, *supra* note 86, at 443; Litman, *supra* note 83, at 372.

93. See Band & McLaughlin, *supra* note 86, at 446-47; Litman, *supra* note 83, at 379-82.

94. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 430 (1984) (5-4 decision).

courts defer to Congress when technology reshapes the market.⁹⁵ Language in the 1909 Copyright Act and the 1976 Copyright Act did not indicate a clear-cut congressional intent.⁹⁶ Because copyright law reflects a balancing test between creative rights and public availability, competing claims must be weighed.⁹⁷ For Universal and Walt Disney to prevail against Sony, they had to prove that their interests outweighed the public interest in home recording, that individual Betamax users had infringed their copyrights by making unauthorized copies of protected material, and that Sony should be held responsible.⁹⁸ Because of the "article of commerce" concept,⁹⁹ a patent law principle that had never been used in copyright law before this case, the question became whether Sony's Betamax was "capable of commercially significant noninfringing uses."¹⁰⁰ The Court stated that "[t]he staple article of commerce doctrine must strike a balance between a copyright holder's legitimate demand for effective—not merely symbolic—protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce."¹⁰¹ The majority wrote that it did not need to "explore *all* the different potential uses of the machine" but rather "only consider whether on the basis of the facts as found by the District Court a significant number of them would be non-infringing."¹⁰² The Court found that "private, noncommercial time-shifting in the home" satisfied this standard.¹⁰³ Addressing time-shifting, the Court determined that it *could* enlarge the total viewing audience, which would benefit the program producers.¹⁰⁴ In justifying the "commercially significant noninfringing uses" of the Betamax, the Court used the testimony of Fred Rogers of *Mr. Rogers' Neighborhood*, who supported the home recording of public television in general and his program in particular because "it is a real service to families to be able to record children's programs and to show them at appropriate times."¹⁰⁵ Additionally, the Court reasoned:

If there are millions of owners of VTR's who make copies of televised sports events, religious broadcasts, and educational programs such as *Mister Rogers' Neighborhood*, and if the proprietors of those programs welcome the practice, the business of

95. *Id.* at 431.

96. *See id.*

97. *Id.* at 431–32.

98. *Id.* at 434.

99. *See id.* at 490–91 (Blackmun, J., dissenting) (indicating that the "staple article of commerce" law governs liability for contributory infringement of patents and is based on considerations of patent law).

100. *Id.* at 442 (majority opinion).

101. *Id.*

102. *Id.*

103. *Id.*

104. *Id.* at 443.

105. *Id.* at 445.

supplying the equipment that makes such copying feasible should not be stifled simply because the equipment is used by some individuals to make unauthorized reproductions of respondents' works.¹⁰⁶

The Court also reasoned that third party conduct is "wholly irrelevant" in an action for direct infringement of copyright.¹⁰⁷ The Court stated that an "unlicensed use of the copyright is not an infringement unless it conflicts with one of the specific exclusive rights" of copyright owners (that is, outside of the realm of fair use).¹⁰⁸ While the Court found the use of a Betamax machine to be protected by fair use, it based its decision on the presumption that any copy that was not made for profit was a fair use of the work.¹⁰⁹ The Court reasoned that:

[A]lthough every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright, noncommercial uses are a different matter. A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work. . . . What is necessary is a showing by a preponderance of the evidence that *some* meaningful likelihood of future harm exists.¹¹⁰

The majority ended its analysis by indicating that if Congress would like to examine this new innovation and exclude it from a finding of fair use, it must do so by rewriting the statute.¹¹¹

2. *The Dissenting Opinion*

The dissenting opinion began with an analysis of the facts of the case and the procedural history.¹¹² Although the case began while the 1909 Copyright Act was still in effect, two recordings occurred subsequent to January 1, 1978, the effective date of the 1976 Copyright Act.¹¹³ Justice Blackmun focused his analysis on the provisions of the 1976 Act.¹¹⁴ He systematically analyzed 17 U.S.C. § 106 to determine the exact exclusive rights that were violated.¹¹⁵ Justice Blackmun also noted that the 1976 Act does not give the copyright owner full and complete control of the "uses of his work"; 17 U.S.C. § 106

106. *Id.* at 446.

107. *Id.*

108. *Id.* at 447.

109. *Id.* at 449-50.

110. *Id.* at 451.

111. *Id.* at 456.

112. *Id.* at 457-60 (Blackmun, J., dissenting).

113. *Id.* at 459 n.3.

114. *Id.*

115. *Id.* at 460-63 (noting that exclusive rights include the right "to reproduce the copyrighted work in copies or phonorecords" (quoting 17 U.S.C. § 106 (1976))).

was subject to the limitations set forth in sections 107 through 118 (now 122).¹¹⁶ Because the list of § 106 rights is not exhaustive, Justice Blackmun looked to the legislative intent and found that “neither the statute nor its legislative history [indicated an intention] to create a general exemption for a single copy made for . . . private use.”¹¹⁷ Relying again on the House Report, Justice Blackmun indicated that Congress not only considered, but rejected, a private-use exception.¹¹⁸ The situations that were most commonly recognized by the courts to be fair uses are found in § 107: “purposes such as criticism, comment, news reporting, teaching, . . . scholarship, or research.”¹¹⁹ Justice Blackmun observed that “[e]ach of these uses . . . reflects a common theme: each is a *productive* use, resulting in some added benefit to the public beyond that produced by the first author’s work. The fair use doctrine, in other words, permits works to be used for ‘socially laudable purposes.’”¹²⁰ Justice Blackmun’s balancing test weighed the risks created by the copyright system: sufficient incentives to inspire the artist to create without others taking the artist’s work without compensation and passing it off as their own, and granting a complete monopoly to the artist, which could deprive the public of the work.¹²¹ When a user reproduces the entirety of a work for his or her original purpose, without adding material to that work, fair use usually should not apply.¹²² Justice Blackmun also indicated a fear that the majority opinion was “trying to stretch the doctrine of fair use so as to permit unfettered use” of the Betamax to increase access to television shows; however, the extension could deprive copyright owners of the ability to control their works.¹²³ Justice

116. *Id.* at 462–63.

117. *Id.* at 464–65 (citing specific language to indicate when one copy for private use was acceptable); see also H.R. REP. NO. 94-1476, at 61–65 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674–78.

118. *Sony*, 464 U.S. at 465–66 (Blackmun, J., dissenting).

The issue was raised early in the revision process, in one of the studies prepared for Congress under the supervision of the Copyright Office. This study found no reported case supporting the existence of an exemption for private use, although . . . [the study] outlined several approaches that a revision bill could take to the general issue of exemptions and fair use. One of these was the adoption of particularized rules to cover specific situations, including the “field of personal use.”

Rejecting the latter alternative, the Register of Copyrights recommended that the revised copyright statute simply mention the doctrine of fair use and indicate its general scope. The Register opposed the adoption of rules and exemptions to cover specific situations, preferring, instead, to rely on the judge-made fair use doctrine to resolve new problems as they arose.

Id. (footnotes omitted) (citations omitted) (quoting LATMAN, *supra* note 22, at 33).

119. *Id.* at 478 (internal quotation marks omitted) (quoting 17 U.S.C. § 107).

120. *Id.* at 478–79 (footnote omitted).

121. *Id.* at 479.

122. *Id.* at 480.

