COPYRIGHT AND NEW TECHNOLOGIES

White-Smith Publishing Co. v. Apollo Co., 209 U.S. 1 (1908)

DAY, Justice:

The actions were brought to restrain infringement of the copyrights of two certain musical compositions, published in the form of sheet music, entitled, respectively, "Little Cotton Dolly" and "Kentucky Babe." The appellee, defendant below, is engaged in the sale of piano players and player pianos, known as the "Apollo," and of perforated rolls of music used in connection therewith. The appellant, as assignee of Adam Geibel, the composer, alleged compliance with the copyright act, and that a copyright was duly obtained by it on or about March 17, 1897. The answer was general in its nature, and upon the testimony adduced a decree was rendered, as stated, in favor of the Apollo Company, defendant below, appellee here.

The action was brought under the provisions of the copyright act, § 4952, giving to the author, inventor, designer or proprietor of any book, map, chart, dramatic or musical composition the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing and vending the same. The Circuit Courts of the United States are given jurisdiction under § 4970 to grant injunctions according to the course and principles of courts of equity in copyright cases. The appellee is the manufacturer of certain musical instruments adapted to be used with perforated rolls. The testimony discloses that certain of these rolls, used in connection with such instruments, and being connected with the mechanism to which they apply, reproduce in sound the melody recorded in the two pieces of music copyrighted by the appellant.

The manufacture of such instruments and the use of such musical rolls has developed rapidly in recent years in this country and abroad. The record discloses that in the year 1902 from seventy to seventy-five thousand of such instruments were in use in the United States, and that from one million to one million and a half of such perforated musical rolls, to be more fully described hereafter, were made in this country in that year.

It is evident that the question involved in the use of such rolls is one of very considerable importance, involving large property interests, and closely touching the rights of composers and music publishers. The case was argued with force and ability, orally and upon elaborate briefs.

Without entering into a detailed discussion of the mechanical construction of such instruments and rolls, it is enough to say that they are what has become familiar to the public in the form of mechanical attachments to pianos, such as the pianola, and the musical rolls consist of perforated sheets, which are passed over ducts connected with the operating parts of the mechanism in such manner that the same are kept sealed until, by means of perforations in the rolls, air pressure is admitted to the ducts which operate the pneumatic devices to sound the notes. This is done with the aid of an operator, upon whose skill and experience the success of the rendition largely depends. As the roll is drawn over the tracker board the notes are sounded as the perforations admit the atmospheric pressure, the perforations having been so arranged that the effect is to produce the melody or tune for which the roll has been cut.

Speaking in a general way, it may be said that these rolls are made in three ways. First. With the score or staff notation before him the arranger, with the aid of a rule or guide and a graduated schedule, marks the position and size of the perforations on a sheet of paper to correspond to the order of notes in the composition. The marked sheet is then passed into the hands of an operator who cuts the apertures, by hand, in the paper. This perforated sheet is inspected and corrected, and when corrected is called "the original." This original is used as a stencil and by passing ink rollers over it a pattern is prepared. The stenciled perforations are then cut, producing the master or templet. The master is placed in the perforating machine and reproductions thereof obtained, which are the perforated rolls in question. Expression marks are separately copied on the perforated music sheets by means of rubber stamps. Second. A perforated music roll made by another manufacturer may be used from which to make a new

record. Third. By playing upon a piano to which is attached an automatic recording device producing a perforated matrix from which a perforated music roll may be produced.

It is evident, therefore, that persons skilled in the art can take such pieces of sheet music in staff notation, and by means of the proper instruments make drawings indicating the perforations, which are afterwards outlined and cut upon the rolls in such wise as to reproduce, with the aid of the other mechanism, the music which is recorded in the copyrighted sheets.

The learned counsel for the parties to this action advance opposing theories as to the nature and extent of the copyright given by statutory laws enacted by Congress for the protection of copyright, and a determination of which is the true one will go far to decide the rights of the parties in this case. On behalf of the appellant it is insisted that it is the intention of the copyright act to protect the intellectual conception which has resulted in the compilation of notes which, when properly played, produces the melody which is the real invention of the composer. It is insisted that this is the thing which Congress intended to protect, and that the protection covers all means of expression of the order of notes which produce the air or melody which the composer has invented.

Music, it is argued, is intended for the ear as writing is for the eye, and that it is the intention of the copyright act to prevent the multiplication of every means of reproducing the music of the composer to the ear.

On the other hand, it is contended that while it is true that copyright statutes are intended to reward mental creations or conceptions, that the extent of this protection is a matter of statutory law, and that it has been extended only to the tangible results of mental conception, and that only the tangible thing is dealt with by the law, and its multiplication or reproduction is all that is protected by the statute.

Before considering the construction of the statute as an independent question the appellee invokes the doctrine of *stare decisis* in its favor, and it is its contention that in all the cases in which this question has been up for judicial consideration it has been held that such mechanical producers of musical tones as are involved in this case have not been considered to be within the protection of the copyright act; and that, if within the power of Congress to extend protection to such subjects, the uniform holdings have been that it is not intended to include them in the statutory protection given. While it may be that the decisions have not been of that binding character that would enable the appellee to claim the protection of the doctrine of *stare decisis* to the extent of precluding further consideration of the question, it must be admitted that the decisions, so far as brought to our attention in the full discussion had at the bar and upon the briefs, have been uniformly to the effect that these perforated rolls operated in connection with mechanical devices for the production of music are not within the copyright act. It was so held in *Kennedy v. McTammany.* The decision was written by Judge Colt in the First Circuit; the case was subsequently brought to this court, where it was dismissed for failure to print the record. In that case the learned judge said:

"I cannot convince myself that these perforated sheets of paper are copies of sheet music within the meaning of the copyright law. They are not made to be addressed to the eye as sheet music, but they form a part of a machine. They are not designed to be used for such purposes as sheet music, nor do they in any sense occupy the same field as sheet music. They are a mechanical invention made for the sole purpose of performing tunes mechanically upon a musical instrument."

