

Copyright and Related Issues Relevant to Digital Preservation and Dissemination of Unpublished Pre-1972 Sound Recordings by Libraries and Archives

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by June M. Besek
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The National Recording Preservation Board

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Foreword

Unpublished sound recordings are among the most culturally important resources entrusted to libraries and archives. Radio broadcasts of news and entertainment programming, oral histories and interviews, and “live” musical and literary performances are of ever-increasing interest to scholars and the general public. Many of these recordings are unique, and in nearly all cases, the primary responsibility for preserving unpublished collections eventually falls to publicly funded institutions. With this responsibility comes an inevitable requirement to reformat the recordings to digital files for preservation and public access.

Because of the broad availability and ease of use of modern digital technologies, the public generally expects ready access through the Internet. Within the archival community, this position is reinforced by the requirements of preservation project grant funders that library collections in all formats ought to be as easily accessible as podcasts or scanned books. While digital technologies make access relatively easy, there are major legal impediments to the delivery of sound recordings preserved by the nation’s libraries and archives to home computers and other digital access devices. U.S. laws also create fundamental barriers to accepted digital preservation practices. Federal copyright law specifies that no more than three copies may be made of a protected work. Yet, three copies are simply not enough. Audio, as well as still- and moving-image preservation, often requires creation of multiple smaller files for public use, and best practices recommend storage of multiple copies of files in different locations.

Identifying exactly which laws address the preservation and public use of sound recordings is a tremendous burden for librarians and archivists. If a recording was made in the United States before February 15, 1972, the date when U.S. recordings were first protected by federal copyright law, determining rights holders and applicable laws can be positively vexing. In the present circumstance, almost all pre-1972 recordings will be controlled by myriad state laws and common law until the year 2067.

In the pages that follow, June Besek lucidly and thoroughly examines the laws applicable to ownership rights related to pre-1972 unpublished recordings. Professor Besek pierces the U.S. legal fog to reveal a dense thicket of federal, state, and common laws that form impractical, and even damaging, barriers to preserving America’s recorded-sound history and to providing access beyond the physical walls of libraries and archives. This outstanding study brings much-needed clarity to an enormously complex subject by outlining the many laws applicable to the rights status of a recording and by examining the application of those laws to nine categories of unpublished sound recordings.

My colleagues and I are enormously grateful to Professor Besek for this clear and well-organized analysis of the copyright status of pre-1972 unpublished audio. Regrettably, however, the findings of her analysis are dismaying for a number of reasons. In light of general disagreements among archivists, librarians, and rights owners over what revisions are needed to Section 108 of the U.S. Copyright Law, some fundamental preservation practices, such as making more than three digital copies of at-risk sound recordings, will continue to be technically illegal. In many cases, the laws governing sound recordings are, in Professor Besek's words, "inconsistent and uncertain." Because there was no national copyright registration process for sound recordings prior to 1972, a significant number of the recordings made before that year are "orphan works," existing in a limbo in which the identification of proper rights holders is exceedingly difficult.

The unnecessarily complex legal status of pre-1972 sound recordings serves the best interests of no one—users and rights holders alike. Professor Besek outlines the full scope of these issues for librarians and archivists for the first time. Until legislation and/or forward-thinking license agreements begin to clear the legal thicket to allow preservation and access to our audio heritage, this body of our cultural heritage remains at risk. Without new laws or licenses, those entrusted to preserve sound recordings of great aesthetic, historic, and cultural value face a future where their efforts will remain a virtual whisper—heard and appreciated by only a few.

Deanna B. Marcum
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1.0 Introduction

Unpublished sound recordings, such as taped interviews, oral histories, and archival copies of concert recordings (authorized or “bootlegged”) or of old radio broadcasts pose particular challenges for librarians.¹ Some libraries have many such recordings in their collections. Consistent with their mission, libraries want to preserve these works for future generations and to make them available to researchers and scholars. These activities, however, are subject to intellectual property rights in the sound recordings. Experts believe that “the future of audio preservation is in the digital arena.”² Converting sound recordings into digital form, and maintaining them in that form, involves making numerous copies. Streaming them to remote users involves, among other things, making server copies and publicly performing the recordings. These are activities that would involve the exercise of copyright rights if the sound recording or any works it contains were protected by copyright.

What makes sound recordings so complicated is that they were not eligible for federal copyright protection until February 15, 1972. Pre-1972 sound recordings are governed by different, overlapping bodies of federal and state law. The difficulty is heightened by the fact that in most cases the law regards sound recordings as conceptually separate from the underlying material embodied in them—musical compositions, scripts, etc.—and that the underlying material, which may be protected by copyright, must be considered separately in determining the scope of permissible use of the recording.

Even for works governed entirely by federal copyright law, libraries confront a range of issues in preserving works and serving users. For example, how can the three-copy limit for replacement and preservation copies allowed by section 108 of the Copyright Act be squared with best practices for digital preservation, which require multiple copies? Digital preservation and replacement copies made under section 108 must be used on the library’s premises, but how should “premises” be defined? To what extent does fair use permit

¹ For simplicity—and with apologies to archivists—this report will refer at times only to “libraries” and “librarians,” but those terms should be read to embrace archives and archivists, to which it is equally applicable.

² PAUL KINGSBURY, CAPTURING ANALOG SOUND FOR DIGITAL PRESERVATION: REPORT OF A ROUNDTABLE DISCUSSION OF BEST PRACTICES FOR TRANSFERRING ANALOG DISCS AND TAPES 2 (CLIR, March 2006), available at <http://www.clir.org/pubs/reports/pub137/pub137.pdf>.

library activities that do not fall within the section 108 exceptions? Individual institutions and library associations have developed guidelines and practices to comply with the copyright law. New technologies continue to present challenges that make it necessary periodically to review those guidelines and practices. The Copyright Act's exceptions for libraries and archives in section 108 are themselves under examination for possible legislative amendment.

But to what extent are copyright exceptions and library practices developed in connection with works protected under federal copyright law relevant to sound recordings not protected by federal copyright law? Are these recordings protected at all by state laws? If so, what is the scope of that protection? To the extent that libraries have exceptions from federal copyright law, can they rely on those exceptions for sound recordings governed by state law? Is state law more or less restrictive than federal law?

There are no easy answers to these questions. Using examples of particular types of sound recordings, this study (1) describes the different bodies of law that protect pre-1972 sound recordings, (2) explains the difficulty in defining the precise contours of the law, and (3) attempts to provide some guidance for libraries evaluating their activities with respect to one particular category of sound recordings: unpublished pre-1972 sound recordings.

Background. A sound recording is the "fixation of a series of musical, spoken, or other sounds."³ A sound recording can embody another work (referred to as the "underlying work"), such as a musical composition, a play, or a literary work such as a novel. February 15, 1972, is a key date for sound recordings: sound recordings first "fixed," or recorded, on that date or thereafter are protected by federal copyright law. U.S. sound recordings fixed prior to that date are protected only by state law.

This is the second of two studies concerning library reproduction and dissemination of pre-1972 sound recordings. The 2005 study, *Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives*,⁴ addressed commercial sound recordings, i.e., sound recordings fixed with the authorization of the right holders (usually the record producer and the performers) and intended for reproduction and sale to the public. This study addresses a different category or works: *unpublished* sound recordings, i.e., recordings that were created for private use, or even for broadcast, but that were not distributed to

³ "Sound recordings" are defined in the Copyright Act as "works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes or other phonorecords, in which they are embodied." 17 U.S.C. § 101 (2000). U.S. copyright law is contained in Title 17 of the United States Code. All statutory references in this paper are to sections of Title 17, unless otherwise noted.

⁴ JUNE M. BESEK, COPYRIGHT ISSUES RELEVANT TO DIGITAL PRESERVATION AND DISSEMINATION OF PRE-1972 COMMERCIAL SOUND RECORDINGS BY LIBRARIES AND ARCHIVES (CLIR Dec. 2005), available at <http://www.clir.org/pubs/reports/pub135/pub135.pdf>. The legal background material concerning federal copyright law in this report is largely derived from the earlier report.

the public in copies with the right holder's consent.⁵ Examples of such recordings include bootlegged, or even authorized, tapes of live musical performances such as rock concerts or operas, tapes of interviews conducted as part of a journalist's news gathering, or recordings of old radio broadcasts made for archival purposes. Such unpublished recordings may find their way into library collections, principally through donations to the library or purchase by the library. In some cases, the recordings owned by libraries may be the only extant recordings of a particular performance or event, and therefore have considerable cultural and historical significance.⁶

A key assumption made in this study is that the library will not charge a fee for access to the pre-1972 recordings or derive any direct or indirect commercial advantage (including fundraising) from their use.⁷ This assumption is discussed in detail in section 4.2.

Examples. Several examples of sound recordings in libraries' collections facilitate the discussion that follows. It is assumed for purposes of this study that the recordings were made in the United States unless otherwise noted.

1. Bootleg recording made during a rock concert (1971)
2. Bootleg tape of a live performance of the opera *The Marriage of Figaro* (1962)
3. Archival recording of a commercial network radio news broadcast (1943)
4. Archival recording of a commercial radio variety program including music and comedy (1950)
5. Airchecks from a defunct radio station (voice only, no music) (1946)
6. Press conference or radio interview with a well-known personality (1964)
7. Oral history or man-on-the-street interview with "average" person (1962)
8. Taped interviews that contributed to a story (some of which are quoted in the story), done by a journalist who worked for a major weekly news magazine and donated to the library with a collection of the journalist's papers (1967)
9. University student recital, performing Beethoven violin sonatas, recorded in England with the performers' permission (1971)

⁵ Under federal copyright law, a work is considered "published" when copies are distributed to the public "by sale or other transfer of ownership, or by rental, lease or lending. The offering to distribute copies ... to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication." § 101. However, the federal law definition is not binding on the states, and the definition of "publication" can vary from state to state. *See infra* note 11.

⁶ In most cases there will be only one or a few recordings. In some instances, such as bootlegs, there may be more, depending on how widely copies were made available by the bootlegger.

⁷ This assumption is broader than the concept of "direct or indirect commercial advantage" in section 108 of the Copyright Act. A charge for cost recovery does not necessarily provide a library with a commercial advantage, but it could be interpreted as a sale or rental under state law.

Some of these recordings, such as the bootleg recordings in the first two examples, were initially made without authorization. Others were initially made with authorization, but for a particular purpose that did not include the public distribution of copies.

Legal framework. The legal issues involved in this study are complex, because there are relevant civil and criminal laws, on both the federal and state levels. Criminal law defines public wrongs, punishable by fines, probation, imprisonment, or a combination thereof. It is usually enforced by a public official such as a district attorney or prosecutor. Criminal law is set out in statutes, and any alleged wrongdoing must fit within a strict interpretation of the statute to be a crime. In this respect, criminal law is said to be “narrowly construed.” Civil law governs private wrongs, i.e., disputes between private parties, based on claims that an individual or organization wrongfully harmed another’s person or property. Civil cases are usually brought by private parties seeking remedies such as damages, injunctions, or both. Civil law can be defined in statutes, but it can also be “common law,” i.e., judge-made law developed in response to cases that have arisen over the years and to which people refer as precedent when similar cases arise.

Certain uses of pre-1972 sound recordings can implicate federal copyright law or federal antbootlegging laws (civil and criminal), state criminal laws against record piracy and bootlegging, and state civil law—usually common law—governing torts such as unfair competition, misappropriation, rights of privacy and publicity, and “common law copyright.”

This report focuses on the implications of library use of pre-1972 unpublished sound recordings under United States law, state and federal. To the extent that a library were to stream such a recording to, or distribute it in, a foreign country, the law of that country may apply. Foreign law considerations are addressed in section 4.2.5.

Overview of this report. Sections 2.0 and 3.0 provide descriptions of the principal bodies of federal and state law, respectively, that relate to protection for pre-1972 sound recordings. Section 4.0 looks at the law in the context of the examples. Section 4.1 assesses the extent to which the unpublished recordings described here are legally protected and who the likely right holders are, and sections 4.2 and 4.3 consider whether libraries may copy such recordings for digital preservation and disseminate them to users through Internet streaming. This study focuses on library dissemination by means of streaming, rather than downloading, recordings by library users, since streaming was perceived as a means by which libraries could meet the needs of users in a manner less threatening to right holder interests than providing end user downloading. Section 5.0 contains the conclusions.

2.0 Legal Background: Federal Law

2.1 Federal Copyright Law

Why is it necessary to discuss federal copyright law at all when pre-1972 sound recordings are not protected by copyright? There are several reasons. First, although pre-1972 sound recordings are generally not protected by copyright, they frequently have other works embodied in them—musical compositions, dramas, and literary works such as books, poetry, and so on—that are protected by federal copyright law. Second, it helps to understand why historically there were (and to a limited extent there still are) two systems of law in this country, one state and one federal, governing works of authorship. Third, state laws that address sound recordings are, for the most part, amorphous: the scope of protection and available exceptions are not well defined. Federal copyright law can be an important reference point for state courts seeking to determine whether a use should be permissible. Finally, some pre-1972 sound recordings of foreign origin are governed by federal copyright law, as explained below.⁸

Most of the discussion in this report concerns civil copyright law. Civil law governs disputes between private parties, based on claims that one individual or organization wrongfully harmed the person or property of another. Civil cases are usually brought by private parties who seek to halt the alleged wrongful activity through a court-ordered injunction, or to be compensated through an award of money damages. In extreme cases, however, a copyright violation can also be a criminal offense. Criminal violations of copyright law are discussed in section 2.2.

2.1.1 Protected Works

Copyright exists in any original work of authorship fixed in a tangible medium, such as paper, canvas or computer disc. To qualify as “original,” a work cannot be copied from another work, and must exhibit at least a small amount of creativity. Copyright protects a wide range of works, including, for example, literary works, musical works, dramatic works, and sound recordings. Sound recordings and musical works are discussed in more detail below.

Prior to January 1, 1978 (the effective date of the 1976 Copyright Act), there were two systems of copyright in the United States. State law protected unpublished works. When a work was published, it generally lost state law protection. Federal copyright law protected published works, provided the requirements of federal law were met. In particular, copies of a published work had to include a notice of copyright. If a work was published with a copyright notice, it gained federal statutory protection. If it was published without such

⁸ It is possible for a remix of a pre-1972 sound recording to qualify for federal copyright protection, provided there is sufficient new authorship to meet the threshold requirement for originality. This study, however, is based on the assumption that the library seeks to use the original recording.

a notice, it entered the public domain.⁹ Sound recordings were an exception to this rule. They usually did not lose all state law protection upon publication, because no federal copyright protection was available. But states achieved protection for sound recordings in different ways.

What constituted “publication” was of critical importance. Under federal law, a work was considered published if copies of the work were distributed to the public, but not if it was merely performed or displayed.¹⁰ So a work could be communicated to many people—for example, through a live performance or a radio or television broadcast—but still not be considered published. Not all states adhered to the federal definition of publication, however.¹¹

2.1.2 Term of Protection

The duration of copyright protection in the United States differs depending on when the work was created and published.

For works first created on or after January 1, 1978 (the effective date of the 1976 Copyright Act), copyright lasts for the life of the

⁹ To avoid the severe consequences of publication without notice (known as “divestitive publication,” because it resulted in loss of the copyright), courts developed the doctrine of “limited publication.” A limited publication occurs when the work is distributed to a select group of people for a limited purpose, without the right to reproduce or redistribute. Limited publication without notice does not result in loss, or “divestiture,” of common law rights. See MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 4.13[A] (4th ed. 2008) (hereinafter, *NIMMER ON COPYRIGHT*).

¹⁰ An authorized offer to sell could qualify as publication even if the sale did not in fact occur. See *NIMMER ON COPYRIGHT*, *supra* note 9, § 4.04. Even musical compositions commercially distributed in phonorecords may not be “published” under federal law. Congress amended the Copyright Act in 1997 to provide that “[t]he distribution before January 1, 1978 of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein.” § 303(b). So if the underlying musical work was distributed in another format, e.g., sheet music, it was published; if not, it was unpublished at January 1, 1978, and received the term of protection for unpublished works. See *infra* note 15 and accompanying text. The 1997 amendment effectively extended the term of protection for some of the underlying musical works beyond what they would have had if they were published with notice on the phonorecord in the first instance. *NIMMER ON COPYRIGHT*, *supra* note 9, § 4.05[B][7] at 4-42.

The law was passed because a significant number of phonorecords released before the current law took effect failed to include a copyright notice with respect to the underlying musical works, as many believed it was unnecessary because the phonorecords were not “copies.” Some courts ruled that the distribution of phonorecords without notice under the 1909 Copyright Act injected the underlying musical works into the public domain. See, e.g., *La Cienega Music Co. v. ZZ Top*, 53 F.3d 950 (9th Cir. 1995), *cert. denied*, 516 U.S. 927 (1995). The amendment referred only to musical works, however, and therefore the law is ambiguous about whether the distribution of a phonorecord is a publication of the underlying work if that work is anything other than a musical composition (e.g., a spoken word recording). Compare *id. with Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183 (S.D.N.Y. 1973), *aff’d*, 546 F.2d 461 (2d Cir. 1976).

¹¹ What constitutes a publication of a pre-1972 sound recording is a matter of state law, and states are “free to depart from the Copyright Act’s definition of publication.” PAUL GOLDSTEIN, *COPYRIGHT*, § 17.5.2 at 17:50.1 n.24 (3d ed. 2005 & 2008 Supp.). Publication status of pre-1972 sound recordings may not be critical to state law protection. E.g., *Capitol Records, Inc. v. Naxos of America, Inc.*, 830 N.E.2d 250, 264 (N.Y. 2005) (in the absence of federal statutory protection, distribution of a sound recording “does not constitute a publication sufficient to divest the owner of common-law copyright protection”) (citations omitted).

author and 70 years thereafter.¹² For anonymous and pseudonymous works and works made for hire,¹³ the term is 95 years from publication or 120 years from creation (whichever expires first).

For works first published prior to January 1, 1978, the rules are more complicated, but can be summarized as follows.

Date First Published with Copyright Notice	Term of Protection
Before 1923	Work is in the public domain.
1923–1963	If the copyright was renewed in the 28 th year, the work is protected for a total of 95 years from publication. If the copyright was not renewed, the work is in the public domain. ¹⁴
1964–1977	95 years from publication.

Works created but not published before January 1, 1978, were given the same term as works created on or after January 1, 1978: life of the author plus 70 years, or, for anonymous and pseudonymous works and works made for hire, 95 years from creation or 120 years from publication. However, all works unpublished as of January 1, 1978, no matter how old, were protected under federal copyright law until at least December 31, 2002. If a work that was unpublished as of January 1, 1978, was published between that date and December 31, 2002, its term of protection will not end until December 31, 2047.¹⁵

2.1.3 Rights under Copyright

Copyright provides a copyright owner with a “bundle” of rights. Those rights can be sold, licensed, or otherwise exploited separately or together, exclusively or nonexclusively, for any time period or territory. In the case of a sound recording embodying a musical composition or other copyrighted work, two separate copyrighted works exist, and each copyright owner has a separate bundle of rights. Those rights include:

1. *The reproduction right (the right to make copies and phonorecords).* A “copy” of a work can be any form in which the work is fixed, or embodied, and from which it can be perceived, reproduced, or

¹² § 302(a).

¹³ A “work made for hire” is a work created by an employee in the course of his or her employment, or a commissioned work where the commissioning party and the creator agree in a signed writing that the product will be a work made for hire. Only certain categories of works are eligible to be commissioned works made for hire. §101. If a work qualifies as a work made for hire, the employer or commissioning party is considered the author and owns all rights, unless the parties agree otherwise in a signed writing. § 201(b).

¹⁴ Certain works of foreign origin whose copyrights were not renewed may have had their copyrights restored. See section 2.1.6.

¹⁵ 17 U.S.C. § 303(a). Under the 1909 Copyright Act, certain categories of works (e.g., lectures, dramatic works, musical compositions) could be registered as unpublished, in which case their terms ran from the date of registration and deposit. See NIMMER ON COPYRIGHT, *supra* note 9, at § 7.16[A][2][c]; *Shilkret v. Musicraft Records, Inc.*, 131 F.2d 929 (2d Cir. 1942).

communicated, either directly or with the aid of a machine.¹⁶ A copy of a sound recording is known as a “phonorecord.” For simplicity, and because the state courts generally do not use the term “phonorecord,” this report will usually refer to reproductions of sound recordings as “copies.”

2. *The right to create adaptations (also known as “derivative works”).* A “derivative work” is a work that is based on a copyrighted work, but contains new material that is “original” in the copyright sense. For example, a movie based on a novel is a derivative work.
3. *The right to distribute copies of the work to the public.* The distribution right encompasses the right to distribute copies of the work to the public “by sale or other transfer of ownership, or by rental, lease or lending.”¹⁷ Making copies of a work available for public downloading over an electronic network has been deemed to qualify as a public distribution.¹⁸ Recent cases, though, have held that there must be evidence of actual dissemination of copies to establish liability for public distribution.¹⁹ Inherent in the distribution right is the copyright owner’s “right of first publication,” namely, the right to determine whether, when, and in what circumstances to publish the work.

The distribution right is limited by the “first sale doctrine,” which allows the owner of a particular copy of a copyrighted work that was lawfully made to transfer or otherwise dispose of that copy.²⁰ The first sale doctrine enables library lending and sales of used books, records, and CDs by preventing the copyright owner from controlling the disposition of a particular copy of a work after the initial sale or transfer of that copy. The first sale doctrine does not permit retransmission of digital copies, since electronic transmission involves making another copy.²¹ The distribution right may also be limited by a license (which is frequently the case with respect to copies of works distributed in digital form).

4. *The right to perform the work publicly.* To perform a work means to recite, render, play, dance, or act it, with or without the aid of a machine.²² A live concert is a performance of a musical composi-

¹⁶ § 101.

¹⁷ § 106(3).

¹⁸ See, e.g., *New York Times Co. v. Tasini*, 533 U.S. 483, 498 (2001) (stating that Lexis/Nexis, by selling copies of allegedly infringing materials through its database, is distributing copies to the public).

¹⁹ E.g., *Capitol Records Inc. v. Thomas*, Civ. File No. 06-1497, 2008 WL 4405282 (D. Minn. Sept. 24, 2008); *Atlantic Recording v. Howell*, 554 F. Supp.2d 976 (D. Ariz. 2008).

²⁰ § 109(a). It is sometimes said that the first sale “exhausts” the distribution right for that particular copy. There are exceptions for computer programs and sound recordings, designed to deter the development of a commercial rental market which would supplant sales of these works, although lending by nonprofit libraries or educational institutions is permitted. § 109(b).

²¹ U.S. Copyright Office, *DMCA Section 104 Report 44-48* (August 2001), available at <http://www.copyright.gov/reports/studies/dmca/sec-104-report-vol-1.pdf>.

²² § 101.

tion, as is playing a CD on which the composition is recorded. The meaning of the term “publicly” is discussed below. Sound recordings have a narrower right of public performance than other works.

5. *The right to display the work publicly.* To display a work means to show a copy of it, either directly or with the aid of a device or process, to make it visually perceptible.
6. *Performance right in sound recordings.* Copyright owners of sound recordings have the right “to perform the work publicly by means of a digital audio transmission,” as described in section 2.1.6.

Performing a work “publicly” means to perform it anywhere that is open to the public or anywhere that a “substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered.”²³ Transmitting the performance or display to such a place also makes it public. It does not matter if members of the public receive the performance at the same time or different times, or at the same place or different places. For example, a radio broadcast is a public performance, even if each member of the audience listens to it in the privacy of her own home. Transmitting performances or displays of a copyrighted work to the public over the Internet is a public performance or display of the work.²⁴

Ownership of a copy of a work (even of the original copy, if there is only one) and ownership of the copyright rights are separate and distinct. For example, libraries and archives occasionally receive donations of vinyl discs or eight-track tapes, but they generally own only the physical copies and not the copyright rights.²⁵

In some cases, courts prior to 1978 found that the sale or transfer of a material object transferred common law copyright with respect to the work embodied in that object.²⁶ Sometimes referred to as the “Pushman doctrine,” this principle was repudiated by statute in New York and California, at least for works of fine art.²⁷ Still, the timing and circumstances of a sale or donation to a library of “master recordings” embodying particular sound recordings may allow the library to claim that it also owns the common law rights in those recordings. No one can transfer more rights than he or she owns, however, so the library’s claim would depend on the extent to which

²³ *Id.*

²⁴ *E.g.*, *Playboy Enters., Inc. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993). *But see Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008), *petition for cert. filed*, October 6, 2008, No. 08-448 (where cable company made multiple copies of television programs, each copy at the instigation of a particular customer, and played back to each customer only the copy made for that particular customer, it was not a public performance).

²⁵ A donor of physical material frequently does not own the rights and therefore cannot convey them. For example, the copyright in letters is owned by the writer, not the recipient, though the recipient owns the physical copies. Even when the donor owns the rights, under current law they are transferred to the library or archives only if the gift includes a license or assignment. § 202.

²⁶ *E.g.*, *Pushman v. New York Graphic Society, Inc.*, 39 N.E.2d 249 (N.Y. 1942).

²⁷ *See NIMMER ON COPYRIGHT*, *supra* note 9, at § 10.09[A].

the donor or seller owned the common law rights, and would be a question of state law, which could vary from state to state.

2.1.4 Exceptions and Limitations

The Copyright Act contains many exceptions and limitations to the rights outlined above. The two most relevant to digital preservation and dissemination by libraries and archives—fair use, and the exceptions for libraries and archives under section 108—are described below. The distance education provisions of the Copyright Act (which permit digital dissemination by libraries under certain conditions) and special exceptions concerning news programming are also addressed.

a. Fair Use: §107

Fair use excuses a use that would otherwise be infringing. Determining whether a use is a fair use is very fact-specific. The following four factors must be considered in each case, although other relevant factors may also be taken into account:

1. The purpose and character of the use, including whether such use is of a commercial nature or 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
4. The effect of the use upon the potential market for or value of the copyrighted work²⁸

Certain illustrative uses are listed in the statute: criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, and research. However, the enumerated uses are not automatically considered fair, nor are other uses automatically considered unfair, because all four factors have to be taken into account in the circumstances of each case.

