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A COMPARATIVE ANALYSIS OF THE JUDICIAL DOCTRINE OF FAIR USE IN APPLYING COPYRIGHT LAW IN THE UNITED KINGDOM AND THE UNITED STATES

Submitted By

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TABLE OF CONTENTS

	PAGE
Acknowledgements	i
The Evolution of Fair Dealing and Fair Use In the United Kingdom and United States	1
How the Copyright Acts in the United Kingdom and the United States Dealt with the Concept of Fair Dealing and Fair Use.	25
Photocopying as Fair Use.	47
Audio and Video Copying	83
Unpublished Works.	101

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CHAPTER I

The Evolution of Fair Dealing and Fair Use in the United Kingdom and United States

From the first English Copyright Act, the statute of Anne in 1710, the law of copyright has given creative people the exclusive right to reproduce copies of their books and by extension other writings. Today copyright covers much broader grounds, including not only most literary, artistic, and musical works, but architectural works and computer software and databases as well.

However, the legislature and the judiciary have attempted to recognize that, others could legally copy the protected material to the extent that the owner of copyright is not injured since the fundamental justification for the copyright grant is to promote the progress of knowledge, the rights of the copyright owner to financial rewards must occasionally be subordinated to the greater public interest of developing art, science and industry.

Fair dealing is one of the most important exceptions which gives another person to copy the copyrighted material. Fair dealing is not defined in the United Kingdom copyright acts. However, courts have tried to interpret this concept and it could be said that, fair dealing permits the reproduction, for legitimate purposes, of material taken from a copyrighted work to a limited extent that will not cut into the copyright owner's

potential market for the sale of copies.

The doctrine of fair use has been evolved by several judgments and dicta given by the English judges. If you look at the history of the cases, especially in the area of copyright law, the english judges have permitted the unconsented use of one author's work by a subsequent author. Mainly, this rationale was initially found in the context of fair abridgment. Gyles v. Wilcox, 2 Atk.141 (1740) (No. 130) was a case where an injunction was asked to stay the printing of an alleged infringing legal treatise. In discussing the defense of 'abridgment' Lord Chancellor Hardwicke stated:

> Where books are colourably shortened only, they are undoubtedly within the meaning of the act of Parliament (Anne), and are a mere evasion of the statute, and cannot be called an abridgment.
>
> But this must not be carried so far as to restrain persons from making a real and fair abridgment, for abridgments may with great propriety be called a new book, because not only the paper and print, but the invention, learning, and judgment of the author is shown in them, and in many cases are extremely useful though in some instances prejudicial, by mistaking and curtailing the sense of an author.
>
> If I should extend the rule so far as to restrain all abridgments, it would be of mischievous consequence, for the books of the learned les journels des scavans and several others that might be mentioned would be brought within the meaning of this act of parliament.

Id. at 143.

In Cary v. Kearsley, 4 Esp. 168 (1803) plaintiff was the author of the Book of Roads, an itinerary he had composed by taking and preparing surveys and distances of various roads. In

support of his claim of infringement by defendant's work, which was apparently of the same nature, plaintiff relied on two points: (a) the names of certain places and their distances generally corresponded, and (b) several errors contained in his work were also found in defendant's work.

On the basic question of infringement, Lord Ellenborough remarked:

> That part of the work of one author is found in another, is not of itself piracy, or sufficient to support an action; a man may fairly adopt part of the work of another: he may so make use of another's labours for the promotion of science and the benefit of the public; but having done so, the question will be, was the matter so taken used fairly with that view, and without what I may term the animus furandi?*** Look through the book, and find any part that is a transcript of the other; if there is none such; if the subject of the book is that which is subject to every man's observation; such as the names of the places and their distances from each other, the places being the same, the distances being the same, if they are correct, one book must be a transcript of the other; but when in the defendant's book there are additional observations, and in some part of the book I find corrections of misprinting * * * while I shall think myself bound to secure every man in the enjoyment of his copyright, one must not put manacles on science. I think great part of the book that I have seen, Mr. Kearsley might fairly avow that he had taken it from Mr. Cary's book. I shall address these observations to the jury leaving them to say, whether, what (was) so taken or supposed to be transmitted from the plaintiff's book, was fairly done with a view of compiling a useful book for the benefit of the public, upon which there has been a totally new arrangement of such matter, - or taken colourably, merely with a view to steal the copyright of the plaintiff?"

Id. at 170-171.

Analyzing the above statements made by Lord Ellenborough, William F. Patry in his book "The Fair Use Privilege in Copyright Law" states that, "although Lord Ellenborough did not use the words 'fair use' instead asking whether the matter was 'used fairly' we find here the origins of fair use, as opposed to fair abridgment which concerns the shortening of a larger work into a smaller version of the same work." Id. at 10.

It is interesting to note that in this case Lord Ellenborough has taken into consideration the motive of the defendant which is animus furandi. That is, even the user's work promote the progress of science and thereby benefit the public it is still required to determine whether the use was motivated by animus furandi. It could be seen even in the USA this concept is an important part of fair use litigation. This could be seen in the well known case of Marcus v. Rowley, 695 F.2d 1171 (9th Cir. 1983) where it was stated that "Because fair use presupposes that the defendant has acted fairly and in good faith, the propriety of the defendant's conduct should also be weighed in analyzing the purpose and character of the use." Id. at 1175-1176.

In Wilkins v. Aikin, 17 Ves. (ch.) 442 (1810) the plaintiff after a research trip to Greece and Sicily published a work called the "Antiquities of Magna Graecia." Defendant later published a work entitled an Essay on the Doric Order of Architecture.

Plaintiff claimed that several of his drawings and pages were 'in great measure' copied by defendant, and rejected the

idea that defendant's work was a fair abridgment.

In this case, the questions of quotation, competition and the amount of creativity necessary to qualify as a fair use or abridgment had to be determined.

Lord Eldon distinguished two concepts which are fair abridgment and fair quotation, and stated that, the defendant had a right of fair quotation but as with the fair abridgment animus furandi was a critical factor and it should be decided by the jury.

In Bramwell v. Halcomb, 3 My. and Cr. (ch.) 737 the court had to deal with the question of quantity. Lord Chancellor Cottenham replied:

> When it comes to a question of quantity, it must be very vague. One writer might take all the vital part of another's book, though it might be but a small proportion of the book in quantity. It is not only quantity but value that is always looked to. It is useless to refer to any particular cases as to quantity.

Id. at 738.

Furthermore, he stated that, "In my view of the law, Lord Eldon, in Wilkins v. Aikin, put the question on a most proper footing. He says, 'The question upon the whole is whether this is a legitimate use of the plaintiff's publication, in the fair exercise of a mental operation, deserving the character of an original work.'" Id. at 738.

In Lewis v. Fullarton, 2 Beav. 6 (1839) plaintiff published "The Topographical Dictionary of England," a work partly composed of compilations and selections from other works and partly of

original authorship, which plaintiff claimed was infringed by defendant's "A New and Comprehensive Gazetteer of England and Wales."

In this case the specific term 'fair use' was applied to extracting for the first time. However, the claim of fair use was denied because the defendant had not made any productive, creative use of the plaintiff's work; instead he had merely copied it.

According to the above case law it could be seen that there has been a complete move away from the fair abridgment context. However, as William Patry in his book states, "

> that there are a number of similarities between fair abridgment and fair use. That is both were allowed because they involved originality on the part of the abridger or user as manifested in a new work that also promoted the progress of science and thereby benefited the public; both were characterized by an examination into the intent of the abridger or user, an inquiry otherwise irrelevant in infringement determinations; and finally both were permitted only if they did not supplant the market for or value of the original.

Id. at 17.

Furthermore, he states that, "there is a critical difference between them: while fair abridgment rested upon capturing the essence of the original in a reduced form, this 'communication of the same knowledge' of the original was flatly prohibited by fair use." Id. at 17.

Although Justice story's opinion in Folsom v. Marsh is being considered as the first case which expressed on the doctrine of

fair use in the USA, according to William Patry, two years earlier, in Gray v. Russell, 10 F. Cas. 1035 (C.C.D. Mass. 1839) (No. 5, 728) Justice Story has raised many of the points which he raised in Folsom v. Marsh. In Gray v. Russell plaintiff added public domain notes to a public domain Latin grammar. Defendant in his edition of the same grammar, was alleged to have appropriated substantial portions of the notes found in plaintiff's work. Justice Story found that the defendant had infringed the plaintiff's interest and stated that:

> If large extracts are made*** in a review, it might be a question, whether those extracts were designed bonafide for the mere purpose of criticism, or were designed to supersede the original work under the pretence of a review, by giving its substance in a fugitive form. The same difficulty may arise in relation to an abridgment of an original work. The question, in such a case, must be compounded of various considerations; whether it be a bonafide abridgment, or only an evasion by the omission of some unimportant parts; whether it will, in the present form, prejudice or supersede the original work; whether it will be adapted to the same class of readers; and many other considerations of the same sort.**** In many cases, the question may naturally turn upon the point, not so much of the quantity as of the value of the selected materials. As was significantly said on another occasion 'Non numerantur, ponderantur.' The quintessence of a work may be piratically extracted, so as to leave a mere caput mortuum, by a selection of all the most important passages in a comparatively moderate space."

Id. at 1038-1039.

In Folsom v. Marsh, 9 F. Cas. 342, Jared Sparks became the proprietor of President Washington's public and private letters. He edited these letters and accompanied them with notes,

illustrations, and an original biography of Washington. The entire work comprised 12 volumes and some 7,000 pages, with the biography forming the first volume and the letters the remainder.

Rev. Charles Upham thereafter published a two-volume work entitled "The Life of Washington" in the form of an autobiography using the artifice of a narrative 'by' Washington derived from extracts and selections of Washington's writings and correspondence. Upham's work was 866 pages long.

Sparks claimed that 388 pages of his work were copied verbatim in Upham's work. But, Upham argued that, an author has a right to quote, select, extract or abridge from another, in the composition of a work essentially new.

Rejecting Upham's defense Justice Story held that:

> 'defendant's' work cannot properly be treated as an abridgment of that of the plaintiff's; neither is it strictly and wholly a mere compilation from the latter.*** It is not even of the nature of the collection of beauties of an author; for it does not profess to give fugitive extracts, or brilliant passages from particular letters. It is a selection of the entire contents of particular letters from the whole collection or mass of letter of the work of the plaintiffs. From the known taste and ability of Mr. Upham, it cannot be doubted, that these letters are the most instructive, useful and interesting to be found in that large collection.

Id. at 347-348.

To come to this conclusion Justice Story has taken into consideration the nature and objects of the selections made, the quantity and value of the materials used and the degree in which the use may prejudice the sale, or diminish the profits, or

supersede the objects of the original work. This could be seen from the following passage where he stated:

> In short, we must often in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.

Id. at 348.

In applying the first factor into this case which is the nature and the objects of the selections made, Justice Story admitted that defendant's work was a valuable one that would benefit the public. However, William Patry states that, "the defendant got stumbled at the next step, which was whether his work was the result of a fair exercise of a mental operation rather than the result of a facile use of scissors." Id. at 24.

Referring to the second factor which is the quantity and value of the materials used Justice Story stated that even though the quantity of plaintiff's work used by defendant was only 4.5 percent that part was the most interest and value to the public. There was no evidence in Folsom regarding a perceived or potential prejudice to sales or diminution in profits or superseding of the objects of the work. However, as William Patry states, Justice Story took note of possible economic harm to plaintiff. But it was decided on the basis of defendant's failure to satisfy the requirement of exercising real and substantial intellectual labor and judgment in his utilization of the 4.5 percent of the work he appropriated.

It is interesting to note at this point, according to the judgment if the case was a fair and bonafide abridgment of the work of the plaintiffs the outcome would have been different. However, in the USA the right to make a fair and bonafide abridgment was eliminated by the 1909 and the 1976 Copyright Acts.

Lawrence v. Dana, 15 F. Cas. 26 (C.C.D. Mass 1869) (No. 8,136) was a case where the complainant Lawrence had published editions of Wheaton's Elements of International Law, for which he had prepared extensive original annotations. Respondent Dana later published an edition of the same work in which it was alleged he had substantially copied those annotations.

The court had to deal with two main questions: what use did the respondent make of the complainant's notes and whether that use was allowable or was it of a character and to such an extent that it infringed the complainant's rights. Rejecting the application of fair use, Justice Clifford stated that:

> beyond all doubt, [respondent] might take the old materials, as found in the sources from which the matters of fact, citations, and authorities of the complainant were drawn and use them as he pleased, in illustration of new and original propositions, or for any other purpose not substantially the same as that to which they are applied in the annotated editions edited by the complainant; but he could not borrow the materials as therein collected and furnished, nor could he rightfully use the plan and arrangement or the mode by which they are combined with the text, beyond the extent falling within the definition of fair use, which rule is only applicable to the materials, and not to the plan, arrangement, and mode of operation.

Id. at 58.

Furthermore, it was observed in this case that the two works were designed for the same class of readers and served the same general purpose. Justice Clifford went on stating that,

> fair use shall not be exercised to an extent to work substantial injury to the property which is under the legal protection of copyright. Reviewers may make extracts sufficient to show the merits or demerits of the work, but they cannot so exercise the privilege as to supersede the original book. Sufficient may be taken to give a correct view of the whole; but the privilege of making extracts is limited to those objects, and cannot be exercised to such an extent that the review shall become a substitute for the book reviewed.

Id. at 61.

Simms v. Stanton, 75 F.6 (C.C.N.D. Cal. 1896) is an interesting case where fair use was applied to scientific works. Plaintiff was the author of a series of works on physiognomy, the art of reading faces. Defendant was the author of two works, one a 351 page volume entitled Scientific Physiognomy - How to Read Faces, the other a 1,222 page volume that was a more complete version of the first.

The question which had to be answered in here was whether defendant's book is quod hoc, a servile or evasive imitation of the plaintiff's work, or a bona fide original compilation from other common or independent sources.

The court did not find a substantial similarity of protectable expression between the two works and that the defendant had any animus furandi. As a result, the court found

that the defendant's use was fair.

Drone in his book on copyright has distinguished Rubin v. Boston Magazine Co., 645 F.2d 80 (1st Cir. 1981) from the Simms case. In Rubin plaintiff wrote a purportedly scientific work called "The Social Psychology of Romantic Love," a part of which contained a 'love scale' and a 'liking scale' both of which consisted of questions designed to elicit individuals' feelings about each other. Defendant, a general circulation magazine, reprinted these scales as a quiz to entertain its readers. Rejecting defendant's claim of fair use, the Court of Appeals found that defendant's use was purely commercial and therefore not eligible for the fair use privilege.

In West Pub. Co. v. Lawyers' Cooperative Pub. Co., 64 F.360 (C.C.N.D. N.Y. 1894) the evidence showed that in the preparation of its legal digest, defendant's editors had recourse to plaintiff's copyrighted headnotes, and that instead of using the notes as a guide for permissible purposes such as verifying accuracy and detecting omissions, the editors had either repeated plaintiff's work verbatim or colorably, enabling the editors to digest cases at a rate approximately six times faster than that accomplished by plaintiff's editors. The court held that there was no fair use. But in Edward Thompson Co. v. American Lawbook Co., 121 F. 907 (C.C.S.D. N.Y. 1903) where there was a similar situation, the court decided there was fair use. The two cases could be distinguished by saying that in the Thomson case the defendant used the facts in the context of the creation of a new

work by the timesaving use of material without copying whereas in West facts were copied in the context of saving labour.

Leon v. Pacific Telephone and Telegraph Co., 91 F.2d 484 (9th Cir. 1937) was a telephone directory case. In this case, the plaintiff telephone company alleged infringement of its alphabetical telephone directory by defendant's numerical telephone directory, which took plaintiff's information but rearranged it according to exchanges or prefixes.

Rejecting the claim of fair use the court stated that:

> counsel have not disclosed a single authority, nor have we been able to find one, which lends any support to the proposition that wholesale copying and publication of copyrighted material can ever be fair use. The defendants' contention in this regard rests entirely on the proposition that the numerical directory serves a different purpose than plaintiff's alphabetical directory. The fact that plaintiff has not chosen to arrange its material in the inverted form used by appellants is no determinant of fair use.

Id. at 486-489.

After analyzing this case carefully William Patry states that,

> The court's analysis missed the mark. Plaintiff had no copyright in the information contained in the telephone directory. The only protectable interest it had was in its arrangement of the noncopyrightable information. It could not prevent others from creating a new arrangement. Since defendant did not infringe plaintiff's arrangement, the only protectable interest plaintiff held, there was no infringement and the question of fair use need not have been reached. That the information had been assiduously gathered by plaintiff is irrelevant. Equally irrelevant were the

> considerations that defendant saved a great deal of time and labor through his use of the information.