123. *Id.* at 480–81. Justice Blackmun also stated:

A particular use which may seem to have little or no economic impact on the author’s rights today can assume tremendous importance in times to come. Although such a use

Blackmun predicted that off-the-air recording would be a foreseeable and intended use for the Betamax.¹²⁴

The [majority] explains that a manufacturer of a product is not liable for contributory infringement as long as the product is “capable of substantial noninfringing uses.” Such a definition essentially eviscerates the concept of contributory infringement. Only the most unimaginative manufacturer would be unable to demonstrate that a[n] image-duplicating product is “capable” of substantial noninfringing uses.¹²⁵

Justice Blackmun concluded his dissenting opinion in the same manner as the majority, indicating that for a satisfactory solution, Congress must act; however in the meantime, “courts cannot avoid difficult problems by refusing to apply the law.”¹²⁶

3. Why the Majority Opinion Was Incorrect: The Staple Article of Commerce Doctrine Has No Place in Copyright Law and Should Not Be Used to Confuse Fair Use

The majority in *Sony* abused the fair use doctrine in an effort to justify an economic decision. Their twisted logic is responsible for the misuse of the doctrine today. *Sony* was truly a case in which bad facts made bad law. That VTR's were becoming a common household accessory should not have confused the majority into torturing the fair use doctrine to justify reversing the Ninth Circuit.¹²⁷ The Court seemed to believe that the end somehow justified the illogical means. The majority conveniently overlooked that the Betamax was specifically advertised as an article designed for infringement. The marketing campaign advertised that “Now you don't have to miss Kojak because you're watching Columbo.”¹²⁸ The dissent noted this as well: “Sony's advertisements, at various times, have suggested that Betamax users ‘record favorite shows’ or ‘build a library.’ Sony's Betamax advertising has never contained warnings about copyright infringement”¹²⁹ While the majority

may seem harmless when viewed in isolation, isolated instances of minor infringements, when multiplied many times, become in the aggregate a major inroad on copyright that must be prevented.

Id. at 482 (alterations omitted) (citations omitted) (internal quotation marks omitted).

124. *Id.* at 490.

125. *Id.* at 498–99 (citation omitted).

126. *Id.* at 500.

127. The Ninth Circuit solutions were, and still are, a viable option to establish a compensation scheme for the sale of blank video tapes and DVDs.

128. Litman, *supra* note 83, at 360.

129. *Sony*, 464 U.S. at 458–59 (Blackmun, J., dissenting) (“Two kinds of Betamax usage are at issue here. The first is ‘time-shifting,’ whereby the user records a program in order to watch it at a later time, and then records over it, and thereby erases the program, after a single viewing. The second is ‘library building,’ in which the user records a program in order to keep it for repeated viewing over a longer term.” (footnote omitted)).

argued that allowing time-shifting enlarged the viewing audience,¹³⁰ no data were included to substantiate the claim. This is the exact same marketing campaign that was condemned twenty years later in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*

Resorting to patent law to introduce the "article of commerce" doctrine¹³¹ was a desperate attempt at judicial legislation. If Congress had intended to include an article of commerce doctrine in the 1976 Copyright Act, which it wisely omitted, it could have included it in the enabling legislation. Congress was aware of the doctrine and chose not to include it when comprehensively rewriting the Act.¹³² Justice Blackmun ably explained why the doctrine was not, and should not, be included in our modern copyright scheme.¹³³

The majority never defined the term "substantial" when it discussed the number of non-infringing uses necessary to find in favor of the defendants and against infringement.¹³⁴ The fact that only 9% of the reported uses were non-infringing strains the definition of "significant."¹³⁵ Relying on Mr. Rogers' testimony, in which he stated he hoped people would tape his program to watch over and over to justify that a substantial number of program creators support time-shifting and library building,¹³⁶ indicates that the majority was not in touch with the viewing habits of the general public. Bolstering the argument with sports programmers, who broadcast relatively low-cost, unscripted programming,¹³⁷ again indicates a lack of understanding of the time and expense involved in creating scripted sitcoms and dramas. Despite the majority's desire for the facts to support a finding of fair use, no amount of misinterpretation can justify its finding that a product created for the sole purpose of copyright infringement is actually a "fair use."¹³⁸ The Ninth Circuit and the dissent understood the issues and correctly argued that Sony was liable for copyright infringement.

130. *Id.* at 421 (majority opinion).

131. *See id.* at 490–91 (Blackmun, J., dissenting) (indicating the "staple article of commerce" law governs contributory infringement of patents).

132. *See id.* at 490 n.41.

133. *Id.* at 480–81.

134. *See id.* at 442 (majority opinion).

135. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 951 (Breyer, J., concurring) ("But of all the taping actually done by Sony's customers, only around 9% was of the sort the Court referred to as authorized.").

136. *Sony*, 464 U.S. at 445 & n.27.

137. *Id.* at 444 & n.24.

138. *Id.* at 446.

If there are millions of owners of VTR's who make copies of televised sports events, religious broadcasts, and educational programs such as *Mister Rogers' Neighborhood*, and if the proprietors of those programs welcome the practice, the business of supplying the equipment that makes such copying feasible should not be stifled simply because the equipment is used by some individuals to make unauthorized reproductions of respondents' works.

Id.

B. Campbell v. Acuff-Rose

In *Campbell v. Acuff-Rose Music, Inc.*¹³⁹ (hereinafter *2 Live Crew*), involving 2 Live Crew and Roy Orbison's music publishing company, the Supreme Court had the opportunity to interpret the fair use doctrine using facts that did not have to be twisted and tortured to fit. Instead of ignoring the statute's preamble, as the *Sony* majority had done, the Court was able to actually apply the statutory language of 17 U.S.C. § 107¹⁴⁰ by merging a discussion of the preamble into its analysis of the first prong of the test.¹⁴¹ Fitting parody into the preamble under the umbrella of comment or criticism should not have been such a stretch.¹⁴² The Court's opinion in *2 Live Crew* included a discussion of *Sony* because *Sony* discussed fair use and secondary liability in the marketplace.¹⁴³ The *2 Live Crew* case dealt with an author's use of another's creative musical work without permission or compensation based on the defense of fair use.¹⁴⁴ Justice Souter delivered the opinion for a unanimous Court,¹⁴⁵ and Justice Kennedy filed a concurring opinion.¹⁴⁶ In constructing the analysis, the Court relied on case law going as far back as the mid-nineteenth century.¹⁴⁷ This was only the second case in which the Court dealt with parodic fair use, and the first time it wrote an opinion on the issue.¹⁴⁸

1. Majority Opinion

Beginning with a discussion of the first prong of the four fair use factors enumerated in 17 U.S.C. § 107,¹⁴⁹ the majority decided that parody was included in the penumbra of the preamble.¹⁵⁰ Examining the first factor, "the

139. 510 U.S. 569 (1994).

140. Compare *id.* at 578–79, with *Sony*, 464 U.S. at 455 n.40. Note, however, that *Sony* did not deal directly with the concept of fair use and parody.

141. *Acuff-Rose*, 510 U.S. at 578–81.

142. See *id.* at 581.

143. *Id.* at 579.

144. *Id.* at 571–73. The original work was Roy Orbison's *Oh, Pretty Woman*, ROY ORBISON, *Oh, Pretty Woman*, on OH, PRETTY WOMAN (Monument Records 1964), and the allegedly infringing work was performed by the rap group 2 Live Crew, 2 LIVE CREW, *Pretty Woman*, on AS CLEAN AS THEY WANNA BE (Luke Records 1989).

145. *Acuff-Rose*, 510 U.S. at 571.

146. *Id.* at 596 (Kennedy, J., concurring).

147. *Id.* at 575 (majority opinion) ("[I]n truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before." (quoting *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4436) (Story, Circuit Justice))).

148. *Id.* at 579 (citing *Benny v. Loew's Inc.*, 239 F.2d 532 (9th Cir. 1956), *aff'd sub nom. Columbia Broad. Sys., Inc. v. Loew's Inc.*, 356 U.S. 43 (1958) (per curiam)) (stating that "[t]his Court has only once before even considered whether parody may be fair use, and that time issued no opinion because of the Court's equal division").

149. *Id.* at 579–80.