Again the matter was given careful consideration in the Court of Appeals of the District of Columbia in an opinion by Justice Shepard, in which that learned justice, speaking for the court, said:

"We cannot regard the reproduction, through the agency of a phonograph, of the sounds of musical instruments playing the music composed and published by the complainants, as the copy or publication of the same within the meaning of the act. The ordinary signification of the words 'copying,' 'publishing,' etc., cannot be stretched to include it.

"It is not pretended that the marking upon waxed cylinders can be made out by the eye or that they can be utilized in any other way than as parts of the mechanism of the phonograph.

"Conveying no meaning, then, to the eye of even an expert musician and wholly incapable of use save in and as a part of a machine specially adapted to make them give up the records which they contain, these prepared waxed cylinders can neither substitute the copyrighted sheets of music nor serve any purpose which is within their scope. In these respects there would seem to be no substantial difference between them and the metal cylinder of the old and familiar music box, and this, though in use at and before the passage of the copyright act, has not been regarded as infringing upon the copyrights of authors and publishers."

The question came before the English courts in *Boosey v. Whight*, and it was there held that these perforated rolls did not infringe the English copyright act protecting sheets of music. Upon appeal Lindley, Master of the Rolls, used this pertinent language:

"The plaintiffs are entitled to copyright in three sheets of music. What does this mean? It means that they have the exclusive right of printing or otherwise multiplying copies of those sheets of music, *i.e.*, of the bars, notes, and other printed words and signs on these sheets. But the plaintiffs have no exclusive right to the production of the sounds indicated by or on those sheets of music; nor to the performance in private of the music indicated by such sheets; nor to any mechanism for the production of such sounds or music.

"The plaintiff's rights are not infringed except by an unauthorized copy of their sheets of music. We need not trouble ourselves about authority; no question turning on the meaning of that expression has to be considered in this case. The only question we have to consider is whether the defendants have copied the plaintiff's sheets of music.

"The defendants have taken those sheets of music and have prepared from them sheets of paper with perforations in them, and these perforated sheets, when put into and used with properly constructed machines or instruments, will produce or enable the machines or instruments to produce the music indicated on the plaintiff's sheets. In this sense the defendant's perforated rolls have been copies from the plaintiff's sheets.

"But is this the kind of copying which is prohibited by the copyright act; or rather is the perforated sheet made as above mentioned a copy of the sheet of music from which it is made? Is it a copy at all? Is it a copy within the meaning of the copyright act? A sheet of music is treated in the copyright act as if it were a book or sheet of letter press. Any mode of copying such a thing, whether by printing, writing, photography, or by some other method not yet invented, would no doubt be copying. So, perhaps, might a perforated sheet of paper to be sung or played from in the same way as sheets of music are sung or played from. But to play an instrument from a sheet of music which appears to the eye is one thing; to play an instrument with a perforated sheet which itself forms part of the mechanism which produces the music is quite another thing."

Since these cases were decided Congress has repeatedly had occasion to amend the copyright law. The English cases, the decision of the District Court of Appeals, and Judge Colt's decision must have been well known to the members of Congress; and although the manufacture of mechanical musical instruments had not grown to the proportions which they have since attained they were well known, and the omission of Congress to specifically legislate concerning them might well be taken to be an acquiescence in the judicial construction given to the copyright laws.

This country was not a party to the Berne convention of 1886, concerning international copyright, in which it was specifically provided:

"It is understood that the manufacture and sale of instruments serving to reproduce mechanically the airs of music borrowed from the private domain are not considered as constituting musical infringement."

But the proceedings of this convention were doubtless well known to Congress. After the Berne convention the act of March 3, 1891, was passed. Section 13 of that act provides:

"SEC. 13. That this act shall only apply to a citizen or subject of a foreign state or nation when such foreign state or nation permits to citizens of the United States of America the benefits of copyright on substantially the same basis as to its own citizens; and when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States of America may, at its pleasure, become a party to such agreement. The existence of either of the conditions aforesaid shall be determined by the President of the United States by proclamation made from time to time as the purposes of this act may require."

By proclamation of the President July 1, 1891, the benefit of the act was given to the citizens of Belgium, France, British possessions and Sweden, which countries permitted the citizens of the United States to have the benefit of copyright on the same basis as the citizens of those countries. On April 30, 1892, the German Empire was included. On October 31, 1892, a similar proclamation was made as to Italy. These countries were all parties to the Berne convention.

It could not have been the intention of Congress to give to foreign citizens and composers advantages in our country which according to that convention were to be denied to our citizens abroad.

In the last analysis this case turns upon the construction of a statute, for it is perfectly well settled that the protection given to copyrights in this country is wholly statutory.

Musical compositions have been the subject of copyright protection since the statute of February 3, 1831, and laws have been passed including them since that time. When we turn to the consideration of the act it seems evident that Congress has dealt with the tangible thing, a copy of which is required to be filed with the Librarian of Congress, and wherever the words are used (copy or copies) they seem to refer to the term in its ordinary sense of indicating reproduction or duplication of the original. Section 4956 provides that two copies of a book, map, chart or musical composition, etc., shall be delivered at the office of the Librarian of Congress. Notice of copyright must be inserted in the several copies of every edition published, if a book, or if a musical composition, etc., upon some visible portion thereof. Section 4965 provides in part that the infringer "shall forfeit every sheet thereof, and one dollar for every sheet of the same found in his possession," etc., evidently referring to musical compositions in sheets. Throughout the act it is apparent that Congress has dealt with the concrete and not with an abstract right of property in ideas or mental conceptions.