Id. at 47.

Especially after the decision of the Supreme Court in the case of Feist Publications, Inc. v. Rural Telephone Service Co., 111 S.Ct. 40 (1990) it could be seen that the above analysis by William Patry is valid. That is, the sweat of the brow principle is no more valid, which is that copyright does not protect research efforts or investment.

In Macmillan v. King, 223 F. 862 (D. Mass. 1914) plaintiff was the author of "Principles of Economics." Defendant tutored pupils in economics and he recommended and expected his pupils to possess a copy of plaintiff's book. Defendant used to prepare a memoranda which constituted some of the quotation of words and sentences of the plaintiff's work. Court found that there was infringement and granted an injunction because of "frequent quotation of words, and occasional quotation of sentences from the book; [and because] *** the attempt is made to reproduce in abridged and paraphrased form *** the author's treatment of the topics selected, and the author's order and arrangement of topics within the portions of the book dealt with is followed, except for a certain amount of transposition or repetition." Id. at 866.

Examining this case William Patry states that, "Macmillan presents very neatly the then basic fair use proposition that the subsequent would-be author must truly be an author or a critic.

He may not take the original and passively extract from it for purposes other than the creation of a new work or for purposes of comment or criticism, since fair use was designed as an accommodation within the goal of promoting the progress of science via the creation of new works. That goal is not facilitated if the defendant is not creating a new work or commenting upon the original." Id. at 55.

In Henry Holt and Co. v. Liggett and Myers Tobacco Co., 23 F. Supp. 302 (E.D. PA 1938) plaintiff was the author of a copyrighted work which was the "The Human Voice, Its Care and Development." Defendant who was the manufacturer of Chesterfield cigarettes published and widely circulated a pamphlet entitled "Some Facts About Cigarettes," in which it reproduced a passage from the plaintiff's book.

The court rejected defendant's fair use defense because the pamphlet intended to advance the sale of Chesterfield cigarettes which is purely a commercial purpose, and that it could not be implied that the plaintiff consented to the use of his work for such a purpose.

In the case of American Institute of Architects v. Fenichel, 41 F. Supp. 146 (S.D.N.Y. 1941) the decision was based on the theory of implied consent. In Fenichel, plaintiff published a compilation of standard forms to be used by owners, contractors, subcontractors and architects in the construction industry. Defendant made six copies of the largest and most important form and delivered them to the owners and contractors he was dealing

with.

The court gave its judgment for the defendant and held that,

> When the plaintiff put on the general market a book of forms, he implied the right to their private use. This conclusion follows from the nature of a book of forms. No one reads them as literature; their sole value is in their usability. To constrict the defendant to mere reading of the forms in the bound volume would unjustly enrich the plaintiff whose very publication of a form, implies its usability.

Id. at 147.

Leon Seltzer in his treatise "Exemptions and Fair Use in Copyright" states that, "the first express statement of the present copyright scheme appears in the Statute of Anne, which however complicated the history of its gestation, and however diverse the competing factors in its establishment of public policy nevertheless is explicit about copyright's purpose and means: 'An Act for the encouragement of learning, by vesting the copies of printed books in the authors or purchasers of such copies during the times therein mentioned.' That this was the model for the United States approach is clear from the parallel wording of the purpose clause of the first federal copyright act passed by Congress in 1791 'An Act for the encouraging of learning, by securing the copies of maps, charts, and books to the authors and proprietors of such copies, during the times mentioned therein." Seltzer, Id. at 9.

It could be seen that two distinct opposed principles accommodate in the USA and UK copyright law. As Seltzer states,

> With respect to access, the tension is

> between on the one hand the general principle of the freest possible dissemination of knowledge, and on the other, the copyright scheme restrictions on access to works of the intellect. With respect to cost, the tension is between on the one hand the general principle of the maximum freedom of competition, and on the other the kind of monopoly-like economic restrictions intrinsic to the copyright design.

Id. at 3.

Seltzer states that:

> Section 107 of US Act, has 3 serious defects. First, it does not attempt a definition of Fair Use at all. Second, by not providing the slightest guidance in the ordering of priorities in the application of the four "factors to be considered, it has not only said nothing not obvious about fair use, but, worse, implied that there is no general order of priority deriving from the copyright scheme. Third, by listing along with universally acknowledged examples of fair use (criticism, comment, and news reporting) those expansive and ambiguous uses (teaching, scholarship, research) that have raised issues having to do with significant exemptions from copyright expressly dealt with as such in various ways in the statute, it thoroughly muddies the distinction between fair use and exempted uses."

Id. at 18-19.

Prior to the enactment of the UK Copyright Act of 1911, it appears that, there existed throughout the Commonwealth a common law doctrine of 'fair use' which is if copying was insubstantial, the use was fair. Barry Torno in the summary of his book Fair Dealing: The Need for Conceptual Clarity on the Road to Copyright Revision states that, "the establishment of a doctrine of fair dealing as a defense to prima facie infringement resulted in the creation of a second tier of enquiry; the first tier

dealing with substantiality or substantial similarity, the second tier dealing with the defense of fair dealing."

Prior to 1911, fair use was a non-infringing activity, whereas after 1911, fair dealing became excused infringement Barry Torno states that "this is where the law took a wrong turn. If excused infringement was sought to be established, it should have been provided for through specific exemptions rather than through a reconstitution of the equitable doctrine of fair use." Id.

Furthermore, he states that, "In addition to constituting the focus of the first tier enquiry, the substantiality of the part taken has also been one of the criteria applied to determine fair dealing at the second tier. Beyond that, these same additional criteria used to determine fair dealing (i.e. the purpose and character of the use, the nature of the copyrighted work and the effect of the use upon the potential market for the work) have also constituted the criteria for determining substantiality, both at the first tier and as part of the second tier." Id. According to the above statement it seems that when applying the fair dealing concept one has to look for similar criteria which is used for fair use.

As concern continued to grow over the capacity of new technologies to impact on the ability of copyright owners to control access to their works, the doctrine of fair dealing began to be perceived increasingly narrowly. 'Dealing' or 'use' was viewed solely in terms of reproduction and reproduction in turn

was viewed solely in terms of its realization via specific technological means.

An unauthorized taking of less than a substantial part would not constitute an act of infringement. Therefore, to raise the defense of fair dealing one has to copy a substantial part of a work.

Barry Torno states that before embarking on an examination of the concept of substantiality, three caveats must be noted. First, whether or not there is a 'substantial' similarity between the work of the plaintiff and that of the defendant there is no infringement unless there has been copying on the part of the defendant. Second, the search for substantiality is said to arise in two distinct contexts when fair dealing is used as a defense against a claim of infringement. This could be seen clearly by the statement made by Morton J. in Johnstone v. Bernard Jones Publications, Ltd. and Beauchamp, (1938) 1 Ch. 599. He stated that "the copying or use must first be sufficiently substantial to constitute infringement. It may then be appropriate to consider (...together with several other factors to be considered), whether the use, although prima facie an infringing use, is nevertheless not too substantial to constitute a fair dealing." Id. at 603.

Third, the statutory defense of fair dealing appeared for the first time in Commonwealth legislation in the 1911 UK Copyright Act. Prior to this courts throughout the Commonwealth had developed a common law equitable doctrine of fair use which

was broader in scope than its successor legislative counterpart.

Prior to 1911, according to the case law, it seems that there was no distinction drawn between fair use, fair dealing and insubstantial copying.

As Barry Torno states, "the courts, in essence, combined the two-tier substantiality enquiry into a single concern with substantiality and then equated a finding of insubstantial copying with a finding of fair use. Furthermore, he gives an example of a case which is a decision of the House of Lords in 1878 Chatterton v. Cave: "If the quantity taken be neither substantial nor material, if, as it has been expressed by some judges, a 'fair use' only be made of the publication no wrong is done and no action can be brought." (1878) 3 App. Cases 483, per Lord O' Hagan) Id. at 11.

In response to the enactment of the fair dealing provisions of the 1911 UK Act, the courts moved away from axiomatically equating insubstantial copying with fair use. In Hawkes and Son (London) Limited v. Paramount Film Service Limited, (1934) 1 Ch. 593, Lord Hanworth M.R. stated that:

> Having considered and heard this film, I am quite satisfied that the quantum that is taken is substantial. Then I turn also to see what is the justification the defendants can rely upon. First, they say that under Section 2 Subsection 1: "the following acts shall not constitute an infringement of copyright: (i) any fair dealing with any work for the purposes of private study, research, criticism, review or newspaper summary."
>
> However, a parallel tendency can be seen in much of the case law to combine the first tier enquiry re substantiality with the second tier enquiry re substantiality vis-a-

> vis fair dealing. This could be witnessed in Johnstone v. Bernard Jones Publications, Ltd. and Beauchamp, (1939) 1 Ch. 599 at 603 from the statement made by Morton J. commenting on the Hawkes and Son case: "In that case, the court took the view that the defendant had reproduced a substantial part of the plaintiff's work, but went on to consider whether the (fair dealing) proviso applied. It seems to me this consideration would have been unnecessary if the mere fact that a substantial part had been taken rendered it impossible to bring the proviso into operation. I may add, however, that the substantiality of the part reproduced is, in my view, an element which the court will take into consideration in arriving at a conclusion whether what has been done is a fair dealing or not.

Id. at 604.

It seems that doctrine of fair use in the United States, as codified in Section 107 of the Copyright Act, is broader than the fair dealing doctrine of the UK Act, because in the USA law the factors in fair use have greater flexibility and scope due to the discretion of the judge in his assessment of the concept and its application to new cases.

However, the factors which have evolved under the UK doctrine to determine whether a use or dealing is fair closely parallels the four stipulated fair use factors under Section 107 of the US Act. According to Professor Nimmer, the amount and substantiality of the portion used in relation to the copyrighted work as a whole which is the third factor of Section 107 of the US Copyright Act could be regarded as relating to the question of substantial similarity rather than whether the use is fair. This is similar to the first tier enquiry in UK where it is determined

whether the part of the work which has been taken is substantial as to constitute infringement. Even, in the USA unless there is substantial similarity between the two works there is no infringement.

One of the principal factors to be considered when determining whether a dealing has been fair, in addition to the substantiality of the part taken, is the effect of the use upon the potential market or value of the copyrighted work. This could be seen by famous statement made by Lord Denning in Hubbard v. Vosper, (1972) 2 Q.B. 84.

> You must consider first the number and extent of the quotations and extracts. Then you must consider the use made of them. If they are used to convey the same information as the author, for a rival purpose that may be unfair.

Id. at 94.

In Blackie and Sons Ltd. v. Lothian Book Publishing Co. Pty. Ltd., (1921) CLR 396 the plaintiff published an annotated edition of Henry V in "The Warwich Shakespeare" series. The defendant published a similar work in which parts of the introduction and notes of the plaintiff's work were copied. In holding that there was infringement, Starke J. emphasized that the books were in direct competition with each other and that, in the circumstances, it was the special duty of the defendant and its editor to avoid the appropriation of labour and research of the plaintiff's editor.

A further factor to be considered when determining whether a particular dealing has been fair is "the purpose and character of

the use." In the UK Copyright Act five purposes are specifically stated such as private study, research, criticism, review or newspaper reporting with respect to which a dealing must be carried out if it is to be considered fair. The fair use section of the US Act does not contain a comparable finite list of purposes. It sets forth an exemplary list of the types of purposes with respect to which a finding of fair use is most appropriate; which is very similar to the five purposes of the UK Act. The US Act then complements this list by providing that one of the fair factors to be considered is "the purpose and character of the use, providing whether such use is of a commercial nature or is for nonprofit educational purposes.

When the doctrine of fair dealing is being applied generally, there will be very few situations in which a finding of fair dealing will prevail where an entire work has been taken. However, in Hubbard et al. v. Vosper et. al. (1972) 2 Q.B. 84 Lord Justice Megan stated that, "it may well be that it does not prevent the quotation of a work from being within the fair dealing subsection even though the quotation may be of every single word of the work." Furthermore, he stated that, "suppose there is on a tombstone in a churchyard an epitaph consisting of a dozen or of 20 words. A parishioner of the church thinks that this sort of epitaph is out of place on the tombstone. He writes a letter to the parish magazine setting out the words of the epitaph. Could it be suggested that that citation is so substantial, consisting of 100 percent of the 'work' in question,

that it must necessarily be outside the scope of the fair dealing provision? To my mind, it could not validly be so suggested." Id. at 101. Williams and Wilkins Co. v. United States, (1974) 180 USPQ 49, where an equally divided Supreme Court affirmed the decision of the Court of Claims that the photocopying of journal articles for research workers by the National Library of Medicine and the National Institute of Health was not an infringement, Judge Davis of the Court of Claims stated: "It has sometimes been suggested that the copying of an entire copyrighted work, any such work, cannot ever be 'fair use', but this is an overbroad generalization, unsupported by the decisions and rejected by years of accepted practice. There is, in short, no inflexible rule excluding an entire copyrighted work from the area of 'fair use.' Instead, the extent of the copying is one important factor, but only one to be taken into account, along with several others." Id. at 353.

Therefore, according to the above statements in Hubbard v. Vosper and Williams and Wilkins cases it could be seen that even where an entire work has been taken does not necessarily preclude the possibility of bringing in the defense of fair dealing.

CHAPTER II

How the Copyright Acts in the United Kingdom and the United States Dealt with the Concept of Fair Dealing and Fair Use

Since, 1911 there have been three Acts mainly dealing with the copyright law which are the 1911, 1956 and the 1988 Copyright Acts.

The first fair dealing exception is that covering purposes of research or private study which now applies to the copyright in literary, dramatic, musical and artistic works and published edition. In the 1956 Act there was no saving from infringement of copyright in a published edition. In 1911, when the fair dealing exceptions were first spelled out in statutory terms, private study and research were included in the list of permitted purposes. Under the 1911 Act no copyright subsisted in a broadcast as such. Copyright in broadcasts was conferred by Section 14 of the Copyright Act of 1956. However, the fair dealing defense was not extended by the 1956 Act so as to apply to infringements of the new broadcasting copyright, until the enactment of 30(2) of the 1988 Act the fair dealing defense applied only to infringements of literary, dramatic or musical copyright.

In the case of BBC v. British Satellite Broadcasting Ltd., 1991 3 AER 833, the plaintiff the BBC was one of the British broadcasting organizations which paid substantial amounts to the International Football Federation for the right to transmit live

coverage of World Cup matches played in Italy in 1990 in the course of the finals of that tournament. The defendant, a television company which transmitted programmes for five specialist channels via satellite, used short excerpts taken from the BBC's live broadcasts of world cup matches to show highlights of matches in a sports news program broadcast on the defendant's sports channel.

According to the above discussion of the law relating to fair dealing, if this case was brought before the courts before 1988, the defendant could not have asked for the exception of fair dealing because until 1988 the fair dealing defense was not applied to infringements of the broadcasting copyright.

The second fair dealing exception permits all works other than photographs to be used for reporting current events. According to Section 30(2)(3) this may be in a newspaper or magazine in which case sufficient acknowledgment is required, or in a sound recording film, broadcast or cable cast, where acknowledgment is not called for.

It is important to note that there are two forms of fair dealing that are related to the news media. They are: (i) use of any work for purposes of criticism or review of it or another work or a performance of either, and (ii) use of any work other than a photograph for the purpose of reporting current events.

In the case of Associated Newspaper Group PLC v. News Group Newspapers Ltd., (1986) R.P.C. 51, the plaintiffs were the owners of the Daily Mail who had for a limited time obtained the

exclusive right in an exchange of letters between the late Duke and Duchess of Windsor. They printed a series of these in their newspaper. The defendants were the owners, editors and printers of the Sun who printed one such letter and a portion of another in their newspaper.

According to the judgment of this case, to come within the exception stated in Section 30(2)(3), the event itself must be current and not the pretext for reviving historical information.

It is interesting to note that in this case Walton J. has stated that the question of fairness must at bottom depend upon the motive with which the material has been copied. The defendant's motive was to attract readers by means of printing the letters or extracts from these letters. It is submitted that this fact has been emphasized in most of the cases especially in the well known case of Hubbard v. Vosper, (1972) 2 Q.B. 84 where it was stated that it is not fair dealing for a rival in the trade to take copyright material and use it to his own benefit.

At this point, it is necessary to state that, when determining whether it is fair dealing a court must consider all the circumstances of the 'dealing' in the light of the purpose for which alone it is permitted. The proportion of the work that has been copied is one of the points that should be considered. But, according to Hubbard v. Vosper, (1972) 2 QB 84 and Beloff v. Pressdram, (1973) 1 AER 241 there may be occasions upon which it is proper to take the whole work. That is, at this point one will have to consider the question of quality. Also, it is

necessary to consider whether the defendant could have made his point effectively without any substantial taking.