As discussed above, until January 1, 1978, state law protected all unpublished works. In fact, under state law unpublished works enjoyed almost complete protection from unauthorized use. After unpublished works came under federal law, some federal courts concluded that the unpublished nature of a work was a nearly insurmountable hurdle to fair use. Congress subsequently amended the fair use exception to state explicitly that the unpublished nature of a work does not itself bar a finding of fair use. Nevertheless, the author's right of first publication remains an important consideration in a fair use determination. The unpublished nature of a work is taken into account in evaluating factor two, and the scope of fair use is narrower with respect to unpublished works, particularly those that are unpublished and undisseminated.²⁹

²⁸ § 107.

²⁹ See generally NIMMER ON COPYRIGHT, *supra* note 9, § 13.05[A][2][b] at 185-86; Harper & Row Publisher, Inc. v. Nation Enterprises, 471 U.S. 539 (1985).

b. Library and Archives Exceptions: §108

The Copyright Act contains a number of privileges specific to libraries and archives. To qualify for these privileges, the library or archives must be open to the public, or at least to researchers in a specialized field; the reproduction and distribution may not be for any direct or indirect commercial advantage; and the library or archives must include a copyright notice or legend on any copies provided.³⁰

(i) Copying for Maintenance and Preservation

Section 108(b) allows libraries or archives to make up to three copies of an unpublished copyrighted work “solely for purposes of preservation and security or for deposit for research use in another library or archives.” The work must be currently in the collections of the library or archives, and any copy made in digital format may not be made available to the public in that format outside the library premises. “Premises” is understood to be the physical premises of the library.

Section 108(c) allows libraries and archives to make up to three copies of a published work to replace a work in their collections that is damaged, deteriorating, lost, or stolen, or whose format has become obsolete, if the library determines after reasonable effort that an unused replacement cannot be obtained at a fair price. As with copies of unpublished works, copies in digital format may not be made available to the public outside the library premises.³¹

(ii) Use of a Work in the Last 20 Years of Its Copyright Term

Section 108(h) of the Copyright Act allows a library, an archive, or a nonprofit educational institution to “reproduce, distribute, perform or display a copy” of a published work in the last 20 years of its copyright term if done in pursuit of preservation, scholarship, or research objectives. However, the institution must first undertake a “reasonable investigation” to determine whether the work is subject to normal commercial exploitation, or available at a “fair price.”³²

³⁰ § 108(a). Concerning the commercial advantage, the legislative history of §108 states:

[A] purely commercial enterprise could not establish a collection of copyrighted works, call itself a library or archive, and engage in for-profit reproduction and distribution of photocopies. Similarly, it would not be possible for a non-profit institution, by means of contractual arrangements with a commercial copying enterprise, to authorize the enterprise to carry out copying and distribution functions that would be exempt if conducted by the non-profit institution itself.

H.R. Rep. No. 94-1476, at 74 (1976) [hereinafter, HOUSE REPORT].

³¹ § 108(c).

³² No case has directly addressed whether a sound recording may be copied under § 108(h) when the underlying work is protected by copyright and not in the last 20 years of its term. However, in *Russell v. Price*, 612 F.2d 1123 (9th Cir. 1979), the court held that copyright owners of George Bernard Shaw’s play *Pygmalion*, which was still covered by copyright, could prevent distribution of the film version of the play, even though the film had fallen into the public domain. *Id.* at 1128. Similarly, in *Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91 (2d Cir. 1981), the court held that even though films based on the *Hopalong Cassidy* stories had fallen into the public domain, a license for television exhibition had

(iii) Copying for Library Users

Section 108 also allows libraries and archives, under certain conditions, to reproduce and distribute to patrons all or part of a copyrighted work. However, certain works, including musical works, pictorial, graphic, and sculptural works (other than illustrations or similar adjuncts to literary works), and audiovisual works (including motion pictures), are not subject to these reproduction and distribution privileges.³³

Specifically, a library or an archives may reproduce and distribute, in response to a user's request, "no more than one article or other contribution to a copyrighted collection or periodical issue," or "a small part" of any other copyrighted work from its collection or that of another library or archives. It may also copy all or a substantial portion of a user-requested work if it determines, after reasonable investigation, that a copy cannot be obtained at a fair price. However, these reproduction and distribution privileges have conditions: they apply only if (i) "the library or archives has had no notice that the copy would be used for purposes other than private study, scholarship, or research"; (ii) the copy becomes the property of the requesting user (so the exemption does not become a means of collection building, as it might if the library received the copy by means of interlibrary loan for the benefit of a user who requested it); and (iii) the library or archives displays a warning about copyright where it accepts orders.³⁴

Even in cases where copying a work for preservation purposes or to supply to a user is not expressly allowed by section 108, it may still be permitted under the fair use doctrine.³⁵ However, the privi-

to be obtained from the owners of the copyrights in the underlying books, which were still protected by copyright. *Id.* at 92. Of course, § 108(h) provides only a limited privilege, and may not deprive copyright owners of the underlying work of economic rights in the same way that a contrary result in the cases discussed above might have done. On the other hand, the structure of § 108(h) clearly demonstrates congressional concern that the expanded privileges should not harm the economic interests of copyright owners whose works are subject to this privilege, and the copyright owner of a protected work still subject to commercial exploitation could be adversely affected by broad use under § 108(h) of a sound recording embodying that work.

³³ § 108(i). Audiovisual news programs are a separate category. *See* § 108(f)(3).

³⁴ §§ 108(d), (e). These exemptions encompass "isolated and unrelated reproduction or distribution of a single copy ... of the same material on separate occasions." § 108(g). However, they do not apply when a library or archives "is aware or has substantial reason to believe that it is engaging in the related or concerted reproduction or distribution of multiple copies" of the same material, whether at one time or over a period of time. Nor do they apply to a library or archives that "engages in the systematic reproduction or distribution of a single or multiple copies" of a work. Libraries and archives may participate in interlibrary arrangements as long as the practice is not intended to—and does not—substitute for a subscription to or purchase of the work. *Id.*

³⁵ § 108(f)(4). For example, according to the House Report accompanying the 1976 Copyright Act, even though musical works are excluded from the exceptions in § 108 allowing libraries to provide copies for users, fair use remains available with respect to such works: "In the case of music, for example, it would be fair use for a scholar doing musicological research to have a library supply a copy of a portion of a score or to reproduce portions of a phonorecord of a work." HOUSE REPORT, *supra* note 30, at 78. The report also indicates that fair use remains available for preservation activities. *Id.* at 73.

leges under section 108 do not supersede any contractual obligations a library may have with respect to a work that it wishes to copy (e.g., under a subscription or donor agreement).³⁶

(iv) Special Exception for Audiovisual News Programs

Section 108(f)(3) allows libraries to make off-the-air videotape recordings of audiovisual news programs and lend copies or excerpts to users. This provision was intended to allow libraries to tape daily network newscasts “for limited distribution to scholars and researchers for use in research purposes.”³⁷ It was drafted to ensure that the television news archive maintained by Vanderbilt University and other similar archives could continue to copy and preserve television news programs. This exception was intended to be “adjunct” to the American Television and Radio Archives Act (ATRA),³⁸ which authorizes the Library of Congress (LC) to establish a permanent archive of historically or culturally significant television and radio programs and to provide historians and scholars with access to those programs. The American Television and Radio Archives is not limited to news programs, but ATRA does provide LC with special privileges with respect to news. Specifically, it allows LC to, inter alia, make off-the-air fixations of regularly scheduled newscasts or “on-the-spot coverage of news events” and reproduce and lend copies to researchers or deposit them in other libraries.³⁹

The Section 108 Study Group Report. As a result of concerns that the library exceptions are no longer practicable and need to be updated to reflect the changes brought about by digital technologies, LC created a study group to consider possible changes to section 108.⁴⁰ The Section 108 Study Group issued its report in March 2008.⁴¹ It recommended, among other things, a new exception in the federal copyright law to allow libraries qualified for digital preservation to make preservation copies of “at risk” works in their collections without waiting until their copy of the work has been lost, stolen, damaged, or deteriorated or the playback mechanism has become obsolete, as required under section 108(c).⁴² This exception would apply to published works as well as to works that have been publicly disseminated but are still technically unpublished (such as works that

³⁶ § 108(f)(4).

³⁷ HOUSE REPORT, *supra* note 30, at 77.

³⁸ 2 U.S.C. § 170.

³⁹ *Id.* § 170(b). Legislation introduced in the 110th Congress to reauthorize the Library of Congress’s sound recording and film preservation programs contained a provision to expand this privilege to cover recordings acquired by the Library through purchase or other transfer. H.R. 5893, 110th Cong. §4 (2d Sess. 2008). The legislation as passed did not include this provision. Library of Congress Sound Recording and Film Preservation Programs Reauthorization Act of 2008, P.L. 110-336 (2008).

⁴⁰ See The Section 108 Study Group, <http://www.section108.gov> (last visited October 26, 2008).

⁴¹ THE SECTION 108 STUDY GROUP REPORT (March 2008), available at <http://www.section108.gov/docs/Sec108StudyGroupReport.pdf>.

⁴² *Id.* at 69-70.

have been publicly broadcast but not distributed in copies). Libraries would be allowed to make a limited number of copies “as reasonably necessary to create and maintain a preservation copy” of the work, but would have to adhere to best practices for digital preservation and to restrict access to the preservation copies.⁴³

Concerning unpublished works (and the study group limited this category to works that are both unpublished *and* undissemi-nated), the Section 108 Study Group recommended eliminating the three-copy limit in section 108(b) and instead allowing a library to make “a limited number of copies of unpublished works as reasonably necessary to create and maintain a copy for preservation or security purposes.”⁴⁴ It also recommended a “reasonable limit” on the number of institutions to which the library could provide deposit copies of unpublished works.⁴⁵ Under the recommendation, libraries that receive deposit copies would not be permitted to make further copies for preservation or deposit in other libraries. The full report discusses in detail important qualifications concerning these recommendations, as well as the other recommendations of the study group, and the areas where group members did not agree. The only recommendation that specifically addressed streaming related to section 108(f)(3), the provision that currently allows libraries to make off-the-air recordings of television news broadcasts and lend them for research use. The study group recommended that libraries should be allowed to stream copies of such news programs to other libraries eligible for the section 108 exceptions for purposes of private study, scholarship, or research but that any amendment should not allow them to transmit downloadable copies.⁴⁶ (The study group also recommended a new exception that would allow libraries, under certain conditions, to copy publicly available online content for preservation purposes, subject to an “opt out” by right holders. Libraries would be permitted to make that content available for private study, scholarship or research by users on site, and after “a specified period of time has elapsed,” to remote users.)⁴⁷ The study group could not agree to recommend that libraries be permitted to make replacement copies or preservation copies available to remote users.⁴⁸

Specifically concerning pre-1972 sound recordings, the Section 108 Study Group expressed the view that “in principle, pre-1972 U.S. sound recordings should be subject to the same kind of preservation-related activities as permitted under section 108 for federally copyrighted sound recordings.”⁴⁹ However, the group questioned whether it was feasible to amend the Copyright Act for this purpose without addressing the larger issue of the existing carve-out of pre-1972 sound recordings from federal copyright law.

⁴³ *Id.*

⁴⁴ *Id.* at 61.

⁴⁵ *Id.*

⁴⁶ *Id.* at 88.

⁴⁷ *Id.* at 80.

⁴⁸ *See id.* at 57-60, 66-68.

⁴⁹ *Id.* at 129.

The Section 108 Study Group Report is currently under consideration by the Copyright Office, which will likely solicit further public input before deciding whether and when to offer specific legislative proposals.

c. Distance Education: §110(2)

There is an exception in federal copyright law for certain performances and displays of copyrighted works made in the course of instructional transmissions. Section 110(2) was amended by the Technology, Education and Copyright Harmonization (TEACH) Act in 2002 to facilitate distance education, but the authorization it provides to transmit copyrighted materials is carefully circumscribed. For example, the exemption can be invoked only by “a government body or an accredited nonprofit educational institution.” The performance or display must be made “by, at the direction of, or under the actual supervision of an instructor as an integral part of a class session,” be offered as part of “systematic mediated instructional activities,” and be relevant and material to the content of the course.⁵⁰ The transmission must be directed to students officially enrolled in the course for which it was made, or to officers or employees of governmental bodies as part of their duties. There are additional conditions, including provisions related to the security of the copyrighted materials.

The distance education provision of the Copyright Act would permit a library to transmit performances of sound recordings protected by federal copyright law, but only as part of systematic mediated instructional activities that otherwise qualify for the exemption. For the purposes of this study, it is assumed that the libraries’ activities would not fall within the distance education exception, but it is important to recognize that the exception is available for certain types of activities.

2.1.5 Musical Works

Background. Under the Copyright Act, the “author” is the initial owner of copyright in a work. In the case of musical compositions, the authors are usually the composer and lyricist (if any)—collectively, the “writers.” Writers usually enter into contracts with music publishers, transferring their copyrights to the publisher in exchange for stated royalties. The publisher then licenses rights to reproduce the work (in sound recordings or sheet music), to combine it with visual content (e.g., as part of the soundtrack of an audiovisual work), and to perform the work publicly. For historical reasons, reproduction rights and performance rights in musical compositions are commonly exercised through separate entities. The music publisher usually controls the reproduction rights (subject to a compulsory license), while nondramatic performing rights are usually exercised through a performing rights organization, generally the American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI), or SESAC, through agreements with music publishers and writers. This will be discussed in detail below.

⁵⁰ 17 U.S.C. §110(2).

Reproduction of musical works. Reproduction of musical compositions in copies of sound recordings is governed by a form of compulsory license (known as a “mechanical license”), which sets the terms for reproduction and the rate at which the copyright owner must be paid.⁵¹ Under a mechanical license, once a musical composition has been recorded and distributed in the United States with the copyright owner’s permission, others may make their own recordings of that composition (by renting a studio, assembling musicians and singers, and so on), without seeking permission from the copyright owner of the musical composition, provided they pay the set rate and otherwise comply with the terms of the law.⁵² The mechanical license is available only if the primary purpose of the user is to distribute phonorecords to the public for private use (e.g., in CDs or audiotapes, or by means of digital downloads).⁵³ So, for example, if a performer wants to record Irving Berlin’s composition “White Christmas” for a Christmas album, the music publisher may not prevent him from doing so, provided his recording company complies with the terms of the mechanical license. (The mechanical compulsory license is available because that composition has already been recorded with the authorization of the copyright owner.) The mechanical license does not apply to musical compositions that have never been distributed in phonorecords (e.g., that are unpublished or that have been distributed only in sheet music).

A mechanical license is also available to someone who wishes to duplicate and distribute an existing sound recording, rather than create a new one, by renting a studio, assembling musicians and singers, and so on. However, there are additional conditions: the existing sound recording must have been lawfully made (and not, for example, be a bootleg copy), and permission of the right holder in the sound recording must be obtained.⁵⁴ Meeting these conditions

⁵¹ 17 U.S.C. § 115 (2000).

⁵² See *id.* There are, however, limitations on how much the musical composition may be changed. The artist may make a musical arrangement “to the extent necessary to conform it to the style or manner of interpretation of the performance involved,” but the arrangement may not “change the basic melody or fundamental character” of the musical composition. Moreover, the arrangement may not be protected as a derivative work under the Copyright Act without the express consent of the copyright owner. § 115(a)(2).

⁵³ Thus, for example, reproductions of musical compositions on recordings made by background music services such as Muzak are not covered by the mechanical license and must be negotiated, as those services are not making and distributing phonorecords to the public for personal use.

⁵⁴ § 115(a)(1). For recordings fixed before February 15, 1972, the right holder is the person who fixed the sound recording with an express license from the owner of copyright in the musical composition, or under a valid compulsory license. § 115(a)(1)(ii). Since the sound recording is a separate work, permission would have to be sought from the right holder in any event, but the effect of this provision is that if the sound recording right holder assents and all other conditions for the mechanical license are met, the copyright owner of the musical composition cannot deny permission to reproduce the composition as embodied in the sound recording. See NIMMER ON COPYRIGHT, *supra* note 9, §8.04[E][2] at 8-66.2 to -67. This provision is a partial codification of *Dutchess Music Corp. v. Stern*, 458 F.2d 1305 (9th Cir. 1972), *cert. denied*, 409 U.S. 847 (1972) and related cases decided under the 1909 Act. See NIMMER ON COPYRIGHT, *supra* note 9, at §8.04[E][1], [2] at 8-63 to -67.

will entail negotiating a license to use the sound recording with the recording company that owns the rights. If the sound recording license is obtained, the licensee would then be entitled to reproduce the underlying musical composition under the terms of the mechanical license.

Because the requirements of the mechanical compulsory license may be burdensome (e.g., it requires a monthly accounting to copyright owners), reproduction of musical works is usually done pursuant to voluntary agreement. The statutory rate effectively acts as a cap on license fees; lower rates are often negotiated. Copyright owners of musical compositions are commonly represented by the Harry Fox Agency, an affiliate of the National Music Publishers Association.⁵⁵

Public performance of musical works. Public performance rights are an important aspect of copyright in a musical composition. Long ago, songwriters and publishers created associations—performing rights organizations, or PROs—to license public performance rights in their musical compositions, and to police unauthorized performances of their works, because it was too difficult for them to do so individually. The principal performing rights organizations in the United States today are ASCAP, BMI, and SESAC. Each PRO licenses, generally for a blanket annual fee, the nondramatic performing rights (“small rights”) in all the musical compositions in its repertoire through a bulk or collective license. They have different repertoires. They license to individuals and organizations that perform musical compositions (including, for example, webcasters, television and radio stations, orchestras, theme parks, stores, restaurants, and colleges and universities). The royalties that the PROs receive are split 50-50 between the writers and the publishers, and then distributed in proportion to the actual performance of the works, determined on the basis of monitoring, and in some cases sampling, public performances of music. Each PRO has different distribution systems and rules. It is possible to get a performing rights license directly from the copyright owner (usually the music publisher), since the PROs hold only nonexclusive rights, but it is usually more efficient to go through the PROs.

The PROs license only nondramatic performing rights. Dramatic performing rights (“grand rights”), such as the right to use musical compositions in the performance of plays or operas, as well as the right to reproduce musical compositions on the soundtracks of audiovisual works (known as “synchronization rights”) must be obtained from the music publisher.

2.1.6 Sound Recordings

Sound recordings were not protected by federal copyright law until 1972, and that law applied only prospectively. Therefore, the nature of legal protection for sound recordings varies according to the date

⁵⁵ The Harry Fox Agency is not the only such agency, but it is the largest and best known. Many music publishers have authorized the Harry Fox Agency to license reproduction on their behalf to record companies and others.

on which the sound recording was first fixed.

Why were sound recordings not protected by federal copyright law until 1972? In 1908, the Supreme Court held that a piano roll was not a “copy” of the musical composition embodied in it because the composition could not be “read” from the roll with the naked eye. Therefore, according to the Court, the defendant did not infringe the musical composition in creating and reproducing the roll.⁵⁶ The 1909 Copyright Act, passed the following year, adopted this view. Under that act, copyright protected original works that were fixed or embodied in copies. “Copy,” however, was interpreted to mean a form that could be seen and read with the naked eye.⁵⁷ Audiotape, LPs, and other forms in which sound recordings were commonly embodied could not be read or experienced without the aid of a machine, so they were not deemed “copies,” and therefore sound recordings were not deemed copyrightable under federal law.⁵⁸

In the absence of federal copyright protection, state law developed to protect sound recordings. When Congress changed the law to make sound recordings eligible for federal copyright protection, it provided for federal protection only prospectively, for sound recordings first fixed, or recorded, on or after February 15, 1972.⁵⁹ U.S. sound recordings first fixed prior to February 15, 1972, are not protected by federal copyright law, but they remain eligible for state law protection. The nature of that protection varies from state to state. Many states protect pre-1972 sound recordings through criminal record piracy statutes, common law protection (against unfair competition, misappropriation, or infringement of common law copyright), or both.

A few years after sound recordings became eligible for federal protection, Congress passed the 1976 Copyright Act. To create a unitary federal copyright system for published and unpublished works, the 1976 Copyright Act preempted state laws that provide rights equivalent to those provided by federal law for works that come within the subject matter of copyright. Sound recordings were an exception to this scheme. Since pre-1972 sound recordings were

⁵⁶ *White-Smith Publ'g Co. v. Apollo Co.*, 209 U.S. 1 (1908), superseded by statute, Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976).

⁵⁷ The Court's holding in *White-Smith Publ'g Co. v. Apollo*—that a piano roll did not qualify as a copy of the musical composition embodied in it—was adopted in the 1909 Act not only to determine whether a reproduction was an infringement but also to determine whether a reproduction met the fixation requirement. NIMMER ON COPYRIGHT, *supra* note 9, § 2.03[B][1] at 2-32 to -33.

⁵⁸ The 1976 Act similarly requires that a work be fixed in a copy to qualify for federal protection, but the concept of a “copy” has expanded to include any fixation “from which the work can be perceived, reproduced or otherwise communicated, either directly or with the aid of a machine or device.” § 101. Still, it is a vestige of the old law that embodiments of sound recordings are referred to as “phonorecords,” and embodiments of other types of copyrighted works as “copies.” (Those categories are defined in the law to be mutually exclusive.)

⁵⁹ The Sound Recording Amendment, Pub. L. No. 92-140, § 3, 85 Stat. 391 (1971), passed on October 15, 1971, granted copyright protection to sound recordings fixed on or after its effective date, which was four months later, on February 15, 1972.

not eligible for federal copyright protection, the 1976 Copyright Act allowed states to continue to protect them until 2047. That date has since been extended to 2067.⁶⁰

There is one exception to the rule that pre-1972 sound recordings are ineligible for federal copyright protection. The Uruguay Round Agreements Act (URAA),⁶¹ passed in 1994, restored federal copyright protection in certain *foreign* works that were in the public domain for lack of compliance with U.S. formalities such as copyright notice and renewal. This was done to comply with U.S. treaty obligations. In the case of sound recordings, however, the law did more than merely *restore* copyright: it provided protection for foreign sound recordings that would never have been entitled to federal copyright protection, even if they had been published in the United States in the first instance. It conferred copyright protection on eligible sound recordings of foreign origin fixed before February 15, 1972.⁶² Restoration occurred automatically on January 1, 1996, for most works,⁶³ and was not conditioned on any act of the right holder. Restored works are protected for the remainder of the term they would have been granted if they had not entered the public domain.⁶⁴

To be eligible for restoration of U.S. copyright, a foreign work had to be protected in its source country on the restoration date (January 1, 1996, for most works).⁶⁵ In other words, if it had already

⁶⁰ § 301(c). In *Goldstein v. California*, 412 U.S. 546 (1973), the Supreme Court held that California's protection for pre-1972 sound recordings was not preempted by federal copyright law or the Constitution, regardless of whether those recordings were published or unpublished. In other words, it concluded that Congress had left the states free to act in this area.

⁶¹ Pub. L. No. 103-465, 108 Stat. 4809, 4973 (1994).

⁶² See 17 U.S.C. § 104A(a)(1) and § 104A (h)(6)(C). Eligible sound recordings were those that were not in the public domain in their source country on the date of restoration; had at least one author or right holder who was a national or domiciliary of an eligible country when the work was created, and (if published) were published in an eligible country and not published in the United States within 30 days after foreign publication. Eligible countries include members of the Berne Convention, the World Intellectual Property Organization (WIPO) Copyright Treaty, the WIPO Performances and Phonograms Treaty, and World Trade Organization members that adhere to the Uruguay Round Agreements. *Id.* §104A(h).

⁶³ This was the date of restoration for works whose source countries were members of the Berne Convention or the World Trade Organization on that date; for other countries, it is the date of adherence. 17 U.S.C. § 104A(h)(2).

⁶⁴ Thus, at the time of restoration a Mexican sound recording published in 1965 was eligible for protection until 2040. The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. REP. 103-316 (1994), as reprinted in 1994 U.S.C.C.A.N. 4040, 4290. That date was extended by 20 years until 2060 (for a total of 95 years) by the Copyright Term Extension Act of 1998, Pub. L. No. 105-298, 112 Stat. 2827 (1998). The constitutionality of the Uruguay Round Agreements Act's provisions removing works from the public domain was challenged in *Golan v. Gonzales*, 501 F.3d 1179 (10th Cir. 2007). The Tenth Circuit Court of Appeals held that although the URAA did not exceed Congress's power under the Copyright Clause of the Constitution, its removal of works from the public domain could be a violation of the First Amendment. The court remanded the case to the district court to conduct the First Amendment analysis.

⁶⁵ The source country must be a nation other than the United States. 17 U.S.C. § 104A (h)(8). In the case of unpublished works, the source country is the country in which the author or right holder is a national or domiciliary; in the case of a published work, it is the country of publication. *Id.* A published work is not

entered the public domain in its source country by that time, it was not eligible for restoration. In most foreign countries, the term of protection for sound recordings (or “phonograms,” as they are commonly called abroad) is 50 years from first publication or fixation. This means that foreign sound recordings published before 1946 were already in the public domain in their source countries on the restoration date, and were not eligible for restoration. Thus, virtually all pre-1946 foreign sound recordings are in the public domain as far as federal copyright law is concerned. However, state law protection for these pre-1946 foreign sound recordings may still exist, despite their public domain status under federal copyright law. New York’s highest court has ruled that sound recordings in the public domain in their source countries can still enjoy protection in New York until the effective date of federal preemption, February 15, 2067.⁶⁶ Foreign recordings that were restored to federal copyright protection may be eligible for concurrent state and federal protection, although no case has yet arisen on this question.⁶⁷

For copyright-protected sound recordings, the principal rights of concern in this study are the reproduction right and the right of public performance, which are implicated in preservation and streaming activities.

Ownership of rights in sound recordings. Rights in commercially released sound recordings are generally held by record companies pursuant to agreements with artists. There are four major labels (Sony BMG, EMI, Universal Music Group, and Warner Music Group) and numerous small, independent companies. The owner of the rights in an *unpublished* sound recording, however, will depend on the circumstances of its creation. This will be discussed in detail in connection with the examples.

Reproduction of sound recordings. Sound recordings have an exclusive reproduction right. Their reproduction and distribution, unlike that of musical compositions, is not subject to a compulsory license.⁶⁸ In other words, the copyright owner can decide whether to sell or license, and if so, on what terms.

Public performance of sound recordings. The public performance right in sound recordings is limited to the right “to perform the work publicly by means of a digital audio transmission.” Performance by

eligible for copyright restoration if it was first published in a foreign country but also published in the United States within 30 days of initial publication. *Id.* § 104A (h)(6)(D). For more detail concerning copyright restoration and eligibility therefore, *see id.* § 104A (a), (h).