We cannot perceive that the amendment of § 4966 by the act of January 6, 1897, providing a penalty for any person publicly performing or representing any dramatic or musical composition for which a copyright has been obtained, can have the effect of enlarging the meaning of the previous sections of the act which were not changed by the amendment. The purpose of the amendment evidently was to put musical compositions on the footing of dramatic compositions so as to prohibit their public performance. There is no complaint in this case of the public performance of copyrighted music; nor is the question involved whether the manufacturers of such perforated music rolls when sold for use in public performance might be held as contributing infringers. This amendment was evidently passed for the specific purpose referred to, and is entitled to little consideration in construing the meaning of the terms of the act theretofore in force.

What is meant by a copy? We have already referred to the common understanding of it as a reproduction or duplication of a thing. A definition was given by Bailey, J., in *West v. Francis*, quoted with approval in *Boosey v. Whight*. He said: "A copy is that which comes so near to the original as to give to every person seeing it the idea created by the original."

Various definitions have been given by the experts called in the case. The one which most commends itself to our judgment is perhaps as clear as can be made, and defines a copy of a musical composition to be "a written or printed record of it in intelligible notation." It may be true that in a broad sense a mechanical instrument which reproduces a tune copies it; but this is a strained and artificial meaning. When the combination of musical sounds is reproduced to the ear it is the original tune as conceived by the author which is heard. These musical tones are not a copy which appeals to the eye. In no sense can musical sounds which reach us through the sense of hearing be said to be copies as that term

is generally understood, and as we believe it was intended to be understood in the statutes under consideration. A musical composition is an intellectual creation which first exists in the mind of the composer; he may play it for the first time upon an instrument. It is not susceptible of being copied until it has been put in a form which other can see and read. The statute has not provided for the protection of the intellectual conception apart from the thing produced, however meritorious such conception may be, but has provided for the making and filing of a tangible thing, against the publication and duplication of which it is the purpose of the statute to protect the composer.

Also it may be noted in this connection that if the broad construction of publishing and copying contended for by the appellants is to be given to this statute it would seem equally applicable to the cylinder of a music box, with its mechanical arrangement for the reproduction of melodious sounds, or the record of the graphophone, or to the pipe organ operated by devices similar to those in use in the pianola. All these instruments were well known when these various copyright acts were passed. Can it be that it was the intention of Congress to permit them to be held as infringements and suppressed by injunctions?

After all, what is the perforated roll? The fact is clearly established in the testimony in this case that even those skilled in the making of these rolls are unable to read them as musical compositions, as those in staff notation are read by the performer. It is true that there is some testimony to the effect that great skill and patience might enable the operator to read his record as he could a piece of music written in staff notation. But the weight of the testimony is emphatically the other way, and they are not intended to be read as an ordinary piece of sheet music, which to those skilled in the art conveys, by reading, in playing or singing, definite impressions of the melody.

These perforated rolls are parts of a machine which, when duly applied and properly operated in connection with the mechanism to which they are adapted, produce musical tones in harmonious combination. But we cannot think that they are copies within the meaning of the copyright act.

It may be true that the use of these perforated rolls, in the absence of statutory protection, enables the manufacturers thereof to enjoy the use of musical compositions for which they pay no value. But such considerations properly address themselves to the legislative and not to the judicial branch of the Government. As the act of Congress now stands we believe it does not include these records as copies or publications of the copyrighted music involved in these cases.

The decrees of the Circuit Court of Appeals are

Affirmed.

HOLMES, Justice, concurred:

In view of the facts and opinions in this country and abroad to which my brother Day has called attention I do not feel justified in dissenting from the judgment of the court, but the result is to give to copyright less scope than its rational significance and the ground on which it is granted seem to me to demand. Therefore I desire to add a few words to what he has said.

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

The ground of this extraordinary right is that the person to whom it is given has invented some new collocation of visible or audible points,—of lines, colors, sounds, or words. The restraint is directed

against reproducing this collocation, although but for the invention and the statute any one would be free to combine the contents of the dictionary, the elements of the spectrum, or the notes of the gamut in any way that he had the wit to devise. The restriction is confined to the specific form, to the collocation devised, of course, but one would expect that, if it was to be protected at all, that collocation would be protected according to what was its essence. One would expect the protection to be coextensive not only with the invention, which, though free to all, only one had the ability to achieve, but with the possibility of reproducing the result which gives to the invention its meaning and worth. A musical composition is a rational collocation of sounds apart from concepts, reduced to a tangible expression from which the collocation can be reproduced either with or without continuous human intervention. On principle anything that mechanically reproduces that collocation of sounds ought to be held a copy, or if the statute is too narrow ought to be made so by a further act, except so far as some extraneous consideration of policy may oppose. What license may be implied from a sale of the copyrighted article is a different and harder question, but I leave it untouched, as license is not relied upon as a ground for the judgment of the court.

Herbert v. Shanley, 242 U.S. 591 (1917)

HOLMES, Justice:

These two cases present the same question: whether the performance of a copyrighted musical composition in a restaurant or hotel without charge for admission to hear it infringes the exclusive right of the owner of the copyright to perform the work publicly for profit. The last numbered case was decided before the other and may be stated first. The plaintiff owns the copyright of a lyric comedy in which is a march called "From Maine to Oregon." It took out a separate copyright for the march and published it separately. The defendant hotel company caused this march to be performed in the dining room of the Vanderbilt Hotel for the entertainment of guests during meal times, in the way now common, by an orchestra employed and paid by the company. It was held by the Circuit Court of Appeals, reversing the decision of the District Court, that this was not a performance for profit within the meaning of the act.