150. *Id.* at 581.

purpose and character of the use,” the Court found the purpose of the investigation was to see whether the work “‘supersede[s] the objects’ of the original creation, or instead adds something new,” with the additional purpose of altering the original’s expression or meaning.¹⁵¹ The Court stated that a commercial use will not disqualify the parody from being a fair use.¹⁵² The Court found that the nature of parody is to “‘imitate[] the characteristic style of an author or a work for comic effect or ridicule.’”¹⁵³ A true parody must be transformative in order to make fun of the original.¹⁵⁴ The work must have some critical bearing on the substance or style of the original, and cannot be used merely “to avoid the drudgery in working up something fresh.”¹⁵⁵ The Court found that 2 Live Crew’s composition “juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility. The later words can be taken as a comment on the naiveté of the original of an earlier day”¹⁵⁶

The second factor, “the nature of the copyrighted work,” recognizes that some works are “closer to the core of intended copyright protection,” and therefore makes fair use more difficult to establish.¹⁵⁷ The Court found Orbison’s composition was within the realm of intended copyright, but the second factor was “not much help” in making a determination.¹⁵⁸

The third factor, “the amount and substantiality of the portion used,” calls for an analysis of the quantity, quality, and importance of the materials used.¹⁵⁹ In *2 Live Crew*, the Court held:

Parody presents a difficult case. Parody’s humor, or in any event its comment, necessarily springs from recognizable allusion to its object through distorted imitation. Its art lies in the tension between a known original and its parodic twin. When parody takes aim at a particular original work, the parody must be able to “conjure up” at least enough of that original to make the object of its critical wit

151. *Id.* at 578–79 (alteration in original) (citing *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4901) (Story, Circuit Justice)).

152. *Id.* at 584–85 (“If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities ‘are generally conducted for profit in this country.’” (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 592 (1985) (Brennan, J., dissenting))); see also *id.* at 584 (reciting Samuel Johnson’s assertion that “[n]o man but a blockhead ever wrote, except for money” (alteration in original) (quoting 3 BOSWELL’S LIFE OF JOHNSON 19 (G. Hill ed., 1934))).

153. *Id.* at 580 (quoting AMERICAN HERITAGE DICTIONARY 1317 (3d ed. 1992)).

154. *Id.* at 597 (Kennedy, J., concurring).

155. *Id.* at 580 (majority opinion).

156. *Id.* at 583.

157. *Id.* at 586.

158. *Id.*

159. *Id.* at 586–87.

recognizable. What makes for this recognition is quotation of the original's most distinctive or memorable features, which the parodist can be sure the audience will know.¹⁶⁰

Parody must therefore strike at "the 'heart' of the original."¹⁶¹ 2 Live Crew relied heavily on the musical elements of the original and repeated the opening and closing lyrics.¹⁶² The Court found that the context of 2 Live Crew's lyrics departed markedly from the original, and that the use of the "bass riff" was just enough to conjure up the original, but not too much.¹⁶³ Because of the parodic purpose and character, and the transformative elements, 2 Live Crew's *Pretty Woman* passed the third prong of the fair use test.¹⁶⁴

The fourth prong, "the effect of the use upon the potential market" of the original, requires consideration of both the market harm by the potentially infringing song and whether the conduct of the sort engaged in by the defendant would adversely affect the potential market on a substantial scale.¹⁶⁵ This factor combines the transformative nature of the work with the likelihood of market harm to determine if the new work will cause injury to the original author.¹⁶⁶ The Court found that market harm could not be readily inferred because the nature of parody suggests that the new work will not substitute for the original work.¹⁶⁷ The Court decided that 2 Live Crew's parody should not affect the market for the original.¹⁶⁸ As a result, the Court found 2 Live Crew's version of Orbison's *Oh, Pretty Woman* to be protected under the fair use doctrine.¹⁶⁹

2. Concurring Opinion

Justice Kennedy stated that "[i]t is not enough that the parody use the original in a humorous fashion The parody must target the original, and not just its general style, the genre of art to which it belongs, or society as a whole"¹⁷⁰ Justice Kennedy found that if parody is kept within this realm, it is close to satisfying the four-factor test, but warned:

160. *Id.* at 588 (citation omitted).

161. *Id.*

162. Compare *id.* at 594–95 app. A (Roy Orbison and William Dees lyrics), with *id.* at 595–96 app. B (2 Live Crew lyrics). A digital sampling of both versions of *Pretty Woman* is available at 2 Live Crew and the Case of the *Pretty Woman*, <http://www.benedict.com/Audio/Crew/Crew.aspx> (last visited Apr. 3, 2009).

163. See *Acuff-Rose*, 510 U.S. at 589.

164. *Id.*

165. *Id.* at 590.

166. *Id.* at 591.

167. *Id.*

168. *Id.* at 592.

169. *Id.* at 594.

170. *Id.* at 597 (Kennedy, J., concurring).

We should not make it easy for musicians to exploit existing works and then later claim that their rendition was a valuable commentary on the original. Almost any revamped modern version of a familiar composition can be construed as a comment on the naiveté of the original, . . . because it will be amusing to hear how the old tune sounds in the new genre. . . . If we allow any weak transformation to qualify as parody, however, we weaken the protection of copyright. And underprotection of copyright disserves the goals of copyright just as much as overprotection, by reducing the financial incentive to create.¹⁷¹

Justice Kennedy added that the four factors underscored the importance of ensuring that the parody was an independent, creative work.¹⁷² He also indicated that while he was not sure 2 Live Crew created a legitimate parody, it was up to the district court to determine on remand that the song was not fair use.¹⁷³

3. Why the Majority Opinion Was Wrong: The Third-Party User Should Always Be Required to Pay

There are three major problems with the Supreme Court's decision in the *2 Live Crew* case. First, if you take the opinion to its logical extreme, anyone who takes someone else's music, changes the genre, and adds funny lyrics can take an author's song and intellectual labor without pay under a fair use parody defense.¹⁷⁴ The majority stated that "[parody's] art lies in the tension between a known original and its parodic twin."¹⁷⁵ Specifically in music, because it is limited to being heard (and not seen as in motion pictures or read as in novels), the parodist must take either the "heart of the original" or a substantial portion of the underlying music for the audience to recognize the original.¹⁷⁶ This is in direct contrast with the Court's fair use discussion nine years earlier in *Harper & Row, Publishers, Inc. v. Nation Enterprises*.¹⁷⁷ In *Harper & Row*, the Court reiterated from *Sony* that "to negate fair use one need only show that if the challenged use 'should become widespread, it would adversely affect the

171. *Id.* at 599 (citation omitted).

172. *Id.*

173. *Id.* at 599–600 ("As future courts apply our fair use analysis, they must take care to ensure that not just any commercial takeoff is rationalized *post hoc* as a parody.").

174. The copyright statute provides a mechanism for any artist who wishes to re-record a previously released musical work to obtain permission. See 17 U.S.C.A. § 115(a) (2000 & West Supp. 2008). While the compulsory license section is rarely used to force a copyright owner to grant permission for the use of a musical work, it exists to stimulate negotiations between the copyright owner and the artist interested in recording the previously released material.

175. *Acuff-Rose*, 510 U.S. at 588 (majority opinion).

176. *Id.* at 588–89.

177. 471 U.S. 539 (1985).

potential market for the copyrighted work.”¹⁷⁸ If parody in music is allowed to continue without licensing from the publishing companies, any parody may steal the heart of a musical work, depriving the artist of the fruits of his labor without pay.

The second problem created by the *2 Live Crew* decision is that the Court lost sight of the historically limited uses considered “fair uses.”¹⁷⁹ Historically, commercial uses that did not fit into the narrow categories of “criticism, comment, news reporting, teaching, scholarship . . . , or research”¹⁸⁰ were not considered fair uses. In *Folsom*, Justice Story stated, “a fortiori, if he attempt to publish them for profit . . . then it is not a mere breach of confidence or contract, but it is a violation of the exclusive copyright of the writer.”¹⁸¹ Additionally, in *Harper & Row*, the Court noted that the effect on the market is “the single most important element of fair use.”¹⁸² Depriving a songwriter of the pennies¹⁸³ he or she earns from album sales and airplay should be reason enough to deny fair use for musical parodies.