The courts opinion on these points could be seen in Beloff v. Pressdram Ltd., (1973) 1 AER 244. Ungoed Thomas J stated that "fair dealing is a question of fact and of impression, to which factors that are relevant include the extent of the quotation and its proportion to comment (which may be justifiable although the quotation is of the whole work." Id. at 263.

The third fair dealing exception is to allow works to be used for purposes of criticism or review (of themselves or another work) if the source is being sufficiently acknowledged.

In Sillitoe v. McGraw-Hill Book Co., 1983 FSR 545 Judge Davies Q.C. stated that, "If there is a substantial measure of criticism in the 'dealing' under consideration then the dealing is for the purposes of criticism, albeit that there may incidentally be some allied or ultimate purpose such as education that instigates the production of the dealing. The position would be otherwise if the allied or ultimate motive was improper or oblique."

At this point, it is interesting to note Lord Denning M.R.'s remarks in the case of Hubbard v. Vosper, (1972) 2 QB 84 stressing that fair dealing is inevitably a matter of degree. Lord Denning M.R. stated that,

> It is impossible to define what is 'fair dealing.' It must be a question of degree. You must consider first the number and extent of the quotations and extracts. Are they altogether too many and too long to be fair? Then you must consider the use made of them.

> If they are used as a basis for comment, criticism or review, that may be fair dealing. If they are used to convey the same information as the author, for a rival purpose, that may be unfair. Next, you must consider the proportions. To take long extracts and attach short comments may be unfair. But, short extracts and long comments may be fair. Other consideration may come to mind also. But after it is said and done, it must be a matter of impression. As with fair comment in the law of libel, so with fair dealing in the law of copyright. The tribunal of fact must decide.

Id. at 94.

Furthermore, in Hubbard case Denning M.R. stated that, "A literary work consists not only of the literary style, but also of the thoughts underlying it, as express in the words. Under the defense of 'fair dealing' both can be criticized." Id. That is, criticism or review may concern the ideas expressed as well as the mode of expression.

When going through case law the question of published or unpublished has been an important point.

In Hubbard v. Vosper, (1972) 2 QB 84 the defendant has made free use of the plaintiff's books, letters and bulletins. The defendant's defense was that his use of them is fair dealing within Section 6(2) of the Copyright Act of 1956 which allows works to be used for purposes of criticism or review if the source is being sufficiently acknowledged.

The plaintiffs argued that the bulletins and letters were not published to the world at large and therefore, it was not fair dealing to take extracts from these bulletins and letters to criticize them. They based their argument on the words of Romer

J. in British Oxygen Co. Ltd. v. Liquid Air Ltd. (1925) Ch. 383 where he stated that, "it would be manifestly unfair that an unpublished literary work should, without the consent of the author, be the subject of public criticism, review or newspaper summary. Any such dealing with an unpublished literary work would not, therefore, in my opinion, be a 'fair dealing' with the work." Id. at 393.

But, Lord Denning M.R. stated that, "I am afraid I cannot go all the way with those words of Romer J. Although a literary work may not be published to the world at large, it may, however, be circulated to such a wide circle that is 'fair dealing' to criticize it publicly in a newspaper or elsewhere." A similar opinion was given by Ungoed - Thomas J. in Beloff v. Pressdram Ltd., (1973) 1 AER 241 where he stated that, "However unpublished as well as published works are within the fair dealing provisions of both Acts; and what would otherwise be infringement cannot of itself, with regard to any other circumstances, be outside the exception to infringement made by those sections, as that would be to exclude from the sections what the sections in terms include." Id. at 263.

According to the above discussion an unpublished work will not be automatically outside the provisions of the fair dealing defense but it could be one of the important factors which will be taken into consideration in considering fair dealing.

Finally, it is submitted that, the courts have tried to interpret the concept of fair dealing by keeping in mind that

there is a strong social interest in advancing the frontiers of knowledge and encouraging further research in all fields. This could be clearly seen from the statement made by Lord Mansfield in Sayre v. Moore (1785) East 361, n 102 ER 139 where he stated that, "we must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded." Id. at 140.

The judicial doctrine of fair use, was given express statutory recognition for the first time in Section 107 of the Copyright Act of 1976. The intention of the Congress was "to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way." Section 107 states that,

> Notwithstanding the provisions of Sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies of phonorecords or by any other means specified by that section, for purposes such as criticism, comment news reporting, teaching (including multiple copies for classroom use) scholarship or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include -
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted

> work as a whole, and
> (4) the effect of the use upon the potential market for or value of the copyrighted work.
> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Association of American Medical Colleges v. Mikaelian, 571 F.Supp. 144 (1983) aff'd 734 F.2d 3 (3d Cir. 1984) which follows Folsom v. Marsh, represents the first set of cases construing the 1976 Act and is consistent with the judicial developments which Congress said Section 107 was meant to codify.

In the case of Association of American Medical Colleges the plaintiff sought a preliminary injunction pursuant to Fed. R. Ch. p. 65 preventing defendant Viken Mikaelian and Multiprep, Inc., Mikaelian's wholly owned and operated test preparation business from using test preparation materials alleged by AAMC to infringe AAMC's own copyrighted test questions used in the administration of the Medical College Admission Test.

The defendant brought the defense of fair use and he mainly argued that they were engaged in teaching.

The court stated that,

> In determining whether the given use of a copyright is for 'educational' purposes within the meaning of the statute, the courts have placed particular emphasis on whether the distribution of the copyrighted work by the alleged infringer "would serve the public interest in the free dissemination of information and whether their preparation requires some use of prior materials dealing with the same subject matter.

Id. at 152.

However, in this case, Mikaelian and Multiprep do not freely disseminate the MCAT test questions they have copied. The questions are given only to those who pay $485 to enroll in a Multiprep course. The defendants have not sought to add their acquired knowledge of MCAT question content to the public realm.

Furthermore, the courts went on to observe whether there is fair use on the basis of Section 107 which follows the Folsom v. Marsh criteria. This could be observed from the statement made by the courts which is as follows:

> However, even if it is assumed that Multiprep courses are teaching activities within the meaning of the statute, the defendants cannot invoke the fair use defense unless they also show that they have made a fair use of the copyrighted materials according to the four criteria set forth in the statute. By all four of these measures, Multiprep's use of the MCAT questions, even if it is 'teaching' is not fair use.

Id. at 152.

At this juncture, it is interesting to note the first decision given by the Supreme Court on fair use under Section 107 of the Copyright Act of 1976. This decision which is Sony Corp. of America v. Universal City Studios, Inc., 464 US 417 is important especially in the context of the new technology of home videocassette recording.

In Sony the petitioners manufacture and sell home video tape recorders. Respondents own the copyrights on some of the television programs that are broadcast on the public airwaves. Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts, as well as a

large number of other broadcasts.

The question presented is whether the sale of petitioners' copying equipment to the general public violates many of the rights conferred upon respondents by the Copyright Act.

It should be noted that according to the facts of this case the respondents and the Petitioners both conducted surveys of the way the Betamax machine was used by several hundred owners during a sample period in 1978. They both showed that the primary use of the machine for most owners was 'time-shifting' which is the practice of recording a program to view it once at a later time, and thereafter erasing it.

The Supreme Court mainly took into consideration the four factors which is stated in Section 107 of the Copyright Act. Considering the first factor which is 'the purpose and character of the use' the court noted that if the Betamax were used to make copies for a commercial or profit making purpose, such use would presumptively be unfair. However, the Court said that time-shifting for private home use must be characterized as a noncommercial nonprofit activity.

As regards to the second and the third factors the court stated that,

> Moreover, when one considers the nature of a televised copyrighted audiovisual work, and that time shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact that the entire work is reproduced, does not have its ordinary effect of militating against a finding of fair use.

Id. at 792.

It seems that the court has emphasized the fourth factor which is "the effect of the use upon the potential market for or value of the copyrighted work." The court went on to say that,

> A use that has no demonstrable effect upon the potential market for, or the value of, the copyrighted work need not be prohibited in order to protect the author's incentive to create. The prohibition of such noncommercial uses would merely inhibit access to ideas without any countervailing benefit.

Id. at 793.

Furthermore, the court stated that every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright. A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work. Actual present harm need not be shown.

However, because Sony demonstrated a significant likelihood that substantial numbers of copyright holders who license their works for broadcast on free television would not object to having their broadcasts time-shifted by private viewers and because the respondents failed to demonstrate that time-shifting would cause any likelihood of non-minimal harm to the potential market for, or the value of, their copyrighted works, Betamax is capable of substantial noninfringing uses.

Pacific and Southern Co., Inc. v. Duncan, 744 F.2d 1490 (1984), cer. denied, 471 U.S. 1004 (1985) is a case where Pacific and Southern Company, the owners of a television station, charges

that Carol Duncan, d/b/a TV News Clips, has infringed its copyright by videotaping its news broadcasts and selling the tapes to the subjects of the news reports.

The courts emphasized the first factor which is the purpose and character. The court stated that, TV News Clips copies and distributes the broadcast for unabashedly commercial reasons despite the fact that its customers buy the tapes for personal use. The courts based their argument mainly on Sony where it stated that a commercial purpose makes copying onto a videotape cassette "presumptively unfair."

It is interesting to note that in this case that the unproductive nature of TV News Clips' use has affected the balance in this case. In Sony it was submitted that although the Supreme Court has rejected "productive use" as an absolute prerequisite to a defense of fair use, it has recognized that the distinction between productive and unproductive uses could be "helpful in calibrating the balance."

The courts pointed out the close relationship between the first and the fourth factor stipulated in Section 107 of the Copyright Act.

The courts went on to say that the second factor which is the nature of the copyrighted work is the only factor which is in favor of TV News Clips.

However, the limited impact of the second factor, along with the commercial and unproductive purpose of the use, the injury to the potential market and the substantial amount of copying, lead

the courts to conclude that TV News Clips has not made fair use of the protected work.

At this juncture it is important to note the case of Harper and Row, Publishers, Inc. v. Nation Enterprises, 105 S.Ct. 2218 (1985). In 1977, former President Ford contracted with petitioners to publish his as yet unwritten memoirs. The agreement gave petitioners the exclusive first serial right to license prepublication excerpts. Two years later, as the memoirs were nearing completion, petitioners, as the copyright holders, negotiated a prepublication licensing agreement with Time Magazine under which Time agreed to pay $25,000 ($12,500 in advance and the balance at publication) in exchange for the right to excerpt 7,500 words from Mr. Ford's account of his pardon of former President Nixon. Shortly before the Time article's scheduled release, an unauthorized source provided the Nation Magazine with the unpublished Ford manuscript. Working directly from this manuscript, an editor of the Nation produced a 2,250 word article, at least 300 to 400 words of which consisted of verbatim quotes of copyrighted expression taken from the manuscript. It was timed to 'scoop' the Time article. As a result of the publication of the Nation's article, Time cancelled its article and refused to pay the remaining $12,500 to petitioners. Petitioners then brought suit in Federal District Court which went up to the Supreme Court, against respondent publishers of the Nation, alleging, inter alia, violations of the Copyright Act.

In this case, the right of the first publication was a crucial issue because first publication is inherently different from other Section 106 rights in that only one person can be the first publisher. According to the Senate Report, the unpublished nature of the work which is connected with the first publication right is a key, though not necessarily determinative factor, tending to negate a defense of fair use.

When considering the purpose of the use the courts correctly pointed out that Nation's use was commercial because it stood to profit from exploitation of the copyrighted material without paying the customary price. In evaluating character and purpose, the courts took into consideration the defendant's conduct, because fair use presupposes 'good faith' and 'fair dealing.'

Another crucial point was what Nation took was essentially the hart of the book. The courts went on to say that, even though, the words actually quoted were an insubstantial portion of "A Time to Heal" the main issue is not the quantity but the quality.

The courts stated that the most important element of fair use is the fourth factor which is the effect on the market. Referring to Sony case, the court stated that, to negate fair use one need only show that if the challenged use 'should become widespread,' it would adversely affect the potential market for the copyrighted work.

It is submitted that one of the main issues in the case of Harper and Row Publishers, Inc. which was the author's right to

control first publication appears to be the focus of the 1992 Amendment to Section 107 where it states that:

> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. § 107.

The Congress stated that:

> The purpose of (the amendment) is to clarify the intent of Congress that there be no per se rule barring claims of fair use of published (sic) works. Instead, consistent with Congress's codification of fair use in the 1976 Copyright Act, the courts are to determine the affirmative defense of fair use of unpublished works on a case-by-case basis, after consideration of all the factors set forth in Section 107 ... as well as any other factors a court may find relevant.

H.R. Rep. No. 102-286, 102d Cong., 2d Sess 1 (1992).

American Geophysical Union v. Texaco, 802 F.Supp 1 (1992) was a class action to test the question whether it is lawful under the U.S. Copyright Act for a profit seeking company to make unauthorized copies of copyrighted articles published in scientific and technical journals for sue by the company's scientists employed in scientific research. The plaintiffs are publishers of scientific and technical journals that publish copyrighted material under assignment from the authors. The defendant is Texaco Inc., one of the largest corporations in the United States, which engages in all aspects of the petroleum business from exploration through transportation and refining to retail marketing.

This opinion decides the limited issue whether the making of

single copies from plaintiff's journals by a Texaco scientist is fair use under Section 107 of the Copyright Act of 1976.

In analyzing the purpose and the character of the secondary use the court mainly emphasized the fact that the defendants' conducted the research for commercial gain. Furthermore, the courts went on to say because the secondary use in question was copying of a superseding nature and was not transformative and because it was carried on in a commercial context for the purpose of producing profits the plaintiffs easily prevail on the first factor inquiring into the purpose and character of the use.

However, the courts stated that fair use is more easily found where the copyrighted material is of a factual nature rather than a fictional type, and as a result, the material copied by Texaco's scientists is "essentially factual in nature" the second factor which is the nature of the copyrighted work favors Texaco.

With regard to the third factor the courts taking into consideration the statement made by the Supreme Court in Sony which is, "the reproduction of an entire copyrighted work ordinarily militates against a finding of fair use," stated that since Texaco has copied the entirety of the copyrighted articles in question it clearly favors the plaintiffs.

The fourth factor which is the effect on the market for the copyrighted work was considered the single most important element of fair use by the Supreme Court in the Nation case. In the case of American Geophysical Union since the publishers demonstrated a

substantial harm to the value of their copyrights through such copying by Texaco, the fourth factor gives strong support to the conclusion that this copying is not a fair use.

Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510 (1993) is an interesting case where the courts had to decide copyright and trademark issues. In this case, plaintiff-appellee Sega Enterprises, Ltd. ("Sega"), a Japanese Corporation, and its subsidiary, Sega of America, develop and market video entertainment systems including the "Genesis" console (distributed in Asia under the name 'Mega-Drive') and video game cartridges. Defendant-Appellant Accolade, Inc., is an independent developer, manufacturer, and marketer of computer entertainment software, including game cartridges that are compatible with the Genesis console, as well as game cartridges that are compatible with other computer systems.

Sega licenses its copyrighted computer code and its 'Sega' trademark to a number of independent developers of computer game Software. Those licensees develop and sell Genesis-compatible video games in competition with Sega. Accolade is not and never has been a licensee of Sega. Prior to rendering its own games compatible with the Genesis console, Accolade explored the possibility of entering into a licensing agreement with Sega, but abandoned the effort because the agreement would have required that Sega be the exclusive manufacturer of all games produced by Accolade.

Accolade used a two-step process to render its video games

compatible with the Genesis Console. First, it 'reverse engineered' Sega's video game programs in order to discover the requirements for compatibility with the Genesis console. In the second stage, Accolade created its own games for the Genesis.

The question was whether the disassembly of copyrighted object code as a necessary step in its examination of the unprotected ideas and functional concepts embodied in the code is a fair use that is privileged by Section 107 of the Act.

When considering the first factor, which is the purpose and character of the use, Sega argued that because Accolade copied its object code in order to produce a competing product, the Harper and Row presumption applies and precludes a finding of fair use.

However, the declarations of Accolade's employees indicate, and the district court found, that Accolade copied Sega's software solely in order to discover the functional requirements for compatibility with the Genesis console - aspects of Sega's programs that are not protected by copyright.

When considering these facts, the court stated that, although Accolade's ultimate purpose was the release of Genesis compatible games for sale, its direct purpose in copying Sega's code, and thus its direct use of the copyrighted material, was simply to study the functional requirements for Genesis compatibility so that it could modify existing games and make them usable with the Genesis console.