The other case is similar so far as the present discussion is concerned. The plaintiffs were the composers and owners of a comic opera entitled "Sweethearts," containing a song of the same title as a leading feature in the performance. There is a copyright for the opera and also one for the song which is published and sold separately. This the Shanley Company caused to be sung by professional singers, upon a stage in its restaurant on Broadway, accompanied by an orchestra. The District Court after holding that by the separate publication the plaintiffs' rights were limited to those conferred by the separate copyright, a matter that it will not be necessary to discuss, followed the decision in 221 Fed. Rep. 229, as to public performance for profit. The decree was affirmed by the Circuit Court of Appeals.

If the rights under the copyright are infringed only by a performance where money is taken at the door they are very imperfectly protected. Performances not different in kind from those of the defendants could be given that might compete with and even destroy the success of the monopoly that the law intends the plaintiffs to have. It is enough to say that there is no need to construe the statute so narrowly. The defendants' performances are not eleemosynary. They are part of a total for which the public pays, and the fact that the price of the whole is attributed to a particular item which those present are expected to order, is not important. It is true that the music is not the sole object, but neither is the food, which probably could be got cheaper elsewhere. The object is a repast in surroundings that to people having limited powers of conversation or disliking the rival noise give a luxurious pleasure not to be had from eating a silent meal. If music did not pay it would be given up. If it pays it pays out of the public's pocket. Whether it pays or not the purpose of employing it is profit and that is enough.

Decrees reversed.

Fortnightly Corp. v. United Artists Television, Inc., 392 U.S. 390 (1968)

STEWART, Justice:

The petitioner, Fortnightly Corporation, owns and operates community antenna television (CATV) systems in Clarksburg and Fairmont, West Virginia. There were no local television broadcasting stations in that immediate area until 1957. Now there are two, but, because of hilly terrain, most residents of the area cannot receive the broadcasts of any additional stations by ordinary rooftop antennas. Some of the residents have joined in erecting larger cooperative antennas in order to receive more distant stations, but a majority of the householders in both communities have solved the problem by becoming customers of the petitioner's CATV service.

The petitioner's systems consist of antennas located on hills above each city, with connecting coaxial cables, strung on utility poles, to carry the signals received by the antennas to the home television sets of individual subscribers. The systems contain equipment to amplify and modulate the signals received, and to convert them to different frequencies, in order to transmit the signals efficiently while maintaining and improving their strength.

During 1960, when this proceeding began, the petitioner's systems provided customers with signals of five television broadcasting stations, three located in Pittsburgh, Pennsylvania; one in Steubenville, Ohio; and one in Wheeling, West Virginia. The distance between those cities and Clarksburg and Fairmont ranges from 52 to 82 miles. The systems carried all the programming of each of the five stations, and a customer could choose any of the five programs he wished to view by simply turning the knob on his own television set. The petitioner neither edited the programs received nor originated any programs of its own. The petitioner's customers were charged a flat monthly rate regardless of the amount of time that their television sets were in use.

The respondent, United Artists Television, Inc., holds copyrights on several motion pictures. During the period in suit, the respondent (or its predecessor) granted various licenses to each of the five television stations in question to broadcast certain of these copyrighted motion pictures. Broadcasts made under these licenses were received by the petitioner's Clarksburg and Fairmont CATV systems and carried to its customers. At no time did the petitioner (or its predecessors) obtain a license under the copyrights from the respondent or from any of the five television stations. The licenses granted by the respondent to the five stations did not authorize carriage of the broadcasts by CATV systems, and in several instances the licenses specifically prohibited such carriage.

The respondent sued the petitioner for copyright infringement in a federal court, asking damages and injunctive relief. The issue of infringement was separately tried, and the court ruled in favor of the respondent. On interlocutory appeal under 28 U.S.C. § 1292 (b), the Court of Appeals for the Second Circuit affirmed. We granted certiorari, 389 U.S. 969, to consider an important question under the Copyright Act of 1909, 35 Stat. 1075, as amended, 17 U.S.C. § 1 *et seq*.

The Copyright Act does not give a copyright holder control over all uses of his copyrighted work. Instead, § 1 of the Act enumerates several "rights" that are made "exclusive" to the holder of the copyright. If a person, without authorization from the copyright holder, puts a copyrighted work to a use within the scope of one of these "exclusive rights," he infringes the copyright. If he puts the work to a use not enumerated in § 1, he does not infringe. The respondent's contention is that the petitioner's CATV systems infringed the respondent's § 1 (c) exclusive right to "perform . . . in public for profit" (nondramatic literary works) and its § 1 (d) exclusive right to "perform . . . publicly" (dramatic works). The petitioner maintains that its CATV systems did not "perform" the copyrighted works at all.[13]

[13] The petitioner also contends that if it did "perform" the copyrighted works, it did not do so "in public."

At the outset it is clear that the petitioner's systems did not "perform" the respondent's copyrighted works in any conventional sense of that term, or in any manner envisaged by the Congress that enacted the law in 1909. But our inquiry cannot be limited to ordinary meaning and legislative history, for this is a statute that was drafted long before the development of the electronic phenomena with which we deal here. In 1909 radio itself was in its infancy, and television had not been invented. We must read the statutory language of 60 years ago in the light of drastic technological change.

The Court of Appeals thought that the controlling question in deciding whether the petitioner's CATV systems "performed" the copyrighted works was: "How much did the [petitioner] do to bring about the viewing and hearing of a copyrighted work?" Applying this test, the court found that the petitioner did "perform" the programs carried by its systems. But mere quantitative contribution cannot be the proper test to determine copyright liability in the context of television broadcasting. If it were, many people who make large contributions to television viewing might find themselves liable for copyright infringement—not only the apartment house owner who erects a common antenna for his tenants, but the shopkeeper who sells or rents television sets, and, indeed, every television set manufacturer. Rather, resolution of the issue before us depends upon a determination of the function that CATV plays in the total process of television broadcasting and reception.