Third, as indicated earlier, music relies solely on the ability of a listener to recognize the music; by doing this, the artist must take the most identifiable pieces of the song.¹⁸⁴ If the heart of the original is taken and used in another genre of music for free because it comments on the naiveté of an earlier time, the ability for the artist to receive royalties for interpolations, derivative works, or both, is negatively affected.¹⁸⁵ The difference between *2 Live Crew*’s parody and other parody cases finding fair use is in the medium of the parody and the traditional revenue streams for the original.¹⁸⁶ With sketch comedy

178. *Id.* at 568 (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1989)).

179. *See supra* Part II.

180. 17 U.S.C. § 107 (2000).

181. *Folsom v. Marsh*, 9 F. Cas. 342, 346 (C.C.D. Mass. 1841) (No. 4901) (Story, Circuit Justice).

182. *Harper & Row*, 471 U.S. at 566.

183. *See Music Licensing Reform: Hearing Before the Subcomm. on Intellectual Props. of the S. Comm. on the Judiciary*, 109th Cong. (2005) (statement of Rick Carnes, President of the Songwriters’ Guild of America) (“Stephen Foster, America’s first professional songwriter, died in poverty with 38 cents in his pocket at the age of 37.”).

184. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 588 (1994) (“Copying does not become excessive in relation to parodic purpose merely because the portion taken was the original’s heart.”).

185. Telephone Interview with Jay Levy, Weird Al Yankovic’s Manager (July 3, 2003), in SHERRI L. BURR & WILLIAM D. HENSLEE, *ENTERTAINMENT LAW: CASES AND MATERIALS ON FILM, TELEVISION, AND MUSIC* 750 (2004). Levy stated, “[Weird] Al believes that getting permission to use the songs is the ethical thing to do. It’s not a legal issue to him; it’s the right thing to do. The main reason Al gets permission from the artist is because he wants the artist to be in on the joke.” *Id.*

186. Generally, music revenue comes from album sales and airplay, film revenue comes from ticket sales, and television revenue is generated through advertising dollars and later syndication.

such as *From Here to Obscurity*¹⁸⁷ and *I Love Sodom*,¹⁸⁸ the parody comes from the attitude, presentation, body language, set design, and *scènes à faire* used to conjure up the original. In music, recognition of the original is based on how closely the parody follows or borrows from the original. By allowing the parodist to use the music, lyrics, or both of the original copyright owner's without compensation, the Court is encouraging "musicians to exploit existing works."¹⁸⁹

C. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*

In 2005, the Supreme Court, in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*,¹⁹⁰ held that when one distributes a device that can be used to infringe copyright, it is not a fair use and the distributor "is liable for the resulting acts of infringement by third parties."¹⁹¹ Grokster and its co-defendant StreamCast Networks "distribute[d] free software products that allow[ed] computer users to share [copyrighted material] through peer-to-peer networks."¹⁹² During discovery, MGM found that billions of files were shared across peer-to-peer networks each month.¹⁹³ After *A&M Records, Inc. v. Napster, Inc.*¹⁹⁴ caused Napster to shut down as a free peer-to-peer file sharing network, Grokster and StreamCast promoted and marketed themselves as Napster alternatives.¹⁹⁵ In *Grokster*, neither defendant "receive[d any] revenue from [its] users"; however, they "generate[d] income by selling advertising

187. See *supra* notes 57–67 and accompanying text.

188. See *Elsmere Music, Inc. v. Nat'l Broad. Co.*, 482 F. Supp. 741 (S.D.N.Y. 1980), *aff'd*, 623 F.2d 252 (2d Cir. 1980) (per curiam). In *Elsmere*, a *Saturday Night Live* skit imitating the "I Love New York" advertising campaign was found to be a fair use. The court found that the skit, in which the mayor and members of the City of Sodom discuss their poor public image, was an appropriate parody because it was meant to be a humorous interpretation of the situation New York City found itself in before its ad campaign. See *id.* at 746–47.

189. *Acuff-Rose*, 510 U.S. at 599 (Kennedy, J., concurring).

190. 545 U.S. 913 (2005).

191. *Id.* at 919.

192. *Id.* A peer-to-peer network allows user computers to communicate directly with each other, which eliminates the need for a central computer server. *Id.* at 920. Additionally, "the high-bandwidth communications capacity for a server may be dispensed with, [making] costly server storage [unnecessary]." *Id.*

193. *Id.* at 923.

194. 239 F.3d 1004 (9th Cir. 2001). Napster was found liable for copyright infringement after the court established that its Internet service facilitated the transmission and retention of digital audio files by its users. *Id.* at 1024. Specifically, Napster interfered with the copyright holders' exclusive rights of reproduction per 17 U.S.C. § 106(1), and distribution per 17 U.S.C. § 106(3). *Id.* at 1014.

195. *Grokster*, 545 U.S. at 924–25. Additionally, "StreamCast gave away a software program . . . known as OpenNap," designed to be comparable to Napster software. *Id.* at 924. "Evidence indicates that it was always StreamCast's intent to use its OpenNap network to be able to capture email addresses of its initial target market so that it could promote its StreamCast Morpheus interface to them." *Id.* (alterations omitted) (internal quotation marks omitted).

space” and streaming it to their users.¹⁹⁶ Additionally, both companies acknowledged infringement because they “voiced the objective that recipients use [the software] to download copyrighted works, and each took active steps to encourage infringement.”¹⁹⁷

Looking at the facts, both lower courts granted Grokster and StreamCast summary judgment based on the *Sony* decision’s “substantial noninfringing uses” standard.¹⁹⁸ Both the district court and the Ninth Circuit believed that under *Sony*, a commercial product that was capable of substantial noninfringing uses could not be liable for contributory infringement unless the distributor had direct knowledge of the infringement.¹⁹⁹ Because Grokster and StreamCast did not have a central computer that housed the exchange of information, and each individual user shared their files through the decentralized network, the courts held that they did not contribute to their users’ infringement.²⁰⁰

1. The Majority Opinion

Justice Souter delivered the opinion for a unanimous Court.²⁰¹ The Court recognized the inherent tension between the need to protect copyrighted works and the fear of imposing secondary infringement liability, or extending liability beyond individual infringers to distributors of the software.²⁰² Because digital reproductions do not suffer from sound degradation that audio and video tapes do, infringing digital downloads presented the problem that each copy was an exact replica of the original.²⁰³ The Court adopted a public policy argument that was the antithesis of the majority opinion in *Sony*:

The argument for imposing indirect liability in this case is, however, a powerful one, given the number of infringing downloads that occur every day using StreamCast’s and Grokster’s software. When a widely shared service or product is used to commit infringement, it may be impossible to enforce rights in the protected work effectively against all direct infringers, the only practical alternative being to go against the distributor of the copying device for secondary liability on a theory of contributory . . . infringement.²⁰⁴

196. *Id.* at 926.

197. *Id.* at 924.

198. *Id.* at 927.

199. *Id.* at 927–28.

200. *Id.*

201. *Id.* at 918.

202. *Id.* at 928–29.

203. *Id.* at 928 (“The tension between the two values is the subject of this case, with its claim that digital distribution of copyrighted material threatens copyright holders as never before, because every copy is identical to the original . . .”).

204. *Id.* at 929–30.