⁶⁶ *See* Capitol Records, Inc. v. Naxos of America, Inc., 830 N.E.2d 250, 263-66 (N.Y. 2005), discussed in sections 3.2.3 and 4.2.4 and in Appendix C.

⁶⁷ Section 301 of the copyright law, which provides for preemption of state law but preserves state law governing pre-1972 sound recordings until 2067, was not amended to exclude pre-1972 foreign sound recordings whose copyright was restored. Nor did Congress expressly indicate whether it intended concurrent federal and state protection. *See* NIMMER ON COPYRIGHT, *supra* note 9, § 8C.03[E] at 8C-10.2 to -10.3.

⁶⁸ There is a limited privilege in § 112, discussed in section 2.1.7, to make copies to facilitate public performance of sound recordings via broadcast and webcast.

other means, such as analog transmission, is not restricted by copyright.⁶⁹ The law sets up a three-tiered system of protection for performances of sound recordings.⁷⁰ The first tier consists of certain types of public performances that are exempt from the performance right and may be made for free, such as “live” performances of sound recordings at public venues (such as discos) and analog transmissions.⁷¹ However, it is important to bear in mind that only use of the sound recording is free; there may still be obligations with respect to the underlying work.

The second tier encompasses certain digital audio transmissions subject to a compulsory license. The sound recording copyright owner may not prevent these public performances, but the transmitting party must pay royalties to the sound recording copyright owner and performers at the rate set by the Copyright Royalty Board.⁷²

The third tier consists of certain digital audio transmissions that fall under neither the exemption (first tier) nor the compulsory license (second tier) and thus require negotiating a license with the copyright owner. These are performances such as interactive digital audio services (on-demand streaming) that are perceived to involve a high risk of copying or of substituting for the sale of copies.⁷³

2.1.7 Dissemination via Interactive, On-Demand Streaming over the Internet: Copyright-Protected Works

What copyright rights are involved in providing on-demand, interactive streaming services in which users can individually request

⁶⁹ In 2007 bills were introduced in Congress to require over-the-air broadcasters to pay performance royalties to artists and record companies for the right to play sound recordings. See S. 2500, 110th Cong. (2007) and H.R. 4789, 110th Cong. (2007). That legislation was still pending in October 2008.

⁷⁰ Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, 109 Stat. 336 (1995), as amended by the Digital Millennium Copyright Act of 1998, Pub. L. No. 105-304, 112 Stat. 2860, 2905 (1998) (codified at 17 U.S.C. § 114 (2000)).

⁷¹ Also included in this first tier are traditional AM and FM broadcasts, public radio, background music services, and performances and transmissions in business establishments such as stores and restaurants. §§ 106(6), 114(b), (d)(1). See *supra* note 70.

⁷² § 114(d)(2). Those royalties are distributed to recording companies and performers by an organization called Sound Exchange. The performances in the “second tier” include subscription digital transmissions (i.e., those limited to paying recipients) and certain eligible nonsubscription digital transmissions. A transmission may be made pursuant to the compulsory license if it (a) is not in the first tier, exempt category, (b) is accompanied, if feasible, with the title, name of copyright owner, and other information concerning the sound recording and underlying musical work, and (c) the transmitting party meets a number of specific statutory requirements that diminish the risk that the transmissions will be copied or will substitute for having copies, e.g., it does not publish its program in advance, does not play more than a specified number of selections by a particular performer or from a particular phonorecord within a specified time period, does not seek to evade these conditions by causing receivers to automatically switch program channels.

⁷³ §§ 114(d)(2), (3), (4)(A). This category also includes nonsubscription transmissions that do not meet the conditions for the compulsory license (second tier) because, for example, the transmitting party publishes the program in advance or does not abide by the limitations concerning the number of selections from a particular phonorecord or performer that can be played in a specified time period.

to have specific copyrighted sound recordings streamed to them?⁷⁴ Again, it should be emphasized that federal copyright law does not cover most pre-1972 sound recordings. Nevertheless, federal copyright law is important because: (1) it does cover many “underlying works”; (2) it may be instructive for courts interpreting state laws dealing with pre-1972 sound recordings; and (3) many pre-1972 sound recordings of foreign origin are still protected by copyright.

Streaming (whether or not interactive) involves the following copyright-relevant events. First, a copy of the work to be streamed (for example, a sound recording, including the underlying musical composition) must be made on the server. Usually streaming will require multiple server copies to serve users with different technological capabilities (e.g., different media players, different bandwidths). Second, streaming involves reproductions made in the buffer of the recipients’ computers (though the copyright significance of those copies is a matter of debate, as discussed below). Third, streaming involves a public performance of the streamed works.

The discussion below considers ways in which streaming may implicate copyright rights, whether the proposed streaming activities would fall under any exception or privilege the law grants to libraries and archives, and from whom a license could be obtained.

a. Sound Recordings

Public performance. On-demand interactive streaming would be considered a public performance of copyrighted sound recordings, not subject to the compulsory license available for certain digital audio transmissions. In other words, it is in the third tier described above. Systematic on-demand streaming of copyrighted sound recordings does not fall under any exceptions generally available to libraries and archives.⁷⁵ It would require negotiating a license with the sound recording copyright owners.

Reproduction onto server to enable streaming. Reproduction onto a server for the purpose of digital streaming to remote users does not appear to fall under a specific library exception. Copies made pursuant to library preservation exceptions under sections 108(b) and (c) may not be made available outside library premises. A copy made pursuant to section 108(h) could be placed on a server, but this provision is currently of limited use, since there are virtually no sound recordings in their last 20 years of copyright protection. Section 112(a) of the Copyright Act provides another possible justification for making a server copy; it allows the creation of an ephemeral copy of a “transmission program” to facilitate a transmission allowed pursuant to an exception to copyright, a compulsory license, or by agree-

⁷⁴ This discussion does not address digital downloads; it assumes that the streaming involved would not result in a complete, useable copy of the streamed work in the end-user’s computer.

⁷⁵ Narrowly targeted streaming activities would be permissible if they fall under a specific exception, e.g., streaming to enrolled students by a qualifying entity as part of systematic mediated instruction that meets the conditions of the distance education exemption in § 110(2).

ment with the copyright owner.⁷⁶ But there appears to be no exception or compulsory license that would authorize a library to engage in on-demand streaming of sound recordings as a general matter, and therefore presumably no right to make a copy under section 112(a) absent an agreement with the copyright owners.⁷⁷ For commercially released sound recordings of musical compositions, the copyright owner will generally be a recording company, but this is not the case for many of the unpublished recordings in the examples.

Buffer copies. As discussed above, on-demand streaming would require negotiation of an agreement with the sound recording copyright owners. Any such agreement would presumably embrace buffer copies. The question of whether making those copies is an independent event for copyright purposes is discussed below in connection with musical works.

b. Musical Compositions

Public performance. Streaming entails a public performance of the musical composition being streamed. Public performance licenses are usually obtained from the performing rights organizations (ASCAP, BMI, SESAC). ASCAP and BMI operate under antitrust consent decrees and cannot deny licenses to users who request them; the only issue is the size of license fee.

Reproduction onto server to enable streaming. Reproduction onto a server for the purpose of digital streaming to remote users does not fall under 108(b) and (c). It may be permissible under section 108(h) during the last 20 years of copyright protection, but the conditions in that provision must be met. Even for copyrighted musical compositions that do not qualify for the expanded use privileges in section 108(h), section 112(a) allows the creation of an ephemeral copy of a transmission program to facilitate a permitted transmission (including performances licensed by the performing rights organizations). A “transmission program” is defined as “a body of material that, as an aggregate, has been produced for the sole purpose of transmission to the public in sequence and as a unit.”⁷⁸ It is unclear to what ex-

⁷⁶ Section 112 of the Copyright Act allows certain “ephemeral” or temporary copies to facilitate authorized transmissions (for example, radio broadcasts) of copyrighted works, and for archival purposes. The conditions under which these copies may be made and retained vary according to the nature of the transmitter and the transmission. Specifically, § 112(a) allows an organization licensed or otherwise entitled to transmit a public performance or display of a work (other than a motion picture or audiovisual work) to make no more than one copy of a particular transmission program embodying the performance or display, solely for its own use (e.g., in preparing the work for broadcast) or for archival preservation. No further copies may be made from the copy, and it must be destroyed within six months unless preserved exclusively for archival purposes. Thus, for example, an analog transmission of copyright-protected sound recordings is not covered by the performance right in sound recordings. So as long as the transmitting organization gets a license to perform the underlying works (for musical recordings, that would likely mean a license from one or more of the performing rights organizations—ASCAP, BMI, SESAC, or a combination thereof—discussed in section 2.1.5), it may make an ephemeral recording of a transmission program embodying those works under § 112(a).

⁷⁷ Server copies can be made pursuant to § 112(b) and (f) for transmissions that qualify under the distance education exception in § 110(2).

⁷⁸ § 101.

tent server copies made to enable on-demand streaming by libraries could qualify as transmission programs. In any event, section 112(a) would authorize the making of only a single copy, which may be insufficient for streaming purposes.

It is also unclear whether the section 115 compulsory license for musical compositions can be interpreted to encompass the necessary server copies.⁷⁹ If not, permission to make additional server copies would have to be sought from music publishers, many of whom are represented by the Harry Fox Agency. This is an area where the law is still developing. The Copyright Office is attempting to resolve ambiguities concerning the scope of the section 115 compulsory license (including the status of server copies to enable streaming) in a pending regulatory proceeding, described further below in the context of buffer copies. In any event, musical compositions that have not been previously recorded with the right holder's consent, or that are embodied in bootleg recordings, are not eligible for the section 115 compulsory license.

Buffer copies. There is a controversy over whether the copy created in the buffer of the recipient's computer in the course of on-demand streaming implicates the reproduction right. One view is that although a reproduction may be made, it is incidental to the performance and does not (or should not) have independent economic significance. Others dispute this view, pointing, among other things, to the ease with which streams in buffers can be captured and retained, and to the legal definition of "digital phonorecord delivery," which seems to distinguish between digital phonorecord deliveries in general and those "where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery."⁸⁰ This issue is unresolved.

In order to move forward in the face of these legal ambiguities and enter the on-demand streaming market, the Harry Fox Agency, the National Music Publishers Association, and the Recording Industry Association of America (RIAA) entered into an interim agreement in 2001 that allows on-demand streaming of musical compositions (including the right to make the necessary server and buffer copies) in exchange for payments by the RIAA to the copyright owners of the musical compositions. The agreement also covers "limited downloads" (i.e., downloads limited in terms of time or number of plays). It envisioned that payment would be adjusted when the legal ambiguities are resolved and a royalty rate is established. The agreement does not address any webcasting issues.⁸¹

⁷⁹ See generally *Section 115 of the Copyright Act: In Need of an Update?: Hearing Before the Subcomm. on Courts, The Internet and Intellectual Property of the House Comm. on the Judiciary*, 108th Cong. 5-17 (2004) (prepared statement of Marybeth Peters, Register of Copyrights), available at <http://www.copyright.gov/docs/regstat031104.html> [hereinafter, *Statement of Marybeth Peters*].

⁸⁰ § 115 (c)(3). See *Statement of Marybeth Peters*, *supra* note 81; AL KOHN & BOB KOHN, *KOHN ON MUSIC LICENSING* 1328-32 (3d ed. 2002).

⁸¹ The legal conclusions on which the agreement is based are not universally accepted. See, e.g., *Statement of Marybeth Peters*, *supra* note 81, at 12.

In summer 2008, the Copyright Office initiated a regulatory proceeding to resolve disputes in the music industry over the status of server and buffer copies of musical compositions and whether they are covered by the section 115 compulsory license. The goal of the proceeding is to amend Copyright Office regulations “in a way that would enable digital music services to utilize the compulsory license to clear all reproduction and distribution rights in musical works that might be necessary in order to engage in activities such as the making of full downloads, Limited Downloads, On-Demand Streams and non-interactive streams.”⁸² The Copyright Office sought comment on, inter alia, its tentative conclusions that buffer copies are copies (more specifically, “digital phonorecord deliveries” for purposes of the compulsory license), and that server copies fall within the scope of the section 115 compulsory license. The comment period was extended in light of *Cartoon Network LP v. CSC Holdings, Inc.*,⁸³ an August 2008 decision from the Second Circuit Court of Appeals which held that buffer copies of television programs made by Cablevision were too transitory to qualify as copies. The Copyright Office rule-making proceeding remains pending.

c. Other Types of Underlying Works

For other types of underlying works, such as literary or dramatic works, the analysis is essentially the same as for musical works. Authors of literary works usually enter into contracts with book publishers to license their works for reproduction in various forms. While more recent book publishing agreements have usually encompassed the right to license audio recordings of the work, earlier agreements often did not, so in many cases those rights were retained by (or have reverted to) the author or her heirs. Frequently the reproduction rights and the performance rights are held by the same party, unlike the case with musical compositions. For literary works (e.g., letters, novels, poetry) and other works besides musical compositions that may be incorporated into sound recordings (e.g., dramatic works), there are generally no agencies or rights organizations similar to the Harry Fox Agency, ASCAP, BMI, or SESAC.

2.1.8 Remedies

Remedies for violations of federal copyright law include actual damages, statutory damages, injunctions, and forfeiture of infringing copies and the means by which they were made.⁸⁴ If the copyright in a work was registered before the infringement commenced, statutory damages are available as an alternative to actual damages, and the

⁸² Copyright Office, Library of Congress, “Compulsory License for Making and Distributing Phonorecords, Including Digital Phonorecord Deliveries, 73 Fed. Reg. 40802, 40805 (proposed July 16, 2008) (to be codified at 37 C.F.R. pts. 201 & 255). The office took no position on whether it is necessary to obtain a license for reproduction or distribution of a musical work to enable streaming, but sought the regulatory amendments to facilitate licensing for a service that wished to engage in such activities without incurring the risk of liability. *Id.*

⁸³ 536 F.3d 121 (2d Cir. 2008), *petition for cert. filed* October 6, 2008, No. 08-448.

⁸⁴ §§ 502-505, 509.

court may award attorneys' fees and costs to the copyright owner if the suit is successful. Statutory damages range from \$750 to \$30,000 per work, depending on what the court considers "just," and up to \$150,000 if the infringement is willful.⁸⁵

A court has discretion to reduce the minimum amount of statutory damages to \$200 if the infringer "was not aware and had no reason to believe" that his acts were infringing. Moreover, in the case of an infringer who is an employee or agent of a nonprofit educational institution, library, or archives, who "believed and had reasonable grounds to believe" that his use was a fair use, the court may not award statutory damages.⁸⁶

Libraries that are part of state universities or other state entities are immune from damages under federal copyright law, under principles of state sovereign immunity.⁸⁷ State officials may still be liable in their individual capacity, however.⁸⁸ The sovereign immunity principles that relate to federal law claims do not extend to common law copyright and similar claims; any immunity or limitations on liability for state law claims is a matter of state law.

The only remedy available for copyright infringement against the United States government is damages, including minimum statutory damages.⁸⁹

2.1.9 Orphan Works and Orphan Works Legislation

Works whose owners cannot be identified or located are commonly referred to as "orphan works." The inability to locate copyright owners can discourage socially beneficial uses of copyrighted works; potential users are concerned about their liability if the copyright owner later comes forward. The Copyright Office undertook a study of orphan works that culminated in a January 2006 report.⁹⁰ The report recommended that the Copyright Act be amended to limit the remedies available against users of orphan works who (1) demonstrate that they performed a reasonably diligent search to find the copyright owner, without success, and (2) provide reasonable attribution to the author and copyright owner. Under the Copyright Office's proposal, an individual or entity that met these requirements would be liable only for reasonable compensation for the use. No monetary relief would be available where the use is noncommercial and the user ceases the use upon notice. A user who relied on the

⁸⁵ §§ 504(c), 505.

⁸⁶ § 504(c)(2).

⁸⁷ See Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Savings Bank, 527 U.S. 627 (1999) (under the Eleventh Amendment to the Constitution, states are immune to money damage suits for patent infringement); Chavez v. Arte Publico Press, 204 F.3d 601 (5th Cir. 2000) (states are immune from paying damages in copyright infringement suits).

⁸⁸ Richard Anderson Photography v. Brown, 852 F.2d 114, 122-23 (4th Cir. 1988) (claim for infringement of plaintiff's photographs could be pursued against defendant Brown, Radford University's Director of Public Information and Relations, in her individual capacity).

⁸⁹ 28 U.S.C. § 1498.

⁹⁰ REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS (Jan. 2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

work's orphan status could not be enjoined from exploiting a derivative work based on that orphan work, provided there is reasonable compensation to the right holder.

Orphan works legislation was introduced in the 109th Congress, but was not enacted.⁹¹ Legislation was reintroduced in 2008 with some significant modifications from the Copyright Office proposal; the new bills are more detailed and would impose additional conditions on potential users.⁹² As of October 2008, the legislation had not been enacted, but will likely be introduced again in the next Congress.

If such legislation is ultimately enacted, a limitation of liability for copyright infringement for orphan works could provide greater security for libraries that wish to copy and disseminate such works. Orphan works legislation would, however, apply only to works protected by federal copyright law, so it would not extend to pre-1972 sound recordings (though it would apply to the underlying musical composition or other work).⁹³

Even without the security of orphan works legislation, businesses and even libraries and educational institutions sometimes undertake a good faith search to find the right holder of a work, without success, and proceed to use the work. How one evaluates such a risk is discussed in section 4.4.

2.2 Federal Copyright Law: Criminal Violations

Section 506 of the Copyright Act provides that it is a criminal offense to infringe a copyright willfully either:

- (1) for purposes of commercial advantage or private financial gain, or
- (2) by the reproduction or distribution, including by electronic means, during any 180-day period, of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than \$1,000.

The penalties for criminal copyright infringement are fine, imprisonment, or both.⁹⁴

In considering potential criminal liability (whether state or federal), it is important to bear in mind that such cases are brought by prosecutors, who are not likely to bring such claims against libraries. Risk assessment is discussed further in section 4.2.

⁹¹ H.R. 6052, 109th Cong. (2d Sess. 2006) (introduced Sept. 12, 2006) (Title II).

⁹² H.R. 5889, 110th Cong. (2d Sess. 2008) (introduced April 24, 2008); S. 2913, 110th Cong. (2d Sess. 2008) (introduced April 24, 2008).

⁹³ It is theoretically possible for Congress to modify the provision of section 301 that exempts pre-1972 sound recordings from federal preemption, or to do so for certain limited purposes, but there is no such provision in the current legislation.

⁹⁴ 18 U.S.C. § 2319.

2.3 Federal Antibootlegging Law

“Bootlegging” is the unauthorized recording of a live performance (or the reproduction and distribution of such a recording). Bootlegging is not a violation of federal *copyright* law. That is because copyright protection is limited to original works of authorship that are “fixed” in a tangible medium of expression.⁹⁵ Live performances are not generally fixed as defined by the copyright law (unless they are being transmitted and recorded at the same time) so they are not protected by copyright.

There is, however, a federal antibootlegging law. Though it is technically not part of the copyright law, it is contained in Title 17 of the U.S. Code together with the copyright law. The federal law, section 1101, creates liability for anyone who does any of the following acts without the consent of the performer:

- fixes the sounds or sounds and images of a live musical performance in a copy, or reproduces copies from an unauthorized fixation,
- transmits or otherwise communicates to the public the sounds or sounds and images of a live musical performance, or
- distributes or offers to distribute, sells or offers to sell, rents or offers to rent, or traffics in any copy of an unauthorized fixation.⁹⁶

Those who violate the law are subject to the same remedies as an infringer of copyright.⁹⁷ It appears that broadcasting or streaming bootlegged recordings would not violate this law. The clause relating to transmission refers only to “the sounds and images of a live musical performance.” The third clause, in contrast, specifically alludes to “any copy of an unauthorized fixation.” The copyright treatise *NIMMER ON COPYRIGHT* interprets the second clause, above, to bar only the transmission of the live performance while it is taking place, which it refers to as “liability without fixation.”⁹⁸ Nevertheless, there is ambiguity in the way the law is drafted, and unfortunately there is little legislative history and no case law on this point to aid in its interpretation. The possibility that the statute could be interpreted to bar streaming performances of copies of unauthorized fixations cannot be wholly dismissed. Since the library does not intend to distribute copies of the sound recordings, the only possible violation in

⁹⁵ “A work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is ‘fixed’ for purposes of this title if a fixation of the work is being made simultaneously with its transmission.” 17 U.S.C. § 101.

⁹⁶ 17 U.S.C. § 1101(a). Congress passed the civil antibootlegging provision discussed above, and the criminal antibootlegging provision in Title 18 of the U.S. Code in 1994, in order to comply with international obligations under the TRIPs Agreement. *NIMMER ON COPYRIGHT*, *supra* note 9, § 8E.01[B]. Live performances that are transmitted and recorded simultaneously meet the definition of fixation and are protected by copyright law, not federal antibootlegging law.

⁹⁷ § 1101(a).

⁹⁸ *NIMMER ON COPYRIGHT*, *supra* note 9, § 8E.03[A][2]; see *id.* § 8E.03 [B][1].

terms of the library's proposed activities is making of copies for the server (to enable streaming) and for preservation.

Section 1101 is a civil law, which allows a right holder to sue for an injunction and damages. Bootlegging can also be a violation of federal criminal law, as discussed in section 2.4.

Federal antibootlegging provisions apply to "acts" that occur on or after December 8, 1994.⁹⁹ Although acts of recording that took place before December 8, 1994, are not actionable, distribution or copying of unauthorized recordings made before December 8, 1994, that take place on or after that date can be the basis of a claim, according to the language of the statute.¹⁰⁰

The federal antibootlegging law does not explicitly incorporate the section of the Copyright Act containing the statute of limitations. The unlimited duration of federal antibootlegging provisions has raised concerns about whether they are constitutional, but so far the courts have rejected constitutional challenges.¹⁰¹

It is unclear whether the traditional defense of "fair use" or the statutory exceptions for libraries contained in section 108 of the Copyright Act would excuse violations of section 1101. The statute does not explicitly incorporate these exceptions and defenses, and there is little legislative history to provide clarification.¹⁰² This will be discussed below.

The federal law states specifically that it does not preempt any relevant state law.¹⁰³ This is especially significant for performances not covered by the federal law, which pertains only to *musical* performances, and not, for example, to an unauthorized recording of a dramatic performance or of a book or poetry reading.

⁹⁹ 17 U.S.C. § 1101(c); 18 U.S.C. § 2319A(f). This is the date of the enactment of the Uruguay Round Agreement Act, Pub. L. No. 103-465, 108 Stat. 4809, 4973 (1994). NIMMER ON COPYRIGHT, *supra* note 9, § 8E.03[C][1].

¹⁰⁰ At least one court has endorsed this reading of the statute and held that postenactment distribution of a pre-enactment recording is actionable under § 1101. *Kiss Catalog v. Passport Int'l Prods.*, 350 F. Supp. 2d 823 (C.D. Cal. 2004), *reconsidered and vacated on other grounds* 405 F. Supp. 2d 1169 (C.D. Cal. 2005) (finding 17 U.S.C. § 1101 constitutional). As authority for this reading, NIMMER cites the spirit of the TRIPs Agreement and one remark from the Uruguay Round Agreement Act's scant legislative history pertaining to "bootleg" recordings of President Clinton's jazz performances. NIMMER ON COPYRIGHT, *supra* note 9, § 8E.03[C][2], nn. 56-58.

¹⁰¹ The antibootlegging provisions have been challenged not just because of their unlimited duration but also on the ground that Congress lacks power to protect "unfixed" works (since they are not the "Writings" of authors) under the Copyright Clause or other grants of power in the Constitution. *See United States v. Martignon*, 492 F.3d 140, 152 (2d Cir. 2007) (finding 18 U.S.C. § 2319A constitutional); *United States v. Moghadam*, 175 F.3d 1269 (11th Cir. 1999) (finding 18 U.S.C. § 2319A constitutional); *Kiss Catalog* (finding 17 U.S.C. § 1101 a constitutional exercise of Congress' Commerce Clause power).

¹⁰² NIMMER ON COPYRIGHT, *supra* note 9, § 8E.03[B][2].

¹⁰³ § 1101(d).

2.4 Federal Antibootlegging Law: Criminal Violations

Federal law provides that someone who engages in any of the activities prohibited by federal civil antibootlegging law as described in section 2.3 “without the consent of the performer or performers involved, knowingly and for purposes of commercial advantage or private financial gain” is guilty of a criminal offense.¹⁰⁴ The penalty is a fine, imprisonment, or both.¹⁰⁵

As observed in section 2.3, the law contains no explicit exception for libraries or for educational uses. But criminal statutes are strictly construed, so libraries and archives cannot be criminally liable if they refrain from engaging in these activities for commercial advantage.

3.0 Legal Background: State Law

To identify the principal issues that might arise under state law with respect to the sound recordings in the examples, a survey of the laws of five states—California, Illinois, Michigan, New York, and Virginia—was undertaken. The survey reviewed state criminal laws that cover bootlegging and unauthorized reproduction and distribution of sound recordings, relevant civil law (usually common law, i.e., based on judicial decisions rather than statutes), and laws relating to rights of publicity. The results of the survey are summarized in Appendixes A, B, and C. The Library of Congress has commissioned a larger survey of ten state laws relating to pre-1972 sound recordings, which will be published in 2009.

3.1 State Criminal Statutes

Each of the states surveyed has criminal laws that (1) prohibit making copies of pre-1972 sound recordings without the right holder’s consent, and (2) prohibit making a recording of a live performance without the consent of the performer.¹⁰⁶ These laws also prohibit a variety of other activities, including transporting such recordings; selling or renting, or offering to sell or rent, them; or possessing them with in-

¹⁰⁴ 18 U.S.C. § 2319A(a) (2000). As with the civil statute, the prohibited acts pertain to both sound recordings and audiovisual recordings of live musical performances. Specifically, the statute refers to “sounds or sounds and images of a live musical performance.” § 2319A(a)(1)-(2). This protection is narrower than that found in certain states’ criminal antibootlegging statutes. Of the five states surveyed in Appendix A, none limited its criminal antibootlegging provisions to musical performances alone. (Virginia’s statute applies to a “concert,” a term that might be more narrowly construed than “performance.”) In addition, the state statutes vary in their protection of sounds alone as opposed to both sound and audiovisual recordings. Illinois prohibits an unauthorized “sound or audio visual recording”; California and Virginia prohibit the unauthorized transfer of “sounds”; and Michigan and New York prohibit the unauthorized recording of performances without reference to whether the recordings are audio or audiovisual.