It is interesting to note that the court has considered the

public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially,

This is a clear situation that the court took into consideration other factors which is not stated in Section 107 of the Copyright Act to determine fair use.

In this case Accolade's identification of the functional requirements for Genesis compatibility has led to an increase in the number of independently designed video game programs offered for use with the Genesis console. Citing the Feist Publications, Inc. v. Rural Tel. Serv. Co., 111 S.Ct. 1282 (1991) the courts went on to say that it was precisely this growth in creative expression, based on the dissemination of other creative works and the unprotected ideas contained in those works, that the Copyright Act was intended to promote.

The courts pointed out that the fourth statutory factor, effect on the potential market for the copyrighted work, bears a close relationship to the 'purpose and character.' The courts stated that, in any event, an attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression and cannot constitute a strong equitable basis for resisting the invocation of the fair use doctrine. Therefore, notwithstanding the minor economic loss Sega may suffer the fourth statutory factor weighs in Accolade's favor.

The Court stated that, with regard to the nature of the copyrighted work, because Sega's video game programs contain

unprotected aspects that cannot be examined without copying, a lower degree of protection is being given to them than more traditional literary works. Therefore, the second statutory factor also weighs in favor of Accolade.

As to the third statutory factor, Accolade disassembled entire programs written by Sega. Accordingly, the third factor weighs against Accolade. However, according to Sony case, the fact that an entire work was copied does not, however, preclude a finding a fair use. Therefore, the courts stated that, where the ultimate (as opposed to direct) use is as limited as it was here, the factor is of very little weight.

According to the above discussion, the courts came to a conclusion saying that Accolade clearly has by far the better case on the fair use issue.

Campbell v. Acuff-Rose, 1994 WL 64738 (US) is a case which was decided by the Supreme Court very recently. It is an interesting case which deals with the question of fair use in parody.

In this case the respondent Acuff-Rose Music, Inc., filed suit against petitioners, the members of the rap music group 2 Live Crew and their record company, claiming that 2 Live Crew's Song, 'Pretty Woman' infringed Acuff-Rose's copyright in Roy Orbison's rock ballad, 'Oh Pretty Woman.' The District Court granted summary judgment for 2 Live Crew, holding that its song was a parody that made fair use of the original song. The Court of Appeals reversed and remanded, holding that the commercial

nature of the parody rendered it presumptively unfair under the first of four factors relevant under Section 107, that by taking the 'heart' of a new work, 2 Live Crew had, qualitatively, taken too much under the third Section 107 factor, and that market harm for purposes of the fourth Section 107 factor had been established by a presumption attaching to commercial uses.

However, the Supreme Court held that 2 Live Crew's commercial parody may be a fair use within the meaning of Section 107.

The Supreme Court taking into consideration the common law tradition of fair use, pointed out that the fair use of a copyrighted work for purposes such as criticism or comment is not an infringement. The court considered whether the new work merely supersedes the objects of the original creation or whether and to what extent it is 'transformative' altering the original with new expression, meaning, or message. The more transformative the new work, the less will be the significance of other factors, like commercialization, that may weigh against a finding of fair use.

With reference to the second factor the courts stated that it is not much help in this case, since parodies almost invariably copy publicly known, expressive works.

With regard to the third factor of Section 107, the court stated that, "copying does not become excessive in relating to parodic purpose merely because the portion taken was the original's heart." Id. at 10. However, the court stressed the

fact that anyone who calls himself a parodist cannot skim the cream and get away scott free.

The courts tried to analyze the fourth factor as follows:

> No presumption or inference of market harm that might find support in Sony is applicable to a case involving something beyond mere duplication for commercial purposes. Sony's discussion of a presumption contrasts a context of verbatim copying of the original in its entirety for commercial purposes, with the non-commercial context of Sony itself (home copying of television programming). In the former circumstances, what Sony said simply makes common sense: when a commercial use amounts to mere duplication of the entirety of an original, it clearly "supersedes the objects," Folsom v. Marsh 9 F. Cas. at 348, of the original and serves as a market replacement for it making it likely that cognizable market harm to the original will occur. Sony, 464 U.S. at 451. But when, on the contrary, the second use is transformative, market substitution is at least less certain and market harm may not be so readily inferred.

Id. at 12.

After considering all the above factors the Supreme Court came to a conclusion that such a parody is a fair one. However, it is submitted that, this judgment must be considered in the light of the facts of this case and must not come to a conclusion, that all parodies are fair use.

CHAPTER III

Photocopying As Fair Use

With the technological advances in methods for the making of inexpensive photocopies, the unauthorized reproduction for scholarly or educational purposes of limited numbers of copies of copyrighted works has come to present one of the major problems of fair use.

The main purpose of the Copyright Act is to promote the progress of science and useful arts by striking a balance between the authors' interest in preserving the integrity of copyright, and the public's right to enjoy the benefits that photocopying technology offers. This is a tremendous task because if every school or library purchases a single copy and through photocopying if it supplies the demand for many copies, it will hinder the authors from creating works of a scientific or educational nature.

A set of guidelines stating the minimum, but not necessarily the maximum, reach of fair use in connection with teacher photocopying was agreed upon by representatives of author, publisher and educational organizations and a similar but more specialized set of such guidelines was formulated with respect to educational uses of music, in the USA.

But, it could be seen that the courts are not bound by the guidelines. In Marcus v. Rowley, 695 F.2d 1171, (9th Cir. 1983) the court stated that, guidelines "are not controlling on the

court." Id. at 1178. In this case a public school teacher who was the owner of the registered copyright to a booklet on cake decorating filed a copyright infringement suit against a teacher who prepared a 'learning activity package' including some of the copyrighted material. The Court of Appeals to the 9th Circuit decided that the use of the copyrighted material in preparation of the 'learning activity package' was not a protected 'fair use.' Also, in Encyclopaedia Britannica Corp. v. Crooks, 558 F. Supp 1247 (WDNY 1983) the courts came to a similar conclusion. Nevertheless, as Nimmer points out it seems that for practical purposes the guidelines may be regarded as the equivalent of statutory text.

The guidelines provide that a teacher may reproduce, or cause to be reproduced, for his own research or for use in teaching preparation, a single copy of any of the following: a chapter from a book, an article from a periodical or newspaper, a short story, short essay or short poem, whether or not from a collective work; a chart, graph, diagram, drawing, cartoon or picture from a book, periodical, or newspaper.

Multiple copies, not exceeding more than one copy per student in a course, may be made by or for a teacher for classroom use or discussion, subject to the following conditions:

(1) Brevity - A complete story, article or essay may be thus reproduced if it is of less than 2500 words. If the work consists of 2500 words or more, there may then be a reproduction of an excerpt of not more than 1000 words or 10% of the work,

whichever is less, but in any event a minimum of 500 words may be reproduced.

(ii) Spontaneity - Even if there has been compliance with the above brevity requirements, the guidelines further require that the copying occur "at the instance and inspiration of the individual teacher." H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. (1976) at p. 69. However, for this purpose "the committee regards the concept of 'teacher' as broad enough to include instructional specialists working in consultation with actual instructors." 122 Cong. Rec. H. 10875 (daily ed. Sept. 22, 1976) (remarks of Rep. Kastenmeier). Furthermore, the teacher's decision to make such copies must occur so close in time to the moment of their "use for maximum teaching effectiveness" as to make it "unreasonable to expect a time reply to a request for permission." H.R. Rep. No. 94-1476 94th Cong., 2d Sess. (1976), p. 69.

In addition to the brevity and spontaneity requirements, limitations are set out by the guidelines with respect to the cumulative effect of teacher multiple photocopying for classroom use. One teacher may not engage in more than nine instances of such multiple photocopying during any one class term. H. Rep. p. 69. Moreover, except as to newspapers, current news periodicals, and current news sections of other periodicals, a teacher may have copies made of a given work for only one course in the school, and during one class term not more than one entire short poem, article, story, or essay may be copied from the same

author, nor more than two excerpts from the same author may be so copied, and further, during one class term there may not be copying or more than three excerpts from the same collective work or periodical volume. H. Rep., p. 69.

Single copying by teachers and multiple copying for classroom use may not create, replace or substitute for anthologies, compilation or collective works. H. Rep., p. 69 at Par. 111(A). In Basic Books, Inc. v. Kinko's Graphics Corp., 758 F. Supp. 1522, (S.D.N.Y. 1991) the fact that these excerpts were placed in anthologies weighed significantly against defendants. More generally, it may not substitute for the purchase of books, publishers' reprints or periodicals. H. Rep., p. 69 at Par. 111(C)(a). As Nimmer points out, this latter limitation, if broadly interpreted, could well undercut much copying that the guidelines otherwise seemingly permit. There may be no photocopying of "consumable" works such as workbooks, exercises, standardized tests, test booklets and answer sheets. H. Rep., p. 69 at Par. 111(B). Any such copying may not be directed by higher authority, nor may such copying be repeated with respect to the same item by the same teacher from term to term. H. Rep., p. 69 at Par. 111(C)(c). Finally, no charge may be made to students for copies beyond the cost of photocopying. H. Rep., p. 70 at Par. 111(D).

Section 108 of the Copyright Act, provides a special exemption for certain prescribed types of photocopying by qualifying libraries and archives. This exemption is available

to libraries, and to any of their employees acting within the scope of their employment. However, this exception for libraries and their employees is in addition to any exemption that they might have for such activities under the doctrine of fair use. This could be gathered form the H. Rep. where it states that "No provision of Section 108 is intended to take away any rights existing under the fair use doctrine. To the contrary, Section 108 authorizes certain photocopying practices which may not qualify as a fair use." H. Rep., p. 74. Furthermore, if there is an express contractual prohibition against reproduction for any purpose, this legislation cannot be construed as justifying a violation of the contract.

According to Section 108(a)(1) of the Copyright Act the library engaging in such reproduction (and distribution) must do so "without any purpose of direct or indirect commercial advantage. But, as American Geophysical Union v. Texaco Inc., 802 F. Supp. 1, 27 (S.D.N.Y. 1992) indicates this exemption could be claimed libraries within industrial, profit making, or proprietary institutions, if the reproduction (and distribution) was itself not commercially motivated.

According to Section 108(a)(2) the collections of the library must be open either to the public, or at least to persons doing research in the specialized field which is the subject of the collections, and not only to researchers affiliated with the library or with the institution of which it is a part.

As specified in Section 108(h) the exemption does not apply

to musical works, to pictorial, graphic or sculptural works, or to motion pictures or other audiovisual works if the reproductions are made for distribution to library users upon request. That is, this exemption applies mainly to literary and dramatic works. However, it could be applied to pantomimes and choreographic works, and sound recordings. Even a non-exempted work is not being precluded if the reproduction constitutes fair use.

Furthermore, the exemption by its own terms applies to all forms of works if the reproduction is for the purpose of replenishment of or deposit in library collections.

As stated in Section 108(a) the exemption does not permit reproduction and distribution more than one copy or phonorecord of a work. However, as Section 108(g) specifies there may be repeated reproduction and distribution of a single copy or phonorecord of the same material on separate occasions. As Nimmer states in his treaties "each repetition of such reproduction and distribution of one copy or phonorecord must be 'isolated and unrelated' to the other reproduction and distributions of the same work." Id. at 8-34.4. But, American Geophysical Union v. Texaco, Inc., 802 F. Supp. 1, 28 (S.D.N.Y. 1992) seems to have a contrary opinion on this matter, where it states that, making of 'no more than one copy' means one to a customer rather than an absolute limit of one.

According to Section 108(g)(1) if a library is aware or has substantial reason to believe that its repeated reproduction and

distribution of single copies or phonorecords of the same material is intended for aggregate use by one or more individuals or for separate use by individual members of a group it cannot claim the benefits of Section 108 exemption.

Furthermore, to get the benefit of Section 108 the copies and phonorecords reproduced or distributed by a library must contain a notice of copyright. Even though US is a member of the Berne Convention this condition has not changed.

If an unpublished work is presently in the collections of a library it may duplicate such work in its entirety, only for the purpose of either 'preservation and security' or for deposit for research use in another library if such other library satisfies the open collections requirement. In Association of Am. Medical Colleges v. Carey, 728 F. Supp. 873 (N.D.N.Y. 1990) rev'd 928 F.2d 519 (2d Cir. 1991) it was stated that this exception would only apply to unpublished works which are properly in the possession of an archive [in the first place].

In the case of published works, as stated in Section 108(c) a library may reproduce one copy or phonorecord of such a work in its entirety, in order to replace a copy or phonorecord that is (or was) in its collections, but which is damaged, deteriorated, lost or stolen. However, it does not include the right to make copies or phonorecords for the purpose of deposit in another library and before such reproduction may occur the library must have determined, after making a reasonable effort, that an unused replacement cannot be obtained at a fair price. Furthermore, as

Nimmer points out in his treaties in the case of published works the first copy is no longer in or it is unusable in the library's collection whereas in unpublished work the library could retain the first copy as well as the reproduction.

A reproduction for and distribution to a library user, of one copy or phonorecord of a work, whether published or unpublished may be made upon the request of such user, subject to the following conditions:

(i) The quantum of such reproduction - According to Section 108(e) if the library first determines, on the basis of a reasonable investigation, that a copy or phonorecord of a work cannot be obtained at a fair price, such reproduction may be of the entire work or any lesser amount of it.

(ii) Ownership of reproduction - A reproduction made upon user request is exempt from the reproduction and distribution rights only if the copy or phonorecord thus reproduced becomes the property of the user.

(iii) Private study, scholarship, or research as the User's Purpose - As stated in Section 108(d)(1), (e)(1) the user reproduction exemption is applicable only if the library has had no notice that the copy or phonorecord would be used for any purpose other than private study, scholarship or research. However, even if the actual purpose does not come under the above category the user could be entitled to the defense of fair use in connection with such requested reproduction.

(iv) Copyright Warning - Furthermore, as stated in Section

108(d)(2), (e)(2) the user reproduction exemption may be applied only if the library 'displays prominently, at the place where orders are accepted, and includes on its order form, a warning of copyright.

(v) The presence of the work in a library collection - According to Section 108(d)(e) to bring in the reproduction exemption, a copy or phonorecord of the work of which a user has requested reproduction must already be in the collection of the library which was the recipient of the request, or in the collection of another library from whom such recipient library may obtain the reproduction.

As stated in Section 108(g)(2) interlibrary arrangements are subject to the 'systematic reproduction' prohibition, but that prohibition is, in turn, subject to the following proviso:

"That nothing in this clause prevents a library or archives from participating in interlibrary arrangements that do not have, as their purpose or effect, that the library or archives receiving such copies or phonorecords for distribution does so in such aggregate quantities as to substitute for a subscription to or purchase of such work."

At this stage it is interesting to note the law applicable for photocopying practices beyond the teacher and library contexts. However, as Nimmer states in his treaties, "they remain relevant as well with respect to teacher photocopying insofar as the Section 107 guidelines may be held inapplicable, and with respect to library photocopying insofar as the

conditions for the Section 108 exemption may not be satisfied." Id. at 13-228.

In Wihtol v. Crow, 309 F.2d 777 the defendant was the head of the Vocal Department of a school and he was engaged in supervising its choral music activities. The defendant without the permission of the plaintiffs, copied the copyrighted song 'My God and I' incorporating it in a new arrangement made by him. About 48 copies of his new arrangement, were produced by him upon one of the school's duplicating machines, for the exclusive use by the defendant's students and choir members.

The District Court determined that there had been no infringement, but only a 'fair use' by him of the copyrighted song.

However, the decision of the District Court was reversed by the holding of the Court of Appeals for the Eighth Circuit.

It is interesting to note that the Court of Appeals has not given any weight to the intent of the infringer, because according to the decision merely because the infringer had no intent to infringe that does not mean one can bring the defense of 'fair use.'

Williams and Wilkins Co. v. United States, 484 F.2d 1345 (Ct. Ct. 1973), aff'd by an equally divided court, 420 U.S. 376 (1975) is one of the leading cases in the area of photocopying. In this case the plaintiff a medical publisher, charged that the Department of Health, Education, and Welfare, through the National Institute of Health (NIH) and the National Library of

Medicine (NLM) has infringed plaintiff's copyrights in certain of its medical journals by making unauthorized photocopies of articles from those periodicals.

The majority of the court came to a conclusion that the use was fair on the basis of three main propositions. The courts stated that, "we shall consider at greater length: First, plaintiff has not in our view shown, and there is inadequate reason to believe, that it is being or will be harmed substantially by these specific practices of NIH and NLM; second, we are convinced that medicine and medical research will be injured by holding these particular practices to be an infringement; and third, since the problem of accommodating the interest of science with those of the publishers (and authors) calls fundamentally for legislative solution or guidance, which has not yet been given, we should not, during the period before congressional action is forthcoming, place such a risk of harm upon science and medicine." Id. at 1353-1354.