Relying on Justice Blackmun's dissenting opinion in *Sony*, the Court found that while the principles of contributory infringement and vicarious liability are not directly found in the Copyright Act, the doctrines of secondary liability were developed from common law and were well established in modern copyright jurisprudence.²⁰⁵ Because the public policy principles were found in the dissenting opinion, it would have been logical to overrule *Sony*. Instead, the Court balked at admitting the majority decision in *Sony* was a mistake by stating that the Ninth Circuit had misinterpreted it.²⁰⁶ Rather than rectifying the mistake, the Court simply narrowed *Sony's* application.²⁰⁷ Originally, *Sony* stood for the application of the "staple article of commerce" doctrine borrowed from patent cases,²⁰⁸ which became the "substantial noninfringing uses" standard.²⁰⁹ The *Grokster* Court stated that the court of appeals misapplied *Sony*, because *Sony* was only intended to bar "secondary liability based on presuming or imputing intent to cause infringement solely from the design or distribution of a product capable of substantial lawful use, which the distributor knows is in fact used for infringement."²¹⁰ The Court stated that *Sony* was not intended to bar liability based on any theory of secondary liability.²¹¹ For these reasons, the Court found that *Grokster* and StreamCast were not protected by the copyright safe-harbor rule,²¹² and instead adopted an "inducement of infringement" rule.²¹³ The inducement rule stated that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties."²¹⁴ Because *Grokster* and StreamCast advertised their software directly to the consumers for the purpose of copyright infringement, and the consumers

205. *Id.* at 930 (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 486 (1984) (Blackmun, J., dissenting)).

206. *Id.* at 934 ("[The Ninth Circuit's] view of *Sony*, however, was error, converting the case from one about liability resting on imputed intent to one about liability on any theory.").

207. *Id.* at 933–34 ("The Ninth Circuit has read *Sony's* limitation to mean that whenever a product is capable of substantial lawful use, the producer can never be held contributorily liable for third parties' infringing use of it; it read the rule as being this broad, even when an actual purpose to cause infringing use is shown by evidence independent of design and distribution of the product, unless the distributors had 'specific knowledge of infringement at a time at which they contributed to the infringement, and failed to act upon that information.'").

208. *See id.* at 932.

209. *Sony*, 464 U.S. at 442.

210. *Grokster*, 545 U.S. at 933.

211. *Id.* at 934.

212. This is the same theory as the staple article of commerce doctrine. As the Court explained, "*Sony* took the staple-article doctrine of patent law as a model for its copyright safe-harbor rule" *Id.* at 936.

213. *Id.* at 936–37.

214. *Id.*

illegally downloaded on a "gigantic scale," both Grokster and StreamCast were held liable under this theory.²¹⁵

2. Justice Ginsburg's Concurring Opinion

Justice Ginsburg agreed with the outcome, but wrote separately to distinguish *Grokster* from *Sony*.²¹⁶ First, Justice Ginsburg explained that the staple article of commerce doctrine is a balancing test between the copyright holder's legitimate demand for protection, and "the rights of others freely to engage in substantially unrelated areas of commerce."²¹⁷ As a result, the *Sony* Court held that "the sale of copying equipment . . . does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes."²¹⁸ The question for the Court in *Sony* was whether a significant number of the potential uses for the Betamax were non-infringing.²¹⁹ Because the primary purpose of most users was held to be time-shifting television programs rather than library building, the machine satisfied the Court's requirement and Sony was not liable for secondary infringement.²²⁰ In *Grokster*, the question was evidentiary, and Justice Ginsburg believed that the lower courts relied on hearsay and unsupported declarations by StreamCast and Grokster to find substantial non-infringing uses.²²¹

3. Justice Breyer's Concurring Opinion

Although Justice Breyer claimed he concurred with the Court, his opinion reads more like a dissent. He did not feel that *Sony* needed to be revisited or restricted in the way the majority opinion and Justice Ginsburg's concurring opinion required.²²² Justice Breyer interpreted *Sony*'s facts to parallel *Grokster*'s facts. In *Sony*, the Court found that around 9% of the Betamax recordings were from sources that did not object to time-shifting,²²³ expert

215. *Id.* at 939-41.

216. *Id.* at 942 (Ginsburg, J., concurring).

217. *Id.* at 943 (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 442 (1984)).

218. *Id.* at 943 (quoting *Sony*, 464 U.S. at 442).

219. *Id.* at 943 (citing *Sony*, 464 U.S. at 442).

220. *Id.* at 943-44 (citing *Sony*, 464 U.S. at 442).

221. *See id.* at 946-47 ("These declarations do not support summary judgment in the face of evidence, proffered by MGM, of overwhelming use of Grokster's and StreamCast's software for infringement.").

222. *Id.* at 949 (Breyer, J., concurring).

223. *Id.* at 950-51. Justice Breyer reviewed the evidence that the *Sony* Court based its decision on:

The Court found that the magnitude of authorized programming was "significant," and it also noted the "significant potential for future authorized copying." The Court supported this conclusion by referencing the trial testimony of professional sports league officials and a religious broadcasting representative. It also discussed (1) a Los Angeles educational station affiliated with the Public Broadcasting Service that made

testimony in *Grokster* had established that around 10% of *Grokster*'s files were noninfringing.²²⁴ Thus, *Grokster* passed the *Sony* test because it was "capable of" noninfringing uses.²²⁵

The question for Justice Breyer became whether to modify the *Sony* standard or interpret it more strictly.²²⁶ He addressed this analysis with three questions: "(1) Has *Sony* (as I interpret it) worked to protect new technology? (2) If so, would modification or strict interpretation significantly weaken that protection? (3) If so, would new or necessary copyright-related benefits outweigh any such weakening?"²²⁷

Justice Breyer found that *Sony* protected technology by shielding entrepreneurs from copyright liability while they bring new technologies to the marketplace of ideas.²²⁸ He then stated that modifications to the rule would undercut the protection of *Sony* because it would increase legal uncertainty for entrepreneurs that surround development of new technology.²²⁹ To answer the third question, he stated that "the law disfavors equating the two different kinds of gain and loss [technology-related and copyright-related]; rather, it leans in favor of protecting technology."²³⁰ He concluded by stating:

[G]iven their existence, a strong demonstrated need for modifying *Sony* (or for interpreting *Sony*'s standard more strictly) has not yet been shown. That fact, along with the added risks that modification (or strict interpretation) would impose upon technological innovation, leads me to the conclusion that we should maintain *Sony*, reading its standard as I have read it. As so read, it requires affirmance of the Ninth Circuit's determination of the relevant aspects of the *Sony* question.²³¹

4. *Why Justices Breyer, Ginsburg, and Souter Got it Wrong*

Although *Grokster* was correctly decided, the opinions should be merged to show that *Sony* should be reversed, and that the substantial non-infringing uses

many of its programs available for home taping, and (2) Mr. Rogers' Neighborhood, a widely watched children's program. On the basis of this testimony and other similar evidence, the Court determined that producers of this kind had authorized duplication of their copyrighted programs "in significant enough numbers to create a *substantial* market for a noninfringing use of the" VCR.

Id. at 951 (citations omitted).

224. *Id.* at 952.

225. *Id.* at 953–54.

226. *Id.* at 956 ("Instead, the real question is whether we should modify the *Sony* standard, as MGM requests, or interpret *Sony* more strictly, as I believe Justice Ginsburg's approach would do in practice.").

227. *Id.* at 956–57.

228. *Id.* at 957.

229. *Id.* at 959.

230. *Id.* at 960.

231. *Id.* at 965–66.

standard should not apply to copyright cases. The “inducement rule” created by Justice Souter²³² is so narrow that in all likelihood it will never be relevant or applicable again. Any future potential infringer can avoid running afoul of the “inducement rule” by not advertising potential infringing uses directly to consumers.²³³ Without abolishing the “safe harbor rule,” any software or device designed for infringement, but capable of “substantial noninfringing uses” will not be liable for the substantial infringing uses permitted by the rule.²³⁴

Justice Ginsburg’s defense of the “staple article of commerce” doctrine is troublesome for content providers. Although the doctrine is designed to encourage innovation, if the staple articles use copyrighted material without compensation to the copyright owners, the doctrine will sacrifice and discourage artistic creation while it motivates innovators to create new devices capable of some non-infringing use. A compulsory licensing system is necessary to compensate copyright owners whose intellectual property is used by the innovative staple article.