¹⁰⁵ 18 U.S.C. § 2319A(a).

¹⁰⁶ NIMMER states that “[t]he laws of almost every state render record piracy a criminal offense,” but does not canvass the states. NIMMER ON COPYRIGHT, *supra* note 9, § 8C.03[C] at 8C-9.

tent to rent or sell. These laws vary slightly from state to state. Some states, including California and Virginia, also prohibit unauthorized copying for use through public performance. Illinois prohibits “use” of unauthorized recordings (but that use must be “for profit”). State criminal laws in five states are described in Appendix A.

Based on the laws in the sample states, library activities with respect to pre-1972 recordings would not come under the plain language of the statutes, provided the library receives no payment and derives no commercial benefit. Criminal liability is conditioned on doing the activities described:

- “for commercial advantage or private financial gain”¹⁰⁷
- “for monetary or other consideration”¹⁰⁸
- “for profit”¹⁰⁹
- “to promote the sale of any product”¹¹⁰

In some statutes, the terms “sale” or “rental” are not modified by words like “for profit” or “for commercial advantage,” presumably because the notion of monetary or other consideration is implicit.¹¹¹

Criminal laws are strictly construed. As long as a library does not take anything in exchange for streaming, it will not come within the terms of the criminal laws. This is one of the reasons for the assumption made at the outset that libraries will not receive payment for streaming.

There are other defenses that may be available to a library, depending on the state. For example:

- (1) In most cases criminal liability attaches only where the activities (recording a performance or copying, transporting, or distributing unauthorized copies) are done “knowingly” or “intentionally” for profit, commercial advantage, or personal financial gain. As long as a library does not act intentionally or knowingly for commercial advantage, it will not violate these laws. Under Illinois law, one can be liable for “negligently” doing certain activities (manufacturing, selling, performing, etc.) with respect to unidentified sound or audio recordings, but the use still must be “for profit” to fall under the law.
- (2) Michigan and California have exemptions that would cover libraries and archives, although California’s does not relieve the library of certain obligations to find and compensate the right holder.
- (3) Most states have exemptions for “broadcasters,” although the breadth of that term, and whether a library could come within it, are often unclear.

¹⁰⁷ CAL. PENAL CODE § 653h(a)(1), 653u (West 2007); N.Y. PENAL LAW § 275.05(2) (McKinney 2007); MICH. COMP. LAW ANN. § 752.1052(1) (West 2007).

¹⁰⁸ CAL. PENAL CODE § 653s (West 2007).

¹⁰⁹ 720 ILL. COMP. STAT. ANN. 5/16-7(a), 16-8(a) (West 2007); MICH. COMP. LAW ANN. § 752.782(1) (West 2004).

¹¹⁰ N.Y. PENAL LAW § 275.05(1) (McKinney 2007); MICH. COMP. LAW ANN. § 752.782 (1) (West 2007)

¹¹¹ CAL. PENAL CODE § 653h(a)(1) (West 2007); N.Y. PENAL LAW § 275.25(1) (McKinney 2007).

Assuming that these laws are representative of the criminal laws in other states, there is no significant risk that criminal liability would result from a library's activities in copying sound recordings for preservation or for streaming them to users without charge. It is important to stress that this conclusion is based on a review of a small sample of states, and, particularly where criminal laws are concerned, a comprehensive review of states' laws should be made.¹¹²

3.2 State Civil Law

State civil law protection for live performances and for pre-1972 sound recordings falls under many rubrics, including unfair competition, misappropriation, the rights of privacy and publicity, and "common law copyright."

The term "common law copyright" is used in different ways by different people. Sometimes it is used narrowly to refer to protection akin to federal copyright that was formerly provided by states for unpublished works prior to 1978, and that some states still extend to pre-1972 sound recordings and certain other works (e.g., unfixed works) not eligible for federal copyright protection. Sometimes the term is used less precisely to refer collectively to the various types of protection that states provide for works of authorship. This study uses the term "common law copyright" in the narrower sense, as described in section 3.2.3.

State civil law in this area is usually common law, that is, based on judicial decisions, although there are some relevant state statutes.¹¹³

3.2.1 Unfair Competition/Misappropriation

Some states protect pre-1972 sound recordings under unfair competition law. State unfair competition law has evolved to embrace at least two principal torts. The first is sometimes known as "passing off" or "palming off." Unfair competition in this sense occurs when a person or an entity "so promotes its goods and services as to create a likelihood that consumers will believe them to be (or to be associated with) the goods and services of another."¹¹⁴ For example, it is considered palming off for a retailer to advertise or display products of one manufacturer to induce sales, and then substitute the products of a different manufacturer.¹¹⁵ The law developed to protect the reputation or goodwill that one acquires through the "expenditure or investment of money, skill, time and effort."¹¹⁶

¹¹² Each library need not do its own survey, of course; the ten-state law study commissioned by the Library of Congress will be helpful in this regard, as would any comprehensive survey done by or on behalf of any library or group of libraries.

¹¹³ See Barbara A. Ringer, *The Unauthorized Duplication of Sound Recordings*, Copyright Law Revision Study No. 26, 86th Cong., 2d Sess., at 10-20 (Comm. Print 1957) [hereinafter *Ringer Study*].

¹¹⁴ ROBERT A. GORMAN & JANE C. GINSBURG, *COPYRIGHT: CASES AND MATERIALS* 999 (7th ed. 2006).

¹¹⁵ See, e.g., *Turner Greenberg Assocs. v. C&C Imps.*, 320 F. Supp. 2d 1317 (S.D. Fla. 2004) (substitution of different brand of furniture).

¹¹⁶ *Ringer Study*, *supra* note 115 at 11.

The other major tort embraced in state unfair competition law is known as “misappropriation.” Misappropriation occurs when someone copies or uses another’s valuable asset without payment and often without credit. The second person is not trying to “pass off” his own work as that of the first person, but rather to use the first person’s work without compensation, sometimes taking the credit for it.¹¹⁷

The conceptual distinction between the two principal forms of unfair competition is not reflected in all of the cases. In some states, early cases refer to misappropriation simply as unfair competition but later cases specifically refer to the claim as misappropriation. Other states continue to use the term unfair competition even for claims in the nature of misappropriation. For that reason, this study refers to unfair competition and misappropriation together.

A significant number of the state law cases that have protected performances or recordings of performances are based on claims of unfair competition or misappropriation. For example, *Mercury Record Productions, Inc. v. Economic Consultants, Inc.*¹¹⁸ was a case brought against an “unlicensed duplicator” that copied popular sound recordings originally recorded between 1929 and 1971, grouped them by year, and sold them on tapes with 16 songs each. The defendant claimed that the record company should not be allowed to bring the lawsuit because it had no continuing property interest in the recordings after they were sold, and that it was the prerogative of the legislature, and not the courts, to grant copyright or any similar protection. The court rejected defendant’s claims and allowed plaintiff to bring a record piracy claim on the grounds of unfair competition/misappropriation. In so doing, the court stated that “it is the duty of this court to act in circumstances where it is apparent that a wrong has been committed, and to furnish a remedy for that wrong when to do so is in accordance with the previous statements of this court and would be fully consistent with the legislatively expressed policy of this state.”¹¹⁹

*Ettore v. Philco Television Broadcasting Corp.*¹²⁰ is another case protecting a performance on the basis of unfair competition/misappropriation. The case involved rights in a motion picture of a boxing match. Ettore met (and lost to) Joe Louis in a boxing contest in 1936. A motion picture of the match was made with Ettore’s consent, and he was paid a percentage of the proceeds. Several years later, the defendant broadcast an edited version of the motion picture on television without Ettore’s consent, and Ettore sued. The defendant claimed that it was free to broadcast the motion picture since Ettore had not specifically reserved rights in television broadcasts of the motion picture. The court nevertheless held that the defendant had violated Ettore’s property right in his performance because the motion picture was used for a purpose other than that which was

¹¹⁷ GORMAN & GINSBURG, *supra* note 116 at 1000.

¹¹⁸ 218 N.W.2d 705 (Wis. 1974).

¹¹⁹ *Id.* at 715-16.

¹²⁰ 229 F.2d 481 (3d Cir. 1956).

specifically intended. In allowing the motion picture to be made and shown, Ettore had not transferred his television rights, according to the court, because commercial television did not exist at the time of the Ettore-Louis match.¹²¹ The court characterized the holding as one grounded in unfair competition.

*Metropolitan Opera Association v. Wagner-Nichols Recorder Corp.*¹²² provides another example of misappropriation, this time in the context of a musical performance. The Metropolitan Opera and Columbia Records joined in a complaint alleging unfair competition against a company that sold unauthorized records of opera performances “bootlegged” from radio broadcasts. The court justified the plaintiffs’ claim of unfair competition as follows:

Plaintiff Metropolitan Opera derives income from the performance of its operatic productions in the presence of an audience, from the broadcasting of those productions over the radio, and from the licensing to Columbia Records of the exclusive privilege of making and selling records of its own performances. Columbia Records derives income from the sale of the records which it makes pursuant to the license granted to it by Metropolitan Opera. Without any payment to Metropolitan Opera for the benefit of its extremely expensive performances, and without any cost comparable to that incurred by Columbia Records in making its records, defendants offer to the public recordings of Metropolitan Opera’s broadcast performances. This constitutes unfair competition.¹²³

Many state law claims for unfair competition in the nature of misappropriation (as distinguished from passing off) are now preempted by federal law because the courts have found that such claims provide copyright or copyright-like protection for works that come within the subject matter of copyright.¹²⁴ Unfair competition or misappropriation claims are still viable with respect to live performances and other unfixed works and to pre-1972 sound recordings.

¹²¹ See also *CBS, Inc. v. Melody Recordings, Inc.*, 341 A.2d 348, 353 (N.J. Super. Ct. 1975) (affirming an injunction against the sale of pirated copies of plaintiff’s sound recordings, the court stated that “misappropriation and tortious exploitation of another’s product may constitute unfair competition without a ‘palming off’”).

¹²² 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950), *aff’d*, 107 N.Y.S.2d 795 (N.Y. App. Div. 1951).

¹²³ *Id.* at 492. A few older state law cases have enforced express limitations against radio broadcast of sound recordings that accompanied copies sold by the right holder. See, e.g., *Waring v. WDAS Broadcasting Station, Inc.*, 194 A. 631 (Sup. Ct. Pa. 1937); but see *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir.), *cert. denied*, 61 S. Ct. 393 (1940) (legends on records could not restrict radio broadcast since common law right in performances ended with sale of records).

¹²⁴ In *National Basketball Association v. Motorola*, the Second Circuit concluded that *Metropolitan Opera’s* “broad misappropriation doctrine based on amorphous concepts such as ‘commercial immorality’ or society’s ‘ethics’ is preempted” by federal copyright law. 105 F.3d 841, 851 (2d Cir. 1997). Nevertheless, misappropriation claims are still viable with respect to pre-1972 recordings, and the circumstances of the *Metropolitan Opera* case are unlikely to occur under the 1976 Copyright Act. Radio broadcasts of live performances are almost invariably recorded, and under the Copyright Act’s definition of “fixation,” this would qualify as a simultaneous fixation that would entitle the recording of the performance to federal copyright protection.

3.2.2 Rights of Privacy and Publicity

The right of publicity is an individual's right to exploit the use of her persona, or identity, for commercial purposes, and to prevent others from exploiting that value. The right of publicity can be divided into two broad categories: (1) the protection of "recognition values"; and (2) the protection of "performance values."¹²⁵ There are many similarities with the right of unfair competition, and many cases involving "right of publicity" may also be denominated "unfair competition."

Protection for "recognition values." Protection for the "recognition value" of someone's identity is the better developed of the two categories. The contours of the right of publicity vary from state to state, but in almost all states, it encompasses the use of an individual's name or picture. In some states, the right of publicity may also extend to a person's voice, signature, or other identifying characteristics. For example, in *Midler v. Ford Motor Co.*,¹²⁶ a California court upheld a claim by Bette Midler concerning use of a "sound alike" who deliberately imitated Midler's distinctive voice for the audiobook of a televised automobile ad. The right of publicity protects against uses that diminish the commercial value of an individual's identity. In some states, the right of publicity grew out of the right to privacy,¹²⁷ and in others it grew out of unfair competition law. More than half of the states have recognized the right of publicity in some form, whether by statute, common law, or both.¹²⁸ Of the five states surveyed, four have a statutory right of publicity (see Appendix B).

The right of publicity is generally not limited to famous people.¹²⁹ In many states it continues to exist after the death of the individual concerned.¹³⁰ Not all uses of someone's name or likeness violate the right of publicity. For example, uses for purposes of news reports, biographies, public affairs, or the like are generally not actionable.¹³¹

¹²⁵ J. THOMAS MCCARTHY, *THE RIGHTS OF PUBLICITY AND PRIVACY* § 8.104 (2d ed. 2004).

¹²⁶ 849 F.2d 460 (9th Cir. 1988).

¹²⁷ Privacy law in the United States encompasses four separate torts: (1) intrusion into the solitude of another; (2) publication of private facts; (3) publicity that casts someone in a "false light"; and (4) appropriation of an individual's name or likeness. See generally BRUCE W. SANFORD, *LIBEL AND PRIVACY* § 11.1 (2d ed. 2007); *RESTATEMENT (SECOND) OF TORTS* § 652A (1977). Appropriation of name or likeness usually arises where the defendant makes use of someone's name without permission for commercial or advertising purposes, but it can apply whenever the use is for defendant's "own purposes and benefit." *RESTATEMENT (SECOND) OF TORTS* § 652C, cmt. b (1977); SANFORD, *supra*, § 11.5. Nearly all states recognize the right of privacy, though not all states recognize all four of these causes of action. MCCARTHY, *supra* note 127, § 6.2.

¹²⁸ MCCARTHY, *supra* note 127, § 6.3.

¹²⁹ *Id.*, § 4.16. There is, however, a minority view that the right of publicity is limited to celebrities. *Id.* § 4.15.

¹³⁰ Eighteen states recognize a postmortem right of publicity. See MCCARTHY, *supra* note 127, § 9.18. See, e.g., California (70 years), CAL. CIV. CODE § 3344.1 (West 2007); Illinois (50 years), 765 ILL. COMP. STAT. ANN. 1075/30 (LexisNexis 2007); Virginia (20 years), VA. CODE ANN. § 8.01-40 (2007). Michigan has no right of publicity statute, but a postmortem right is recognized at common law. New York does not recognize a postmortem right.

¹³¹ See, e.g., CAL. CIV. CODE § 3344(d) (West 2007) (use for news, public affairs, or sports broadcast or account, or political campaigns does not require consent).

Protection for “performance values.” Protection under the right of publicity for performances is less developed than protection for “recognition values.”¹³² The best-known case involving a performer asserting a right of publicity claim to his performance is *Zacchini v. Scripps-Howard Broadcasting Co.*,¹³³ in which a local TV news station videotaped and broadcast Zacchini’s entire “human cannonball” act in the course of its coverage of entertainment at a state fair. An Ohio appeals court held that Zacchini had a claim against the broadcaster for infringement of his common law copyright. On appeal, the Ohio Supreme Court recognized plaintiff’s right “to the publicity value of his performance,” but nevertheless dismissed the case on the ground that the news broadcast was constitutionally privileged. The U.S. Supreme Court reversed the Ohio court, and held that the First Amendment did not immunize the broadcaster from Zacchini’s state law right of publicity in his act. The Court stated that “the broadcast of [Zacchini’s] entire performance, unlike the unauthorized use of another’s name for purposes of trade or the incidental use of a name or picture by the press, goes to the heart of [Zacchini’s] ability to earn a living as an entertainer.”¹³⁴

*Ventura v. Titan Sports, Inc.*¹³⁵ was another case that involved the right of publicity in a performance. Wrestling commentator (and former Minnesota governor) Jesse Ventura sued a producer who sold videotapes of wrestling matches for which Ventura was a commentator, without Ventura’s consent. Ventura had worked under an oral agreement that made no mention of videotape royalties or licenses. The Eighth Circuit concluded that Minnesota would recognize a right of publicity and that Titan was unjustly enriched by using Ventura’s performance as embodied in the videotapes. The court affirmed an award of damages for Titan’s exploitation of Ventura’s “commentating performances.”¹³⁶

Although the right of publicity cases described above involved audiovisual recordings rather than sound recordings, the principle for which they stand—that the right of publicity can protect performances—applies to aural performances as well.

3.2.3 Common Law Copyright

Prior to January 1, 1978 (the effective date of the 1976 Copyright Act), common law copyright protected all unpublished works (manuscripts, artwork, etc.), since those works were not eligible for

¹³² McCARTHY, *supra* note 127, § 8.103-04.

¹³³ 351 N.E.2d 454 (Ohio 1976), *rev’d*, 433 U.S. 562 (1977).

¹³⁴ *Zacchini*, 433 U.S. at 576.

¹³⁵ 65 F.3d 725 (8th Cir. 1995).

¹³⁶ *Id.* at 731. Ventura performed services for Titan again later, by which time he was aware of the videotape distribution, but waived his right to royalties. However, the court found that Ventura could also recover damages for that period, since his agreement to waive royalties was fraudulently induced. *Id.* at 732, 733.

federal statutory copyright protection until they were published. On January 1, 1978, the law changed. Unpublished works already in existence that met the requirements for federal copyright (those that were original and fixed in a tangible medium of expression) became protected by federal copyright law. Pre-1972 sound recordings were an exception, as discussed above. Since 1978, common law copyright pertains primarily to works not fixed in a tangible medium, such as live performances, and to pre-1972 sound recordings.

While some states use unfair competition or misappropriation law to protect pre-1972 sound recordings, as discussed above,¹³⁷ other states accord pre-1972 sound recordings “copyright” protection even though they have been published, because they are not eligible for federal protection. For example, in *Capitol Records, Inc. v. Naxos of America, Inc.*,¹³⁸ New York’s highest court ruled that the plaintiff could assert a claim for infringement of common law copyright with respect to unauthorized copies of pre-1972 sound recordings that originated in England, even though the recordings were in the public domain in their home country. The court stated that “[c]opyright law is distinguishable from unfair competition, which in addition to unauthorized copying and distribution requires competition in the marketplace or similar actions designed for commercial benefit.”¹³⁹

States that have protected published sound recordings under unfair competition or right of publicity regimes might provide “common law copyright” protection, similar to the protection described in the *Naxos* case, to unpublished sound recordings.

3.2.4 State Civil Law Summary

State law protection for performances and sound recordings may be provided under a number of different names. *Zacchini*, for example, relied on a right of publicity. Professor Thomas McCarthy, author of *The Rights of Publicity and Privacy*, argues that *Zacchini* might more properly be viewed as a common law copyright case, but “if a rose is still a rose by any other name, then unauthorized reproduction of a live performance is certainly an invasion of some legal right, no matter the name by which that right is known.”¹⁴⁰ The same may be said of unauthorized reproductions of various types of sound recordings.

It is clear from the state cases discussed above and in Appendix C that there can be liability for recording and broadcasting live per-

¹³⁷ In some states, this may simply be the way the common law evolved. In other states, common law copyright protection ends upon publication for all works, regardless of whether they are eligible for federal copyright protection, so redress for use of unauthorized sound recordings must be sought through unfair competition, misappropriation, or right of publicity claims.

¹³⁸ 830 N.E.2d 250 (N.Y. 2005).

¹³⁹ *Id.* at 266. See also *CBS, Inc. v. Garrod*, 622 F. Supp. 32 (M.D. Fla. 1985). The sound recordings at issue in *Garrod* were distributed in copies and would be deemed “published” under the definition of publication in the federal copyright law, but the court held that the distribution of copies of pre-1972 sound recordings did not constitute publication under Florida law. It also upheld claims for unfair competition and for conversion.

¹⁴⁰ MCCARTHY, *supra* note 127, § 8.104.

formances without consent, and for copying and distributing sound recordings without authorization. Some general observations can be drawn about state common law, with the important caveat that they are not based on a comprehensive survey of all states.

In most states it appears that a claim of unfair competition can be brought against a defendant that appropriated a valuable product or asset of plaintiff's, when that appropriation resulted in commercial harm to the plaintiff, provided commercial benefit to the defendant, or both. This difference (commercial harm versus commercial benefit) could be significant for library use, but it is not something on which the courts have generally focused, because the parties are usually competitors, and commercial harm to one is presumed to benefit the other. If commercial benefit is required, libraries will generally not be liable. One of the assumptions made in this report is that the libraries' activities would not entail commercial benefit, and that assumption will likely prevail in most instances. On the other hand, if commercial harm is a determining factor, libraries could face potential liability, because harm to a right holder can occur even in the absence of a commercial benefit to the library. The extent to which such harm is likely is discussed in section 4.0. Finally, some states still require that the parties be commercial competitors to recognize a claim¹⁴¹ (which would rule out libraries as a general matter), but others do not.

Similarly, the use of someone's persona or performance for a *commercial* advantage appears to be an integral part of a successful common law right of publicity claim. Some states may still require passing off to support a claim of unfair competition, but in most states, it is enough that the defendant appropriated a valuable product or asset of the plaintiff, and that its appropriation resulted in commercial harm to the plaintiff, provided commercial benefit to the defendant, or both.

Unlike a claim for unfair competition, a claim based on common law copyright does not require a showing of competition or commercial benefit, as New York's highest court held in *Capitol Records v. Naxos*. As *Naxos* is a relatively recent case, it is unclear whether other states would follow it and apply "common law copyright" to recordings that have been commercially distributed (or "published," as that term is commonly understood). But the sound recordings in the examples would be considered unpublished under the laws of many states, so state courts might apply common law copyright rather than unfair competition principles.

There appear to be no common law claims against libraries or archives relating to their use of sound recordings. One cannot conclude, however, that libraries would be considered exempt from all common law claims, regardless of the nature of the sound recording or the scope of the libraries' use. Common law courts have great flexibility, and the law can change over time. Courts are often willing to

¹⁴¹ See, e.g., *Garrod*, 622 F. Supp. at 536.

find a means to redress a perceived wrong if it is possible to do so.¹⁴² As one court has observed, “The common law’s capacity to discover and apply remedies for acknowledged wrongs without waiting on legislation is one of its cardinal virtues.”¹⁴³ On the other hand, one can safely assume that a library’s conduct would have to be well outside the bounds of traditional library activities to be perceived as wrongful by a common law court. The specific role of libraries and how that role affects consideration of potential liability is discussed further in section 4.2.

With this background, each of the examples will be discussed to determine whether it is the type of performance or recording in which the courts have recognized a protectable interest, and who the potential right holders are. Whether library use is likely to trigger liability, or whether a court would be likely to find the use permissible because of specific statutory exemptions, for lack of a commercial impact, on public policy grounds, or a combination thereof, is considered next.

4.0 Library Use of Pre-1972 Recordings

Sections 2.0 and 3.0 described various laws that potentially govern pre-1972 sound recordings. But how does one navigate these laws to determine whether to proceed with a particular activity in connection with a particular sound recording?

In any such determination, one begins by evaluating whether the proposed activity is legally objectionable. In other words, is there any possible claim, and by whom? A necessary corollary of that inquiry is the relevance of copyright exceptions, and more broadly, the special role of libraries. Then, assuming there is a possible claim, one must consider the likelihood that a right holder would assert it.

Section 4.1 explores the examples set forth in the Introduction to determine which laws are applicable to each type of sound recording, and who conceivably could assert a claim. Section 4.2 examines the relevance of library status and copyright exceptions in determining whether library Internet streaming activities would come within the scope of potential claims. Section 4.3 considers the relevance of library status and copyright exceptions in preservation activities. Section 4.4 provides questions to ask in evaluating permissible use of sound recordings, including questions that focus on whether a right holder is likely to assert a claim.

¹⁴² Metropolitan Opera Ass’n v. Wagner-Nichols Recorder Corp., 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950), *aff’d*, 107 N.Y.S.2d 795 (N.Y. App. Div. 1951); Edwards v. Church of God in Christ, No. 220348, 2002 WL 393577, at *3 (Mich. Ct. App. Mar. 8, 2002) (unpublished) (although Michigan does not recognize a claim for misappropriation of an unknown singer’s voice, court upheld her claim for negligent failure to obtain her permission to be taped).

¹⁴³ Hinish v. Meier & Frank Co., 113 P.2d 438, 447 (Or. 1941), quoted in McCARTHY, *supra* note 127, § 6.4. See also Hurtado v. California, 110 U.S. 516, 530 (1884) (the “flexibility and capacity for growth and adaptation is the peculiar boast and excellence of the common law ...”).

4.1 Applying the Law to Specific Examples

Prior to looking at each of the sound recording examples in the context of the laws described in sections 2.0 and 3.0, it is useful to determine whether copying or streaming those recordings could potentially be the basis of a legal claim. This section looks principally at the characteristics of the particular sound recording and the proposed use to see if it falls within the terms of a statute, or, in the case of common law, whether anyone has brought an analogous claim. The special considerations that relate to *library* use are discussed in 4.2 and 4.3.

In each of the examples, the proposed library activity is the same:

- (1) Copying the recording in digital form to enable streaming
- (2) Streaming the recordings, i.e., transmitting or performing them, without providing the user with a retention copy
- (3) Copying the recording in digital form for preservation purposes

Again, it is assumed that the library will not charge a fee for access to the recordings, or derive any direct or indirect commercial advantage (which may include fundraising) for streaming.¹⁴⁴ See the further discussion of this assumption in section 4.2.

4.1.1 Bootleg Recordings

Example 1: Bootleg recording made during rock concert (1971)

Example 2: Bootleg tape of a live performance of the opera The Marriage of Figaro (1962)

Both of these examples are bootleg recordings, created without the consent of the performers.¹⁴⁵ They are considered together since the analysis is similar in most respects.

a) Does federal antbootlegging law prohibit use of these sound recordings?

Both examples involve bootleg recordings made prior to 1972. Since they involve musical performances, they appear to come within the ambit of the federal antbootlegging laws. Even though the unauthorized recordings were originally made before December 8, 1994 (the date on which the federal antbootlegging law went into effect), further copying or distribution (or sale, rental, or trafficking) after that date appears to be actionable. The library's copying would come within the terms of the law; streaming the recordings does not ap-

¹⁴⁴ The assumption is that the library will not impose any charge for streaming to avoid any possible argument that it is selling or renting copies under the various statutes.