Television viewing results from combined activity by broadcasters and viewers. Both play active and indispensable roles in the process; neither is wholly passive. The broadcaster selects and procures the program to be viewed. He may produce it himself, whether "live" or with film or tape, or he may obtain it from a network or some other source. He then converts the visible images and audible sounds of the program into electronic signals, and broadcasts the signals at radio frequency for public reception. Members of the public, by means of television sets and antennas that they themselves provide, receive the broadcaster's signals and reconvert them into the visible images and audible sounds of the program. The effective range of the broadcast is determined by the combined contribution of the equipment employed by the broadcaster and that supplied by the viewer.

The television broadcaster in one sense does less than the exhibitor of a motion picture or stage play; he supplies his audience not with visible images but only with electronic signals. The viewer conversely does more than a member of a theater audience; he provides the equipment to convert electronic signals into audible sound and visible images. Despite these deviations from the conventional situation contemplated by the framers of the Copyright Act, broadcasters have been judicially treated as exhibitors, and viewers as members of a theater audience. Broadcasters perform. Viewers do not perform. Thus, while both broadcaster and viewer play crucial roles in the total television process, a line is drawn between them. One is treated as active performer; the other, as passive beneficiary.

When CATV is considered in this framework, we conclude that it falls on the viewer's side of the line. Essentially, a CATV system no more than enhances the viewer's capacity to receive the broadcaster's signals; it provides a well-located antenna with an efficient connection to the viewer's television set. It is true that a CATV system plays an "active" role in making reception possible in a given area, but so do ordinary television sets and antennas. CATV equipment is powerful and sophisticated, but the basic function the equipment serves is little different from that served by the equipment generally furnished by a television viewer. If an individual erected an antenna on a hill, strung a cable to his house, and installed the necessary amplifying equipment, he would not be "performing" the programs he received on his television set. The result would be no different if several people combined to erect a cooperative antenna for the same purpose. The only difference in the case of CATV is that the antenna system is erected and owned not by its users but by an entrepreneur.

The function of CATV systems has little in common with the function of broadcasters. CATV systems do not in fact broadcast or rebroadcast. Broadcasters select the programs to be viewed; CATV systems simply carry, without editing, whatever programs they receive. Broadcasters procure programs and propagate them to the public; CATV systems receive programs that have been released to the public and carry them by private channels to additional viewers. We hold that CATV operators, like viewers and unlike broadcasters, do not perform the programs that they receive and carry.

We have been invited by the Solicitor General in an *amicus curiae* brief to render a compromise decision in this case that would, it is said, accommodate various competing considerations of copyright, communications, and antitrust policy. We decline the invitation. That job is for Congress. We take the Copyright Act of 1909 as we find it. With due regard to changing technology, we hold that the petitioner did not under that law "perform" the respondent's copyrighted works.

The judgment of the Court of Appeals is

Reversed.

FORTAS, Justice (dissenting):

This case calls not for the judgment of Solomon but for the dexterity of Houdini. We are here asked to consider whether and how a technical, complex, and specific Act of Congress, the Copyright Act, which was enacted in 1909, applies to one of the recent products of scientific and promotional genius, CATV. The operations of CATV systems are based upon the use of other people's property. The issue here is whether, for this use, the owner of copyrighted material should be compensated. From a technical standpoint the question—or at least one important question—is whether the use constitutes a "performance" of the copyrighted material within the meaning of § 1 (c) of the Copyright Act. But it is an understatement to say that the Copyright Act, including the concept of a "performance," was not created with the development of CATV in mind. The novelty of the use, incident to the novelty of the new technology, results in a baffling problem. Applying the normal jurisprudential tools—the words of the Act, legislative history, and precedent—to the facts of the case is like trying to repair a television set with a mallet. And no aid may be derived from the recent attempts of Congress to formulate special copyright rules for CATV—for Congress has vacillated in its approach.

At the same time, the implications of any decision we may reach as to the copyright liability of CATV are very great. On the one hand, it is darkly predicted that the imposition of full liability upon all CATV operations could result in the demise of this new, important instrument of mass communications; or in its becoming a tool of the powerful networks which hold a substantial number of copyrights on materials used in the television industry. On the other hand, it is foreseen that a decision to the effect that CATV systems never infringe the copyrights of the programs they carry would permit such systems to overpower local broadcasting stations which must pay, directly or indirectly, for copyright licenses and with which CATV is in increasing competition.

The vastness of the competing considerations, the complexity of any conceivable equitable solution to the problems posed, and the obvious desirability of ultimately leaving the solution to Congress induced the Solicitor General, in a memorandum filed prior to oral argument in this case, to recommend "that the Court should stay its hand because, in our view, the matter is not susceptible of definitive resolution in judicial proceedings and plenary consideration here is likely to delay and prejudice the ultimate legislative solution."

That is a splendid thought, but unhappily it will not do. I agree with the majority that we must pass on the instant case. An important legal issue is involved. Important economic values are at stake, and it would be hazardous to assume that Congress will act promptly, comprehensively, and retroactively. But the fact that the Copyright Act was written in a different day, for different factual situations, should lead us to tread cautiously here. Our major object, I suggest, should be to do as little damage as possible to traditional copyright principles and to business relationships, until the Congress legislates and relieves the embarrassment which we and the interested parties face.

The opinion of the majority, in my judgment, does not heed this admonition. In an attempt to foster the development of CATV, the Court today abandons the teachings of precedent, including a precedent of this Court, as to the meaning of the term "perform" in the Copyright Act. It is not our general practice to reverse ourselves, without compelling reasons to do so, on matters of statutory construction, especially on a construction of many years' standing under which an entire industry has operated. Yet today's decision might not be objectionable, if the majority replaced what it considers an

outmoded interpretation of the term "perform" with a new, equally clear, and workable interpretation. It does not, however, do this. It removes from copyright law an interpretation which, though perhaps not altogether satisfactory as an analytical matter, has at least been settled for nearly 40 years; and it substitutes for that discarded interpretation a rule which I do not believe is an intelligible guide for the construction of the Copyright Act. Moreover, the new rule may well have disruptive consequences outside the area of CATV.

