

Copyright Exam 2013

Question #1

Model Answer B

Dear Luke,

Please find my suggestions outlined below.

I. Available Copyright Protection(s) in Your Designs

Originality

To qualify for copyright protection, your Hamsa design must (1) be independently created, and (2) contain a modicum of creativity. (Feist). The bar is not high here. The specific details of your design (as shown in Figure 1) are quite sufficient under the *Feist* standard.

Idea/Expression

I must note, however, that the extent of the protection you have in your Hamsa design is quite limited: copyright protection can only extend to the *expression* of an idea, not the idea itself. In your situation, the *idea* of a left-handed Hamsa is not protectable *in toto*. However, your specific expression of that idea is.

Your rights are also somewhat tempered by the Scènes à Faire doctrine. You cannot seek protection of those aspects of your work that are common to a genre (Haley, "Roots") or required to evoke a certain "feel" within a field or genre (La Chappelle, "S&M"). Common elements or aspects of the Hamsa design, such as the use of an eye, a stylized open face palm, scroll embellishments, etc. are all common to the genre of Hamsa design. Any historical elements are also unprotectable (Hoehling)

Subject Matter Coverage

Your Hamsa design could qualify as a pictorial or graphic work. It

could also qualify as a sculptural work, insofar as you can demonstrate that the earring is also your work. Your opponents may try to argue that the earring is a "useful article" because it is wearable, but this won't get them far.

Fixation

You can only receive protection in works that have been fixed in a tangible medium. You have at least two fixations: (1) the detailing drawing you gave to Carol and (2) the earring she created with your instructions.

II. Ownership of Your Design

One potential issue that might arise is that of ownership in your design. You are the sole author of the detailed drawing you made; as such you retain the copyright in it.

However, the earring presents a more interesting case. Carol physically crafted the earring. You may be able to assert sole authorship over the earring under the *Lindsay v. Titanic* theory, but unless you can demonstrate that you have ability to make earrings or jewelry yourself, you may run into trouble here. You could attempt to works-for-hire argument, but you have no signed written agreement with Carol. You would not likely be able to show that she was your "employee" under *CCNV* factors either. Joint authorship is also unlikely as Carol is not truly an author under the *Aalmuhammed* standard.

In any event, your original detailed drawing should suffice.

III. Prima Facie Violation(s) of Your Rights

The copyright statute grants the authors of copyrightable works a number of exclusive rights under §106(1)-(6) and §106A. I explain what rights of yours may have been violated by Acme Amulet Company and the Jewish Museum Shop (JMS) below.

Direct Infringement

You can establish prima facie direct infringement of your rights by Acme, but not JMS. *Cf. Perfect 10* (in-line linking to infringing websites is not direct infringement).

106(1) Reproduction

Acme has likely violated your exclusive right of reproduction. To establish a prima facie violation under 106(1), you must demonstrate (1) what the defendant created was a "copy," (2) the defendant "copied" your work, and (3) improper appropriation. To qualify as a copy, Acme's products must be fixed, tangible, and intelligible. As they manufacture tangible pieces of jewelry this is not an issue.

To show that Acme copied your work, you must present either direct evidence of copying, which will be difficult, or circumstantial evidence--typically by showing access to the original work and probative similarity. The fact the image in the Boston Globe a newspaper is widely distributed makes it easier to demonstrate access (*Cf. Three-Boys Music*); however, we would have to show that the *Boston Globe* was readily available in San Jose. Fortunately, most courts apply an inverse ratio rule. If you can show significant probative similarity--for example, the flipped version with the trunk of an elephant--you should be able to pass muster.

As this is likely a case of comprehensive non-literal similarity, you will have to demonstrate substantial similarity between your design and Acme's copies. The precise definition varies by court. Some examples include: total concept and feel (Steinberg), more discerning ordinary observer (Boisson), abstraction (Nichols; *Altai*), and extrinsic/intrinsic similarity (Swirsky; *Krofft*). Because of the nature of your design (drawing heavily on the public domain), a court will likely apply the *Boisson* standard. Again, the

flipped Acme design is helpful here. Because it is a near verbatim copy, the specific detail scrollwork design you created should be present in the Acme design. This is likely sufficient to establish substantial similarity. As you "grudgingly" noted, however, not all the designs will meet this standard. If any of the pendants you found are in fact identical (as I believe you indicated) this would also be any easy test to pass.

Acme may try to argue a de minimis exception to its appropriation (Cf. *Davis v. GAP*), but this won't get them far.

106(2) Derivative Works

Each of Acme's products is arguably a derivative work of your original detailed design. Most plaintiffs do not pursue a 106(2) violation in a case such as yours where the 106(1) is stronger. There are a few exceptions (*Galoob*; *Micro Star*; *Lee*), but these do not apply here. The analysis under 106(2), then for you, would be the same as that under 106(1). Cf. *Castle Rock*.

106(3) Distribution

Because Acme is selling copies of your work, they have violated your 106(3) right of distribution. The first doctrine (§109(a)) exception would not be available to however, because their copies were not lawfully obtained under Title 17.

106(5) Display

Acme also likely violated your 106(5) right to display the work-- either on their website or in their stores/stands. None of the §110 exceptions would apply to your case.

106(A) Visual Artists Rights Act

If your design can be properly classified as a work of visual art, Acme may have also violated your VARA rights of attribution and integrity. Cf. *Martin*. Certainly the Republican image is harmful to

your "honor or reputation," but I don't want to overstate your odds of success here.