¹⁴⁵ It is worth noting, particularly in connection with the rock concert, that not all recordings taken at a rock concert are necessarily bootlegs. In some instances bands like the Grateful Dead permitted fans to tape and trade copies of performances as long as they did not use the tapes for commercial purposes. See Cason A. Moore, *Tapers in a Jam: "Trouble Ahead" or "Trouble Behind"?*, 30 COLUM. J. L. & ARTS 625, 626-30 (2007) (re Grateful Dead taping policy). A band may not consent to recording the underlying musical compositions, however, unless it owns the rights.

pear to violate the law, but as discussed above, there is some ambiguity in the way the law is drafted.

Are there exceptions that would permit the library's activities? The statute does not explicitly incorporate the exceptions and limitations in the Copyright Act, such as "fair use" or the library privileges contained in section 108.¹⁴⁶ Whether a court would be likely to incorporate these defenses, and whether a library's preservation and streaming would come within the scope of section 108 or fair use, is discussed in sections 4.2 and 4.3.

Criminal bootlegging would occur only if the library engaged in any of these acts "without the consent of the performer or performers involved, knowingly and for purposes of commercial advantage or private financial gain."¹⁴⁷ Since it assumed that the library is not being compensated or deriving any financial benefit from its activities, it would not come within the criminal law.

The federal law does not preempt state law, so state protection against bootleg recordings must also be considered.

b) Does federal copyright law protect these recordings?

No, because the recordings were first fixed prior to February 15, 1972, and are not works of foreign origin. There may be copyright protection for the underlying works, however (see the discussion below).

c) Do state criminal record piracy or antbootlegging laws protect these sound recordings?

As discussed above, on the basis of the limited sample (and subject to the results of a full state survey), there is no significant risk that a library could come within the state criminal laws if it gets no compensation, direct or indirect, for streaming.

d) Does state civil law (common law) protect these sound recordings?

Concert performances have been recognized as a valuable asset and granted protection against the unauthorized recording and exploitation of recordings of performances such as these. For example, *Metropolitan Opera* involved an off-the-air recording of an opera radio broadcast.

e) Who are the right holders for these sound recordings?

Usually the right holders in a concert or opera performance are, in the first instance, the performers. This is true for federal law and under California's civil statute. If the performer is a musician, the musician or the band or orchestra to which the musician belongs may have an exclusive recording contract with a record company. In that case, depending on the terms of the contract, the record company might own the performance or the performers might own it but

¹⁴⁶ NIMMER ON COPYRIGHT, *supra* note 9, § 8E.03[B][2].

¹⁴⁷ 18 U.S.C. § 2319A(a) (2000). The ambiguity in the statute regarding liability for streaming is another reason to discount any risk of criminal liability on that ground.

be unable to authorize its exploitation without agreement from the record company.

f) What legal protection, if any, exists for the underlying work?

In the case of the rock concert, the underlying works are a series of musical compositions. These works are likely to be protected by federal copyright law. The names of the writers and the music publisher that can license the compositions can usually be determined through Copyright Office records or through ASCAP or BMI.¹⁴⁸ Absent an exception, on-demand streaming would require license from the music publisher to make the server copies necessary to generate the streams, unless the use qualifies as a fair use (see the discussion in section 2.1.5). Those copies would not be covered by the compulsory license: first, because they are not being distributed in phonorecords; and second, because they are made from bootleg copies. The performances themselves (i.e., the streaming) could be licensed through ASCAP and BMI licenses.

The opera is in the public domain in the United States because it was first published before 1923.

4.1.2 Recordings of Radio Broadcasts

Example 3: Archival recording of a commercial network radio news broadcast (1943)

Example 4: Archival recording of a commercial radio variety program including music and comedy (1950)

Example 5: Airchecks from a defunct radio station (voice only, no music) (1946)

a) Does federal antbootlegging law prohibit use of these sound recordings?

No. All three of these examples involve legitimate copies of radio broadcasts. They are not bootlegs.

b) Does federal copyright law protect these recordings?

No, because the recordings were first fixed prior to February 15, 1972, and all are works of U.S. origin. There may be copyright protection for the underlying works, however, as discussed below.

c) Do state criminal record piracy or antbootlegging laws protect these sound recordings?

As discussed above, on the basis of the limited sample (and subject to the results of a full state survey) there is no significant risk that a library could come within the state criminal laws if it gets no compensation, direct or indirect, for streaming.

d) Does state civil law (common law) protect these sound recordings?

Example 3 involves a recording of a commercial network radio broadcast made in 1943. In *CBS, Inc. v. Documentaries Unlim-*

¹⁴⁸ See ASCAP, ACE Title Search, <http://www.ascap.com/ace/>; BMI, Search BMI Repertoire at <http://www.bmi.com>.

ited, Inc.,¹⁴⁹ a New York court upheld protection for a radio news broadcast. The defendant made an off-the-air recording of the broadcaster's news announcement of President John F. Kennedy's assassination, and incorporated it into a phonograph record for commercial distribution. When the broadcasting company and announcer brought suit, the defendant argued that a performance had to have artistic or literary value to warrant protection, and that old news does not qualify. The court held that "[a] broadcaster's voice and style of talking is, to all intents and purposes, his personality, a form of art expression, and his distinctive and valuable property."¹⁵⁰ The court found it was "a clear case of appropriation for commercial profit of another's property right."¹⁵¹ The court did not clearly distinguish between the underlying work and the performance, as it also said that the announcer did not merely repeat news releases but "added to them matter of his own composition."¹⁵²

The sound recording in **Example 4** (a commercial radio variety program with music and comedy from 1950) involves performances by musicians (and possibly vocalists), a comedian, and likely an announcer. As discussed above, radio broadcasts of musicians' performances and announcers' performances have been held protectable. A comedian's performance should have at least as strong a claim to common law protection, although no cases were found recognizing common law rights in recordings of radio broadcasts of comedy performances.

Example 5 is a recording of airchecks from a defunct radio station (voice only, no music) made in 1946. An aircheck is a recording made during a broadcast. Sometimes an aircheck was made (or edited) to include only the announcer's segments of the shows (which may have been used to demonstrate his talent to a potential employer or advertiser), as in this hypothetical. Sometimes airchecks were made of the entire program (including any music, advertisements, etc.) to provide to sponsors so they could confirm that their advertisements were delivered as agreed, and this would likely be deemed a limited publication.¹⁵³ But in some cases airchecks were duplicated and distributed to the public, in which case the recording could be deemed published. The analysis for airchecks would be similar to that for commercial radio newscasts.

e) Who are the right holders for these sound recordings?

Commercial sound recordings are usually owned by the record producer, but that is not necessarily the case with respect to the sound recordings in this study. Ideally, ownership of unpublished sound recordings would be established by looking at the agreements and employment arrangements, but written agreements may not be available (and in some cases may never have existed).

¹⁴⁹ 248 N.Y.S.2d 809 (N.Y. Sup. Ct. 1964)

¹⁵⁰ *Id.* at 811.

¹⁵¹ *Id.* at 812.

¹⁵² *Id.* at 811.

¹⁵³ See *supra* note 9.

For radio broadcasts such as those in **Examples 3 and 4**, in many cases the broadcaster will have acquired all the rights in the recording, in which instance those rights may still be owned by the broadcaster or a successor in interest. Unless there is an agreement to the contrary, the broadcaster will likely own all rights to the contributions of its employees (e.g., the program producer, sound technicians, script writers) under the “work made for hire” doctrine or analogous common law principles.¹⁵⁴ If, however, the announcer in **Example 5** created his own aircheck not for the station’s purposes but for his personal use in seeking employment, it might be considered outside the scope of his employment and owned by him rather than by his employer.

A radio station may also have had employment agreements, particularly with respect to key individuals. For example, in *CBS, Inc. v. Documentaries Unlimited*, CBS had an exclusive employment contract with the announcer and consequently owned exclusive rights in the broadcast material. The extent to which the performers who were not technically employees could assert rights would depend on the working relationship and the terms of any agreements between the parties. Prominent guest entertainers like musicians, vocalists, and comedians would likely have had contracts or releases describing the grant of rights to the radio station, although whether those contracts could be located is another matter. If commercial distribution of copies was not envisioned, the station may have acquired rights from guest performers only for broadcast (and possibly for any incidental or archival copies). For example, in *Ventura v. Titan Sports*, the court held that Jesse Ventura’s contract for services as a wrestling commentator did not contemplate videotape sales.¹⁵⁵

Even if some distribution was contemplated, those contracts may or may not have included rights to use the recording in later-developed media. In *Ettore v. Philco Broadcasting Corp.*, discussed in section 3.2.1, the court held that Ettore had not consented to television broadcasts of his boxing match with Joe Louis because commercial television had not existed at the time. But in *Silvester v. Time Warner, Inc.*,¹⁵⁶ plaintiffs—individual recording artists who signed recording contracts between 1956 and 1996—claimed that the record companies had no right to exploit their sound recordings in digital media. The court held that their contracts, which conveyed the right to reproduce and sell the sound recordings “by any method now known, or hereafter to become known,” conveyed full ownership rights to the record companies.¹⁵⁷ It is possible, however, that in the context of a radio program whose distribution in copies was not contemplated, any release by performers may not have been so expansive as to include later-developed media.

¹⁵⁴ See, e.g., *Storer Broadcasting Co. v. Jack the Bellboy, Inc.*, 107 F. Supp. 988 (E.D. Mich. 1952) (radio program name, material, and scripts written and developed by employee in the course of his employment became property of radio station employer).

¹⁵⁵ *Ventura*, 65 F.3d at 731.

¹⁵⁶ 763 N.Y.S.2d 912 (Sup. Ct. N.Y. Cty. 2003).

¹⁵⁷ *Id.* at 916-17.

In short, it cannot be assumed that the radio station or other producer of the recording is the sole right holder in the recording and could authorize reuse of the recordings without agreement from the performers. Absent evidence to the contrary, it must be assumed that performers also have rights. In addition, as suggested above, musicians under exclusive recording contracts may not be able to consent to further exploitation without the consent of their record company. If performers were members of unions such as AFM (American Federation of Musicians) or AFTRA (the American Federation of Television and Radio Artists), then terms on which performers can authorize further exploitation may be subject to union agreements.

The fact that a station is defunct, as in **Example 5**, does not necessarily say anything about the rights, which may have been transferred to a successor. If there is no successor, a court may find that the announcer holds the rights. *Polygram Records, Inc. v. Legacy Entertainment Group, LLC*¹⁵⁸ involved a three-way dispute for the rights to exploit recordings of performances on WSN radio by singer Hank Williams and his band in the 1950s. The recordings were made to enable WSN to broadcast Williams's regular show when he was out of town, and apparently were used for no other purpose. The claimants were Williams's heirs, Polygram Records (the successor to the record company with which Williams had a recording contract during the relevant time period), and Legacy Entertainment, which acquired acetate recordings of the broadcasts from a former WSN employee (who apparently fished them out of a trash bin when WSN was moving offices) and purported thereby to be a successor to WSN's rights.

The court dismissed Legacy's claim because there was no evidence it acquired any intangible property rights. It also rejected Polygram's claim of ownership based on an "exclusive services" contract with Williams, concluding that the contract covered only recordings for the purpose of producing records but not for making prerecorded radio broadcasts. Accordingly, the court awarded control of Williams's interest to his heirs. It is not clear what the arrangement between Williams and WSN was, or how the court would have ruled had WSN been present.

f) What legal protection, if any, exists for the underlying work?

For radio programs in general, if the scripts had been separately copyrighted in another medium (e.g., in printed form) and if the copyright had been renewed, they would still be protected by federal copyright law.¹⁵⁹ If the copyright in the underlying scripts had not been renewed, they would be in the public domain. It appears that scripts were more commonly copyrighted when the radio program involved a narrative storyline, such as the *Amos 'n' Andy* and *Lone*

¹⁵⁸ 205 S.W. 3d 439 (Tenn. Ct. App. 2006).

¹⁵⁹ In that case, the copyright owner of the script might be able to limit use of the sound recording. See, e.g., *King v. Mister Maestro, Inc.*, 224 F. Supp. 101 (S.D.N.Y. 1963) (court enjoined distribution of phonograph records of plaintiff's "I Have a Dream" speech; King had registered the copyright in the text of his speech as an unpublished work, and the court held that he had not published the speech by delivering it). See *supra* notes 9 & 15.

Ranger radio programs.¹⁶⁰ In **Examples 3–5**, if the scripts were not separately copyrighted and remained unpublished at the time the 1976 Copyright Act went into effect, there is still a possibility that protection for the underlying material could be asserted.¹⁶¹

Assuming there was originality in the description of the current news in **Example 3** (radio news broadcast), it could be protected by federal copyright law, but it would enjoy only a very thin copyright.¹⁶² The same might be true of the announcer’s script in **Example 5** (airchecks). **Example 4** (variety program) also involves musical compositions and comedy routines. An underlying musical composition is likely protected by copyright, unless it is in the public domain (see section 2.1.5). There is relatively little law on copyright protection for jokes, but it is likely that jokes are protectable (though they would enjoy only a “thin” copyright against close duplication).¹⁶³ In this case, an entire comedy routine, not just a single joke, is involved. A compilation of jokes could receive protection, but such protection would likewise be thin.

Nevertheless, the possibility of a right holder seeking protection with respect to the underlying work in these examples, other than in the case of musical works, seems very attenuated.

4.1.3 Interviews

Example 6: Press conference or radio interview with a well-known personality (1964)

Example 7: Oral history or man-on-the-street interview with an “average” person (1962)

Example 8: Taped interviews that contributed to a story (some of which are quoted in the story), done by a journalist who worked for a major weekly news magazine and donated to the library with a collection of the journalist’s papers (1968)

a) *Does federal antibootlegging law prohibit use of these sound recordings?* It appears that all of these recordings were made with the knowledge and consent of the speakers, so federal antibootlegging laws would not apply. In addition, the federal antibootlegging laws apply only to musical performances.

¹⁶⁰ E.g., *Silverman v. CBS Inc.*, 870 F.2d 40 (2d Cir. 1989) (scripts of *Amos ‘n’ Andy* radio programs); *Lone Ranger Television, Inc v. Program Radio Corp.*, 740 F.2d 718 (9th Cir. 1984) (scripts of *Lone Ranger* episodes).

¹⁶¹ In *Silverman*, the court raised but did not decide the issue whether CBS could claim protection not for the actual sounds of the radio program tapes, but for expressive content contained in them beyond what was included in the scripts (e.g., ad-libbed dialog), which had entered the public domain for failure to renew the copyright. 870 F.2d at 43 n. 2.

¹⁶² Whether an underlying script still retains copyright protection is a complicated question, but assuming neither the script nor the sound recording was published, the script would become eligible for federal copyright protection as an unpublished work on January 1, 1978.

¹⁶³ See *Foxworthy v. Custom Tees, Inc.*, 879 F. Supp. 1200 (N.D. Ga. 1995) (holding “redneck” jokes copyrightable); NIMMER ON COPYRIGHT, *supra* note 9, § 2.13.

b) Does federal copyright law protect these recordings?

No, because the recordings were first fixed prior to February 15, 1972, and all are works of U.S. origin. However, there may be copyright protection for the underlying works: see the discussion below.

c) Do state criminal record piracy or antbootlegging laws protect these sound recordings?

As discussed above, on the basis of the limited sample (and subject to the results of a full state survey) there is no significant risk that a library could come within the state criminal laws if it gets no compensation, direct or indirect, for streaming.

d) Does state civil law (common law) protect these sound recordings?

Few cases have addressed rights in sound recordings of interviews, and none has included a comprehensive discussion of rights.

In fact, the state cases that deal with sound recordings of interviews are inconsistent. In *Lennon v. Pulsebeat News, Inc.*,¹⁶⁴ the defendant sought to distribute records copied from earlier taped interviews with the Beatles. A New York trial court granted the Beatles a temporary restraining order. It rejected defendant's argument that its sale of the recordings was justified because the interviews had originally been news, stating that while it is true there is no bar to reporting news, "there is no justification for utilizing for profit, without plaintiffs' permission, their distinctive manner of speech and expression which for reasons not material herein have become valuable property."¹⁶⁵ The case provides no information about the source tapes.

*Current Audio, Inc. v. RCA Corp.*¹⁶⁶ involved use of an audio recording of a press conference with Elvis Presley. The conference, held in anticipation of a series of concerts Presley was to give in New York, was attended by representatives of all communications media and recorded on audiotape and film for later television replay. Current Audio sought to publish a 2-1/2-minute excerpt in a record to be included with the debut issue of its multimedia news magazine. RCA, which had exclusive rights in Presley's recordings and related publicity rights, sued to enjoin use of the recording, as well as photographs and other material from the press conference. RCA claimed that the recording would unfairly compete with recordings it sold of Elvis's performance at Madison Square Garden and of a press conference held several years earlier when Presley entered the service.

The court denied the injunction. Recognizing that Presley was a "singer of note" the court said that he was not "performing" in the press conference as that word applies to his valuable property, but was engaged in "a public nonartistic use of his speaking voice," in which RCA had no rights under the contract. The court stated:

¹⁶⁴ 143 U.S.P.Q. 309 (N.Y. Sup. Ct. 1964).

¹⁶⁵ *Id.* at 309.

¹⁶⁶ 37 N.Y.S.2d 949 (N.Y. Sup. Ct. 1972).

The spontaneous “give and take” of an unrehearsed public press conference is of a wholly different character than the delivery of a formal speech or address, or the performance of a musical or artistic work.... [I]n many ways a press conference stands as the very symbol of a free and open press.... To hold, as defendant urges, that one who has freely and willingly participated in a public press conference has some property right which supersedes the right of its free dissemination and permits such party to control or limit its distribution would constitute an impermissible restraint upon the free dissemination of thoughts, ideas, newsworthy events and matters of public interest.¹⁶⁷

Although the state law cases dealing with interviews in the form of sound recordings are sparse, other state courts have addressed the question of whether an interviewee has a protectable right in an interview in other contexts. In a 1926 case, *Jenkins v. News Syndicate Co.*,¹⁶⁸ a New York trial court found a common law copyright interest in an interviewee’s contributions to a newspaper article detailing her ideas and opinions for a column she was in negotiations to write. But 50 years later, in *Estate of Ernest Hemingway v. Random House*,¹⁶⁹ New York’s highest court rejected the Hemingway Estate’s common law copyright claims to his interviews. The court expressed reservations about giving “conversational remarks” the status of “literary creations,” although it did not categorically state that such copyright could never apply. It suggested that courts should apply a relatively high threshold when finding common law copyright, and require at least “that the speaker indicate that he intended to mark off the utterance in question from the ordinary stream of speech, that he meant to adopt it as a unique statement and that he wished to exercise control over its publication.”¹⁷⁰

In *Falwell v. Penthouse Int’l., Ltd.*,¹⁷¹ the Reverend Jerry Falwell gave an interview to two journalists who sold the interview to *Penthouse* magazine. Falwell sued Penthouse for infringement of common law copyright, among other claims. The court dismissed his claim, stating that Falwell “cannot seriously contend that each of his responses in the published interview setting forth his ideas and opinions is a product of his intellectual labors which should be recognized as a literary or even intellectual creation.”¹⁷² The court also observed that Falwell “willfully and freely participated in the interview,” which he was aware was not a private conversation but intended for dissemination to the public. Falwell was free to pursue contract claims against the journalists (who allegedly violated the conditions of the interview), but “he is trampling upon fundamental constitutional freedoms by seeking to convert what is essentially a

¹⁶⁷ *Id.* at 953 (citations omitted).

¹⁶⁸ 219 N.Y.S. 196 (N.Y. Sup. Ct. 1926).

¹⁶⁹ 244 N.E.2d 250 (N.Y. 1968).

¹⁷⁰ *Id.* at 256.

¹⁷¹ 521 F.Supp. 1204 (W.D. Va. 1981).

¹⁷² *Id.* at 1208.

private contractual dispute into a broad-based attack on these principles of freedom of speech and press which are essential to a free society."¹⁷³

A later case decided in federal court under the federal copyright law is also instructive with respect to interviewee rights. In *Taggart v. WMAQ Channel 5 Chicago*,¹⁷⁴ WMAQ, a Chicago-based television station, videotaped a prison interview with a convicted sex offender in connection with a report on the lax regulation of summer camps. Taggart alleged that he had requested that the tape not be used in any manner, and when WMAQ broadcast an excerpt he sued for copyright infringement and other claims. The court held that he did not have a copyright interest in unprepared and spontaneous utterances during an interview and dismissed his copyright claim.

So what do the cases indicate about state law protection for the sound recordings in **Examples 6–8**? The state law cases focus primarily on whether or not the interviewee has an interest in an interview, and some of them appear to conflate the interests of the producer of the sound recording with those of the performer.¹⁷⁵ Nevertheless, it appears as a general matter that such recordings are protectable, and that the producer of a sound recording of an interview, the interviewer, and the interviewee all might have an interest, although courts have not been particularly sympathetic to interviewees who seek to block dissemination of material from public press conferences or news interviews.

If **Example 6** is a radio interview, the station likely has a proprietary interest in the recording, both as the producer of the recording and through the contribution of the announcer, who presumably was its employee.¹⁷⁶ If the recording is of a press conference, the case for a protectable interest on the part of the producer of the recording may be weaker. There is no single interviewer to contribute protectable authorship, and although the circumstances of the recording in this example are unclear, it is possible that a court would not find sufficient authorship in its production to accord protection to the creator of the sound recording, particularly in light of the strong public policy concerns expressed in the *Current Audio* case involving Elvis Presley.

There were no cases found that were directly relevant to **Example 7**, the oral history or man-on-the-street interview. The source of the interviews and the circumstances under which they were done

¹⁷³ *Id.* The court also dismissed claims based on privacy and publicity rights.

¹⁷⁴ 57 U.S.P.Q.2d 1083 (S.D. Ill. 2000).

¹⁷⁵ In the case of a radio station, the production of the recording likely entails some judgment and skill, so there would be sufficient authorship on that score alone. But presumably because the radio station often owns performers' rights through releases or under the work for hire doctrine, the courts have had little occasion to determine what constitutes a copyrightable contribution on the part of the producer.

¹⁷⁶ In the *Taggart* case discussed above (based on federal law), WMAQ had a copyright interest in the taped interview. State courts have not addressed whether an interviewer has a protectable interest, but see the discussion of the participants' respective interests under federal law in note 180, *infra*, and accompanying text.

are unclear; therefore, any analysis of rights is speculative. With regard to the man-on-the-street interview, assuming the interviewer is employed by a radio station, as seems likely, the station or its successor would have a proprietary interest. In the case of the oral history interview, the interviewer was likely also the creator of the sound recording, so it is possible that the court would recognize a proprietary interest in that individual. The circumstances under which the recordings were created or acquired by the library, however, may indicate that the interviewer consented to their exploitation in a library context. Rights of the interviewees are discussed below.

Example 8 involves taped interviews that contributed to a story (some of which were quoted in the story) done by a journalist who worked for a major weekly news magazine and donated to the library with a collection of the journalist's papers. No cases were uncovered that were directly relevant to this example. For the reasons discussed above concerning Example 7, a court may recognize a proprietary interest in the recordings on the part of the journalist and/or the employer magazine publisher as a work made for hire. Some publishers assert a strong proprietary interest in unpublished materials underlying news stories, although given the amount of time that has elapsed, this may not present a problem.

e) Who are the right holders for these sound recordings?

The possible rights of the sound recording producer and the interviewer are discussed above. But what about the rights of the individuals being interviewed?

Concerning **Example 6** (press conference or radio interview with a well-known personality), the cases suggest that under state law an interviewee in a press conference would not have a protectable interest in the *substance* of the interview (e.g., one that would prevent use of a transcription), but the cases addressing interviewees' rights in their performances in sound recordings of press conferences and interviews (where performance is also involved) provide no clear answer. The court in *Current Audio* concluded that Presley had no ownership in the recording of his remarks, while the *Lennon* case held otherwise in connection with a recording of the Beatles interview, with little explanation. To the extent federal law might be instructive, the *Taggart* case rejected an interviewee's attempt to prohibit use of his recorded remarks.

Example 7 (oral history or man-on-the-street interview) presents similar considerations concerning rights of interviewees. If the interviewer obtained a release, it would govern the scope of permissible use, at least as between interviewer and interviewee (i.e., it would determine whether or not the interviewer could convey rights to stream the interview recording or not). On the other hand, a 1962 release may not have addressed later-developed means of dissemination. If the interviewer did not get a release (or the release cannot be located), a court might be willing to find an implied right to use the recording on the ground that the interviewee knew the purpose of the interview, spoke freely, and should be presumed to have con-

sented to use of the recording. Whether it would be willing to allow use for on-demand streaming is another matter.

Example 8 (journalist's taped interviews) presents similar considerations concerning the rights of interviewees. The nature of the recordings and the resulting story are relevant to whether the interviewees could assert any other rights. It is possible that the interviewees' willingness to speak to a reporter for the express purpose of assisting in a news article might lead a court to conclude that the tapes could be used (similar to the court's rationale in the *Current Audio* case), though whether that use would extend to on-demand streaming is another matter, as discussed above. However, people often speak to reporters for background and allow taping merely to assist the reporter in writing the article, so the rationale in *Current Audio* may be less persuasive here. The fact that some portions of an interview were published in a news article does not necessarily make the unpublished portions of the sound recording fair game. If a particular interviewee served as an undisclosed source pursuant to an agreement with the interviewer, and the information was used by the journalist accordingly, that interviewee might be able to assert a common law copyright claim or a privacy claim if the tapes were made publicly available. A third party such as a library would not be bound by an agreement between the interviewer and his sources, but such an agreement could distinguish this example from the *Falwell* case, where Falwell was well aware his remarks would be published.

In sum, the law on proprietary interests in sound recordings of interviews is far from clear. A cautious assumption (absent evidence otherwise) is that the sound recording producer, the interviewer (if different from the sound recording producer), and the interviewee all have potential interests, though courts have shown themselves unsympathetic to interviewees who seek to block dissemination of material from public press conferences or news interviews done in public or with knowledge that they would be made public.

f) What legal protection, if any, exists for the underlying work?