The approach manifested in the opinion of the Court is disarmingly simple. The Court merely identifies two groups in the general field of television, one of which it believes may clearly be liable, and the other clearly not liable, for copyright infringement on a "performance" theory: "Broadcasters perform. Viewers do not perform." From this premise, the Court goes on to hold that CATV "falls on the viewer's side of the line. Essentially, a CATV system no more than enhances the viewer's capacity to receive the broadcaster's signals; it provides a well-located antenna with an efficient connection to the viewer's set. . . . CATV equipment is powerful and sophisticated, but the basic function the equipment serves is little different from that served by the equipment generally furnished by a television viewer."

The decision in *Buck v. Jewell-LaSalle*, must, the Court says today, "be understood as limited to its own facts." In *Buck*, the Court, speaking unanimously through Mr. Justice Brandeis, held that a hotel which received a broadcast on a master radio set and piped the broadcast to all public and private rooms of the hotel had "performed" the material that had been broadcast. As I understand the case, the holding was that the use of mechanical equipment to extend a broadcast to a significantly wider public than the broadcast would otherwise enjoy constitutes a "performance" of the material originally broadcast. I believe this decision stands squarely in the path of the route which the majority today traverses. If a CATV system performs a function "little different from that served by the equipment generally furnished by a television viewer," and if that is to be the test, then it seems to me that a master radio set attached by wire to numerous other sets in various rooms of a hotel cannot be distinguished.

The vague "functional" test of the meaning of the term "perform" is, moreover, unsatisfactory. Just as a CATV system performs (on the majority's analysis) the same function as the antenna of the individual viewer, so a television camera recording a live drama performs the same function as the eye of a spectator who is present in the theater. Both the CATV and the television camera "receive programs that have been released to the public and carry them by private channels to additional viewers." Moreover, the Court has indulged in an oversimplification of the "function" of CATV. It may be, indeed, that insofar as CATV operations are limited to the geographical area which the licensed broadcaster (whose signals the CATV has picked up and carried) has the power to cover, a CATV is little more than a "cooperative antenna" employed in order to ameliorate the image on television screens at home or to bring the image to homes which, because of obstacles other than mere distance, could not receive them. But such a description will not suffice for the case in which a CATV has picked up the signals of a licensed broadcaster and carried them beyond the area—however that area be defined—which the broadcaster normally serves. In such a case the CATV *is* performing a function different from a simple antenna for, by hypothesis, the antenna could not pick up the signals of the licensed broadcaster and enable CATV patrons to receive them in their homes.

Buck v. Jewell-LaSalle may not be an altogether ideal gloss on the word "perform," but it has at least the merit of being settled law. I would not overrule that decision in order to take care of this case or the needs of CATV. This Court may be wrong. The task of caring for CATV is one for the Congress. Our ax, being a rule of law, must cut straight, sharp, and deep; and perhaps this is a situation that calls for the compromise of theory and for the architectural improvisation which only legislation can accomplish.

I see no alternative to following *Buck* and to holding that a CATV system does "perform" the material it picks up and carries. I would, accordingly, affirm the decision below.

Mark A. Lemley, *Dealing with Overlapping Copyrights on the Internet*, 22 U. DAYTON L. REV. 547 (1997)

There are reasons to be concerned about the pervasive overlap of exclusive rights that is endemic to Net transmission. The overlap puts strain on a rather complex copyright system that is not designed to deal with multiple types of infringement from a single activity. [. . .]

A. Divided Ownership

Ownership of a copyright vests initially in the "author" of a work, as defined under the Copyright Act. An individual who, working alone, creates a new work is the author of that work, and owns the copyright in that work. If two or more individuals collaborate on a work, they are "joint authors," and each co-owns the copyright in the work. In the case of co-ownership of a copyright by joint authors, the co-owners hold the copyright as tenants in common. Each has an undivided interest in possession and use of the whole, subject to a duty to account for profits to the co-owner, and a duty not to "waste" the asset. In some cases the Copyright Act engages in a fiction, defining the original "author" as the corporate entity that has hired or commissioned the work. In each case, however, the copyright owner or owners hold an undivided interest in the copyright, and have the power to exercise each of the exclusive rights in § 106.

Authors can transfer their copyright to others at will. Section 201(d)(1) of the 1976 Copyright Act provides that "[t]he ownership of a copyright may be transferred . . . by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession," provided the transfer is in writing. This means that in many cases, the owner of a copyright will not be the original author (or even the original corporate "author" of a work for hire), but someone to whom the copyright has been assigned.

Under the 1909 Act, a copyright was "indivisible"-it could be transferred or assigned only as a single integrated whole and only to a single recipient. Grants of less than a full transfer of the undivided copyright were treated as licenses rather than assignments, and did not confer on the recipient standing to sue third parties for infringement. Such "partial licenses" were common under the 1909 Act, particularly in the music industry.

Indivisibility was abolished by the 1976 Act. Section 201(d) provides that "ownership of a copyright may be transferred in whole or in part," and in particular that:

> Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

Under this provision, an exclusive license of one or more of the exclusive rights, or even of a subset of one of the exclusive rights, such as the exclusive right to publish copies of a book in hardcover form, effectively operates to transfer that portion of the copyright to the exclusive licensee. The exclusive licensee then has the exclusive rights to do and to authorize the particular conduct covered in the license, and to bring suit for infringement of those rights. Nonexclusive licensees, by contrast, are not treated as owners and do not have standing to sue for infringement.