Secondary Infringement

Though you cannot reach JMS via a direct infringement argument, you can make a plausible argument that they are secondarily liable. Relief under the various theories is predicated on a finding of direct infringement, but vary in other respects:

Contributory Infringement

JMS did *not* likely contributorily infringed your works. It is unlikely that JMS had actual knowledge of Acme's infringing activity. Moreover, JMS's linking services likely do not all go to infringing websites--thus the COSNU defense under *Sony* would be applicable here. JMS also made a minimal material contribution. It did link to the infringing Acme website, but no more.

Vicarious Infringement

However, JMS did likely vicariously infringed your works. There is no question JMS has a financial interest at stake here--they earn a commission off each sale they refer. At a minimum, the addition of Acme's products to their site "enhanced the attractiveness" of it. (Fonovisa). Under the second prong, JMS also has control over which websites they link to.

Inducement Theory Under the *Grokster* theory of inducement, you must show that JMS had "purposeful, culpable expression or conduct demonstrating an intent to induce or encourage direct infringement." JMS does not appear to meet this standard. Pertinent evidence in this regard includes advertising illegal uses or targeting likely infringers. JMS refers customers to websites with infringing material, but little more. In addition, the "commercial sense of the enterprise" of JMS, however, does not

appear to fall within the ambit of *Grokster*.

IV. Potential Defenses

Both Acme and JMS will likely raise some affirmative defenses. The specific limitations under each of the §106 rights outlined above are unavailing; however the fair use doctrine (§107) is. As you can only establish direct infringement against Acme I focus there. If Acme's use is fair, JMS cannot be secondarily liable. I address each of the four statutory factors below with respect to the elephant Hamsa because it is the most difficult:

(1) Purpose and Character of the Use

The first factor weighs slightly against in favor of fair use--but only with respect to the elephant Hamsa. Both Acme and JMS are engaged in commercial activity; however this is not dispositive of the first factor analysis (Campbell). Rather, transformative use "lies at the heart of the fair use inquiry" (Campbell; *Cariou*). A use is transformative if it imbues the copy with "new expression, meaning or message." Acme's use does not fit well within most of the traditional categories of fair use: parody (Campbell; *Forsythe*), satire (Blanch), criticism (Lennon), or different purpose (Gaylord, *Blanch*). However, Acme could make a plausible argument that their use provides some social value (Perfect 10; *Cf. Sony*) insofar as the elephant is furthering political speech. Indeed, for a copy to be transformative it need not comment upon the original at all. (*Cariou*). A court may, however, be motivated by Acme's apparent bad faith in the verbatim copy of your design. *Cf. Harper&Row*.

(2) Nature of the Copyrighted Work

The second factor is neutral. Your work is "published" insofar as it was featured in the Boston Globe. (*Harper&Row*). On the other hand, your work is more expressive than factual. Nevertheless, a transformative use makes the second factor less important. (*Cariou*).

(3) Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole The third factor weighs slightly in favor of fair use--with respect to the elephant Hamsa only. There is both a quantitative and qualitative aspect to the analysis (Harper&Row). Acme arguably took a substantial quantity of your work; however, where a transformative use is at issue, Acme is entitled to take as much as it needs to achieve its transformative purpose. (Blanch; *Cariou*; cf. *Campbell*).

(4) Effect upon the Potential Markets for and the value of the Copyrighted Work

The fourth factor weighs slightly in favor of fair use. This factor concerns the "traditional, reasonable or likely to be developed markets," including derivative markets of the original work. The commercial nature of Acme's use is not dispositive of the fourth factor (Campbell). Moreover, you cannot argue the harm you suffered by not licensing the design to Acme, or what you would charge for transformative uses. Indeed, the more transformative a use, the less likely there is to be market harm. (*Castle Rock*).

Other Considerations

The fair use analysis is primarily, though not exclusively, guided by the four factors above. In light of the first amendment political speech considerations embodied in the elephant Hamsa, a court may lean more towards a finding of fair use. (Cf. Geoffrey Stuart's argument in the Shepard Fairey case.)

Balancing the Factors

On balance, the fair use analysis favors Acme--but only with respect elephant Hamsa. There may also be (several) other Hamsa designs that lack the sort of transformative use in the elephant that would not qualify as fair uses. To that end, please let me know specifically which designs you find to be infringing.

V. Remedies

Assuming you can defeat the fair use argument, you have both equitable and pecuniary remedies available to you.

Injunctive Relief

Under the *eBay* standard as applied to copyright law (Salinger), you must meet for equitable factors: (1) irreparable harm, (2) inadequacy of monetary damages, (3) balance of harms, and (4) public interest. In addition, if you seek a preliminary injunction (which might encourage settlement), you would have to establish upfront a likelihood of success on the merits. I should note that injunctions in copyright cases are rare. Because you are not engaged in commercial activity and Acme is, the balance of harms is likely not in your favor.

Damages

Actual & Defendant's Profits Under 504(b) you can recover lost revenue (both direct and indirect) or the defendant's profits (direct and indirect; *Frank Music*). I would focus on the latter in your case. You would carry the burden of proof with respect to Acme's and JMS's revenues and they would carry the burdens of deducting costs and apportioning the revenues between infringing/noninfringing activity.

Statutory & Attorneys Fees A better option in your case is statutory damages, but these are only available if you registered your work with the copyright office prior the infringement. If you have not registered your work, I highly recommend you do so now. You can receive up to \$150k per work infringed (one in this case) if you can demonstrate that Acme and JMS willfully violated your rights. Infringement is willful if is done knowingly. While this is possible with respect to Acme, JMS would be a more difficult case. If you cannot show willful you could receive anywhere from \$750-\$30k, but bear in mind that the court retains remittitur power

(Tennenbaum). Attorneys fees and costs may also be available if you registered timely.

I hope this helps answer your questions.

Best Regards, Affable Attorney