State courts often conflate the interest in the sound recording with rights in the underlying work unless the underlying work has been separately published and copyrighted. This is likely a consequence of the way in which cases are presented to the courts. However, theoretically there may be a different set of rights in the underlying work, even in the case of an interview. Courts have held that interviews fixed in a tangible medium of expression are eligible for federal copyright protection.¹⁷⁷ Unpublished interviews (even if their tangible medium is a pre-1972 sound recording) received federal copyright protection effective January 1, 1978.

Who would own the rights to such an interview? Both the interviewer and the interviewee would likely have an interest. Professor Paul Goldstein in his copyright treatise states that courts will often

¹⁷⁷ Obviously, sound recordings made of interviews prior to 1972 would not enjoy such statutory protection. However, interviews in that time period recorded in copyrightable media do appear to have enjoyed statutory protection.

infer nonexclusive licenses from interviewee to interviewer to exploit answers given in an interview. For this and other reasons he believes they should be considered joint works of the interviewee and the interviewer. (In the case of a joint work, any of the authors may grant a licensee to use the work.) Nevertheless, he reports that the “scant case law on the question treats interviews as consisting of two individual works rather than as a single joint work.”¹⁷⁸ While it may theoretically be possible, the likelihood of a federal copyright claim based on an interview recorded in a pre-1972 sound recording seems to be remote.

4.1.4 Recording of Live Performance (Foreign Origin)

*Example 9: University student violin recital, performing
Beethoven violin sonatas, recorded in England, with
permission (1971)*

a) *Does federal antbootlegging law prohibit use of this sound recording?*

No. Since the recording was made with permission, federal antbootlegging law is not applicable.

b) *Does federal copyright law protect this recording?*

To answer this question, it will be assumed that the violinist was an American, but her accompanist was an English national, as was the party who fixed the recording, who did so at the performers’ request. On these facts, the recording would likely be protected by federal copyright law under the copyright restoration provisions, which are discussed in section 2.1.6. It would meet the eligibility requirements for restoration because (1) England is an “eligible country” for purposes of copyright restoration because it was a member of the Berne Convention on the date that the United States passed the URAA; (2) the recording was created prior to February 15, 1972 (the date on which sound recordings were first protected under U.S. copyright law) and after January 1, 1946, so it was likely not in the public domain in England on the effective date of the URAA, January 1, 1996; and (3) there is at least one right holder who is not a U.S. national.¹⁷⁹ Under the URAA, the owner of the restored work is the author or initial right holder of the work (presumably the performers, the sound recording producer, or both) as determined by the law of the source country. Since the party who fixed the recording and one of the performers are English nationals, the sound recording appears to be eligible for restoration.

¹⁷⁸ See GOLDSTEIN, *supra* note 11, § 4.2.1.3, at 4:21; *Suid v. Newsweek Magazine*, 503 F. Supp. 146, 148 (D.D.C. 1980) (interviewer had no copyright in the text of interview he conducted absent an assignment from interviewee). See also *Falacci v. New Gazette Lit. Corp.*, 568 F. Supp. 1172, 1173 (S.D.N.Y. 1983) (assuming, without discussion, that the author/interviewer in a newspaper interview was the copyright holder); *Quinto v. Legal Times of Washington, Inc.*, 506 F. Supp. 554, 559 (D.D.C. 1981) (stating that interviews contain sufficient creativity in the selection and arrangement of questions to qualify for copyright protection).

¹⁷⁹ See 17 U.S.C. § 104A(a), (h).

c) Do state criminal record piracy or antbootlegging laws protect this sound recording?

As discussed above, on the basis of the limited sample (and subject to the results of a full state survey) there is no significant risk that a library could come within the state criminal laws if it gets no compensation, direct or indirect, for streaming.

d) Does state civil law (common law) protect this sound recording?

Sound recordings of musical performances have been protected by state civil law, as discussed above. No court has yet ruled on the permissibility of concurrent state and federal protection, and as a practical matter, a right holder would be more likely to bring suit under federal copyright law, if such protection is available.

e) Who are the right holders for these sound recordings?

Ownership of the restored copyright would vest initially in the initial right holder of the sound recording (presumably the performers, the sound recording producer, or both) as determined by the law of the source country, which in this case would be England.¹⁸⁰ If the initial right holder(s) later transferred the rights to another party, it appears that the transferee would be the right holder of the restored copyright, but the law in this area is not well settled.¹⁸¹

f) What legal protection, if any, exists for the underlying work?

The underlying works—Beethoven violin sonatas—are in the public domain. A particular arrangement of a public domain work may have sufficient originality to qualify for copyright protection as a musical composition.¹⁸² Protection for musical compositions is discussed in section 2.1.5, and special considerations concerning streaming to other countries are discussed in section 4.2.5.

4.2 Streaming of Pre-1972 Recordings: Are Libraries Privileged?

Section 4.1 discussed possible claims by right holders of pre-1972 sound recordings. Case law is sparse, and in many situations the ability of a right holder to bring a claim is speculative and uncertain. Most of the cases that have arisen involve unauthorized copies made and distributed for profit by commercial competitors. How relevant are they to library use for research and scholarship? Can one justifiably conclude that if no one has yet sued a library under state law for use of pre-1972 sound recordings, the risk of a claim is negligible?

Experience suggests that the risk of suit is low, but the track record to date is not dispositive. There have been very few federal copyright cases against libraries, yet one should not conclude for that reason alone that libraries therefore cannot be liable for copyright infringement. One of the reasons for the dearth of cases may be that

¹⁸⁰ § 104A(b).

¹⁸¹ See NIMMER ON COPYRIGHT, *supra* note 9, § 9A.04[B][2][b].

¹⁸² *Id.* § 2.05[C].

libraries have been conservative in their approach to copying and disseminating pre-1972 sound recordings, and no sensible right holder would sue on the basis of the dissemination of a few copies. But digital technology provides libraries with technological capabilities they have not had in the past: with relatively few copies, a library can theoretically enable wide dissemination that would have an impact much greater than previously possible.

Unlimited on-demand streaming by libraries could impair the commercial value of *some types* of pre-1972 sound recordings, by competing with an existing market or discouraging market entry. Many of these sound recordings (for example, the airchecks, oral history, and man-on-the-street interviews) have little commercial potential, but some do. A bootleg recording might compete with an authorized recording by the same band or of the same opera. Digital technology has provided new markets for works thought to have exhausted their commercial value.¹⁸³ These observations are not meant to suggest that a library will be liable in any particular instance, but merely that the possibility cannot be dismissed based on the historical record alone.

Libraries have a valuable role in society, and the important public policy objectives they serve will almost certainly be a significant factor in any determination of liability. This section considers more closely the status and role of libraries and archives and explores the likelihood that any of the potential claims already discussed would be successful in the face of possible justifications put forth by libraries.

Throughout this study, it has been assumed that the library will not receive any payment for streamed recordings. This assumption should not be interpreted to mean that it can never be legal for a library to receive compensation of any kind. But as a general matter, receipt of compensation can create a heightened risk of liability. Nonprofit entities can engage in activities that are interpreted as “for profit” or “for commercial advantage.”¹⁸⁴ Moreover, some of the state criminal statutes simply refer to receiving “compensation” for a recording, or “selling” it, without specifically conditioning that activity on obtaining a commercial advantage. It is simply not possible in a study of this nature to explore the circumstances and extent to which payments might be permissible without violating the various laws that have been discussed here; that issue is worthy of a study in itself. This study is designed to provide general guidance; accordingly, it assumes that libraries will seek to minimize the risk of liability by streaming without compensation. In the specific circumstances of any particular case the risk of liability from some form of compensation may be slim, but that is a determination better made on a case-by-case basis.

¹⁸³ See, e.g., Daniel J. Wakin, *The Multiplex as Opera House: Will They Serve Popcorn?*, N. Y. TIMES Sept. 7, 2006 (Metropolitan Opera to make its archive of historic radio broadcast performances available through Rhapsody Internet service); see generally Chris Anderson, *THE LONG TAIL: WHY THE FUTURE OF BUSINESS IS SELLING LESS OF MORE* (2006).

¹⁸⁴ See, e.g., *Hustler Magazine, Inc. v. Moral Majority, Inc.*, 796 F.2d 1148, 1152 (9th Cir. 1986); *Worldwide Church of God v. Philadelphia Church of God*, 227 F.3d 1110, 1118 (9th Cir. 1999).

4.2.1 Claims under Federal Copyright Law

Section 108. The important role of libraries and archives is recognized in section 108 of the Copyright Act, which provides exceptions for various library activities. Section 108(b) allows libraries to copy unpublished works in digital form (a necessary step to enable streaming), but limits the number of copies to three. Even if libraries were allowed to make enough server copies for streaming, section 108 limits use of the digitized works to the library premises. So an unpublished pre-1972 foreign sound recording whose copyright was restored would be limited to on-premises use under section 108. The same would be true of any unpublished underlying work. If the underlying work were published, a library could digitize it only if it were lost, damaged, stolen, deteriorating, or obsolete, as discussed in section 2.1.4. The digital version would likewise be limited to on-premises use. Legislation to update library privileges may be introduced in the 111th Congress, but how that legislation might affect a library's ability to stream pre-1972 sound recordings is speculative.

If the underlying work meets the requirements of section 108(h), i.e., the work is in the last 20 years of copyright and the library has determined after a "reasonable investigation" that the work is subject to normal commercial exploitation or available at a "reasonable price," then creation of server copies and off-premises streaming would be permitted. Section 108(h) provides little help for streaming pre-1972 copyrighted foreign sound recordings, since none of these recordings will be in the last 20 years of their copyright term for many years.¹⁸⁵

Section 115. Where the work underlying a sound recording is a copyright-protected musical composition, the streaming of that composition could be authorized under a public performance license from ASCAP or BMI, but that license would not authorize the making of server copies. Legislation or regulations under section 115 to reform music licensing could address this issue, but have not done so yet.

Fair Use. Fair use is also available to libraries. Could streaming of sound recordings qualify as fair use? In some instances it could, but fair use is a fact-based determination, and no conclusion can be drawn that applies across the board to all sound recordings protected under federal copyright law, or even to all unpublished sound recordings. The first fair use factor, the purpose and character of the use, would in many cases tend to favor library copying for preservation and limited dissemination by a library focused on scholarship and research uses. Streaming does not appear to be transformative,

¹⁸⁵ Under § 104A(a)(1), a restored work is protected by copyright for the remainder of the term it would have received in the United States had it not entered the public domain. For works that were unpublished on January 1, 1978, the term would be the life of the author plus 70 years. Published works would have a 95-year term. For the reasons discussed in section 2.1.6, only foreign recordings first fixed on or after January 1, 1946, were eligible for restoration. A published sound recording fixed on that date would be protected by copyright through 2040.

but that is not dispositive of factor one, particularly in the context of library use.¹⁸⁶

The second fair use factor, the nature of the copyrighted work, would likely favor copyright owners of unpublished works, particularly if the work was neither published nor publicly disseminated. One of the considerations under the second factor is whether the works are predominantly creative or factual, and in this respect there are differences among the examples. It is doubtful that this consideration would have much weight in the context of use for scholarship or research. The other consideration under this factor is whether or not the works are published. Fair use is narrower with respect to unpublished works; the law has been very protective of the copyright owner's right of first publication. The recordings in this study are unpublished. However, courts are generally more receptive to fair use claims concerning a work that has been publicly disseminated, even though not technically published. Some of the recordings (e.g., the recordings of radio broadcasts) appear to fall into this category, but others (e.g., the journalist's interview tapes) appear not to. Any underlying works, such as musical compositions, have to be considered separately, and those may well be published.

The third factor would also favor copyright owners, if the entire works were used. Using only excerpts would enhance the possibility that the use would be considered a fair use, but scholars and researchers may find excerpts inadequate for their purposes.¹⁸⁷ In any event, the third factor has been given little weight in some recent fair use cases, particularly in the digital environment.¹⁸⁸

The fourth factor is the effect of the use on the actual or potential market for or value of the work. Here, courts will look not only at the likely effect of a single defendant's use but also at the effect on the market if the use should become widespread. If many libraries provided on-demand streaming of the same recording, there could potentially be a market effect that would not exist if only a single library made the work available.¹⁸⁹ Unpublished works often exist in only a single copy or few copies, so there may be only one or a handful of libraries making the work available. (In the case of bootleg recordings, there may be many copies.) Even one library's activities could have an economic impact, though, if it streamed simultaneously to multiple users.

¹⁸⁶ Moreover, courts are increasingly willing to find transformative use where use of works has a transformative purpose. *See, e.g., Perfect 10, Inc. v. Google, Inc.*, 487 F.3d 701, 724 (9th Cir. 2007).

¹⁸⁷ For some users whose goal is simply to identify a particular work and determine its general style or whether it is the same as or different from another work, a short excerpt may be enough. Others, however, may need to study—and possibly to transcribe—the entire work.

¹⁸⁸ *E.g., Perfect 10, Inc. v. Google; Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 820-21 (9th Cir. 2003).

¹⁸⁹ A library may have some control over how widespread streaming of an unpublished work becomes, by limiting its own streaming, conditioning use of copies of unpublished works made under § 108(b) for deposit in other libraries, etc.

Courts recognize potential market harm only with respect to “traditional, reasonable or likely to be developed markets.”¹⁹⁰ The market potential of these sound recordings (and the underlying works) varies significantly. In some cases, streaming could harm the value or potential market for an unpublished work. In others, it could create a market for such a work. Some sound recordings may never have a commercial market, but only a very limited scholarly interest.

Finally, it should be noted that ease of licensing can be a factor in determining fair use; if there is no “ready market or means” to pay for the use, it is more likely to be considered a fair use.¹⁹¹ In some of the examples, licensing certain rights could be a challenge.

Much of the fair use discussion has focused on the sound recordings themselves, but of course only a small fraction of pre-1972 sound recordings are protected by copyright. But the discussion is also relevant to fair use of the underlying works, which may or may not be published.

ATRA. Under ATRA (discussed in section 2.1.4), the Library of Congress is exempt from federal copyright liability for certain activities with respect to news programs, which it may under certain conditions reproduce and lend to researchers or deposit in other libraries. A few of the examples are new programs. But even assuming that the exemption were applicable to the LC’s activities with respect to pre-1972 sound recordings protected by state law, ATRA does not authorize the Library to stream the recordings.

Orphan Works. Orphan works legislation, if passed, might provide a means by which libraries could achieve greater certainty with respect to their use of some older copyrighted works. Some of these old recordings are likely to be orphan works or to embody orphan works. Without knowing the conditions that must be met before a work may be used or the extent to which libraries might receive special treatment for educational and scholarly uses, any observations concerning the likely effect of orphan works legislation are necessarily speculative. But it is virtually certain that any limitation of liability will be conditioned on first undertaking a reasonably diligent search for the right holder, and such searches can be time-consuming. There may be groups of works with similar ownership that can be “cleared for use” in the same search, however, making the process more efficient. Orphan works legislation that limits liability for federal copyright infringements would not be binding with respect to state law claims. Nevertheless, such legislation could be influential. In any event, good faith efforts to find right holders would reduce the likelihood that a state law claimant would later emerge.

Federal Criminal Copyright Law. What is the effect of library status on federal criminal copyright charges? Since criminal copyright is grounded largely on the civil law, the exceptions discussed above are relevant. In addition, to constitute a criminal offense the activity must be done willfully “for purposes of commercial advantage or

¹⁹⁰ *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 930 (2d Cir. 1994).

¹⁹¹ *Id.* at 930-31.

private financial gain.” The assumption throughout has been that library use of pre-1972 recordings would not be for compensation or commercial advantage (and in any event this is something within a library’s control). Alternatively, a criminal charge can be brought when the infringing activity is done willfully “by the reproduction and distribution, including by electronic means, during any 180-day period, of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than \$1,000.” For several reasons (e.g., the probability that library exceptions and fair use would be broadly construed, or the difficulty of demonstrating that the retail value of the copyrighted works exceeded this limit), it is highly unlikely that library activities could lead to criminal charges. But perhaps most significant, criminal charges are brought by public prosecutors, not right holders, and it is hard to imagine criminal charges being brought against a library on the basis of the activities under discussion.

4.2.2 Claims under Federal Antibootlegging Law

What justifications could a library raise in the face of possible claims under the federal antibootlegging law? What relevance do copyright exceptions have? First, it is important to note that the federal antibootlegging law applies only to musical performances, so it is irrelevant to many pre-1972 sound recordings. Second, the law is narrower in scope than federal copyright law, and apparently would not prohibit public performance, such as streaming, of a bootlegged recording (subject to the points made in section 2.3 concerning the lack of clarity in the drafting). Accordingly, the only activities that seem to be actionable are the making of copies by the library for its server to enable streaming and any copies made by a library for preservation (addressed separately in section 4.3).

The exceptions available in the Copyright Act have not been explicitly incorporated into the federal antibootlegging law, as discussed above. A court might read such exceptions into the law, however. Fair use developed as a common law doctrine, and became part of the federal copyright statute only in the 1976 Copyright Act.¹⁹² It is one of the principal means by which copyright accommodates First Amendment values. The role of fair use in copyright suggests that a court would allow a fair use defense to any claim under the federal antibootlegging law.¹⁹³ While public policy considerations suggest that the exceptions in section 108 should be available to libraries for anti-bootlegging law claims as well, the legislative history is scant, and no cases have yet shed light on this issue.¹⁹⁴

The criminal antibootlegging provision is narrower than the criminal copyright provision, and requires that the infringement have been done “knowingly and for purposes of commercial ad-

¹⁹² See, e.g., *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841).

¹⁹³ Jane C. Ginsburg, *The Pros and Cons of Strengthening Intellectual Property Protection: Technological Protection Measures and Section 1201 of the United States Copyright Act*, 16 INFO. & COMM. TECH. L. 191, 207-09 (2007).

¹⁹⁴ See NIMMER ON COPYRIGHT, *supra* note 9, § 8E.03[B][2][b] and § 8E.03[C][5].

vantage or private financial gain.”¹⁹⁵ This would exclude the library activities under consideration in this report, which, it is assumed, would not be done for commercial advantage or for compensation.

4.2.3 Claims under State Criminal Laws

As discussed in section 3.1, some of the criminal statutes in the sample have special exceptions for libraries, while others do not. Nevertheless, the laws in the sample states had requirements that the activity be undertaken for commercial advantage, for profit, for monetary consideration or the like. This would exclude the library activities under consideration in this report, provided they are not done for commercial advantage or for compensation. Finally, it should be emphasized again that criminal charges are brought by public prosecutors, not right holders, and it is hard to imagine criminal charges being brought against a library based on the activities under discussion.

4.2.4 Claims under State Common Law

What is the significance of libraries’ status, and what is the relevance of copyright exceptions in claims brought in state court under state law? Would state courts allow libraries the same privileges as they have under copyright law? State courts have recognized a protectable interest in many of the types of recordings in the examples, but none of the cases involved libraries or not-for-profit uses. Few of the cases involved unpublished sound recordings, and none involved either preservation copying or Internet streaming. For all of these reasons, the analysis is necessarily speculative.

Some states might not recognize a claim at all based on the library activities described above. Claims grounded in unfair competition/misappropriation or on right of publicity require a showing of commercial benefit and/or commercial harm. If state law will not recognize a claim in the absence of commercial benefit to the user, then a suit against a library for use of a sound recording on the conditions described in this study will be unsuccessful. Were a state court to recognize a claim based on commercial harm, there is possible exposure. But a court could conclude that the market impact of streaming in a particular instance does not warrant recognizing a claim, particularly if the streaming activities were limited (e.g., restricted to scholars and researchers streaming a particular recording to only one user at a time). In short, if a common law court does not perceive a commercial wrong, it may not recognize a claim.

In New York, sound recordings are protected under common law copyright, regardless of whether or not they have been published. That protection consists of two elements: (1) the existence of a valid copyright; and (2) unauthorized reproduction of the work protected by the copyright.¹⁹⁶ Apparently it is not necessary to show either commercial benefit or commercial harm to establish a *prima facie*

¹⁹⁵ 18 U.S.C. § 2319A(a).

¹⁹⁶ 830 N.E.2d 250, 266. Commercial harm would of course be relevant to damages.

case of infringement. Other states might also use this approach, at least with respect to unpublished sound recordings.

If a claim against a library were recognized by a state court, would the court apply exceptions akin to those in federal copyright law? Paul Goldstein observes in his copyright treatise:

The fact that common law copyright is primarily a judge-made doctrine means that it will change over time, and the fact that it is a state law doctrine means that its content will vary from state to state. Further, courts have had little opportunity to flesh out common law copyright's bare bones on such important points as standards for protection, proof of infringement and remedies for infringement. As a consequence, courts in common law copyright cases frequently consult counterpart provisions in the Copyright Act to fill doctrinal interstices.¹⁹⁷

The court in *Capitol Records v. Naxos* referred to fair use considerations in analyzing Naxos's claims,¹⁹⁸ bearing out Professor Goldstein's observation that state law courts consult federal copyright to "fill doctrinal interstices." As discussed above, fair use developed as a common law doctrine, and is one of the principal means by which copyright accommodates First Amendment values.¹⁹⁹ The willingness of state courts to look to federal law exceptions in this area is also demonstrated by *Comedy III Productions, Inc. v. Saderup*,²⁰⁰ a case that involved a claim under California's right of publicity statute against an artist who sold lithographs and T-shirts with a likeness of "The Three Stooges." In ruling on the artist's First Amendment defense, the Supreme Court of California adopted wholesale the first fair use factor (the purpose and character of the use), and in particular, the "transformative use" analysis, from the fair use doctrine under federal copyright law.²⁰¹ The refusal of the court in the *Current Audio* case, discussed in section 4.1.3, to protect the recording of Presley's remarks is further evidence of the weight that public policy considerations can have in common law cases.²⁰² In short, it is reasonable to assume that a common law copyright court would recognize a fair use-type exception to accommodate First Amendment interests. At the same time, where a work is unpublished *and* undis-seminated, it is likely that fair use would be narrowly construed.

¹⁹⁷ GOLDSTEIN, *supra* note 11, § 17.5 at 17:44.

¹⁹⁸ 830 N.E.2d at 267.

¹⁹⁹ *See, e.g.*, *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841).

²⁰⁰ 21 P.3d 797 (Cal. 2001).

²⁰¹ *Id.* at 807-10. The court declined to incorporate the entire fair use doctrine into right of publicity law, however, because it found the second and third factors to be not "especially useful" in that context. *Id.* at 807-808. The court ultimately denied the artist's First Amendment defense because it found his depiction not sufficiently transformative. *Id.* at 811.

²⁰² While neither ATRA nor the audiovisual news exception in the Copyright Act embraces streaming, they do suggest a strong public policy in favor of access to news programs for scholars and researchers.

4.2.5 Claims under Foreign Law

The focus throughout this study has been on the potential for liability in the United States for certain uses of pre-1972 sound recordings. If a U.S. library were to stream to other countries, however, the laws of those countries might govern.²⁰³ The term of protection for sound recordings in most countries is 50 years from fixation,²⁰⁴ so this is a concern primarily for sound recordings first fixed between 1958 and 1971. But there is also potential exposure in other countries for use of the underlying works. In the United States, musical compositions and literary and dramatic works first copyrighted in 1922 and earlier are in the public domain, but this cutoff date does not apply in countries that for many years had a term of protection longer than that in the United States.²⁰⁵ There may also be differences in the scope of protection: for example, most other countries do not have a fair use doctrine. In short, a library cannot assume that streaming to users outside the United States would be governed by the same legal rules as streaming to users within the United States. Streaming to foreign countries, particularly of works by foreign nationals, requires consideration of potential exposure under foreign laws.

4.3 Preservation of Pre-1972 Recordings: Are Libraries Privileged?

Creating digital copies solely for preservation purposes is extremely unlikely to be actionable under state law, civil or criminal. It is assumed that libraries are not undertaking these activities for their commercial benefit, and it is difficult to envision any commercial harm to the right holders. Preservation copying is also unlikely to be the basis of a claim for infringement based on common law copyright. Although state courts are not required to recognize federal copyright exceptions, the public policy basis for long-term preservation, particularly as the need for digital preservation becomes increasingly apparent in this country and around the world, would surely persuade a court to reject any claim based on preservation activities in the very unlikely event that such a claim was asserted.

²⁰³ Some countries may apply the law of the country where the host server is located, while others may apply the law of the country where the recipients are located, if there is a "real and substantial connection" with that country. See generally Susanna H.S. Leong & Cheng Lim Saw, Copyright Infringement in a Borderless World—Does Territoriality Matter?, 15 Int. J. L. & Inf. Tech. 38 (2007). The "choice of law" rules with respect to Internet transmissions are still developing. Under choice of law principles adopted by the American Law Institute in 2007, the law of the country of receipt of an Internet transmission would govern. INTELLECTUAL PROPERTY PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW, AND JUDGMENTS IN TRANSNATIONAL DISPUTES § 301 (American Law Institute 2008) (Rochelle C. Dreyfuss, Jane C. Ginsburg & François Dessemontet, reporters).

²⁰⁴ The European Union is considering extending the term to 70 years from fixation.

²⁰⁵ Under the Berne Convention's "rule of the shorter term," the term of protection is governed by the laws of the country where protection is claimed, but is limited to the term of protection in the work's country of origin unless the laws in the country where protection is claimed provide otherwise. The Berne Convention for the Protection of Literary and Artistic Works, art. 7(8) (Sept. 9, 1886, 25 U.S.T. 1341, 828 U.N.T.S. 221, Paris Act 1971).

Preservation of unpublished, copyrighted sound recordings is governed by section 108(b) of the Copyright Act and fair use. As discussed above, section 108 is currently under consideration for possible legislative amendment because, inter alia, the three-copy limit in sections 108(b) and (c) are not meaningful in the context of digital preservation.

4.4 Assessing the Risk: Questions to Ask

How does one decide whether and how to proceed with a particular activity in the face of legal uncertainty? As discussed in section 4.0, the first step is to consider the existence of possible claims, as was done above with the examples. Another important consideration in assessing risk is whether someone who has a valid legal claim is likely to assert it. Where there is considerable ambiguity about the law, the factors that go into determining whether there is a possible claim can also be relevant to whether someone is likely to assert that claim. Significant uncertainty about whether a claim exists at all, or about who holds the rights, affects the probability that someone will come forward to assert it. Similarly, the scope of library use (a factor within the library's control) can affect both the existence of a claim under state law and the likelihood that someone will bring a claim.