Under the modern divisibility rule, it is entirely possible that unrelated entities will own different exclusive rights to the same copyrighted work. Party A may own the exclusive right to reproduce the work in copies, while party B owns certain adaptation rights, and party C owns public performance rights in the work. Further, in some cases more than one author's rights may be involved in a single work. For example, licensed creators of derivative works may own the rights to the new material they contribute, while the underlying copyright "owner" owns the reproduction and adaptation rights in the original work.

Thus, those who would copy a derivative work in its entirety need licenses from both of the copyright owners who have contributed to that work. For those who wish to use one of the exclusive rights, these divided rights may be a minor inconvenience, but generally no more than that; the party seeking a license simply needs to determine who has the exclusive right to authorize the particular conduct at issue.

By contrast, consider the dilemma faced by someone who wishes to make available over the Net a copyrighted work in which ownership rights have been divided. [. . .] [P]osting such a work may make the individual posting it liable for infringement to several different entities, each of which will claim the exclusive right to authorize the same conduct. For similar reasons, even obtaining a license from the owner of the public display right will not permit the licensee to display the work on the Net, since such a display also makes copies and involves distribution of the work, and those rights may be owned by different parties. In the context of divided ownership, overlapping rights governing the same conduct may serve as a trap for unwary users, even those who have licensed the copyright from "the" owner in good faith. Further, it may undermine the laudable efforts of groups like American Society of Composers, Authors and Publishers (ASCAP) and the Copyright Clearance Center (CCC) to provide efficient market-clearing mechanisms for low-value copyright licenses. ASCAP licenses only performance rights, and the CCC only reproduction rights. The value of these services will be substantially reduced if they do not actually grant the licensee the right to use the work in question. The only way to guarantee that you are not infringing by placing something on the Net appears to be to find and obtain a license from each of the different owners of a potentially relevant exclusive right.

This is a problem not only for users, but also for copyright owners. People are willing to pay money to license copyrights because that license gives them the right to engage in certain desirable conduct. Licensees will be willing to pay party A much less for a grant of immunity from suit if they know that they can still be sued by parties B and C. Those partial owners of copyright, in turn, may be less willing to acquire only partial rights from an author, and at the very least will find those partial rights less valuable, if they do not authorize Net distribution. The effect of overlapping rights on the Net may be to reduce the divisibility of exclusive rights in practice, at the expense of free commerce. Indeed, where exclusive licenses have been given to different parties, the perverse result may well be that no one has the right to distribute the work on the Net.

B. Interpreting Existing Licenses

Not all copyright licenses are exclusive, resulting in a transfer of ownership. Nonexclusive licenses give the licensee the authority to perform one or more of the exclusive rights in § 106, often for a limited time or with conditions attached. While some digital content will be created (and presumably therefore licensed) with the Net in mind, much of it will not be. Much of the content on the Net today consists of pre-existing books, films, pictures and software. Existing licensors and licensees of this material must determine whether the existing license covers Net publication.

The general problem of applying existing license agreements to subsequently developed technologies is not new. A series of cases have set down rules for the interpretation of such agreements, though those rules are not always consistent. These cases envision three basic types of agreements: those which grant the licensee rights to work the copyright "in electronic media and in media not yet developed," those which expressly reserve such rights to the licensor, and those which are silent as to the treatment of new media. In the first and second groups, courts are inclined to enforce the terms of the license, extending the license if the terms require that result and refusing to extend it if the terms require otherwise. In the third group, however, there is no contractual provision to enforce. Courts and commentators are divided on how to approach such cases. Courts often seek to determine the "intent" of the parties to the bargain; the problem, as the Nimmer treatise observes, is that most often the parties did not intend anything at all with respect to an unanticipated medium. Various default rules have been suggested to deal with such cases, but none of them seems completely satisfactory.

The problem with the Net is much worse. Ordinarily, the problems of adapting to an unanticipated medium can be taken care of by careful drafting of the license agreement. Even general statements of the type enforced in most cases, however, may not avail a licensee who hopes to make material available on the Net. For example, a broad license of the type enforced in Brown—granting the licensee the right to reproduce a work "perpetually and throughout the world . . . in and by all media and means whatever" presumably does cover reproduction over the Net. But it does not cover distribution, public performance, and public display rights, each of which may also be necessary in order to make the work available.

The unique problem posed by the Net is that it does not merely constitute a new medium for reproduction, distribution, or performance, but rather a medium which blends each of those exclusive rights in an unanticipated way. Because of this, license agreements which are not specific to the Net cannot easily be adapted to it. Either a right to reproduce that includes new media will effectively be construed as a right to work each of the exclusive rights on the Net, or the right to reproduce in new media will effectively not apply to the Net at all. Neither outcome seems particularly satisfactory, nor especially likely to be consistent with the "intent" of the parties.

Nor is the problem necessarily cured by reference to the Net in a license agreement, as distribution on different parts of the Net implicates different rights. For example, a license agreement drafted in 1989 granting "the right to reproduce the work in any medium now known or later developed, including by electronic mail" presumably includes by implication the right to distribute the work via e-mail. But does it include the performance and display rights necessary to post the work on the Web? This problem is far from hypothetical. For example, consider the licensing of rights to musical works. ASCAP controls and licenses the right to publicly perform most musical compositions, while a different group (the publishers or record labels) generally controls the right to reproduce such works. These groups will likely fight vigorously over who has the right to license the network transmission of musical compositions (and to receive revenue from that transmission). The answer cannot be found in the license agreement, nor is it likely to be found in some presumed "intent" of the parties. The question will have to be answered as a policy matter, by courts or by Congress.