According to the dissenting decision by Chief Judge Cowen, the opinion of the majority shows that "the court's conclusion is based primarily on this finding that plaintiff failed to prove actual damages. In so doing, the majority relies heavily on evidence that the plaintiff's profits have grown faster than the gross national product and that plaintiff's annual taxable income has increased." Id. at 1368.

Chief Judge Cowen citing Nimmer on Copyright Section 145 at 646 (1973 ed.) and several other cases stated that, "It is well

established, however, that proof of actual damages is not required, and the defense of fair use may be overcome where potential injury is shown." Id. at 1368.

At this point, it is interesting to note that in the case of Universal City Studios, Inc. v. Sony Corp. of America, 464 U.S. 417 (1984) the Supreme Court has tend to follow the Chief Judge Cowen's dissenting opinion by stating that, "proof of actual damages is not required."

Furthermore, when talking about the second proposition the court stated that "there is no doubt in our minds that medical science would be seriously hurt if such library photocopying were stopped." Id. at 1356.

When construing the above statement by the court it is not clear that it is only limited to scientific writings. However, in Universal City Studios, Inc. v. Sony Corp. of America, 659 F.2d 963, 971 (9th Cir. 1981) which is a case involved in off-the-Air video taping, the court stated that, "We believe that Williams and Wilkins Co. is clearly distinguishable. It appears that the Court of Claims was primarily concerned about the serious damage to medical science that would result if it held for the plaintiff. In this case, there is no corresponding countervailing societal benefit to weigh against the copyright interests of the author."

That is according to the above statements, it seems that Williams and Wilkins Co. rule should be construed narrowly. Anyhow, one cannot come to a conclusion on the basis of the above

statement whether Williams and Wilkins Co. rule is limited to scientific writings.

After analyzing the above two cases Nimmer in his treaties states that, "viewing these two cases together they may stand for the proposition that apart from the classroom use and library contexts (and even within the library context, if the Section 108 exemption is not otherwise applicable), fair use permits any individual to make one photocopy of up to one article from a periodical or a "small part" of any other work for the individual's private use, but that a single copy of more than one article, etc., or multiple copies of even a single article will not constitute fair use." Id. at 13-239.

It is interesting to note at this point how the District Court has looked at the problem of photocopying after Wihtol and Williams and Wilkins cases have been decided.

In the case of Basic Books, Inc. v. Kinko's Graphics Corporation, 758 F. Supp. 1522 (S.D.N.Y. 1991) book publishers brought copyright infringement action against duplication business which copied excerpts from books without permission, compiled them into university course packets and sold them to college students.

The court distinguished commercial copying from library copying and found library copying to be a fair use, such as in the case of Williams and Wilkins. Furthermore, citing Nimmer's treaty court stated that classroom and library copying must be viewed more sympathetically because they generally involve no

commercial exploitation, but not photocopy shops which reproduce for profit.

Finally, the court held that, duplication business' multiple copying of excerpts from publishers' books without permission, compiling them into university course packets, and selling them to college students was not 'fair use' of publishers' copyrights, and hence constituted infringement.

In the case of American Geophysical Union v. Texaco Inc., 802 F.Supp. 1 (S.D.N.Y. 1992) publishers of scientific and technical journals that publish copyrighted material under assignment from authors brought copyright infringement action against profit-seeking company which had made unauthorized copies of copyrighted articles for use by company's scientists employed in scientific research. The District Court held that the company's unauthorized photocopying of copyrighted articles was not a fair use under the Copyright Act.

This case could be distinguished from the Williams and Wilkins case because the important factor in this case is that it is a profit oriented library engaged in research activities.

However, John Cirace in his article, When Does Complete Copying of Copyrighted Works for Purposes Other Than For Profit or Sale Constitute Fair Use? An economic analysis of the Sony Betamax and Williams and Wilkins case states, that, "the decision by the Court of Claims in Williams and Wilkins which was affirmed by an equally divides Supreme Court without opinion, that the extensive photocopying on request by two government libraries was

fair use was incorrect and should be legislatively reversed." 28 St. Louis Univ. Law Journal 647 (1984) at 682.

The creation of the Copyright Clearance Center Inc. by the publishers and authors could be seen as a place which facilitates an effective licensing system of that photocopying which does not fall under the Section 107 or Section 108 exemptions. The CCC as agent for publishers, grants blanket advance permission for a fee to photocopy copyrighted material registered with CCC, and forwards the fees collected to copyright owners, net of service charge. Presently, CCC offers two principal services for obtaining advance permission to photocopy copyrighted material that publishers have registered with the CCC. The first method, inaugurated in 1978, is called the Transactional Reporting Service (TRS). TRS provides photocopy users with blanket permission to photocopy from any CCC registered publication, provided the user subsequently reports the making of the photocopy and pays the fees required by the copyright owner. The fee is printed on the first page of each article. Under TRS, users originally reported their photocopying to CCC either by (1) submitting an extra copy of the first page of the article or journal that was photocopied, with certain information marked on it; or (2) by submitting log sheets containing the same information; or (3) by providing such information in computer printout form or magnetic tape. Users, however, objected to identifying the articles they copied because they feared this could give information to their competition as to where their

research efforts were being concentrated. Accordingly, CCC eliminated the need to identify the item copied. Since, January 1, 1983, the information provided to CCC has been reduced to the journal's standard International Standard Serial Number (ISSN) publication year, and the photocopy permissions fee set by the publisher. To comply with TRS, a user company might place log sheets at photocopy machines. Whenever company personnel made copies of material covered by CCC, they would make a log entry noting the journal number and year, the numbers of pages and of copies, and the fees prescribed. Library personnel would collect these logs and submit them monthly to CCC with payment.

As a result of objections to TRS by some major corporate users, in 1983, CCC inaugurated a second service for obtaining advance permission to photocopy that eliminated the TRS's reporting requirements. This was the Annual Authorization Service (AAS). Under the AAS, the corporate user is granted a blanket annual license to make photocopies for internal use of any copyrighted material contained in any of the journals and books registered with the CCC. The annual license fee is determined on the basis of a limited photocopying survey, factored by the licensee's employee population and the copying fees for the journals regularly copied by that user. Upon payment of an annual license fee, the AAS licensee is authorized to make unlimited numbers of photocopies from CCC registered publications for internal use. The license is for one year, renewable for an additional year at the licensee's option. At

the end of a second year period a new license can be obtained.

The revenue derived from the TRS and the AAS is allocated among the publishers that have registered publications with the CCC, net of CCC's service charges, in accordance with the users' photocopying of their material. The basic fee for photocopying per unit of material is not set by CCC but rather by the individual publishers.

At this point it is advisable to look at the United Kingdom provisions with regard to reprography which is quite similar.

When talking about reprography practice in UK it goes back to the 1911 Act of Copyright though it does not specifically state reprography.

In 1911 when the 'fair dealing' exceptions were first spelled out in statutory terms, 'private study' and 'research' were included in the list of permitted purposes.

In the case of University of London Press, Limited v. University Tutorial Press, Limited, (1916) 2 Ch. 601, examiners were appointed for a matriculation examination of the University of London, a condition of appointment being that any copyright in the examination papers should belong to the University. The University agree with the plaintiff company to assign the copyright, and by deed purported to assign it, to the plaintiff company. After the examination the defendant company issued a publication containing a number of the examination papers (including three which had been set by two examiners who were co-plaintiffs), with criticisms on the papers and answers to

questions.

The defendants on these facts contended that their publication of the three papers is a fair dealing with them for the purposes of private study within Section 2(1) of the Act of 1911, and is therefore not an infringement of copyright.

The court stated that, "It could not be contended that the mere republication of a copyright work was a 'fair dealing' because it was intended for purposes of private study, nor, if an author produced a book of questions for the use of students, could another person with impunity republish the book with the answers to the questions." Id. at 613.

That is an infringing publisher could not justify his book by saying that readers would use it for private study.

However, Professor W.R. Cornish in his Intellectual Property Law book states that, "the courts were not asked to say how much could be taken; nor what purposes constituted private study or research; nor whether multiple copying could ever be justified under this head." Id. at 344.

In Sillitoe v. McGraw Hill (1983) F.S.R. 545, the defendant company imported and distributed a series of study notes on texts which were set books for "0" level English literature papers. They included Sillitoe's Loneliness of the Long Distance Runner, Lee's Cider with Rosie and Shaw's St. Joan. The copyright owners of these works sued for secondary infringement by importing and selling within the Copyright Act of 1956, Section 5(2), (3). The requirement of knowledge in those provisions was specified by the

phrase, "if to his knowledge the making of the article constituted an infringement of that copyright, or (in the case of an imported article) would have constituted an infringement of that copyright if the article had been made in the place into which it was imported.

With regard to the fair dealing for purposes of research or private study in Section 6(1), (2) of the Copyright Act of 1956, Mervyn Davies J. stated that, Section 6(1) authorizes what would otherwise be an infringement if one is engaged in private study or research. Furthermore, considering University of London Press Ltd case he went on to say that, the authors of the Notes, when writing the Notes and thus 'dealing' with the original work, were not engaged in private study or research.

According to Section 29(1) of the Copyright, Designs and Patents Act of 1988, which is similar to Section 6(1) of the 1956 Act dealing with a literary, dramatic, musical or artistic work for the purposes of research or private study does not infringe any copyright in the work or, in the case of a published edition, in the typographical arrangement. One of the greatest areas of controversy with regard to the passing of the Copyright, Designs and Patents Act 1988, was whether this fair dealing provision should be limited to private research or whether it should continue to apply to both commercial and private research. It is submitted that, influenced by the Williams and Wilkins v. U.S., 487 Fed. 2d 1345 (1973) decision there were opinions made by several committees that fair dealing should be removed from

commercial research, as industry should be required to pay for copying information of value to it, and that copying should be allowed only under a licensing scheme.

However, the government decided to extend the fair dealing to all forms of research, commercial and non-commercial.

The scope of fair dealing for purposes of private study or research in the light of reprographic technologies raises two particularly interesting questions. First, is whether a researcher or student is required to make a copy himself or may a third party make the copy on his behalf. R.A. Barker in photocopying practices in the United Kingdom states that, "It may be doubted, however, whether the courts would hold today that a student or a research worker necessarily has to 'copy out' the work or such part or parts as he needs himself. If the use is 'fair' it is not unreasonable to suppose that the means by which the single copy required is produced for the particular purpose and person concerned may be irrelevant. Id. at 20.

Furthermore, the same opinion is made by Dietz where he states that, it is not contrary to this provision that the making of the reproduction even by third parties is allowed or should be allowed, because the initiative lies here with the party ordering it.

However, the recent Copyright Design Patent Act of 1988 has made provisions so that even a third party could make a copy on behalf of the researcher or student for the purpose of research and private study under the conditions stated in Section 29 of

the Act.

The second question arises from the present practice of many teachers of photocopying portions of (and sometimes entire) works for distribution to their students, whether as individual copies or as part of a compilation. While such copies are for the purposes of the study of the individual students, and whether this constitute fair dealing for the purpose of private study or research.

In University of London Press Limited v. University Tutorial Press Limited, (1916) 2. Ch. 601, Peterson J. held that: "it could not be contended that the mere republication of a copyright work was fair dealing, because it was intended for private study." Id. at 613.

In the 1962 American case of Wihtol v. Crow, (309 F.2d 777) the defendant, a school teacher, made an arrangement of the plaintiff's copyrighted song and reproduced 48 copies of the song for his students on the school's duplicating machine. The defendant alleged that his activities should be considered as fair use insofar as he had acted "for the furtherance of music education, the advancement of music appreciation and education of my students and choirs involved." The District Court held for the defendant; the Court of Appeal reversed the decision and declared that the defendant's acts constituted infringement. The Appeal Court stated, in part, that the implications of the District Court's doctrine of fair use are, of course, not limited to these particular plaintiffs. Other copyrighted music,

textbooks, maps and all types of other teaching materials will likewise be stripped of copyright protection provided only that the unauthorized duplications are made on the individual schools' own duplicating machines for distribution only to their own students. The collective result of such a rule would be to carve educational materials outside the ambit of copyright protection. This would not only be devastating for those who labor in the field of educational writing, but would indeed be a most serious blow to education itself.

After considering both cases in the USA and the UK it is submitted that when considering fair dealing and fair use the courts have been reluctant to give special consideration for educational purposes. They have applied the same principles which they use in other circumstances when dealing with similar problems.

At this point it is interesting to note how the Australian courts dealt with the situation of reprography. Moorhouse v. University of New South Wales, (1976) R.P.C. 151 (H.C. Australia) is a leading case which was brought under Section 40 and 49 of the Australian Copyright Act of 1968 which is broadly equivalent to Section 29 and 37ff of the United Kingdom Copyright Design Patent Act of 1988.

On September 28th 1973 a graduate of a university used one of a number of machines in the university library to make two photocopies of a story from the library copy of a book of short stories. Library users operated the machines by coin or token;

notices were displayed on the machines setting out Section 49 of the Act (which related only to a copy made by a librarian). Library guides issued to students at the University referred to the question of copyright in library books. The author of the book and the publisher, in whom the right to print publish and sell it in Australia was exclusively vested, sued the University alleging that it had infringed copyright in the book by reproducing or authorizing the reproduction of part of the book in a material form. They alleged that the University had established machines in its library, that it exercised no supervision or control over the books that were photocopied or the extent to which photocopying of a book occurred, that it was indifferent to whether persons making use of the facilities infringed the copyright, and that it made the photocopying facilities available to all students, staff and graduates and to any other persons desiring to use the same.

Considering Sections 13(1), 14(1)(a), 36(1)(a)(1), 36(1) and 40 of the Australian Copyright Act so far as they are material to the present case, the courts summarized as follows:

> The copyright in a literary work is infringed by a person who, not being the owner of the copyright, and without the license of the owner of the copyright, reproduces or authorizes the reproduction of the work, or of a substantial part of the work, in a material form, unless the reproduction is 'a fair dealing' with the work 'for the purpose of research or private study.' In the circumstances of the present case it is impossible to hold that the University itself did the act of photocopying which was alleged to have infringed the copyright Mr. Brennan was not the servant or agent of the

> University for the purpose of making the copies. Similarly it is impossible to hold that Mr. Brennan made the copies on behalf of the librarian of the university, and for that reason Section 49, which provides that copyright is not infringed by the making of a copy by or on behalf of a librarian, under the conditions stated in that section, has no application to the facts of the present case. The university can only be liable if it authorized the doing of the act of photocopying by Mr. Brennan and if that act amounted to an infringement of copyright.

Id. at 10.

The courts stated that the notices placed on the machines, which set out Section 49, were completely ineffective for the purpose for which they were apparently intended.

The facts of this case could be distinguished from the case of Williams and Wilkins. According to the facts of the case, the part of the books, which were reproduced by Mr. Brennan could not be considered as for research or private study because the particular books were not considered as relevant to the courses which was taken by Mr. Brennan. Therefore, there cannot be a fair dealing in the present circumstance. That is there is a copyright infringement which has been authorized by the University, whereas in Williams and Wilkins case the courts were concerned about the medicine and medical research and that if it does not allow to take copies it will hinder the research.

However, there is adequate facts to show that, in the Moorhouse case if the University took necessary steps to prevent the machines from being used to commit infringements, the decision would have been different.

It is noteworthy to point out at this stage, that in the USA Copyright Act of 1976 has a provision which deals with similar facts of Moorhouse case. According to Section 108(f) of the 1976 Copyright Act, nothing in Section 108 "shall be construed to impose liability for copyright infringement upon a library or archives or its employees for the unsupervised use of reproducing equipment located on its premises. Provided, that such equipment displays a notice that the making of a copy may be subject to the copyright law." Id.

That is if the library has made adequate notice a library or archives or its employees cannot be liable for copyright infringement. In the Moorhouse case the University was liable because they did not place adequate notice on the photocopying machines.

Therefore, it is submitted that Section 108(f) of the US Copyright Act of 1976 could be construed similarly to the relevant provisions in the UK Copyright Act.

When talking about educational copying the provisions stated in the UK Copyright Act is similar to the practice taken by the USA.

In the 1956 Copyright Act of UK copying for educational purposes was permitted in four circumstances: the compilation of anthologies for educational use; the preparation of materials, other than by any duplication process for instruction; the preparation of examination questions; and the performance of a literary, dramatic or musical work on education premises for an

audience limited to teachers and pupils.