Below is a list of questions to consider in assessing the risks inherent in library streaming of a pre-1972 sound recording. The questions relate to the nature of possible claims, the likelihood of suit, and the strategies that libraries may use to reduce the risks. It may not be possible to answer all these questions in every case. Decisions have to be made on the best available information, but with awareness of material gaps.

* * *

1. What were the circumstances of the acquisition of the sound recording?

Is there any donor agreement that governs the terms of the library's use of sound recordings? Acts for which a library has obtained permission will not violate the law. It is important, however, to determine whether the donor is the right holder and whether there are any additional right holders, as a donor or licensor cannot grant any more rights in a work than he or she owns.

Even in the absence of a donor agreement, are there circumstances in connection with sale or acquisition that would support a claim that rights were transferred?
2. What is the provenance of the recording? Who created it, where, and under what circumstances?
3. Is the sound recording protected by federal copyright law? Specifically, when was it first fixed?

(a) If it was first fixed on or after February 15, 1972, it is protected by federal copyright law.

(b) If it was first fixed before February 15, 1972, two additional questions must be answered to determine if the sound recording has federal copyright protection as a “restored work”: (1) Was at least one of the authors or right holders, at the time of creation, a national of an “eligible country”? Eligible countries include all members of the principal international copyright treaties, which encompass most nations around the world and (2) Was the work first fixed on or after January 1, 1946? A sound recording was eligible for copyright restoration only if it was still protected in its source country on January 1, 1996, and the term of protection in most countries is 50 years. Both conditions must be met for a pre-1972 sound recording to have federal copyright protection.

If the sound recording does not meet (a) or (b), then it is protected only under state law. The underlying works may be protected by copyright, however, regardless of whether there is protection for the recording.

4. What are the contents of the recording? Who are the performers, and what is the nature of the performance? Is there an underlying musical composition or other work protected by federal copyright law? (On the latter question, while Copyright Office records may not be dispositive, they may be helpful.)
5. Has the sound recording previously been publicly disseminated? If so, under what circumstances? Was it broadcast? Were copies distributed? If so, how widely and under what conditions?
6. Does the nature of the recording suggest possible privacy interests on the part of the speaker, privilege issues, or the like?
7. Who are the potential right holders? Can anything be inferred about rights from past practices? (For example, there may be evidence that a particular producer generally had consistent practices with regard to releases.)

Other questions may be relevant to assessing whether a right holder is likely to assert a claim. They include the following:

8. Is the right holder still in business? If not, can anything be learned about the disposition of its assets?
9. Is there any evidence that the right holder has complained in the past about unauthorized use of other recordings that he produced or in which he performed? Conversely, is there any evidence that other similar recordings owned by the same right holder have been freely used without apparent complaint? Although it is no defense to copyright infringement that others are also infringing, wide availability of similar works owned by the same right holder may suggest that the risk of a claim is low.

10. What is the potential commercial impact of the use? Is there any evidence that the right holder is preparing to market this work or similar works? (This is likely to be most relevant where there are a number of similarly situated works, such as the tapes of an old radio show.) Is there any evidence that the right holders of similar works are preparing to market them? What evidence is there that the proposed library use of the work could affect an existing market? A realistic potential market? Although these recordings are unpublished, a bootleg recording could compete with an authorized performance of the same work.
11. Are there particular circumstances about this recording that might cause the right holder to object to its use? (This relates to question 6 above.) Sometimes people bring claims for personal or political reasons rather than for commercial ones.²⁰⁶

Finally, in assessing the risk, it is important also to consider factors that to some extent are within the library's control:

12. Would the library receive any compensation, direct or indirect, from the use? This study has assumed that the library is not being compensated, but it is important to confirm this in any particular factual situation.
13. Are there limitations that a library could put into place to avoid potential commercial impact of library's use? This is a very important consideration. A library may be able to reduce its risk by limiting the number of simultaneous users, restricting use to registered researchers and scholars, etc.
14. Is there any likelihood that the use could become widespread (i.e., are other libraries streaming the same work)? If the work is unique, this is unlikely, but it is possible that a library has supplied or will supply preservation/deposit copies to other libraries.

None of these questions is itself dispositive. Libraries differ in the extent of their potential legal exposure, as is apparent from the discussion of remedies in section 2.1.8. They also differ in their tolerance for risk.

²⁰⁶ See Donald Liebenson, "Should 'Dated' Films See the Light of Today?," *Los Angeles Times*, May 7, 2003 (discussing the unavailability of the Disney film *Song of the South*, presumably because of "racially insensitive" material). The reason that the right holder may be reluctant to have the work disseminated may also bear on a fair use claim, however.

5.0 Conclusion

This review of the laws concerning pre-1972 sound recordings suggests that in most cases, it is unlikely that a library would be liable under federal or state law for preservation copying or limited streaming for research and scholarship of pre-1972 sound recordings that were never commercially distributed.

Still, in some cases libraries do risk liability, even if the possibility that a lawsuit would be filed—and would ultimately be successful—is small. For that reason, it is neither realistic nor practicable to create categorical rules of use applicable to all pre-1972 sound recordings, or even to all pre-1972 unpublished sound recordings, without reference to when, where, and by whom they were created and under what circumstances, by whom they are currently owned, and what they contain.

Sound recordings differ in many respects, and the nature of the legal protection that applies to them differs too. The laws are inconsistent and uncertain, and particularly in the case of common law, can change to respond to the equities of a particular situation. Sound recordings should be addressed individually or in groups, where appropriate, to evaluate whether there are legal risks to the library in streaming and how those risks can be minimized. And, of course, institutions vary in the amount of risk they incur in undertaking potentially infringing activities, and in the amount of risk they are willing to incur.

There are many areas where the law is under development, in the legislature and in the courts. Areas of law that are uncertain today may be resolved in the near future.

Greater certainty could be achieved by bringing sound recordings into the federal copyright scheme. Whether the political will exists to do so is another matter. The Section 108 Study Group made no recommendations with respect to pre-1972 sound recordings, but there will likely be an opportunity for further input as the Copyright Office, and then Congress, considers amending the federal copyright law to update library exceptions. Even if pre-1972 sound recordings were brought under federal copyright law, however, federal law contains ambiguities and unanswered questions about the scope of permissible use. Some of these questions may be addressed as the effort to reform section 108 proceeds.

A single federal system of protection for bootlegged sound recordings may be even less realistic, at least until the constitutionality of federal protection for these recordings is finally resolved. And the current federal antibootlegging law does not encompass all of the types of recordings that state law protects, since it is limited to recordings of musical performances. But uncertainty surrounding federal antibootlegging law could be significantly diminished by an amendment that made clear that copyright exceptions, particularly those available to libraries and archives, are available with respect to scholarly and research uses of bootlegged recordings.

This report has focused on libraries generally. The Library of

Congress, however, occupies a unique position under the law and, like many national libraries around the world, has special privileges. It also occupies a unique position in our national culture, and its past practices have made it a particularly trusted institution in the United States, earning it the confidence and respect of libraries, right holders, and users. The Library of Congress's special role might allow it to obtain legislation that would enable it to provide off-premises streaming of sound recordings to researchers and scholars, with appropriate limitations.²⁰⁷

Finally, legislation is one tool to provide more clarity, but there are other possibilities, such as agreements with relevant right holders, or best practices established with input from relevant interests.

²⁰⁷ At the same time, if the Library were to proceed based on a very aggressive interpretation of the law, it might jeopardize its status as a uniquely trusted institution and its ability to achieve special legislation in the future.

APPENDIX A:

State Criminal Laws

This is a brief survey of the criminal laws in California, Illinois, Michigan, New York, and Virginia governing (1) the unauthorized reproduction of sound recordings, and (2) the recording of live performances without authorization (“bootlegging”).

A. California

(1) Unauthorized reproduction of sound recordings

A person is guilty of a criminal offense if he:

Knowingly and willfully transfers or causes to be transferred any sounds that have been recorded on a phonograph record, disc, wire, tape, film or other article on which sounds are recorded, with intent to sell or cause to be sold, or to use or cause to be used for commercial advantage or private financial gain through public performance, the article on which the sounds are so transferred, without the consent of the owner.¹

The law defines “owner” as the person who owns the original fixation, known as the “master recording.”²

It is also a criminal offense to transport “for monetary or like consideration within this state” any copy of a sound recording “with the knowledge that the sounds thereon have been so transferred without the consent of the owner.”³ In addition, it is a criminal offense to offer such a recording for sale or rental, or to sell, rent, or possess it for such purposes, “with knowledge that the sounds thereon have been so transferred without the consent of the owner.”⁴

There is an exemption for “any person engaged in radio or television broadcasting who transfers, or causes to be transferred” the sounds from an unauthorized copy of a sound recording (other than from the soundtrack of a motion picture) “intended for, or in connection with broadcast transmission or related uses, or for archival purposes.”⁵

¹ CAL. PENAL CODE § 653h (a)(1) (West 2007). *See* Goldstein v. California, 412 U.S. 546 (1973) (concluding that state protection of pre-1972 sound recordings was not preempted by federal copyright law).

² *Id.* § 653h (e).

³ *Id.* § 653h (a)(2).

⁴ *Id.* § 653h (d).

⁵ *Id.* § 653h (g).

There is an exemption for not-for-profit educational institutions and for federal or state governmental entities whose primary purpose is “advancement of the public’s knowledge and the dissemination of information regarding America’s musical cultural heritage,” as set forth in the institution’s charter, bylaws, or similar document.⁶ However, the exemption does not relieve the institution of any obligation to compensate the owners of sound recordings. It must first make “a good faith effort to identify and locate the owner or owners of the sound recordings to be transferred” and determine that they cannot be located.⁷ It is required to make continuing efforts to locate the owners and to keep on file a record of those efforts.⁸

(2) Antibootlegging laws

Recording a live performance without the owner’s consent is a crime under California law:

Any person who records or masters or causes to be recorded or mastered on any article with the intent to sell for commercial advantage or private financial gain, the sounds of a live performance with the knowledge that the sounds thereon have been recorded or mastered without the consent of the owner of the sounds of the live performance is guilty of a public offense....⁹

It is also a criminal offense to transport “for monetary or other consideration within this state” any copy of a sound recording containing sounds of a live performance “with the knowledge that the sounds thereon have been recorded or mastered without the consent of the owner of the live performance.”¹⁰ In addition, it is a criminal offense to offer such a recording for sale or rental, or to sell, rent, or possess it for such purposes, “with knowledge that the sounds thereon have been so recorded or mastered without the consent of the owner of the sounds of a live performance.”¹¹

Performers are presumed to own the right to record their live performances “[i]n the absence of a written agreement or operation of law to the contrary.”¹² The statute defines “live performance” as

⁶ *Id.* § 653h (h).

⁷ *Id.*

⁸ The provision states:

Nothing in this section shall be construed to relieve an institution or entity of its contractual or other obligation to compensate the owners of sound recordings to be transferred. In order to continue the exemption permitted by this subdivision, the institution or entity shall make continuing efforts to locate such owners and shall make an annual public notice of the fact of the transfers in newspapers of general circulation serving the jurisdictions where the owners were incorporated or doing business at the time of initial affixations. The institution or entity shall keep on file a record of the efforts made to locate such owners for inspection by appropriate governmental agencies. *Id.*

⁹ CAL. PENAL CODE § 653u (a) (West 2007).

¹⁰ *Id.* § 653s (a).

¹¹ *Id.* § 653s (i).

¹² *Id.* § 653s (c); § 653u (b).

“the recitation, rendering, or playing of a series of musical, spoken, or other sounds in any audible sequence thereof.”¹³ An “article containing sounds of a live performance”¹⁴ refers both to original unauthorized recordings and to partial or full copies of such recordings.¹⁵

The law includes an exemption for persons or entities:

... engaged in radio or television broadcasting or cablecasting who record or fix the sounds of a live performance for, or in connection with, broadcast or cable transmission and related uses in educational television or radio programs, for archival purposes, or for news programs or purposes if the recordation or master recording is not commercially distributed independent of the broadcast or cablecast by or through the broadcasting or cablecasting entity to subscribers of the general public.¹⁶

On its face, the exemption does not cover the transmission of a bootleg recording made by a third party. Instead, it protects broadcasters who record live performances for specific purposes, including “for archival purposes,” as long as the recording will not be commercially distributed for other purposes.¹⁷

(3) Other

Section 653w of California’s criminal law punishes the “failure to disclose the origin of a recording or audiovisual work” if a person “for commercial advantage or private financial gain ... knowingly advertises or offers for sale or resale, or sells or resells, or causes the rental, sale or resale, or rents, or manufactures, or possesses for these purposes, any recording or audiovisual work, the cover, box, jacket, or label of which does not clearly and conspicuously disclose the actual true name and address of the manufacturer thereof and the name of the actual author, artist, performer, producer, programmer, or group.”¹⁸

¹³ *Id.* § 653s (b)(1).

¹⁴ *Id.* § 653s (a).

¹⁵ *Id.* § 653s (b)(2).

¹⁶ *Id.* § 653s (f).

¹⁷ The only reported case uncovered citing section 653s, *Stoner v. eBay, Inc.*, 56 U.S.P.Q. 2d 1852 (Cal. Super. Ct. 2000), deals with the question of Internet service provider immunity under the federal Communications Decency Act, 47 U.S.C. § 230(c)(1) (2000). In that case, defendant eBay was found immune from liability for the sale by third parties of bootleg recordings through its online auction site because it was not an information content provider with respect to the description of auctioned goods. 56 U.S.P.Q. 2d at 1853.

¹⁸ CAL. PENAL CODE § 653w (a) (West 2007). Michigan and New York have similar provisions. MICH. COMP. LAWS ANN. § 752.1053 (West 2007); N.Y. PENAL LAW § 275.35 (McKinney 2006).

B. Illinois

(1) Unauthorized reproduction of sound recordings

It is a criminal offense when someone:

Intentionally, knowingly or recklessly transfers or causes to be transferred without the consent of the owner, any sounds or images recorded on any sound or audiovisual recording with the purpose of selling or causing to be sold, or using or causing to be used for profit the article to which such sounds or recordings of sound are transferred.¹⁹

It is also a criminal offense “[i]ntentionally, knowingly or recklessly” to sell, offer or advertise for sale, use, or cause to be used for profit any sound or audiovisual recording described above without the consent of the owner.²⁰ Illinois has another statute precluding the same activities with respect to “unidentified” sound recordings.²¹ However, that provision is notable because it can be triggered not only by intentional, knowing, or reckless activities (selling, offering for sale, etc.) but also by negligence.²²

In addition, it is a criminal offense when someone

Intentionally, knowingly or recklessly offers or makes available for a fee, rental or any other form of compensation, directly or indirectly, any equipment or machinery for the purpose of use by another to reproduce or transfer, without the consent of the owner, any sounds or images recorded on any sound or audio visual recording to another sound or audio visual recording . . .²³

There is an exception to allow “any person engaged in the business of radio or television broadcasting” to transfer “any sounds (other than from the sound track of a motion picture) solely for the purpose of broadcast transmission.”²⁴ There is no specific exception for not-for-profit, educational, or archival uses.

(2) Antibootlegging laws

The Illinois criminal code provides that a person or entity commits “unlawful use of recorded sounds or images” when he:

Intentionally, knowingly or recklessly transfers or causes to be transferred without the consent of the owner, any live performance with the purpose of selling or causing to be sold, or using or causing to be used for profit the sound or audio visual recording to which the performance is transferred.²⁵

¹⁹ 720 ILL. COMP. STAT. ANN. 5/16-7 (a)(1) (West 2007).

²⁰ *Id.* § 5/16-7 (a)(2). See *People v. Williams*, 876 N.E.2d 235 (Ill. App. 2007) (holding criminal record piracy law as applied to copyrighted sound recordings preempted by federal copyright law but finding no preemption as to § 5/16-8).

²¹ *Id.* § 5/16-8(a).

²² See *People v. Zakarian*, 460 N.E.2d 422, 428 (Ill. App. Ct.1984), *overruled in part on other grounds* by *People v. Perry*, 864 N.E.2d 196 (Ill. 2007).

²³ *Id.* § 5/16-7 (a)(3).

²⁴ *Id.* § 5/16-7 (e).

²⁵ *Id.* § 5/16-7 (a)(4).

The statute defines “owner” for this purpose as “the person who owns the rights to record or authorize the recording of a live performance.”²⁶

C. Michigan

(1) Unauthorized reproduction of sound recordings

Michigan’s record piracy statute prohibits a person from transferring (or causing to be transferred), without the consent of the owner, a sound recording, “with the intent to sell or cause to be sold for profit or used to promote the sale of a product, the article on which the sound is so transferred.”²⁷ It also prohibits knowingly advertising or selling unauthorized copies.²⁸

Michigan has a separate provision dealing with unauthorized duplication of sound recordings and the sale, transfer, advertising and possession of such recordings for these purposes for profit.²⁹

The law contains an exemption for persons who transfer sound:

- (a) Intended for or in connection with radio or television broadcast transmission or related uses.
- (b) For archival, library, or educational purposes.
- (c) Solely for the personal use of the person transferring or causing the transfer and without any compensation being derived by the person from the transfer.³⁰

No cases have been decided under or interpret this portion of Michigan’s code.

(2) Antibootlegging laws

Michigan’s criminal law prohibits a person from transferring “a live performance onto a recording” or from transferring the sounds on that recording to another recording, if it is done “without the consent of the owner for commercial advantage or private financial gain.”³¹ The “owner” is the person who owns the sounds fixed in the master recording or the person who owns the rights to record or authorize the recording of a live performance.³² The law also prohibits the sale, rental, distribution, transport, or possession for these purposes of a recording known to be made in violation of the preceding provision.³³

²⁶ *Id.* § 5/16-7 (b)(2).

²⁷ MICH. COMP. LAWS ANN. § 752.782 (West 2004).

²⁸ *Id.* § 752.783.

²⁹ *Id.* §§ 752.782-83. This section applies only to pre-1972 sound recordings that were not protected by federal copyright law. *Id.* § 752.784.

³⁰ *Id.* § 752.785.

³¹ MICH. COMP. LAWS ANN. § 752.1052 (1)(a)-(b). Subsection 752.1052 (b), criminalizing the transfer of sounds from one recording to another without consent of the owner, does not apply to recordings initially fixed after 1972. § 752.1052 (1)(b)(i).

³² *Id.* § 752.1051 (a).

³³ *Id.* § 752.1052 (1)(c).

There is an exception for “[a] person engaged in radio or television broadcasting or cablecasting who transfers or causes to be transferred sounds intended for, or in connection with, a broadcast or cable transmission or related use.”³⁴ There is also an exception for recordings “transferred solely for the personal use of the person transferring the recording” and from which the person making the transfer derives no compensation.³⁵

No relevant cases have been decided under this statute.

(3) Other

It is also a criminal offense to “[s]ell, rent, distribute, transport” or to possess for these purposes a recording with knowledge that it does not include the true name and address of the manufacturer.³⁶

D. New York

(1) Unauthorized reproduction of sound recordings

New York penal law has several provisions dealing with unauthorized sound recordings. It is a criminal offense if someone:

1. knowingly, and without the consent of the owner, transfers or causes to be transferred any sound recording, with the intent to rent or sell, or cause to be rented or sold for profit, or used to promote the sale of any product, such article to which such recording was transferred, or
2. transports within this state, for commercial advantage or private financial gain, a recording, knowing that the sounds have been reproduced or transferred without the consent of the owner.³⁷

It is also a criminal offense to knowingly advertise or offer for sale, rental, or distribution, or to sell, rent, distribute or possess for any of these purposes, “any recording that has been produced or transferred without the consent of the owner.”³⁸

There are exceptions in the law for (1) “any broadcaster who, in connection with or as part of a radio, television, or cable broadcast transmission, or for the purpose of archival preservation, transfers any such recorded sounds or images,” and (2) for “any person who transfers such sounds or images for personal use, and without profit for such transfer.”³⁹ There are no statutory definitions nor is there any case law that defines the terms “broadcaster” or “archival preservation” in the context of this section.

³⁴ *Id.* § 752.1052 (1)(b)(ii).

³⁵ *Id.* § 752.1052 (2).

³⁶ *Id.* §§ 752.1052 (1)(d), 752.1053.

³⁷ N.Y. PENAL LAW § 275.05 (McKinney 2007); *see also* § 275.10.

³⁸ *Id.* § 275.25; § 275.30.

³⁹ *Id.* § 275.45(1).

(2) Antibootlegging laws

New York penal law provides criminal liability for a person who:

[K]nowingly, and without the consent of the performer, records or fixes or causes to be recorded or fixed on a recording a performance, with the intent to sell or rent or cause to be sold or rented such recording, or with the intent to use such recording to promote the sale of any product; or when he knowingly possesses, transports or advertises, for purposes of sale, resale or rental or sells, resells, rents or offers for rental, sale or resale, any recording that the person knows has been produced in violation of this section.⁴⁰

The law defines “performer” as “the person or persons appearing in a performance” and defines “performance” as “a recitation, rendering, or playing of a series of images; musical, spoken, or other sounds; or a combination of images and sounds in an audible sequence” that may be perceived “live before an audience or transmitted by wire or through the air by radio or television.”⁴¹ The exceptions for broadcasters and for personal use also apply to bootleg recordings.⁴²

(3) Other

It is also a criminal offense to fail to disclose the origin of a recording. This occurs when someone, for commercial advantage or private financial gain, knowingly advertises or offers for sale or rental, or sells, rents, or possesses for such purposes, a recording whose cover or label does not clearly disclose the actual name and address of the manufacturer and the name of the performer or principal artist.⁴³

E. Virginia**(1) Unauthorized reproduction of sound recordings⁴⁴****(2) Antibootlegging laws**

Virginia law provides that it is unlawful to:

Knowingly transfer or cause to be transferred, directly or indirectly by any means, any sounds at a live concert or any sounds recorded on a phonograph record, disc, wire, tape, film, videocassette, or other article now known or later developed on which sounds are recorded, with the intent to sell, rent or cause to be sold or rented, or to be used for profit through public performance, such article on which sounds are so transferred, without consent of the owner.⁴⁵

⁴⁰ *Id.* § 275.15; § 275.20.

⁴¹ *Id.* § 275.00(4), (5).

⁴² *Id.* § 275.45.

⁴³ *Id.* § 275.35; § 275.40.

⁴⁴ In Virginia, both unauthorized reproduction of sound recordings and antibootlegging activities are covered by the same statute.

⁴⁵ VA. CODE ANN. § 59.1-41.2(1) (2007).

It is also an offense, for commercial advantage or private financial gain, to “manufacture, distribute, transport or wholesale, or cause to be manufactured, distributed, transported or sold as wholesale, or possess for such purposes any article with the knowledge that the sounds are so transferred, without consent of the owner.”⁴⁶ It is also a violation to knowingly sell, rent, cause to be sold or rented, or possess for these purposes “any recorded device that has been produced, manufactured, distributed, or acquired in violation of” the above provisions.⁴⁷

The “owner” of the recording is defined as the person who owns the sounds fixed on the master recording, or the person who owns the rights “to record or authorize the recording of a live performance.”⁴⁸

There is an exception for “any person engaged in radio or television broadcasting who transfers, or causes to be transferred, any such sounds ... intended for, or in connection with broadcast or telecast transmission or related uses, or for archival purposes.”⁴⁹ There is no specific exception for not-for-profit use. There are two citing references to this section.⁵⁰

With respect to bootlegging, this provision is perhaps more limited than those in other states because it applies only to “a live concert.” However, unlike some other provisions it explicitly includes “public performance” as a prohibited use.

(3) Other

The law requires that all recorded devices sold, rented, transferred, or possessed for these purposes by any manufacturer, distributor, or merchant “contain on [their] packaging the true name and address of the manufacturer.”⁵¹

⁴⁶ *Id.* § 59.1-41.2 (2).

⁴⁷ *Id.* § 59.1-41.3.

⁴⁸ *Id.* § 59.1-41.1.

⁴⁹ *Id.* § 59.1-41.2.

⁵⁰ *Milteer v. Commonwealth*, 595 S.E.2d 275 (Va. 2004) (court affirmed conviction of defendant for knowingly possessing pirated videocassettes for the purpose of selling them); *McLaughlin v. Commonwealth*, 629 S.E.2d 724 (Va. App. 2006) (the presence of CDs with blurry labels and thin packaging in front passenger seat did not constitute probable cause to search defendant’s car during a routine traffic stop. The court determined that “a CD’s homemade appearance is not enough to warrant a person of reasonable caution to believe that it is contraband.” *Id.* at 728.).

⁵¹ VA. CODE ANN. § 59.1-41.4 (2007).

APPENDIX B:

State Statutes Concerning Rights of Publicity

This appendix provides a brief description of the statutes concerning rights of publicity in five states: California, Illinois, Michigan, New York, and Virginia.

1. California

California law provides a right of action for damages against “[a]ny person who knowingly uses another’s name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person’s prior consent...”¹ Consent is not required, however, for use “in connection with any news, public affairs, or sports broadcast or account, or any political campaign.”² The California statute provides that the right of publicity survives for 70 years after the death of the individual concerned.³

The statute does not displace common law remedies, and common law provides broader protection.⁴ For example, in *White v. Samsung Electronics America, Inc.*,⁵ the court held that Vanna White’s statutory right of publicity was not infringed by a television advertisement using a robot that resembled her, because it was not a “likeness.” However, the court concluded that she could make a claim under California’s broader common law right of publicity.⁶ Similarly, in *Waits v. Frito-Lay, Inc.*,⁷ the court upheld a \$2 million jury verdict for singer Tom Waits for the use of a sound-alike in an advertisement for Doritos chips, despite the fact that the statute does not cover imitation of another’s voice.

¹ CAL. CIV. CODE, § 3344 (a) (West 2007).

² *Id.* § 3344 (d).

³ § 3344.1 (g). There is a news exception to the postmortem right as well. *Id.* § 3344.1(j). For purposes of the postmortem right, “a play, book, magazine, newspaper, musical composition, audiovisual work, radio or television program, single and original work of art, work of political or newsworthy value, or an advertisement or commercial announcement for any of these works, shall not be considered a product, article of merchandise, good, or service if it is fictional or nonfictional entertainment, or a dramatic, literary, or musical work.” *Id.* § 3344.1 (a)(2).

⁴ *Id.* § 3344 (g).

⁵ 971 F.2d 1395 (9th Cir. 1992).

⁶ *Id.* at 1399.

⁷ 978 F.2d 1093 (9th Cir. 1992).