Justice Breyer was correct in his analysis of the statistics and figures indicating that *Sony* supported affirming the Ninth Circuit’s decision in *Grokster*.²³⁵ The 9% of non-infringing files on peer-to-peer networks is close enough to the 11% of the non-infringing uses for the Sony Betamax to indicate substantial non-infringing uses.²³⁶ Under the *Sony* standard, *Grokster* was incorrectly decided.²³⁷ The analysis the majority opinion and Justice Ginsburg’s concurring opinion used to defend *Sony* overlooks the advertising campaign for Betamax: “Now you don’t have to miss Kojak because you’re watching Columbo”²³⁸ This is similar to the advertising campaign of *Grokster* and StreamCast, which marketed themselves as Napster alternatives.²³⁹ Applying the *Grokster* reasoning, Sony should have been found liable for copyright infringement.

Grokster was correctly decided because free peer-to-peer downloading adversely affects everyone involved in the music business.²⁴⁰ Using someone

232. *Id.* at 930 (majority opinion) (“One infringes contributorily by intentionally inducing or encouraging direct infringement.”).

233. *See id.*

234. *See id.* at 922–23.

235. *Id.* at 952 (Breyer, J., concurring) (“[MGM’s] own expert declared that 75% of current files available on *Grokster* are infringing and 15% are ‘likely infringing.’ That leaves some number of files near 10% that apparently are noninfringing, a figure very similar to the 9% or so of authorized time-shifting uses of the VCR that the Court faced in *Sony*.” (citation omitted)).

236. *Id.*

237. *Id.*

238. Litman, *supra* note 83, at 360.

239. *Grokster*, 545 U.S. at 924 (“[T]he OpenNap program was engineered to leverage Napster’s 50 million user base.” (internal quotation marks omitted)).

240. *See, e.g., Charges Reduced for G n’ R Leaker*, ROLLING STONE, Nov. 27, 2008, at 22 (“Kevin Cogill . . . posted nine songs from Guns n’ Roses’ forthcoming *Chinese Democracy* on

else's music without paying for it should almost never be a fair use,²⁴¹ regardless of whether the use is for commercial use or personal home use. The Audio Home Recording Act of 1992²⁴² has created a generation of users who believe they are entitled to a free copy of any song ever recorded. Peer-to-peer file-sharing programs facilitate this misconception.

The problem with *Sony* and *Grokster* was that neither case should have entertained a fair use discussion. The mistake made by the *Sony* majority provided at least two companies, Napster and Grokster, with the incentive to create systems designed for infringing uses but capable of substantial non-infringing uses. Both the Napster and Grokster peer-to-peer systems were innovative. While it is true that a substantial number of unsigned bands²⁴³ might upload their music in the hope that someone would download it with their permission and actually listen to it, the majority of the downloads were of popular music performed by groups signed to record labels.²⁴⁴ If the record label and its artist want to offer a free download to market an album, that is the prerogative of the copyright owner. No one else should have the right to exchange copyrighted material without permission.

D. The Next Generation

Several cases have emerged against YouTube for copyright infringement in which YouTube has asserted the copyright safe-harbor rule, the inducement rule, and fair use as defenses.²⁴⁵ While the total effect of these cases is yet to be seen, several trends have developed in litigation.

1. Viacom v. YouTube

On March 13, 2007, Viacom filed a complaint against YouTube asking for more than one billion dollars in compensatory damages.²⁴⁶ Viacom is a major

his Website in June," and "pleaded not guilty to felony copyright-law charges, which carry a maximum sentence of five years.").

241. Except in the cases of noncommercial, educational, or other situations anticipated by the preamble.

242. Pub. L. No. 102-563, 106 Stat. 4237 (codified as amended at 17 U.S.C. §§ 1001–10 (2000 & Supp. V 2005)).

243. See *Grokster*, 545 U.S. at 952 (Breyer, J., concurring) (citing decl. of Daniel B. Rung) (noting that Rung "describe[d] Grokster's partnership with a company that hosts music from thousands of independent artists").

244. *Id.* at 922 (majority opinion) ("MGM commissioned a statistician to conduct a systematic search, and his study showed that nearly 90% of the files available for download on the FastTrack system were copyrighted works.").

245. See *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008); *Viacom Int'l Inc. v. YouTube Inc.*, No. C 08-80129 SI, 2008 WL 3876142 (N.D. Cal. Aug. 18, 2008); *Viacom Int'l Inc. v. YouTube Inc.*, 253 F.R.D. 256 (S.D.N.Y. 2008).

246. *Viacom*, 253 F.R.D. at 259 ("Plaintiffs allege that those are infringements which YouTube and Google induced and for which they are directly, vicariously or contributorily subject to damages of at least \$1 billion (in the *Viacom* action), and injunctions barring such conduct in the future.").

owner of copyrights in "television programs, motion pictures, music recordings, and other entertainment programs."²⁴⁷ YouTube, owned by Google, is an operator of a video-sharing website.²⁴⁸ The essence of the complaint is that Viacom's materials were posted on YouTube.com in violation of Viacom's exclusive copyrights.²⁴⁹ YouTube claimed that it could use the material, in certain contexts, because the use was a fair use, or, in the alternative, YouTube was protected as long as it complied with the Digital Millennium Copyright Act²⁵⁰ (DMCA).²⁵¹ Viacom alleged that YouTube and Google induced the copyright infringement, under the *Grokster* rule,²⁵² and therefore were directly, vicariously, or contributorily subject to damages of at least one billion dollars.²⁵³ YouTube and Google claimed they complied with the DMCA,²⁵⁴ and therefore damages were limited to the terms of the injunctions, and that copyright damages were barred by the safe-harbor rule from *Sony*.²⁵⁵ As the court put it, the DMCA bars damages

against an online service provider who: (1) performs a qualified storage or search function for internet users; (2) lacks actual or imputed knowledge of the infringing activity; (3) receives no financial benefit directly from such activity in a case where he has the right and ability to control it; (4) acts promptly to remove or disable access to the material when his designated agent is notified that it is infringing; (5) adopts, reasonably implements and publicizes a policy of terminating repeat infringers; and (6) accommodates and does not interfere with standard technical measures used by copyright owners to identify or protect copyrighted works.²⁵⁶

Viacom's theory of copyright infringement hinged on the inducement theory from *Grokster*,²⁵⁷ alleging that YouTube.com was operated "with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement"²⁵⁸ making them liable for third-

247. *Id.* at 258.

248. *Id.*

249. *Id.*

250. Digital Millennium Copyright Act of 1998, Pub. L. No. 105-304, 112 Stat. 2860 (codified as amended in scattered sections of 17 U.S.C.).

251. *Viacom*, 253 F.R.D. at 259 (citing 17 U.S.C. §§ 512(c)-(d), (i)-(j)).

252. *Id.*; see *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936-37 (2005).

253. *Viacom*, 253 F.R.D. at 259.

254. *Id.*

255. See *id.*

256. *Viacom*, 253 F.R.D. at 259 (citing 17 U.S.C. §§ 512(c)-(d), (i)-(j)).

257. *Grokster*, 545 U.S. at 919.

258. *Id.*

party actions.²⁵⁹ Viacom asked for a jury trial, and the case is still in the discovery phases.²⁶⁰

2. *Lenz v. Universal Music Corp.*

On February 7, 2007, Stephanie Lenz filmed her young children dancing to the song *Let's Go Crazy*.²⁶¹ The video was twenty-nine seconds long, and the song could be heard with difficulty for about twenty seconds because of poor sound quality.²⁶² Lenz uploaded the video to YouTube.com.²⁶³ Universal sent YouTube a takedown notice on June 4, 2007, pursuant to the DMCA; Universal notified Lenz, who then issued a counter-notification on June 27, 2007, on the grounds that her video was fair use of *Let's Go Crazy*.²⁶⁴

As a result of the litigation, the court indicated that fair use, although not directly mentioned in the DMCA, should be considered before issuing a takedown notice.²⁶⁵ While the significance of this ruling has yet to be determined, it is important to note that the question of liability has been raised.²⁶⁶ According to a September 6, 2008, *Billboard* article, "some attorneys believe the music industry will need to proceed with caution" because of the amorphous concept of fair use.²⁶⁷

3. *Suggested Outcome*

Though the use in this case may be amusing to friends, family, and random third parties who stumble onto the video, the use of copyrighted music in an audiovisual work without first obtaining a master use license from the record company and a synchronization license²⁶⁸ from the musical work copyright

259. *Viacom Int'l, Inc. v. YouTube, Inc.*, No. C 08-80129 SI, 2008 WL 3876142, at *1 (N.D. Cal. Aug. 18, 2008).