According to Section 32(1) of the Copyright Design Patent Act of 1988 a literary, dramatic or musical work may be copied in the course of instruction and in the course of preparation for instruction. However, the 1956 Act gave protection only for the copies taken in the course of instruction. As a result of the new addition to the 1988 Act the illogicality between the copies taken for the preparation of classes and for use in class was eradicated. This exemption extends to both teacher and pupil.

It is interesting to note that Section 32(1) does not extend to copying by means of a reprographic process. As a result, the law permits a teacher to copy all or any part of a literary, dramatic or musical work onto a blackboard, slide or transparency for display to a class, but draws the line at allowing extracts to be photocopied and distributed, in the same way, a pupil may hand copy extracts from a work but may not photocopy them under Section 32(1), although if what is done amounts to fair dealing within Section 29 then a photocopier may be used. However, this does not prevent distribution of non-photocopied copies from teacher to pupil or pupil to teacher.

Section 32(3) of 1988 Act permits copying for the purpose of an examination 'by way of setting the questions, communicating the questions to the candidates or answering the questions.' This section is much wider than Section 41(1)(b) of the 1956 Act because it extends to setting the questions and is not confined only to the questions and answers themselves. Copying may take

place by any means, including reprography and oral or recorded presentation. However, unlike the 1956 Act, the 1988 Act does not allow the photocopying of musical works for examination purposes.

With regard to educational anthologies Section 33 of 1988 Act re-enacting the Section 6(G) of 1956 Act, authorizes the inclusion of extracts from a literary or dramatic work in an anthology of works subject to some restrictions which are as follows:

The passage published in the anthology must be short; the work from which the passage is taken must be published; the anthology must be intended by the publishers for educational use for the purpose of educational establishments; the literary or dramatic work copies must itself not be intended for educational use in educational establishments, the anthology must consist mainly of material in which no copyright subsists; there must be 'sufficient acknowledgment' accompanying the literary or dramatic work; the publisher of an anthology may not within a period of five years, include more than two extracts from copyright works by the same author.

Furthermore, according to Section 36(1), (2) of the Copyright Design Patent Act of 1988 it is a permitted act in respect of literary, dramatic or musical works to make limited photocopies of them for educational purposes. The limitation is that not more than one percent of any work may be copied in any quarter, that is in any of the periods 1 January - 31 March, 1

April - 30 June, 1 July - 30 September, and 1 October - 31 December. No royalty is payable in respect of such copying. According to Section 36(4), where a licensing scheme is in operation governing reprographic copying in education, that scheme may not restrict the right to copy these minimum amounts, although it may provide for the payment of charges in respect of such copying. Also, according to Section 36(3) copyright is infringed by any person who knew or ought to have known that a licensing scheme was in operation but who has copied in breach of its provisions. When one looks from a practical angel it seems that less copying will be required in the period 1 July - 30 September than in any other quarter. However, Section 36 does not permit any authorized copying up to one percent not used in one quarter to be carried over to another. This seems to be a rigid rule where the reality is not been taken into consideration.

When talking about licensing scheme or licensing arrangements, they are to be operated by a licensing body, the terms of a proposed scheme may be referred to the Copyright Tribunal, the terms of actual licenses may be referred to the Copyright Tribunal, and the Copyright Tribunal may order the grant of a license where an applicant has been refused a license available under the scheme or a license which is unreasonably excluded from the scheme. According to Section 125 and 126 of the Copyright Design Patent Act of 1988 where there is no licensing scheme, but a licensing body has been empowered by

copyright owners to grant individual licenses in respect of copying in excess of one percent per quarter, an applicant for a license may apply to the Copyright Tribunal for review of the proposed terms of the license, and a person who actually holds a license may apply to the Copyright Tribunal for review of the terms.

Furthermore, according to Section 137(1) of the 1988 Act, in the case of reprographic copying of literary, dramatic and musical works for educational purposes, the Secretary of State is empowered to extend the ambit of a licensing scheme, or of licenses issued by a licensing body other than under a licensing scheme, so that works previously excluded are covered by the relevant arrangements. Mainly this is relevant in respect of reprographic copying beyond the quantity which is the minimum one percent per quarter provided under Section 36 where copying is permitted whether or not licensing exists.

According to the 1988 Act, for the Secretary of State to exercise his power, it must appear to him that works excluded from the scheme or licensing arrangements are of a 'description similar' to those covered, those works excluded are 'unreasonably excluded and that making the works subject to the licensing scheme or license' would not conflict with the normal exploitation of the works or unreasonably prejudice the legitimate interests of the copyright owners.

In other words, this practice of the Secretary of State leads to the phenomena of compulsory licensing which is not

practiced in the USA. However, even though it is not practiced in the USA it could be argued that under Section 107 of the United States Copyright Act which deals with the 'fair use' concept would cover similar situations. It is interesting to note that the compulsory licensing provisions are stated for the purpose of educational reprography, of literary, dramatic and musical works which have for one or other reason deliberately not been included within the terms of licensing arrangements. It is submitted, that in the USA even if it is not for the specific purpose of education, since Section 107 of the US Copyright Act of 1976 could be interpreted broadly, it could be brought under the doctrine of fair use.

At this point, it is worth mentioning that, to overcome the conflict between the Berne Convention and the Copyright Design Patent Act of 1988 of UK because compulsory licensing is anathema to the Berne Convention Section 137(2)(b) of the 1988 statute specifically states that, the compulsory licensing scheme should not conflict with the normal exploitation of the works or unreasonably prejudice the legitimate interests of the copyright owners.

According to Section 7 of 1956 Copyright Act, librarians were allowed to copy in relation to three classes of literary, dramatic and musical works; (a) single articles from periodicals for the private study or research purposes of the user; (b) extracts from books, for the private study or research purposes of the user, provided that the copyright owner could not be

located for consent to be given; (c) and old manuscripts.

It seemed that Section 7 could not prevent the making of false declarations by persons requesting copies or prevent librarians from relying on them in their provision of copies. As a result, Section 7 was re-enacted with modifications in the Copyright Design Patent Act of 1988.

When talking about copying of articles in periodicals, as stated in the 1988 Act, a librarian may make, supply, a copy of an article in a periodical without infringing any literary, dramatic or musical copyright in the text, if the library is a 'prescribed library,' copies are supplied only to persons satisfying the librarian that the copies will be used only for the purposes of research or private study. In this respect the 1988 Act tightens the law in which the making of a false declaration by the user will result in the copy supplied to him being an infringing copy in his hands and a librarian who supplies a copy in response to a declaration which he knows to be false is deemed to be the supplier of an infringing copy and thus an infringer. Also, no one person is to be furnished with a copy of more than one article in the same periodical, no one person is to be furnished with more than one copy of the same article.

Especially in the context of education if a student is unable to copy more than one article in a periodical it is most unlikely that he will buy the periodical and read the other articles. That is, if there are more than one article in a periodical which a student has to read most probably he will

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neglect to read those unless he has access to another library where he can get another article from the same periodical. When comparing with the USA Copyright Act of 1976 this provision, which is in the UK Copyright Design Patent Act of 1988, seems to be more stringent, because in the US Copyright Act a researcher could get more than one article from a periodical if the reproduction is made without any purpose of direct or indirect commercial advantage, and the reproduction of the work includes a notice of copyright.

Furthermore, according to Section 40(2)(a) of the Copyright Design Patent Act, a librarian may not supply copies of the same article to two persons at substantially the same time and for substantially the same purpose. That is if one takes an example of a group of university students, they cannot individually request a copy of a journal article recommended by a tutor. Also, they cannot argue on the basis of Section 29(3) which deals with the fair dealing provision in relation to research and private study because copying by a person other than the researcher or student himself is not fair dealing if in the case of a librarian, or a person acting on behalf of a librarian, he does anything which regulations under Section 40 would not permit to be done under Section 38 or 39 (articles or parts of published works: restriction on multiple copies of same material), or in any other case, the person doing the copying knows or has reason to believe that it will result in copies of substantially the same material being provided to more than one person at

substantially the same time and for substantially the same purpose.

There is a similar provision which is Section 108(g) in the USA Copyright Act of 1976 where it states that the rights of reproduction extends only to the isolated and unrelated reproduction of a single copy of the same material on separate occasions. Nimmer, gives a similar interpretation to this Section as in the Copyright Design Patent Act of 1988 in UK where he states that, each repetition of such reproduction of one copy must be 'isolated and unrelated' to the other reproduction of the same work.

That is in the USA and in the UK no one student can lawfully declare that his requirement is unrelated to the similar requirements of others. It is submitted that the effect of these provisions will decrease the amount of reading of such periodicals.

With respect to copying of published works the conditions laid down for the copying by prescribed libraries of published editions of literary, dramatic and musical works are similar to those relating to the copying of articles in periodicals. They are, the library must be a prescribed library, copies can be supplied to persons satisfying the librarian that the copies are required for the purpose of research and private study only, no person is to be supplied with more than one copy of the same material, no person may be supplied with more than a 'reasonable proportion' of a published literary, dramatic or musical work.

However, the word 'reasonable proportion' is not defined in the Copyright Design Patent Act of 1988, and it seems that a proportion is not reasonable if it exceeds that which could be taken by the user himself by way of fair dealing.

With regard to unpublished works the Copyright Design Patent Act of 1988, removed the distinction between published and unpublished literary, dramatic and musical works, so that in both cases copyright subsists for the life of the author plus fifty years form the end of the year in which he died. According to Section 43 of the 1988 Act, a librarian (or archivist) may make and supply a copy of the whole or part of an unpublished literary, dramatic or musical work from a document in the library, under the following conditions:

The library must be a prescribed library, if the copyright owner has prohibited any copying of the work, and at the time of making the copy the librarian knew or ought to have been aware of that restriction, the protection of Section 43 will be lost. Copies may be supplied only to persons satisfying the librarian by statutory declaration, that they will be used for research or private study purposes only. No person is to be furnished with more than one copy of the same material and persons to whom copies are supplied must pay a sum representing the cost of copying the works plus a contribution to the general expenses of the library.

However, according to Section 43 of the 1988 Act there is a distinction between published works and unpublished works where

in the case of unpublished works the Act does not prevent copies being supplied to a number of persons who intend to use the work for substantially the same purpose at substantially the same time. The underline principle behind this is that, the persons who did not get the copies do not have any other way to access to the document because it is not published. Also, there is no possible loss of sales in respect of an unpublished work.

The distinction between published works and unpublished works are not to be seen in the relevant provisions with regard to photocopying, in the US Copyright Act of 1976.

Section 41 of the Copyright Design Patent Act of 1988 allows a librarian to make a copy of a single article in a periodical or the whole or any part of a published literary, dramatic or musical work for supply to another library, as long as both libraries are prescribed.

Section 42 of the 1988 Act makes provisions for copying to replace or preserve a literary, dramatic or musical work. The work copied must be in the permanent collection of the library and it must be made only for the purpose of preserving the work by placing the copy in the library's permanent collection in addition to or in place of the original, replacing the work in the library's permanent collection, replacing the work in the permanent collection of another prescribed library where the work has been lost destroyed or damaged. Copies may be made only where it is not reasonably practicable to purchase a copy of the original work in question.

This provision is similar to the US Copyright Act of 1976. Both instances, the primary intention is to preserve the rare books.

However, the Whitford Committee has pointed out that a library might wish to make a copy other than for preservation or replacement, namely making a copy in microfiche form to save space.

CHAPTER IV

Audio and Video Copying

With the development of new technology audio and video copying have been one of the most important problems that one has to deal with.

In relation to the case law in the USA, Bruzzone v. Miller Brewing Co., 202 U.S.P.Q. 809 (N.D. Cal. 1979) was the first case where the Northern District of California Court held that, off-air taping of television broadcast material was fair use.

In this case the user was a for-profit research company which taped randomly selected television commercial works entirely and sold the result of its subsequent analysis of them to interested advertisers, trade organizations, and others.

The court found the defendants use to be for "purposes of criticism, news reporting, teaching, scholarship, and research," and held that it was fair use. However, William Patry in his book The Fair Use Privilege in the Copyright Law criticizes the decision of the court stating that, "The court appears to have completely missed the basic issue of off-air taping as infringement since it found that the copyright owner had not proved "substantial and material copying" thereby confusing fair use with insubstantial takings." Id. at 195.

Another crucial case in this area is the case of Encyclopedia Britannica Educational Corp. v. Crooks, 447 F. Supp. 243 (W.D.N.Y. 1978) where the plaintiffs were engaged in the

business of producing, acquiring and licensing educational motion pictures and television programming. A substantial part of their income was derived from the sale or licensing of their products to educational institutions. Defendant, a non-profit corporation organized under a state education code to provide educational services to public schools, owned videotape equipment worth one-half million dollars, and employed anywhere from five to eight full time personnel to make and provide the schools with tapes of, inter alia, educational television programs. Defendant's practice was to make a master off-air videotape of any program of educational value that was broadcast. A catalogue of these tapes was then compiled and distributed to teachers in 21 school districts, along with directions on how to order copies. Once an order was placed, defendant copied the master on to a blank tape provided by the requesting school. In a number of cases, these copies were returned to defendant by the schools after viewing, for erasure and subsequent use in recording other programs. The schools were not required to return the copies however, and a few schools apparently used the copies to create their own video libraries. During the school year preceding the suit, defendant duplicated approximately 10,000 videotapes.

The defendant argued that the copying was fair use because no irreparable harm could be proven. However, the courts citing Wainwright Securities, Inc. v. Wall Street Transcript Corp., 558 F.2d 91 (2d Cir. 1977) stated that, the plaintiff is entitled to an injunction "even without a detailed showing of irreparable

harm if the plaintiff demonstrates probable success on the merits or a prima facie case of infringement." Id. F.Supp. 247 at 447.

Furthermore, defendant tried to rely on the case of Williams and Wilkins but the courts distinguished both cases on the basis that in Williams and Wilkins copying was normally limited to single articles of 50 pages or less, whereas in Crooks the entire work was reproduced, in Williams and Wilkins the effect of the copying on the market for plaintiff's works was found to be minimal, whereas in Crooks the effect was likely to be substantial, and defendant in crooks could avoid harm to its users by entering into a licensing agreement with plaintiffs.

Finally, the court taking into consideration all the factors rejected the defendant's fair use claim.

It is interesting to note at this point, that in Crooks nonprofit educational off-air taping was held not to be fair use mainly because as a result of massive reproduction and long retention periods a potential harm to the copyrighted works would be done. However, in the famous Sony Corp. v. Universal City Studios, Inc., 104 S.Ca. 744 (1984) it was held that, "time shifting" of free broadcast programming by private individuals in their homes was fair use.

In Sony Corp. case petitioners manufacture and sell home video tape recorders. Respondents own the copyrights on some of the television programs that are broadcast on the public airwaves. Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts

as well as a large number of other broadcasts. The question presented is whether the sale of petitioners' copying equipment to the general public violates any of the rights conferred upon respondents by the Copyright Act.

The District Court came to a conclusion that, noncommercial home use recording of material broadcast over the public airwaves was a fair use of copyrighted works and did not constitute copyright infringement. Furthermore, the District Court stated that, Sony could not be held liable as a contributory infringer even if the home use of a VTR was considered an infringing use on the basis that Sony merely sold a "product capable of a variety of uses, some of them allegedly infringing." It went on to say that:

> selling a staple article of commerce, e.g. a typewriter, a recorder, a camera, a photocopying machine, technically contributes to any infringing use subsequently made thereof, but this kind of "contribution" if deemed sufficient as a basis for liability, would expand the theory beyond precedent and arguably beyond judicial management.

Id. at 461.

But, the Court of Appeals reversed the District Court's judgment stating that, the home use of a VTR was not a fair use because it was not a "productive use." Furthermore, the Court of Appeals rejected the argument of the District Court regarding contributory infringement stating that, such machines "may have substantial benefit for some purposes" and do not "even remotely raise copyright problems." Id. 695 F.2d at 975.

Therefore, VTR's were not suitable for any substantial noninfringing use even if some copyright owners elect not to enforce their rights.

Finally, when it came to the Supreme Court of the United States it was decided that time-shifting was fair use.

The Supreme Court emphasized that if the Betamax were used to make copies for a commercial or profit-making purpose, such use would presumptively be unfair, and that time-shifting for private home use must be characterized as a noncommercial, nonprofit activity. Furthermore, the Supreme Court went on to say that, time-shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact that the entire work is reproduced, does not have its ordinary effect of militating against a finding of fair use.

Supreme Court summarizing the facts which led to the conclusion stated that, because Sony demonstrated a significant likelihood that substantial numbers of copyright holders who license their works for broadcast on free television would not object to having their broadcasts time-shifted by private viewers and respondents failed to demonstrate that time-shifting would cause any likelihood of nominal harm to the potential market for, or the value of, their copyrighted works Betamax is capable of substantial noninfringing uses.