2. Illinois

Illinois law protects the right of publicity, defined as “[t]he right to control and to choose whether and how to use an individual’s identity for commercial purposes”⁸ “Identity” embraces any attribute that identifies the individual “to an ordinary, reasonable viewer or listener, including but not limited to (i) name, (ii) signature, (iii) photograph, (iv) image, (v) likeness, or (vi) voice.”⁹

“Commercial purpose” is defined in the statute as:

[T]he public use or holding out of an individual’s identity (i) on or in connection with the offering for sale or sale of a product, merchandise, goods, or services; (ii) for purposes of advertising or promoting products, merchandise, goods, or services; or (iii) for the purpose of fundraising.¹⁰

Individuals are protected regardless of whether they have used their identity for a commercial purpose. Publicity rights last for the life of the individual and 50 years thereafter.¹¹

3. Michigan

Michigan has no statutory right of publicity; however, it does recognize a right of publicity under common law. For example, in *Carson v. Here’s Johnny Portable Toilets, Inc.*,¹² the Sixth Circuit Court of Appeals upheld a right of publicity claim brought by comedian Johnny Carson against a company renting “Here’s Johnny” portable toilets. The courts have also held that the right of publicity exists postmortem.¹³ However, use of another’s identity in a print or broadcast biography does not infringe the right of publicity.¹⁴

4. New York

New York law provides that “[a]ny person whose name, portrait, picture or voice is used within this state for advertising purposes or for the purposes of trade” without written consent may sue for an

⁸ ILL. COMP. STAT. CH. 765 § 1075/10 (West 2007).

⁹ *Id.* § 1075/5.

¹⁰ *Id.*

¹¹ *Id.* §§ 1075/10, 1075/30.

¹² 698 F.2d 831, 837 (6th Cir. 1983) (applying Michigan law). *But see* *Romantics v. Activision Publ’g, Inc.*, 2008 U.S. Dist. Lexis 63281 (E.D. Mich. Aug. 19, 2008) (holding that even if Michigan’s right of publicity extended to voice imitations, plaintiffs’ claim would fail because their “sound” is not sufficiently distinctive).

¹³ *E.g.*, *Herman Miller, Inc. v. Palazzetti Imports & Exports, Inc.*, 270 F.3d 298, 324-26 (6th Cir. 2001).

¹⁴ *Ruffin-Steinback v. dePasse*, 82 F. Supp. 2d 723, 728-9 (E.D. Mich. 2000), *aff’d*, 267 F.3d 457 (6th Cir. 2001) (rejecting right of publicity claim in connection with television miniseries based on lives of members of “The Temptations”).

injunction and damages.¹⁵

The statute allows use of the name, portrait, picture, or voice of any author, composer, or artist in connection with his literary, musical, or artistic productions which he has sold or disposed of with such name, portrait, picture, or voice used in connection therewith. It also states:

Nothing contained in this section shall be construed to prohibit the copyright owner of a sound recording from disposing of, dealing in, licensing or selling that sound recording to any party, if the right to dispose of, deal in, license or sell such sound recording has been conferred by contract or other written document by such living person or the holder of such right.¹⁶

New York's right of publicity is grounded in privacy law. The New York courts have held that it should be strictly construed, and generally have not recognized a common law right of publicity distinct from the statutory right under sections 50 and 51 of the New York Civil Rights Law.¹⁷

5. Virginia

Virginia law is similar to New York law, on which it was based. It provides that "[a]ny person whose name, portrait or picture is used" without written consent "for advertising purposes or for the purposes of trade" may sue for an injunction and damages.¹⁸ The right lasts for 20 years after the death of the individual.¹⁹

¹⁵ N.Y. CIV. RIGHTS LAW § 51 (2006). A companion statute provides that it is a misdemeanor to use the name, portrait, or picture of a living person without consent for advertising purposes or for the purposes of trade. *Id.* § 50.

¹⁶ *Id.* § 51.

¹⁷ See *Stephano v. News Group Publications, Inc.*, 64 N.Y.2d 174, 183 (1984) (finding that because the right of publicity is statutory and therefore exclusive, plaintiff's common law claim was preempted).

¹⁸ Va. Code Ann. § 8.01-40 (A) (West 2007). As in New York, there is a companion statute that makes it a misdemeanor to use the name, portrait, or picture of a living person without consent for advertising purposes or for the purposes of trade. *Id.* § 18.2-216.1.

¹⁹ *Id.* § 8.01-40 (B).

APPENDIX C:

State Civil Law Concerning Pre-1972 Sound Recordings

This appendix summarizes the results of a survey of civil law concerning the unauthorized creation, reproduction, and distribution of pre-1972 sound recordings in five states: California, Illinois, Michigan, New York, and Virginia. Relevant criminal laws in these five states are discussed in Appendix A.

A. California

California's civil law protects an author's interest in unfixed works by statute. Section 980(a)(1) provides that:

The author of any original work of authorship that is not fixed in any tangible medium of expression has an exclusive ownership in the representation or expression thereof as against all persons except one who originally and independently creates the same or similar work.¹

This statute provides the basis for a civil claim against someone who makes or distributes an unauthorized fixation of an original work of authorship, such as a bootleg recording of a live performance or of an underlying musical composition that has never been "fixed." In *Williams v. Weisser*,² a defendant who ran a business publishing student-taken notes based on a university professor's lectures was found to have violated the plaintiff professor's "common law copyright" in his own lecture notes and oral expression. The court characterized the right provided by this statute as "common law copyright," calling it "mainly a right of first publication" because published works are not the subject of "common law copyright."³ The court found that the professor's oral delivery of his lectures was *not* a "divestive publication" that vitiated the "common law copyright" in his work.⁴

¹ CAL. CIV. CODE § 980 (a)(1) (West 2007)

² 78 Cal. Rptr. 542 (Cal. Ct. App. 1969).

³ *Id.* at 552.

⁴ *Id.* at 550. CAL. CIV. CODE § 980 (a)(1), cited above, applies only to unfixed works. Fixed works are the subject of federal copyright protection. *See* *Trenton v. Infinity Broadcasting Corp.*, 865 F. Supp. 1416, 1423-25 (C.D. Cal. 1994) (finding that simultaneous recording of radio show is a fixation that brings the matter under federal copyright law and preempts plaintiff's state law claim).

California's Civil Code explicitly protects pre-1972 sound recordings against unauthorized duplication. Section 980(a)(2) provides:

The author of an original work of authorship consisting of a sound recording initially fixed prior to February 15, 1972, has an exclusive ownership therein until February 15, 2047, as against all persons except one who independently makes or duplicates another sound recording that does not directly or indirectly recapture the actual sounds fixed in such prior sound recording, but consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate the sounds contained in the prior sound recording.⁵

California cases regard § 980 (a)(2) as conferring an intangible property in sound recordings that can be protected in a misappropriation, conversion, or unfair competition claim.⁶ They have, however, distinguished the property interest protected by state law from copyright law by stating that these actions lie outside copyright (and, arguably, outside the realm of copyright defenses).⁷

In *Capitol Records, Inc. v. Erickson*,⁸ defendant purchased tapes and recordings sold by plaintiff, remastered and duplicated them, and then sold them in competition with plaintiff. The court granted plaintiff's motion for a preliminary injunction, holding that relief on the grounds of unfair competition could be granted in circumstances where someone "appropriates to his profit the valuable efforts of his competitor" even where the defendant did not "palm off" his products as those of his competitor.⁹ The court said defendant did not merely copy the records and tapes, but "appropriated the product itself—performances embodied in the records."¹⁰

*A & M Records, Inc. v. Heilman*¹¹ involved similar facts. The court affirmed judgment for plaintiff, stating that defendant's conduct

⁵ CAL. CIV. CODE § 980 (a)(2) (West 2007).

⁶ *E.g.*, *Lone Ranger Television, Inc. v. Program Radio Corp.*, 740 F.2d 718, 725 (9th Cir. 1984) (finding that an intangible property interest existed in performances from the time of their recording and that such interest was protected by the common law against conversion).

⁷ Until 1982, section 983 of the California Civil Code provided that "a composition in letters or the arts" lost state law protection when it was published by its owner. Pre-1972 sound recordings, however, are not eligible for federal copyright law, so if they were included in this section, they lost all protection upon publication. To avoid this result, courts have characterized this section as applicable to state claims of "copyright" and continue to protect sound recordings, even if published, pursuant to "non copyright" claims such as conversion, unfair competition, and the like. *See id.*, 740 F.2d at 726 ("Lone Ranger TV's protection against conversion of an intangible property right in the performances embodied in its tapes is unaffected by notions of copyright."); *A & M Records v. Heilman*, 75 Cal. App. 3d 554, 564 (Cal. Ct. App. 1977) ("A & M Records' action against Heilman for duplicating without consent *performances* embodied in A & M Records' recordings is independent of any action that the owners of the underlying compositions might bring against Heilman for copyright infringement.") (emphasis in original).

⁸ 2 Cal. App. 3d 526 (Cal. Ct. App. 1969).

⁹ *Id.* at 537-38.

¹⁰ *Id.* at 538.

¹¹ 75 Cal. App. 3d 554 (Cal. Ct. App. 1977).

“presents a classic example of ... misappropriation of the valuable efforts of another” and constitutes unfair competition even if there is no “palming off.”¹² In holding that there was a valid basis for placing a constructive trust on the money defendant made from selling copies of plaintiff’s recordings, the court further stated that the “misappropriation and sale of the intangible property of another without authority from the owner is conversion.”¹³

In *Lone Ranger Television, Inc. v. Program Radio Corp.*,¹⁴ plaintiff owned rights to recordings of radio broadcasts about the Lone Ranger and to the underlying scripts, which were copyrighted. In 1979, defendants obtained reel-to-reel tape copies of *Lone Ranger* radio programs from collectors, remixed them, and began to lease them to radio stations for broadcast. Plaintiffs brought suit for copyright infringement under federal law with respect to the scripts, and for conversion under state law with respect to the recordings. On plaintiff’s federal copyright claim, the court held that the derivative rights in the scripts were infringed by defendant’s activities with respect to the recordings. On plaintiffs’ state law claim, the court held that plaintiff had an intangible property right in the performances on tape under section 980(a)(2) and could assert a claim against defendants for conversion with respect to that right.¹⁵

There is one case addressing the use of pre-1972 sound recordings for educational purposes, *Bridge Publications, Inc. v. Vien*.¹⁶ The defendant violated § 980(a)(2) by copying tape-recorded lectures by L. Ron Hubbard without authorization. Although the copying of the pre-1972 sound recordings was related to education (defendant’s course on “Dynamism”), the court found that the use was commercial in nature because the course was “offered for sale.”¹⁷

California cases have dealt predominantly with for-profit entities that have made unauthorized copies of sound recordings for commercial gain, and therefore do not provide sufficient guidance on how not-for-profit entities or noncommercial uses of such recordings would fare.

B. Illinois

No Illinois case that deals directly with the unauthorized recording of live performances was found.

In *Fenton McHugh Productions, Inc. v. WGN Continental Productions Co.*, the Illinois Court of Appeals announced the elements of the

¹² *Id.* at 564.

¹³ *Id.* at 570.

¹⁴ 740 F.2d 718 (9th Cir. 1984).

¹⁵ See *supra* notes 6-7. The court’s efforts to distinguish conversion and unfair competition from common law copyright is due to section 983 of the California Civil Code, which at that time provided that “a composition in letters or arts” lost protection if it was published by its owner. CAL. CIV. CODE § 983 (West 1981), amended by CAL. CIV. CODE § 983 (1982).

¹⁶ 827 F. Supp. 629 (S.D. Cal. 1993).

¹⁷ *Id.* at 632.

action for “tortious infringement of an asserted common law copyright” as “(1) the existence of a property right of the plaintiff that is protected by the common law, (2) infringement of that property right by the defendant through copying or other similar forms of misappropriation, and (3) damages resulting therefrom to the plaintiff.”¹⁸ In order for a plaintiff to prevail on this theory “the act of the defendant must also have been ‘wrongful’ in a tortious sense.”¹⁹

A federal district court sitting in Illinois has also described “common law copyright” as protecting against “unauthorized copying, publishing, vending, performing, and *recording*.”²⁰

*Capitol Records, Inc. v. Spies*²¹ held that the unauthorized recording and resale of commercial sound recordings for profit constitutes wrongful appropriation and unfair competition. The defendant had purchased records in retail stores, then made and sold 1,500 unauthorized copies. The court did not explicitly make commercial gain an element of an unfair competition claim, but the defendant in that case had profited from his piracy.

As explained by a subsequent Illinois court decision, “[u]nderlying the court’s reasoning [in *Spies*] is the premise that the plaintiff’s pecuniary reward for producing its intangible product would be severely reduced if other competitors could avoid production costs by merely waiting until a record became popular and then recording the work for resale.”²²

There were no cases in which the defendant had used the contested sound recording for a nonprofit purpose.

Illinois unfair competition cases outside the sound-recording context similarly do not explicitly state that commercial exploitation by the defendant is required to make a valid claim. However, they arise in a commercial context and involve commercial gain to the defendant through the appropriation of plaintiff’s property right.²³

¹⁸ 434 N.E.2d 537, 541 (Ill. App. Ct. 1982) (citations omitted).

¹⁹ *Id.* In this case, having signed a contract that authorized the disputed use, plaintiff could not prove this element. *Id.* at 541-542. Plaintiffs could alternatively proceed on a theory of contract implied in law or quasi-contract. *Id.* at 541 n. 6.

²⁰ *Letter Edged in Black Press v. Public Bldg. Comm’n*, 320 F. Supp. 1303, 1308 (N.D. Ill. 1970) (emphasis added) (finding that the public display of a monumental sculpture without the requisite notice constituted a general publication, such that common law copyright protection and federal protection under the pre-1976 federal copyright law were both precluded).

²¹ 264 N.E.2d 874 (Ill. App. Ct. 1970). For further discussion of this case, see JUNE M. BESEK, COPYRIGHT ISSUES RELEVANT TO DIGITAL PRESERVATION AND DISSEMINATION OF PRE-1972 COMMERCIAL SOUND RECORDINGS BY LIBRARIES AND ARCHIVES, App. n. 13 and accompanying text (DEC. 2005), available at <http://www.clir.org/pubs/reports/pub135/pub135.pdf>.

²² *Bd. of Trade of Chicago v. Dow Jones & Co.*, 456 N.E.2d 84, 88 (Ill. 1983).

²³ See, e.g., *Delta Med. Sys., Inc. v. Mid-America Med. Sys., Inc.*, 772 N.E.2d 768 (Ill. App. Ct. 2002) (reversing lower court decision that granted preliminary injunction on claim that defendant misappropriated plaintiff’s trade secrets in order to set up and operate a competing business); *Everen Sec., Inc. v. A.G. Edwards & Sons, Inc.*, 719 N.E.2d 312 (Ill. App. Ct. 1999) (affirming arbitration panel’s award to plaintiff where defendants, former employees of plaintiff, solicited plaintiff’s customers and photocopied plaintiff’s customer records for the purpose of creating a database for their new employer).

C. Michigan

*A & M Records, Inc. v. M.V.C. Distributing Corp.*²⁴ was an action for unauthorized duplication and distribution of copies of plaintiff's sound recordings. The U.S. Court of Appeals for the Sixth Circuit upheld the district court's ruling that defendant's alleged conduct constituted unfair competition under the common law of Michigan. It rejected defendant's claim that plaintiffs lost their common law property rights when they distributed their recording.²⁵

In *Edwards v. Church of God in Christ*,²⁶ the court held there was no cognizable tort for misappropriation of unknown singer's voice, but upheld a claim for negligent failure to get her permission to be taped.

Michigan unfair competition cases outside the sound-recording context have consistently involved commercial exploitation of plaintiff's property right by the defendant, although never is this specifically made a requirement of the unfair competition claim.²⁷ Our review did not reveal cases in which defendant was not seeking a commercial benefit from the appropriation of the plaintiff's property right.

D. New York

In a case involving record piracy, *Capitol Records, Inc. v. Naxos of America, Inc.*, a New York court recently answered several certified questions from the Second Circuit regarding the nature of common law claims for pre-1972 sound recordings under New York law.²⁸ *Capitol Records* involved recordings of performances by Yehudi Menuhin, Pablo Casals, and Edwin Fischer of classical music, made in England in the 1930s. Capitol succeeded to the rights in those recordings in the United States. When Naxos, without a license from Capitol, remastered and sold copies of the recordings in the United States, Capitol sued in federal district court.

The district court found in favor of Naxos, on the grounds that, inter alia, the works were in the public domain in New York since they were in the public domain in England.²⁹ On appeal, the Second Circuit determined that the case involved state law issues of first impression, and certified several questions of law to the New York

²⁴ 574 F.2d 312 (6th Cir. 1978).

²⁵ *Id.* at 314. In *Artie Field Productions v. Channel 7*, 32 U.S.P.Q.2d (BNA) 1539 (E.D. Mich. 1994), the court stated in dicta that A & M Records' claim would have been preempted had it arisen after 17 U.S.C. § 301 became effective. The *Artie Fields* case involved audiovisual recordings, however, and it appears that the court overlooked the carve-out from section 301 for pre-1972 sound recordings.

²⁶ 2002 WL 393577 (Mich. Ct. App. 2002).

²⁷ See, e.g., *Thrifty Acres, Inc. v. Al-Naimi*, 326 N.W.2d 400 (Mich. Ct. App. 1982) (affirming lower court ruling in favor of plaintiff who brought unfair competition claim against defendant who operated a grocery store under a trade name established by plaintiff grocery store operator).

²⁸ 4 N.Y.3d 540 (N.Y. 2005).

²⁹ *Capitol Records, Inc. v. Naxos of America, Inc.*, 274 F. Supp. 2d 472 (S.D.N.Y. 2003).

Court of Appeals, the highest court in New York.³⁰ The New York Court of Appeals' decision held that there was no reason for New York to adopt another country's term of protection, and that New York law protected the recordings regardless of whether they were in the public domain in England.³¹

In its decision, the court also clarified the nature of common law copyright in New York, stating that a claim "consists of two elements: (1) the existence of a valid copyright; and (2) unauthorized reproduction of the work protected by copyright." The court made clear that bad faith is not an element of a common law infringement claim in New York,³² and that:

Copyright infringement is distinguishable from unfair competition, which in addition to unauthorized copying and distribution requires competition in the marketplace or similar actions designed for commercial benefit.³³

The final question certified by the Second Circuit related to the significance of a showing that Capitol's recordings have "slight if any current market," and that Naxos's work, because of the remastering, "is fairly to be regarded as a new product." The New York court held that the size of the market or the popularity of a product does not affect the ability to enforce a state law copyright claim. It observed, with reference to federal copyright law, that Naxos's recordings were not independent creations, and that under the fair use doctrine, reproduction of an entire work is generally infringing.³⁴ It ruled that even if Naxos created a "new product" through remastering, that product could still infringe Capitol's copyright "to the extent that it utilizes the original elements of the protected performances."³⁵

Prior to *Capitol Records v. Naxos*, New York courts sustained many claims for unauthorized copying and distribution of sound recordings on common law unfair competition grounds.³⁶

In at least two cases prior to *Capitol Records*, New York courts allowed authors and other right holders to bring claims of unfair competition and misappropriation against defendants who made and distributed for commercial gain unauthorized recordings of broadcasted live performances. In *Metropolitan Opera Association v.*

³⁰ *Capitol Records, Inc. v. Naxos of America, Inc.*, 372 F.3d 471 (2d Cir. 2004).

³¹ 4 N.Y.3d at 561-63.

³² *Id.* at 563.

³³ *Id.* (citations omitted).

³⁴ *Id.* at 564.

³⁵ *Id.* at 564-65.

³⁶ See, e.g., *Arista Records, Inc. v. MP3Board, Inc.*, 2002 U.S. Dist. Lexis 16165 (S.D.N.Y. 2002) (plaintiff stated a claim for unfair competition under New York law against operator of an Internet site that provided users with pirated copies of plaintiff's pre-1972 musical recordings); *Rostropovich v. Koch Int'l Corp.*, 34 U.S.P.Q.2d (BNA) 1609 (S.D.N.Y. 1995); *Greater Recording Co., Inc. v. Stambler*, 144 U.S.P.Q. (BNA) 547 (N.Y. Sup. Ct. 1965) (denying motion to dismiss where defendant allegedly produced and distributed records made directly from plaintiffs' recordings); *Capitol Records, Inc. v. Greatest Records, Inc.*, 252 N.Y.S.2d 553 (N.Y. Sup. Ct. 1964) (enjoining defendant from manufacturing and distributing record album containing identical reproductions of certain records sold by plaintiff).

Wagner-Nichols Recorder Corp., the Metropolitan Opera and Columbia Records joined in a complaint alleging unfair competition against a company that sold unauthorized records of opera performances “bootlegged” from radio broadcasts.³⁷ The court justified plaintiffs’ claim of unfair competition as follows:

Plaintiff Metropolitan Opera derives income from the performance of its operatic productions in the presence of an audience, from the broadcasting of those productions over the radio, and from the licensing to Columbia Records of the exclusive privilege of making and selling records of its own performances. Columbia Records derives income from the sale of the records which it makes pursuant to the license granted to it by Metropolitan Opera. Without any payment to Metropolitan Opera for the benefit of its extremely expensive performances, and without any cost comparable to that incurred by Columbia Records in making its records, defendants offer to the public recordings of Metropolitan Opera’s broadcast performances. This constitutes unfair competition.³⁸

*CBS, Inc. v. Documentaries Unlimited, Inc.*³⁹ dealt with the unauthorized recording of a newscaster’s report of the death of President John F. Kennedy. The defendant had recorded the newscaster’s voice “off the air” and then used the recording as part of a commercial record chronicling Kennedy’s life. Plaintiff was planning to release a similar record. The court called the defendant’s actions “a clear case of appropriation for commercial profit of another’s property right.”⁴⁰

In *Lennon v. Pulsebeat News, Inc.*,⁴¹ the court granted a temporary injunction against the distribution of records by defendant containing reproductions of taped interviews with the Beatles. Defendant claimed the use was permissible because “the interviews involved were furnished as news for [the] immediate purpose of publicity.” However, the court stated that “there can be no justification for utilizing for profit, without plaintiffs’ permission, their distinctive manner of speech and expression which for reasons not material herein have become valuable property.”⁴²

However, in *Current Audio, Inc. v. RCA Corp.*,⁴³ the court reached a different result. Elvis Presley held a press conference before a series

³⁷ 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950), *aff’d* 107 N.Y.S.2d 795 (N.Y. App. Div. 1951).

³⁸ *Id.* at 492. However in a later case, *National Basketball Association v. Motorola*, the Second Circuit found that Metropolitan Opera’s “broad misappropriation doctrine based on amorphous concepts such as ‘commercial immorality’ or society’s ‘ethics’ is preempted” by federal copyright law. 105 F.3d 841, 851 (2d Cir. 1997).

³⁹ 248 N.Y.S.2d 809 (N.Y. Sup. Ct. 1964).

⁴⁰ *Id.* at 812. See also *Apple Corps Ltd. v. Adirondack Group*, 476 N.Y.S.2d 716 (N.Y. Sup. Ct. 1983) (enjoining sales of records and tapes made without authorization from unpublished recordings of Beatles’ “Christmas Messages” sent to fan clubs in the 1960s).

⁴¹ 143 U.S.P.Q. (BNA) 309 (N.Y. Sup. Ct. 1964). The facts in this case are sketchy; it is not clear, for instance, how defendant obtained the interview tapes.

⁴² *Id.* at 309.

⁴³ 337 N.Y.S.2d 949 (N.Y. Sup. Ct. 1972). This case was decided shortly after sound recordings became eligible for federal protection.

of concerts in Madison Square Garden that was attended by members of the media and recorded on audiotape by many members of the audience and on film for later replay on television. A news magazine for its debut issue sought to include a story about Presley and an excerpt from the news conference on a phonograph record insert. The record contained material by many of the people mentioned in the magazine; it was about 45 minutes long, and the Presley portion ran 2-1/2 minutes. RCA Corporation, which had an exclusive recording contract with Presley, sued. The court denied RCA's motion for a temporary injunction. It held that, unlike the newscaster in *CBS v. Documentaries Unlimited*, discussed above, Presley was not "performing" in the press conference, as that word relates to "his distinctive and valuable property." Rather, he was participating in the "spontaneous 'give and take' of an unrehearsed public press conference."⁴⁴ The court said "in many ways a press conference stands as the very symbol of a free and open press, using that term in its broadest sense to encompass all the media, in providing public access to, and direct communication with, the notable and newsworthy." The court refused to grant an order that would impede "the free dissemination of ... newsworthy events and matters of public interest."⁴⁵

E. Virginia

We were unable to find any unfair competition cases in Virginia that dealt with unauthorized recording of live performances or the unauthorized reproduction and distribution of sound recordings.

One case, *Falwell v. Penthouse Int'l Ltd.*,⁴⁶ held that Falwell's oral responses to an interview were *not* protected under common law copyright or a claim for invasion of privacy (for using his name and likeness for advertising or trade). Although this case did not involve a sound recording, it suggests that an interviewee would not have a right to preclude use of a recorded interview for purposes of news or information.

Outside the context of sound recordings, no Virginia case explicitly makes commercial exploitation an element of an unfair competition claim. However, all of Virginia's unfair competition cases appear to have involved some form of commercial exploitation by the defendant.⁴⁷

⁴⁴ *Id.* at 953.

⁴⁵ *Id.*

⁴⁶ 521 F. Supp. 1204 (W.D. Va. 1981). There is a similar rule under New York law. *Estate of Hemingway v. Random House, Inc.*, 279 N.Y.S.2d 51 (N.Y. Sup. Ct. 1967). See MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 2.02 n.34 and accompanying text (4th ed. 2008).

⁴⁷ See, e.g., *Cimmarron's Old South Corp. v. Traveller's Alley Café, Inc.*, 18 Va. Cir. 436 (Va. Cir. Ct. 1990) (preliminary injunction granted where plaintiff brought claim for unfair competition in the use of trade names against restaurant located on same street as his restaurant); *Craigie, Inc. v. Legg Mason Wood Walker, Inc.*, 20 Va. Cir. 342 (Va. Cir. Ct. 1990) (court confirmed arbitration panel's award to plaintiff where plaintiff's unfair competition claim was based on allegation that defendant illegally induced plaintiff's employees to leave plaintiff's firm and work for defendant's firm).