260. *See id.* at *6 (ordering discovery requests); *Viacom*, 253 F.R.D. at 259.

261. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1151–52 (N.D. Cal. 2008).

262. *Id.* at 1152.

263. *Id.*

264. *Id.*

265. *Id.* at 1155. The court wrote:

Undoubtedly, some evaluations of fair use will be more complicated than others. But in the majority of cases, a consideration of fair use prior to issuing a takedown notice will not be so complicated as to jeopardize a copyright owner's ability to respond rapidly to potential infringements. The DMCA already requires copyright owners to make an initial review of the potentially infringing material prior to sending a takedown notice; indeed, it would be impossible to meet any of the requirements of Section 512(c) without doing so. A consideration of the applicability of the fair use doctrine simply is part of that initial review.

Id.

266. *See id.* at 1156.

267. Eriq Gardner, *Legal Roundup*, BILLBOARD, Sept. 6, 2008, at 10.

268. *See ABKCO Music, Inc. v. Stellar Records, Inc.*, 96 F.3d 60, 62 n.4 (2d Cir. 1996) ("A synchronization license is required if a copyrighted musical composition is to be used in 'timed-relation' or synchronization with an audiovisual work. Most commonly, synch licenses are

holder violates two copyright owner's rights.²⁶⁹ The courts should not be allowed to fashion a fair use determination simply because the infringer is a mother with young children. The courts can limit the amount of damages to be awarded to the copyright holders,²⁷⁰ but the courts should not mangle the fair use doctrine because the court does not like the facts.

4. Lennon v. Premise Media Corp.

In *Lennon v. Premise Media Corp.*,²⁷¹ the producers of the movie *Expelled* used approximately fifteen seconds of John Lennon's song *Imagine*.²⁷² The Southern District of New York mistakenly determined that the use was a "fair use."²⁷³ Analyzing the first prong of the test, the court found that the film was a commercial film for profit.²⁷⁴ But, the court concluded, "the movie's use of 'Imagine' is highly transformative, and not merely exploitative, and accordingly, the fact that the use is also commercial receives less weight in the analysis Therefore, the commercial purpose of 'Expelled' weighs only weakly against a finding of fair use."²⁷⁵ Addressing transformative use, the court stated that "there is a strong presumption that this factor favors a finding of fair use where the allegedly infringing work can be characterized as involving one of the purposes enumerated in 17 U.S.C. § 107: 'criticism, comment, news reporting, teaching . . . , scholarship, or research.'"²⁷⁶ The use of the song was found to be transformative because the song was used by the filmmakers to criticize John Lennon's naiveté.²⁷⁷ The court concluded that "defendant's use of 'Imagine' is transformative because it does not 'merely supersede[] the objects of the original creation' but rather 'adds something

necessary when copyrighted music is included in movies and commercials. The 'synch' right is a right exclusively enjoyed by the copyright owner." (citations omitted)).

269. See *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792, 796 n.3 (6th Cir. 2005) (noting separate copyrights for sound recording and underlying compositions).

270. 17 U.S.C. §§ 504(c)(2), 505 (2000).

271. 556 F. Supp. 2d 310 (S.D.N.Y. 2008).

272. *Id.* at 317.

273. *Id.* at 327.

274. *Id.* at 322.

275. *Id.*

276. *Id.* (omission in original).

277. *Id.* at 323. In analyzing the use of *Imagine*, the court quoted defendant Premise Media Corp.'s view:

The filmmakers "purposefully positioned the clip . . . between interviews of those who suggest that the world would be better off without religion and an interview suggesting that religion's commitment to transcendental values place limits on human behavior . . . mak[ing] the point that societies that permit Darwinism to trump all other authorities, including religion, pose a greater threat to human values than religious belief."

Id. (alteration in original) (omissions in original).

new, with a further purpose or different character, altering the first with new expression, meaning or message.”²⁷⁸

The court noted the defendants conceded that *Imagine* was a creative work under the second factor, and maintained that because “the work is widely published, [that] weighs a bit in favor of fair use.”²⁷⁹ The court went on to state that where “the secondary work comments on the ‘social and aesthetic meaning’ of the original, rather than ‘exploiting its creative virtues,’ the second fair use factor has ‘limited weight.’”²⁸⁰

The third fair use factor “focuses on the copyrighted work, not the allegedly infringing one.”²⁸¹ The court found that using only fifteen seconds out of a three minute song was “quantitatively . . . reasonable in light of [the defendants’] purpose in copying.”²⁸² The plaintiffs’ expert testified that the fifteen seconds used were repeated in the song and actually constituted eighty-seven “seconds of the song, or 48.8 percent of its total duration.”²⁸³ The court cited the *2 Live Crew* case to show that a parodist can take the heart of a song for comment and criticism.²⁸⁴ In light of that precedent, the court found that the third factor weighed in favor of fair use.²⁸⁵

Lastly, the fourth factor was found to support a finding of fair use. In coming to this conclusion, the court stated that, although the plaintiffs alleged that allowing the use of a song without a licensing fee would hurt future licensing opportunities, they failed to offer any evidence that the defendants’ use had any effect on the market for the song.²⁸⁶

5. *What’s Wrong With This Picture?*

Allowing filmmakers to state that the images synchronized with a song are commenting on the naiveté of the song is ripe for abuse. Synchronizing music to images in an audiovisual work should not be considered a transformative use for the purposes of fair use. That transformation is exactly the use that the synchronization license is designed to permit. The *Lennon* court seemed to misconstrue the holding of *Harper & Row*²⁸⁷ by stating that popularity and familiarity of a work favor a finding of fair use.²⁸⁸ The film was not a parody of the song, making the court’s analysis of the third prong misguided at best.

278. *Id.* at 324 (alteration in original) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

279. *Id.* at 325.

280. *Id.*

281. *Id.*

282. *Id.* at 325–26.

283. *Id.* at 326.

284. *Id.*

285. *Id.* at 327.

286. *Id.*

287. 471 U.S. 539, 569 (1985).

288. *See Lennon*, 556 F. Supp. 2d at 325.

The fourth prong is designed to protect the original work from competition in the marketplace from freeloaders, and the court's decision runs contrary to the purpose of preserving the economic value of the original.

The conclusion that the use of an excerpt from a song is a fair use will have a devastating effect on the marketplace for music licensing to film and television. The court's logical misapplication of the factors demonstrates the need to severely restrict fair use in music.

IV. THE ANSWER TO THE QUESTION²⁸⁹

The fair use doctrine²⁹⁰ needs a serious overhaul. Although an overhaul of the fair use doctrine for non-musical works is beyond this Article's scope, Congress should remove musical works and sound recordings from the coverage of 17 U.S.C. § 107 and create a new § 107A²⁹¹ to cover music. Colloquial uses do not qualify for the fair use defense because they are de minimis²⁹² uses.²⁹³ Excepting musical works and sound recordings from the current fair use section should not be difficult. Congress can accomplish this exception by simply adding a sentence to 17 U.S.C. § 107 that reads, "This section shall not apply to musical works and sound recordings." Adding a new

289. This proposal was introduced by the author in a previous article. William Henslee, *Marybeth Peters Is Almost Right: An Alternative to Her Proposals to Reform the Compulsory License Scheme for Music*, 48 WASHBURN L.J. 107, 126–27, 130–31 & nn. 183–91 (2008).