At this point, it is noteworthy to point out the dissenting judgment given by the supreme court judges. When analyzing the

dissenting judgment, it seems that to come under the defense of fair use, the use must be productive, that is it must result in some added benefit to the public beyond that produced by the first author's work. Furthermore, it goes on to say even in the case of unproductive uses the courts have to be careful because a particular use which may seem to have little or no economic impact on the author's rights today can assume tremendous importance in times to come.

However, it is submitted that, the Supreme Court decision of Sony case should be interpreted narrowly for the purpose of time-shifting, home videocassette recording is a fair use. If one would want to go beyond that it could not be a fair use for instance if it is being recorded and kept in the record library of the viewer so that he could use it for an unlimited period of time. Then, as the dissenting judgment points out, the solution is up to the Congress.

When talking of audio and video copying another important case in the USA is Pacific and Southern Co. Inc. v. Duncan, 744 f.2d 1490 (1984), cert. denied, 471 U.S. 1004 (1985). In this case Pacific and Southern Company, the owner of a television station, charges that Carol Duncan, d/b/a TV News Clips, has infringed its copyright by videotaping its news broadcast and selling the tapes to the subjects of the news reports.

Referring to the Supreme Court decision in the case of Sony the courts argued that commercial nature of the use militates quite strongly against a finding of fair use because according to

Sony a commercial purpose makes copying onto a videotape cassette "presumptively unfair". Furthermore, the courts pointed out that TV News Clips' use is neither productive nor creative in any way. However, the courts referring to Sony stated that,

> although "productive use" is not an absolute prerequisite to a defense of fair use the distinction between productive and unproductive uses could be helpful in calibrating the balance.

Therefore, the courts concluded that, the unproductive nature of TV News Clips' use affects the balance in this case. The commercial and unproductive purpose of the use, the injury to the potential market and the substantial amount of copying led the courts to conclude that TV News Clips has not made fair use of the protected work.

At this point it is interesting to note the developments in the United Kingdom in respect of audio and video copying.

According to the 1956 Copyright Act of United Kingdom home taping was considered fair dealing only for purposes of research or private study. However, the 1988 Copyright Design Patent Act has made copying for time shifting purposes as fair dealing.

At this point it is worthy of note that, for a long time right-owners have been attempting to persuade courts that those who supply recording equipment are authorizing or inciting infringement. But as noted before, in the United States in Sony the majority of the Supreme Court decided that private recording from television for the purpose of time shifting is fair use. It is submitted that in the United Kingdom too, a similar trend

regarding private recording has been followed. Especially in the case of CBS Songs v. Amstrad (1988) R.P.C. 567 the House of Lords refused to find infringement or other wrong in marketing a twin-deck tape recorder, for all that it would likely be used for taping copyright music and sound recordings without licence.

In this case the first respondent Amstrad, manufactured twin-deck tape recording machines which were sold by the second respondent. A tape-to-tape facility on the machines meant that they could be used to reproduce one tape directly onto another and they were advertised in a manner which was likely to encourage home taping and copying of copyright material. However, the first respondent's advertising warned that some copying required permission and made it clear that the first respondent had no authority to grant such permission. The appellants, who were three record companies suing on behalf of themselves and other copyright owners in the music business, brought an action against the respondents seeking an injunction to restrain them from selling the machines without ensuring that the appellants' copyrights in sound recordings were not infringed by use of the machines.

It was argued that Amstrad were liable on a number of grounds: (i) authorizing infringement under the Copyright Act 1956, section 1, either by marketing the recorder or by the form of advertisement used; (ii) joint infringement with purchases who copied unlawfully; (iii) inciting commission of tort of infringement; (iv) inciting commission of criminal offenses under

the 1956 Act, section 21; (v) negligence through failure to prevent, discourage or warn against infringement.

The appellants the British Phonographic Industry (BPI) citing section 1(1) of the 1956 Act which confers on the copyright owners in a record the "exclusive right to authorize other persons' to copy the record, submits that by selling a model which incorporates a double-speed twin-tape recorder Amstrad "authorize" the purchaser of the model to copy a record in which copyright subsists and therefore Amstrad infringe the exclusive right of the copyright owner.

Lord Tempelman analyzing the given facts stated that by selling the recorder Amstrad did not authorize the purchaser to copy. He stated that,

> My Lords, twin-tape recorders, fast or slow, and single-tape recorders, in addition to their recording and playing functions, are capable of copying on to blank tape, directly or indirectly, records which are broadcast, records on discs and records on tape. Blank tapes are capable of being employed for recording or copying. Copying may be lawful or unlawful. Every tape recorder confers on the operator who acquires a blank tape the facility of copying; the double-speed twin-tape recorder provides a modern and efficient facility for continuous playing and continuous recording and for copying. No manufacturer and no machine confers on the purchaser authority to copy unlawfully. The purchaser or other operator of the recorder determines whether he shall copy and what he shall copy. By selling the recorder Amstrad may facilitate copying in breach of copyright but do not authorize it.

Id. at 493.

BPI's next submission was that Amstrad by their

advertisement authorize the purchaser of an Amstrad model to copy records in which copyright subsists.

Denying the BPI's allegation the House of Lords stated that, the advertisement did not authorize the unlawful copying of records especially because the footnote warned that some copying required permission and made it clear that Amstrad had no authority to grant that permission.

Lord Tempelman citing the statement made by Atkin LJ in the case of Evans v. E. Hulton and Co. Ltd stated that,

> in the context of the Copyright Act an authorization means a grant or purported grant, which may be express or implied, of the right to do the act complained of

Id. at 494.

Therefore, the court decided that, Amstrad did not sanction, approve or countenance an infringing use of their model.

At this stage, it is noteworthy to distinguish the Moorhouse v. University of New South Wales (1976) RPC 151 case where the question was whether there was a copyright infringement by making available a photocopying machine in a university library. In this case the court state that,

> .. a person who has under his control the means by which an infringement of copyright may be committed... such as a photocopying machine... and who makes it available to other persons, knowing or having reason to suspect, that it is likely to be used for the purpose of committing an infringement, and omitting to take reasonable steps to limit its use to legitimate purposes, would authorize any infringement that resulted from its use.

Id. at 159.

Furthermore, in the Moorhouse case duties of some libraries were defined by the Copyright (Libraries) Regulations 1957 and they had not adhered to some of the regulations. But in the case of Amstrad, they have no control over the use of their models once they are sold. Therefore, one could distinguish Moorhouse from Amstrad by stating that in Moorhouse the library had some control over the users of the photocopying machines and also they had not clearly specified the copyright regulations in their notices.

BPI next submitted that Amstrad were joint infringers. However, the House of Lords denying the said allegation stated that,

> Amstrad sells models which include facilities for receiving and recording broadcasts, disc, records and taped records. All these facilities are lawful although the recording device is capable of being used for unlawful purposes. Once a model is sold Amstrad has no control over or interest in its use. In these circumstances the allegation that Amstrad is a joint infringer is untenable.

Id. at 495.

It is interesting to note that in the case of Sony Corp. of America v. Universal City Studios, Inc. 464 U.S. 417 the Supreme Court had to address the same question of contributory infringement as in the case of Amstrad. The Supreme Court reasoned its decision very similar to the statement made by House of Lords in Amstrad, where they stated that, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely

used for legitimate, unobjectionable purposes.

Furthermore, it is submitted that, the House of Lords in the case of Amstrad have considered the inadequacy of the statutory provision in the United Kingdom to combat home copying which was one of the most important aspects which was discussed in the dissenting judgment of Sony. Justice Blackman in the Sony case stated that there can be no really satisfactory solution to the problem presented in the Sony case, until Congress acts, whereas in Amstrad the House of Lords noted for private recording the only satisfactory solution is the introduction of a levy on the sale price of recording equipment, because of the problem of policing.

However, the United Kingdom government decided to abandon the idea of a levy due to various reasons and as a result they included section 70 in the Copyright Design Patent Act of 1988 which allows, the making for private and domestic use of a recording of a broadcast or cable programme solely for the purpose of enabling it to be viewed or listened to at a more convenient time.

It could be seen that, the United Kingdom Copyright Design Patent Act of 1988 had tried to overcome the exact problem which was in the Sony case. That is only for the purpose of time shifting one could record a copyrighted work in the broadcast or cable programme.

Furthermore, section 18(2) of the Copyright Design Patent Act of 1988 has introduced the rental right as part of the

copyright in sound recordings, films and computer programs which is a right against the business activity of making copies available for a payment in money or money's worth on terms that they will be returned. Section 296 gives a new right to a person who issues copies of copyright works to the public with built-in "copy-protection". He is entitled to proceed against anyone who knowingly makes, imports or markets equipment designed to circumvent the copy protection.

Taking into consideration the facts of the Sony case the 98th Congress, 1st Sess. (1983) introduced the Home Recording Act of 1983 in order to amend the Copyright Act by providing for a limitation on liability for home video recording. Such recording is exempt from any liability for copyright infringement provided that the recording is for the private use of the individual doing the recording or his or her immediate household. The same limitation of liability is granted for audio recording and any recording done for commercial purposes would not be exempted from liability. Under the proposed act, nor are multiple copies of a recording exempted from liability, although as a practical matter it is difficult to imagine any serious attempt to stop the home recorder who makes an additional tape for a friend.

Therefore, following from the above discussion it is submitted that, due to the continuous improvements in sciences and techniques concerned with the transmission, reception, recording and reproduction of sounds and signals UK and USA have had to face similar problems and the judiciary systems in both

countries have decided in a very similar way with respect to most of the modern problems.

In the case of British Broadcasting Corporation v. British Satellite Broadcasting Ltd., 1991 3 AER 833 an action for breach of copyright was brought by the BBC against British Satellite Broadcasting (BSB). The action was based on the use made by BSB of the BBC's broadcasts of international football matches played in Italy in June and July 1990 in the course of the World Cup finals. The BBC transmitted in the United Kingdom live broadcasts of a number of the World Cup matches which they had acquired copyright, in the broadcasts under the copyright Designs and Patents Act 1988.

BSB accepted that the BBC had copyright in its World Cup broadcasts and that the use it has made of those broadcasts would, prima facie, have represented an infringement of copyright. But it relied as a defence on section 30(2) of the Act of 1988 which states as follows:

> (1) Fair dealing with a work for the purpose of criticism or review, of that or another work or of a performance of work, does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement. (2) Fair dealing with a work (other than a photograph) for the purpose of reporting current events does not infringe any copyright in the work provided that (subject to subsection) it is accompanied by a sufficient acknowledgement. (3) No acknowledgement is required in connection with the reporting of current events by means of a sound recording, film, broadcast or cable programme.

As a result of development of technology the 1988 Act has

extended the fair dealing defence to infringements of the copyrighted broadcasting. Therefore , prior to the coming into force of the Act of 1988 this fair dealing defence would not have been available to BSB.

The Chancery division stated that BSB was entitled to the fair dealing defense and stated that,

> The evidence in the present case has, in my opinion, established really beyond argument that the use made by BSB of the BBC material was for the purpose of reporting current events. The question is whether it was fair dealing for that purpose. Both, the quantity and the quality of the material used are important. As to duration, the excerpts were very short in relation to the length of the match broadcast in question, 30 seconds or thereabouts out of a broadcast lasting, say, 90 minutes. The excerpts tended, naturally, to show highlights of the matches.

Id. at 845.

In the USA, Iowa State University Research Foundation, Inc. v. American Broadcasting Companies, Inc., 621 F.2d 57 (1980) was a case where the defendant a television network copied and broadcasted portions of a student-produced film biography of a champion wrestler who was destined to win a gold medal at the 1972 Munich Olympics without permission of the copyright owner.

The defendant brought in the defense of fair use, but the United States Court of Appeals for the Second Circuit decided that, it did not constitute "fair use" because the network's use of the film had a profit-making character and the network usurped an extremely significant market for the film when it broadcasted approximately eight percent of the film on three separate

occasions.

It is submitted that, Iowa State University case could be distinguished from the case of British Broadcasting Corporation in which the use made by the defendant (BSB) of the BBC material was for the purpose of reporting current events and they had done it without harming the copyright owner. However, in Iowa State University case the network's use of the portions of plaintiff's film was not motivated solely by beneficence but had, at least in part, a profit making motive and where the network's broadcast foreclosed a significant potential market to the copyright owner, the sale of its film for use on television in connection with the Olympics.

In the case of Encyclopedia Britannica Educational Corporation v. Crooks, 542 F.Supp. 1156 (1982) there was a copyright infringement action and the courts had to decide whether an educational cooperative's large-scale videotape reproduction of copyrighted works originally broadcast and taken from the television airways constituted fair use under the copyright laws.

It is interesting that in this case while courts have tended to be most receptive to unauthorized use of educational, scientific, and historical works, such does not necessarily mean that noncommercial or educational motive will invariably sanction fair use.

The court took into consideration mainly the large-scale videotape reproduction of copyrighted works and the

substantiality of the use, where the videotape copying amounted to a virtual substitution for the purchase or license of the plaintiff's work.

At this point it should be noted that, in the British Broadcasting Corporation case, the courts were concerned about the quantity and the quality of the material used. That is even in the United Kingdom cases the courts try to take into consideration the normal factors which are being considered in the USA courts. However, as one saw in the British Broadcasting Corporation case, in the United Kingdom, if the statute does not specifically sate, in which circumstances the fair dealing defense should be applied, even if a use is prima facie a fair dealing one can not take the advantage of the defense of fair dealing. But, in the United States section 107 of the Copyright Act of 1976 could be interpreted widely, so that, most of the circumstances could come under the fair use defense.

Finally it is submitted that, according to the comments on the preliminary draft of the report of the working group on Intellectual Property Rights 1994, as a result of the technological developments the most difficult copyright issue is fair use. Furthermore, the working group submits that the fair use privilege should be applied to all regardless of whether a person or institution can be classified as needy.

According to the working group one possible way to resolve the fair use issue is to assume that works are protected and develop administratively feasible and effective licensing

mechanisms, including collective solutions, that all affected parties can buy into.

Therefore, it is submitted that, especially as a result of rapid development in the area of technology the doctrine of fair use has to be reconsidered, and it seems that the United Kingdom and the United States are going to respond to this problem with licensing schemes which is a new concept to the fair use area. However, it is submitted that the licensing schemes represent a closer relationship with the fair dealing concept because these schemes allow copyright owners to control uses and rates. That is, a more powerful bargaining power has been given to the copyright owner until the use is fair.

CHAPTER V

Unpublished Works

When one talks about unpublished works the author's right of first publication is an important right. The courts in the United Kingdom had to face this problem as early as the 18th century and they decided that the authors had a common law right of first publication. In the case of Millar v. Taylor, 4 Burr. 2303 (K.B. 1769) Lord Mansfield stated that:

> From that source, then is the common law drawn, which is admitted to be so clear, in respect of the copy before publication?
>
> From this argument because it is just, that an author should reap the pecuniary profits of his own ingenuity and labour. It is just, that another should not use his name, without his consent. It is fit that he should judge when to publish, or whether he ever will publish. It is fit he should not only choose the time, but the manner of publication; how many; what volume; what print. It is fit, he should choose to whose care he will trust the accuracy and correctness of the impression; in whose honesty he will confide, not to foist in additions: with other reasonings of the same effect.
>
> I allow them sufficient to shew 'it is agreeable to the principle of right and wrong, the fitness of things, convenience and policy, and therefore to the common law, to protect the copy before publication.

Id. at 2398.

This was followed by the majority of the House of Lords in Donaldson v. Becket, 4 Burr. 2408 (H.L. 1774). The same principle was enunciated in the case of Folsom v. Marsh, 9 F.Cas. 342 (C.C.D. Mass 1841) by Justice Story where he held that the

author of unpublished letters could sue for copyright infringement if the addressee published such letters for purposes other than "vindicating his character and reputation, or freeing him from unjust obloquy and reproach."

In Prince Albert v. Strange, 2 Deg. and Sm. 652 (1849) the defendant obtained copies of etchings by unknown means created by Prince Albert and Queen Victoria and advertised them for sale in a catalogue. In granting an injunction against further publication of the catalogue the court stated that such unpublished works were not subject to fair use:

> Now, this protection, by the common law, of literary compositions that have never been, with the consent of the author, the owner, generally published, cannot, I apprehend, be evaded by a translation****, by an abridgment, a summary, or even a review; for a review professes to treat of the general character of the work reviewed, to analyze or dissect it, and shew from the contents some reason for the praise or dispraise which it may be the particular critic's task to disseminate.
>
> A work lawfully published, in the popular sense of the term, stands in this respect, I conceive, differently from a work which has never been in that situation. The former may be liable to be translated, abridged, analyzed, exhibited in morsels, complimented, and otherwise treated, in a manner that the latter is not.