C. User Rights

The broad exclusive rights granted in § 106 of the Copyright Act are limited by a number of important exceptions. Some of these, such as the fair use doctrine, are extremely broad general protections for users of copyrighted works. Others are very narrow, such as the exemption in § 110(9) for the

> performance on a single occasion of a dramatic literary work published at least ten years before the date of the performance, by or in the course of a transmission specifically designed for and primarily directed to blind or other handicapped persons who are unable to read . . . if the performance is made without any purpose of direct or indirect commercial advantage and its transmission is made through the facilities of a radio subcarrier authorization . . . Provided, That the provisions of this clause shall not be applicable to more than one performance of the same work by the same performers or under the auspices of the same organization.

The overlapping rights implicated by material placed on the Net may allow copyright owners to circumvent certain of the statutory user rights in the Copyright Act. The problem is essentially the same as with divided ownership and license agreements. Statutes written with separate classes of use in mind do not always work well in a world where a single act may implicate all of the exclusive rights. Those user rights which are limited in their application to certain of the exclusive rights, or to certain types of works, are the most likely to be rendered worthless in the network environment.

The most celebrated example is the first sale doctrine. Section 109(a) of the Copyright Act provides that "the owner of a particular copy or phonorecord lawfully made under this title . . . is entitled,

without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord" without violating the copyright owner's exclusive right of distribution. It is this provision which allows a consumer who purchases a book to sell it to a used bookstore, loan it to her friends, and even rent it out for profit. But if you obtain a book over the Net, beware: § 109(a) will not protect you. The problem is that in a computer network, every act of distribution or importation is also an act of reproduction, and frequently of performance or display as well, and reproductions and displays are not exempt under the first sale doctrine. Section 109(a) still applies to transactions over the Net in a technical sense; it is just that its purpose is defeated by the overlapping copyright problem. The impact is to give copyright owners much broader control over the use of information-including the uncopyrightable ideas contained in their works-than they have ever had before.

The first sale doctrine is not the only example of a statutory user right that is likely to be rendered ineffective on the Net because of the overlapping copyright problem. The exemption for library copying in § 108(a) grants libraries the general right "to reproduce no more than one copy . . . or to distribute such copy" under certain specified conditions. This right is unlikely to protect network transmission of such a "copy," both because it may also be a public display of the work and because (under MAI and its progeny) multiple "copies" may be necessary to deliver even one nontransitory reproduction. Section 110(2) permits the "performance of a nondramatic literary or musical work or display of a work, by or in the course of a transmission" for nonprofit educational or governmental purposes. Unless this performance right is held to confer an implied right to make and distribute copies, there is no way to exercise this right on the Net. The same is true of performances of literary works for the blind, normally exempted under § 110(8).

A second problem is presented by § 117 of the Copyright Act. This section was enacted by Congress in 1980 in order to prevent the proliferation of "copies" of computer programs from leading to automatic liability each time a computer program was used. Because § 117 applies only to "computer programs," however, and not to other forms of digital content not yet envisioned by Congress at the time the provision was passed, copies of data are not subject to the same protections as copies of programs.

To be sure, not all user rights are rendered ineffective by the overlapping copyright problem. The fair use doctrine, probably the single most important user right, applies equally on-or offline, largely because it is so general. Even some of the more specific provisions survive the overlap problem because they specifically exempt users from each of the rights that might be implicated by transferring digital content. For example, § 115(a)(1) permits "digital phonorecord deliveries" of a published musical work upon obtaining a compulsory license; the definition of a "digital phonorecord delivery" makes it clear that the compulsory license is valid for each of the exclusive rights at issue. Similarly, § 118(d) exempts from liability public broadcasters who reproduce, distribute, transmit, perform, and display a work, provided they have paid a negotiated or arbitrated royalty. Nonetheless, the overlap of rights that occurs on the Net has certainly altered the balance of rights set by Congress in unforeseen ways.

D. Copyright and the Public Understanding

The Copyright Act is not simple, despite occasional efforts to pretend that it is. As Jessica Litman has pointed out on several occasions, there is a significant separation between what people think the law is and what the law in fact is. There are a number of reasons for this. First, nonlawyers want simple rules that they can understand, and in many cases the Copyright Act gives them rules so complex that even those of us who study them for a living have a hard time figuring them out. Second, nonlawyers want yes or no answers to the question "Can I do X?" Copyright responds with such models of clarity as the fair use doctrine. It is no surprise, therefore, that nonlawyers invent such copyright "myths" as the 250-word rule, the less-than-one-minute rule, or the change-every-eighth-note rule. Third, copyright law is simply never enforced against many kinds of conduct. A nonlawyer (and even some lawyers) will photocopy a Dilbert cartoon to hang on his door without giving it a second thought, simply because no one he or anyone else knows has ever been hauled into court to defend such conduct.

This cognitive dissonance between copyright law and the real world is troubling. A law which nobody obeys is not a good thing as a philosophical matter. It may lead to disrespect for laws in general. More specifically, it may lead those who violate the unenforced parts of the copyright laws with impunity to assume that they can violate the copyright law in other ways as well. At a different level, if a law is so out of touch with the way the world works that it must regularly be ignored in order for the everyday activities of ordinary people to continue, perhaps we should begin to question whether having the law is a good idea in the first place.

The overlapping copyright rights that exist on the Net greatly exacerbate this problem. The most obvious example is the absurd result of any literal application of the MAI case. The law may call every instantiation of every piece of data a "copy" and demand advance permission and a royalty to make that copy, but the Internet simply does not operate that way. Either copyright owners will literally shut down the Net by enforcing the rights the courts have declared they have, or those "rights" will continue to be ignored in the interests of day-to-day living, and the elusive meaning of what is "really" infringement will slip further out of the grasp of ordinary mortals. The problem is even worse with respect to ownership, licensing, and user rights. Here, even the rights that copyright owners or users reasonably think they have vanish when the dubious magic of the Copyright Act is applied to them. If the authors of the White Paper want to educate the public about the morality of enforcing copyrights, this is the wrong way to go about it.