290. 17 U.S.C. § 107 (2000).

291. Section 107A would supplement § 107 in the same manner that 17 U.S.C. § 106A supplements § 106.

292. See discussion of *Folsom v. Marsh*, *supra* note 35.

293. Colloquial uses of lyrics that have become a part of the popular lexicon do not need to rely on the fair use defense because they become a de minimis use. Examples include: *Sprint Communications Co. v. APCC Services, Inc.*, 128 S. Ct. 2531, 2550 (2008) (Roberts, C.J., dissenting) ("The absence of any right to the substantive recovery means that respondents cannot benefit from the judgment they seek and thus lack Article III standing. 'When you [ain't] got nothing, you got nothing to lose.'" (citing BOB DYLAN, *Like A Rolling Stone*, on HIGHWAY 61 REVISITED (Columbia Records 1965))); *In re Gallaher*, 548 F.3d 713, 714 (9th Cir. 2008) ("In the classic words of the Rolling Stones, 'You can't always get what you want.'"); *Kahn v. Immigration and Naturalization Service*, 36 F.3d 1412, 1423 (9th Cir. 1994) (Kozinski, J., further dissenting) ("Some may agree with the Beatles that 'All You Need is Love,' . . ."); *Portnoy v. Texas International Airlines, Inc.*, 678 F.2d 695, 698 n.6 (7th Cir. 1982) ("And as Duke Ellington said, 'It don't mean a thing if it ain't got that swing.'") (quoting *Portnoy v. Seligman & Latz, Inc.*, 516 F. Supp. 1188, 1200 (S.D.N.Y. 1981)); *Department of Corrections v. Daughtry*, 954 So. 2d 659, 664 (Fla. Dist. Ct. App. 2007) ("The DOC would convert our county jail into the mythical Hotel California, where the defendant is 'free to check out any time [he wants], but [he] can never leave.'" (alterations in original)); *Smith v. Board of Horse Racing*, 956 P.2d 752, 754 (Mont. 1998) ("Randy, owner of 'Mickey's Hot Sauce,' cites Mick Jagger and the Rolling Stones for the proposition that 'You can't always get what you want, But if you try sometimes you just might find You'll get what you need!'").

section to clarify the fair use of music is necessary to make the royalty scheme work²⁹⁴ most efficiently and to maximize income for the copyright owners.

Unlike the courts' current interpretations of § 107, the preamble of the new § 107A must be followed at all times.²⁹⁵ If the use does not fit into the specifically enumerated uses set forth in the preamble of § 107A there can be no fair use, and analysis of the fair use factors need not be undertaken. The only uses that should qualify for a fair use of music are news reporting, teaching, scholarship, and research.²⁹⁶ Sampling²⁹⁷ previously recorded music for the purpose of creating a new sound recording²⁹⁸ has already been held to be infringement.²⁹⁹ Dancing to your favorite song and uploading the video on YouTube does not fit into the preamble or satisfy any of the fair use factors. Political advertisements should not qualify for fair use because the First

294. The author proposed a statutory compulsory license for any sample or portion of a preexisting sound recording or musical work used to create a new work. A parody would qualify and be required to pay the statutory rate. See Henslee, *supra* note 289, at 125–26, 129–30 & nn.174–82.

295. Courts have ignored the preamble of § 107 to reach their desired result. See, e.g., *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 957 (2005) (Breyer, J., concurring) (praising the *Sony* decision as “clear” and an effective means of protecting new technology); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578–79 (1994) (combining discussion of the preamble with the first prong presumably because parody is not specifically mentioned in the preamble); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 416, 447 (1984) (ignoring the preamble because time-shifting does not fit into any of the enumerated categories); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 822 (9th Cir. 2003) (ignoring the preamble to make internet linking fit as a “fair use”).

296. These uses are included in the preamble of § 107. Although Congress stated that the categories were not exclusive, Congress never stated that the preamble should be ignored.

297. *Brown v. Columbia Recording Corp.*, No. 03 Civ. 6570 DABTHK, 2006 WL 3616966, at *2 (S.D.N.Y. Dec. 12, 2006). The court in *Brown* stated:

Digital sampling is a technique whereby a portion of an already existing sound recording is incorporated into a new work. More specifically,

[d]igital sampling has been described as:

the conversion of analog sound waves into a digital code. The digital code that describes the sampled music . . . can then be reused, manipulated or combined with other digitalized or recorded sounds using a machine with digital data processing capabilities, such as a . . . computerized synthesizer.

Id. (alteration in original) (omissions in original) (quoting *Jarvis v. A&M Records*, 827 F. Supp. 282, 286 (D.N.J. 1993)).

298. Examples of sampling use include: Puff Daddy's *Mo Money, Mo Problems*, originally Diana Ross's *I'm Coming Out*; Puff Daddy and Faith Evans' *I'll Be Missing You*, originally Sting's *I'll Be Watching You*; MC Hammer's *You Can't Touch This*, originally Rick James's *Superfreak*; and Vanilla Ice's *Ice, Ice, Baby*, originally David Bowie's *Under Pressure*. Henslee, *supra* note 289, at 129 n.175 (citing Khalilah L. Liptrot, *A Musical Interlude: Sampling Goods vs. Stealing Goods*, MEDILL NEWS SERV., July 15, 2004).

299. *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792, 801 (6th Cir. 2005) (“[S]ampling is never accidental. . . . When you sample a sound recording you know you are taking another's work product.”).

Amendment is not included in the preamble of § 107 nor the preamble of proposed § 107A.³⁰⁰

The new § 107A should read as follows:

Notwithstanding the provisions of section 106, the fair use of a musical work or sound recording, for purposes such as news reporting, teaching, scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

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

Criticism and comment will only be considered a fair use if they fit into the news reporting exception.³⁰¹ Parody is specifically excluded as fair use, but may qualify for a compulsory sample license.³⁰² This new system will bring certainty to the marketplace and avoid unnecessary transaction costs and litigation.

V. CONCLUSION

The fair use doctrine should be severely restricted in its applicability to music. Only traditional fair use should qualify for the fair use defense when music is the medium of the use. Any non-exempt use of music currently requires at least one license from the copyright owner. The legislature and courts should preserve the rights of the copyright owners in musical compositions and sound recordings by requiring anyone who desires to use the copyrighted material of another to negotiate a license or secure a compulsory license. The courts and scholars need to return to the initial application of the term "fair use." The courts have expanded the doctrine far beyond its original boundaries. While copyright holders have many exclusive rights under 17 U.S.C. § 106, the exclusive right to *use* their work is not one of them. As a

300. *Contra* Keep Thompson Governor Comm. v. Citizens for Gallen Comm., 457 F. Supp 957, 960 (D.N.H. 1978) ("It does not appear that plaintiff has suffered or will suffer any monetary damage, and the mere 'possibility' of loss of the election is outweighed by public interest in a full and free discussion of the issues relative to the election campaign.").

301. Music reviews would fall under this exception.

302. Under the proposed § 107A, a parody would not qualify as a fair use. *Cf.* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 594 (1994) (finding 2 Live Crew's use of Roy Orbison's *Oh, Pretty Woman* was a parody because the use was transformative). Under the new § 107A, 2 Live Crew would need to pay a royalty for use of Orbison's bass line and lyrics. Any use of the musical work or sound recording of another would require a royalty payment.

result, a fair use is a use that does not contradict the exclusive rights of the copyright holder, but is not a term that should be used widely or in an unrestricted manner. The courts need to more carefully balance the exclusive rights under § 106 with the fair uses in § 107. Congress should adopt the proposed § 107A. This system will in no way inhibit creativity; it will only require artists who need to use the work of others in order to express themselves to pay for the use.