Id. at 693.

This case was appealed and Lord Chancellor Cottenham reiterated that unpublished works were governed by the common law and they were not subject to fair use.

British Oxygen Co. v. Liquid Air, Ltd. (1925) 1 Ch. 383 was a case where the plaintiffs brought a motion to restrain the

defendants from publishing, printing, circulating, exhibiting or parting with a letter dated December 17, 1924 and addressed by an agent of the plaintiffs to Tanks and Drums, Ltd., in which letter was set out the terms upon which the plaintiffs were willing to supply oxygen to Tanks and Drums, Ltd., and from authorizing to be published, printed, circulated or exhibited such letter of the effect thereof, or copies or photographic reproductions, or extracts therefrom, and from informing any person or persons of the contents of such letter. The letter of December 17 fell into the possession of the defendants, who caused twelve photographic reproductions of it to be made, and sent one, together with a letter criticizing it, to a firm of stockbrokers. Considering the facts, especially the unpublished nature of the work Romer, J. stated that:

> It would be manifestly unfair that an unpublished literary work should, without the consent of the author, be the subject of public criticism, review or newspaper summary. Any such dealing with an unpublished literary work would not, therefore, in my opinion, be a 'fair dealing' with the work.

Id. at 393.

Hubbard v. Vosper, (1972) 2 QB 84 is another case where the courts had to deal with the problem of unpublished works. However, the facts of Hubbard case should be distinguished from the British Oxygen Co. case because the difference of facts led to a different conclusion.

Hubbard was the founder of the Church of Scientology of California and was the author of a number of books which

expounded the doctrines of the cult of scientology. He had also written numerous bulletins and letters on the subject which had been circulated to members of the cult. Vosper, who had been a member of the Church of Scientology for many years, enrolled for an advanced course on Scientology which the cult's authorities regarded as confidential. They required Vosper to sign an undertaking to use the knowledge acquired on the course for scientology purposes only and to refrain from divulging information received to those not entitled to receive it. Vosper did not, however, complete the course. Vosper left the organization and wrote a book criticizing scientology and it contained many extracts from the books and other writing of Hubbard. Hubbard and the Church of Scientology brought an action against Vosper claiming infringement of copyright and breach of confidence and sought an interlocutory injunction restraining publication.

Hubbard argued that, the bulletins and letters were not published to the world at large, but only to a limited number of people and it was not 'fair dealing' to take extracts from these bulletins and letters and criticize them. Lord Denning MR responding to the said argument stated that:

> I am afraid I cannot go all the way with those words of Romer, J. Although a literary work may not be published to the world at large, it may, however, be circulated to such a wide circle that it is 'fair dealing' to criticise it publicly in a newspaper, or elsewhere.**** So also here these bulletins and letters may have been so widely circulated that it was perfectly 'fair dealing' for Mr. Vosper to take extracts from

them and criticise them in his book.

Id. at 89.

A similar view was made by Ungoed Thomas J in the case of Beloff v. Pressdram, (1973) 1 A.E.R. 241 where the plaintiff, an Observer journalist, wrote a memorandum to colleagues concerning Reginald Maulding in which she revealed William Whitelaw's confidential view that Maulding was the natural successor as Conservative leader to the then Prime Minister, Edward Heath. A copy of this was given surreptitiously to a Private Eye journalist, Paul Foot, that magazine being in the process of publishing exposes of Maulding's connections with an off-shore financing operator, Hoffmann. Private Eye published the memorandum in full as part of an attack on the plaintiff for her fostering of Maulding and her own aspersions on Private Eye's campaign against him.

Her action for infringement of copyright failed because of her inability to prove ownership of the copyright.

With regards to unpublished works Ungoed Thomas J. stated that, unpublished works should not be automatically outside the provisions of the fair dealing defence but it is an important factor to be considered with the other factors.

At this point it is interesting to note that, before 1976 there was a division between statutory copyright and common law copyright based on the concept of publication. That is matters which related to unpublished works were governed by the common law copyright and was decided by the state courts whereas matters

which related to published works were governed by the statutory copyright and was decided by the federal courts. As a result, American cases dealing with the unauthorized publication of unpublished works followed the British common law principles.

In Stanley v. Columbia Broadcasting System, 221 P.2d 73 (Cal. 1950) (en banc) the California Supreme Court held that, "the common law prohibits any kind of unauthorized interference with, or use of, an unpublished work on the ground of an exclusive property right *** while a statutory copyright permits a 'fair use' of the copyrighted publication, without deeming it an infringement." Id. at 78.

Furthermore, in the case of Golding v. RKO Radio Pictures, Inc., 193 P.2d 153 (Cal. Dist. Ct. App. 1948) the court went on to say that,

> A dispute exists between the parties as to whether the test to be applied here - a case of alleged piracy of unpublished, uncopyrighted (i.e. common law) material - is the same as that applied in cases of alleged piracy of copyrighted (i.e. statutorily protected) material. The test for determining whether there is piracy is the same in both cases. The only distinction between the two classes of cases is that the law permits 'fair use' of copyrighted material. It does not permit 'fair use' of unpublished, uncopyrighted material.

Id. at 163.

It is submitted that the law which was applicable to unpublished works did not change even after the 1976 Copyright Act because according to the legislative history of the 1976 Act the Congress intended to continue the common law prohibition

against fair use of unpublished but not voluntarily disseminated works. In Schuchart and Associates v. Solo Service Corp., 220 U.S.P.Q. 170 (W.D. Tex. 1983) the court had to deal with the question of fair use in relation to technically unpublished architectural and engineering drawings and specifications which had been used to construct a shopping center. Copies of the work had been given to the City building inspector, to contractors and subcontractors for bidding purposes and to the winning bidders in order to construct the building.

With regard to the nature of the work which is the second factor under Section 107 of the 1976 Act, the court stated that:

> The second factor to be considered, the nature of the copyrighted work, is largely inapplicable to this case, except for the fact that the applicability of the fair use doctrine to unpublished works is narrowly limited. This is because although the work is unavailable, it is the result of a deliberate choice on the part of the copyright owner. Sen. Rep. No. 473, 94th Cong., 1st Sess. 64 (1975). Because it has been determined in this case that plaintiff's plans and specifications were not published within the meaning of the copyright statutes, the second factor enumerated in Section 107 also goes against defendants' defense of fair use.

Id. at 182.

The above statement made by the courts specifies that the law applicable with regard to the unpublished works has not changed even after the 1976 Copyright Act. This could be illustrated by the statement made by William F. Patry in the Fair Use Privilege in Copyright Law regarding the Schuchart and Associates. He states that:

> It is noteworthy that the court did not find that the prohibition against fair use of 'unpublished' works did not apply since the plaintiff had not kept the work confidential. Instead, the court properly interpreted the legislative reports; use of the term 'deliberate choice' to refer to 'publication' as defined in the statute and not to any notions of an intent never to 'publish' the works.

Id. at 447.

When comparing with the British cases it is submitted that a similar principle is being followed by the British Courts, in which, if the work is circulated to such a wide circle fair dealing could be applied.

In Diamond v. Am-Law Publishing Corp., 745 F.2d 142 (2d Cir. 1984) the courts had to deal with a suit which was brought against magazine editor and others by attorney who alleged that defendants wrongfully appropriated his copyrighted letter to the editor which denied an article's statement concerning the filing of a grievance against plaintiff and which criticized the magazine's reportorial conduct.

Even though the courts did not specifically determine whether the letter was published or unpublished the courts did apply the fair use defense in the Diamond case.

Referring to the definition of 'publication' in Section 101 of the 1976 Copyright Act, William F. Patry in Fair use privilege in Copyright Law states that, "since the definition of 'publication' states in part that "the offering to distribute copies *** to a group of persons for purposes of further distribution *** constitutes publication, it is more likely than

not that the work was 'published'" Id. at 448.

However, even if the work was unpublished the author of the letter clearly consented to publication and therefore, it is subject to fair use.

In Harper and Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 an undisclosed source provided the Nation magazine with the unpublished manuscript of 'A Time to Heal: The Autobiography of Gerald R. Ford'. Working directly from the purloined manuscript, an editor of the Nation produced a short piece entitled "The Ford Memoirs - Behind the Nixon Pardon." The piece was timed to 'scoop' an article scheduled shortly to appear in Time Magazine. Time had agreed to purchase the exclusive right to print prepublication excerpts from the copyright holders, Harper and Row, Publishers, Inc. and Reader's Digest Association, Inc. As a result of the Nation article, Time cancelled its agreement. Petitioners brought a copyright action against the Nation.

The unpublished nature of the work was one of the crucial issues in this case. The general rule was that, the reasonable copyright owner's control of the work was nearly absolute in the case of an unpublished work and as a result an unauthorized use was not fair unless either the copyright owner had voluntarily parted with the right to control by authorizing publication or the work was de facto published. However, it was unclear before the 1976 Copyright Act in what circumstances a de facto publication occurred. In the case of Ferris v. Frohman, 223 U.S.

424 (1912) the courts held that an unauthorized public performance did not constitute publication sufficient to cause a forfeiture of copyright and in White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908) the courts held that piano rolls, perforated musical sheets which passed through piano and sound notes, were not copies for infringement purposes and thus not copies for publication purposes.

Even though, there was a limitation to the application of the fair use as discussed above, Nation Enterprises argued that the fair use defense should be applicable in pari materia to published and unpublished works under the 1976 Copyright Act.

The court, taking into consideration the 1975, Report by the Senate Committee on the Judiciary, on the applicability of the fair use defense to unpublished works, indicated that, the scope of fair use is narrower in unpublished works than in the case of published works because of the unpublished nature of the work.

It is interesting to note that, at this point even though the Supreme Court recognized that the fair use defense generally fails where the copyright infringement involved is the unauthorized use of an unpublished work, it analyzed Nation Enterprises' claim of fair use in light of Section 107 of the Copyright Act.

However, the language in Harper and Row has created a uncertainty among the judges in the United States Court of Appeals for the Second Circuit with regard to the issue of whether to adopt a per se rule that would eliminate the fair use

defense where the work at issue is unpublished.

In Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987) the issue was whether the biographer of a renowned author has made 'fair use' of his subject's unpublished letters.

Mainly the court took into consideration the unpublished nature of the letters. The court analyzing the Harper and Row judgment stated that, "the [Supreme] Court underscored the idea that unpublished letters normally enjoy insulation from fair use copying." Id. at 95.

Thereafter, the court examined the circumstances of Salinger in light of the section 107 factors.

With regard to the nature of the copyrighted work the court made a similar statement which the Supreme Court made in Harper and Row which is the fact that a work is unpublished is a critical element of its nature. At this point it is interesting to note the argument raised by Pierre N. Leval in this article toward a fair use standard 103 Har. L. Rev. 1105 (1990) where he stated that, fair use analysis should be premised on consideration of value of unpublished work to public in relation to value of claimed fair use.

Furthermore, the courts in Salinger stated that, in considering the nature of the copyrighted work there is some ambiguity arising from the Supreme Court's observation that "the scope of fair use is narrower with respect to unpublished works."

The courts in Salinger tried to interpret these words by stating that it could mean either that the circumstances in which

copying will be found to be fair use are fewer in number for unpublished works than for published works or that the amount of copyrighted material that may be copied as fair use is a lesser quantity for unpublished works than for published works.

However, the courts in Salinger stated that, unpublished works normally enjoy complete protection against copying any protected expression, and that narrower 'scope' seems to refer to the diminished likelihood that copying will be fair use when the copyrighted material is unpublished.

It is submitted that, the court in Salinger has interpreted Harper and Row very broadly to limit the circumstances under which an infringement of the copyright owner's right could constitute a fair use.

New Era Publications International v. Henry Holt and Company, Inc., 873 F. 2d 576 is another case which dealt with unpublished works. In this case the plaintiff, New Era Publications International was a Danish corporation. It holds by license certain copyrights bequeathed to the Church of Scientology by its founder Hubbard, who died in 1986. The defendant, Henry Holt and Company Inc. is the publisher of the biography of Church of Scientology founder L. Ron Hubbard.

New Era claims that the extensive reproduction of Hubbard's published and unpublished writings in the biography amounts to infringement of the copyrights it holds. However, Holt argued that, the use of the Hubbard materials is 'fair' and therefore it is not an infringement within the meaning of the Copyright Act.

The District Court concluded that the use of the unpublished material cannot be held to pass the fair use test and it was upheld by the Court of Appeals for the second circuit.

In the District Court opinion Judge Leval based his opinion on Salinger decision stating that "given Salinger's strong presumption against a finding of fair use for unpublished materials," the use of a small amount of such material but more than a negligible size, precluded the availability of the fair use defense to the defendant charged with copyright infringement." Id. 695 F. Supp. 1493 at 1524.

Furthermore, Judge Leval went on to say that, he was compelled to so decide under the mandate of the Salinger opinion and were it not for the Salinger opinion, he would have found that the defense of fair use had been demonstrated as to the unpublished works that were reproduced.

The Court of Appeals for the Second Circuit based its conclusion mainly on the second factor of Section 107 of the Copyright Act which is the nature of the copyrighted work and stated that, unpublished works normally enjoy complete protection.

In Wright v. Warner Books, Inc., 953 F.2d 731 (2d Cir. 1991) the question of whether or not a per se rule existed with regard to the unpublished works had to be dealt with.

In this case there was a dispute over the publication of a biography of the late African-American author Richard Wright, best known for his works Native Son and Black Boy. Plaintiff

holds the copyrights in the published an unpublished works of her husband, who died in 1960. The biography, entitled Richard Wright Daemonic Genius, was written by an acquaintance of Wright, defendant Dr. Margaret Walker and published by defendant Warner Books, Inc. in 1988.

Following the analyses of Salinger and New Era the court found that the defendants did in fact use unpublished expression and that the unpublished nature of the copied materials favored the plaintiff under factor two of Section 107.

However, the court rejected a per se rule precluding a fair use finding in cases of unpublished works and stated that, "the fair use test remains a totality inquiry, tailored to the particular facts of each case. Because this is not a mechanical determination, a party need not 'shut-out' her opponent on the four factor tally to prevail." Id. at 740.

Finally after a detailed examination of the other factors the courts found that the defendants' use of the unpublished expression was fair.

At this point it is worthy of noting that as a result of the above stated cases the weight accorded to the unpublished nature of the work with respect to the other Section 107 factors remained unclear.

It is submitted that, in the case of Salinger and New Era the courts have gone beyond the common law principles to protect unpublished works. As a result, it could be seen that with regard to unpublished works a per se rule precluding a fair use

finding has developed. This situation is different to the English law principles because the English cases have not adopted a per se rule with regard to the unpublished works.

However, the Wright decision could be interpreted similar to the common law principles which is being followed by the English courts. Especially in the English case of Beloff v. Pressdram (1973) 1 A.E.R. 241 the court emphasized that the unpublished works should not be automatically outside the provisions of the fair dealing defense which was very similar to the Wright decision, where the court argued that all the factors should be considered in reaching a decision.

At this point in 1992 the Congress intervened and amended Section 107 of the Copyright Act of the United States to emphasize that no per se rule of unfair use in cases of unpublished works exists. Section 107 was amended to add the following provision:

> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above facts.

When interpreting the amendment it is clear that Congress wanted to affirm the historical understanding of the nature of the fair use defense. That is, there cannot be a per se rule of unfair use in the context of unpublished works. According to the H.R. Rep. No. 836 this will eliminate the practical dilemma that a biographer faces in either risking infringement by copying verbatim, or distorting his or her subject's meaning by putting the passage in the biographer's own words, as a result of the

Salinger decision.

Furthermore, H.R. Rep. No. 836 appears to be in approval of the Wright courts decision because it states that,

> In some circumstances it would be a fair use to copy an author's unpublished expression where necessary to report fairly and accurately a fact set forth in the author's writings.

Id. at 8.

The House Report also criticized the decision in Harper and Row based on the Court's ambiguous statement that "the scope of fair use is narrower with respect to unpublished works." However, the House Report did affirm the Supreme Court's finding in Harper and Row that, for purposes of the second statutory factor, "the unpublished nature of the work is a key, though not necessarily determinative factor tending to negate a defense of fair use. That is, the unpublished nature of the work should be analyzed together with the other fair use factors illustrated in Section 107 as well as other factors that courts find relevant to individual cases.

Finally, it is submitted that as a result of the 1992 amendment to Section 107 of the Copyright Act of the USA the fact that a work is unpublished shall not itself bar a finding of fair use which is similar to the principles followed by the English courts.