

CAMPBELL V. ACUFF-ROSE MUSIC, INC.: THE RAP ON REMEDIES

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INTRODUCTION

The traditional remedy for a copyright infringement has been an injunction.¹ However, on March 7, 1994, the Supreme Court rendered its opinion in *Campbell v. Acuff-Rose Music, Inc.*² In footnote ten of the opinion, the Court stated “that the goals of the copyright law . . . are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use.”³ The Court also explained that in “special circumstances,” where “there may be a strong public interest in the publication of . . . [a] secondary work,” a court may wish to refrain from issuing an injunction and “award . . . damages for whatever infringement is found.”⁴ The primary focus of this Note will be to explore three possible interpretations of footnote ten and to determine when a court should allow an infringement to continue and award damages in lieu thereof.

To provide context for interpreting the *Campbell* opinion, Part I of this Note will outline the underlying policies of copyright law and the fair use doctrine as well as describe the traditional remedies awarded once an infringement is found. Part II will provide a detailed, factual account of the *Campbell* case and will briefly examine what many commentators view as the most important aspect of the *Campbell* decision: The Supreme Court’s repudiation of its own dicta in earlier fair use decisions.⁵ Part III of this Note will then explore three possible interpretations of footnote ten. The first proposes that courts should refrain from issuing an injunction whenever there is a great public interest in a work, regardless of the creative motivation and the published or unpublished status of the original work. The second asks courts to refrain from issuing an injunction in only those cases where there is a high degree of public interest in the work and the original work was created for purely private purposes. Finally, a third possible interpretation of footnote ten would award damages in lieu of an injunction and

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1. See *New Era Publications Int’l v. Henry Holt & Co.*, 873 F.2d 576, 582 (2d Cir. 1989) (recognizing that “injunctions generally are granted to prevent copyright infringement”); *Salinger v. Random House, Inc.*, 811 F.2d 90, 96 (2d Cir.), cert. denied, 484 U.S. 890 (1987) (holding that “if [a biographer] copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined”); *Blackburn v. Southern California Gas Co.*, 14 F. Supp. 553, 554 (S.D. Cal. 1936) (holding that the customary remedy for a copyright infringement is an injunction or accounting).

2. 114 S. Ct. 1164 (1994).

3. *Id.* at 1171 n.10.

4. *Id.* (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1132 (1990)).

5. See *infra* note 72 and accompanying text.

allow the infringement to continue whenever the facts of a case closely parallel the prerequisites for invoking one of the compulsory licenses, as set forth in the Copyright Act of 1976.⁶ This Note will reveal that neither the first nor the second theories comport with the underlying policy of copyright law, and it will conclude that the "compulsory license" approach is the most appropriate interpretation of the *Campbell* opinion's footnote ten.

I. THE COPYRIGHT LAW

The laws of copyright can be traced to the Star Chamber Court⁷ and the censorship laws of England in the 1500s.⁸ In order to suppress the printing and teaching of the Protestant Reformist, the King granted to the Stationery Companies a monopoly over book publication by prohibiting printers from accepting anything not approved by the Star Chamber.⁹ There was no intent to protect authors, the only goal was to suppress speech that the government believed rebellious or contrary to church doctrine.¹⁰ Later, the Stationery Companies recognized copyright as a means for securing exclusive and perpetual rights in their works.¹¹ They asked the Crown to reform copyright laws and give them permanent rights.¹² From this process, the first copyright act emerged, the Statute of Anne.¹³ The Statute secured to authors, as opposed to publishers, exclusive rights in their works for periods of time from fourteen to twenty-one years.¹⁴ This concept of protecting the author's work was included in the United States Constitution.¹⁵ The Constitution states that Congress is authorized "[t]o promote the Progress of Science and useful Arts, by securing, for limited Times, to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries."¹⁶

Copyright law did not evolve solely to provide original authors absolute ownership and control of their works. Instead, it was designed to stimulate

6. See, e.g., 17 U.S.C. § 115 (1994) (compulsory license for making and distributing phonorecords).

7. See generally ARTHUR W. WEIL, *AMERICAN COPYRIGHT LAW* 8-9 (1917). The Star Chamber was established to monitor unlicensed printers and writers whose works were considered obnoxious to the church or state. *Id.*

8. LYMAN R. PATTERSON, *COPYRIGHT IN HISTORICAL PERSPECTIVE* 20-77 (1968).

9. Rick G. Morris, *Use of Copyrighted Images in Academic Scholarship and Creative Work: The Problems of New Technologies and A Proposed "Scholarly License,"* 33 *IDEA* 123, 124 (1993).

10. *Id.*

11. PATTERSON, *supra* note 8, at 25.

12. Morris, *supra* note 9, at 124.

13. Act for the Encouragement of Learning, 1709, 8 Anne, ch. 19 (Eng.), reprinted in 5 MELVILLE NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 7-5[A] app. (1994) [hereinafter NIMMER & NIMMER].

14. Morris, *supra* note 9, at 124.

15. *Id.*

16. U.S. CONST. art. I, § 8, cl. 8.

creative activity for the benefit and enrichment of the public.¹⁷ To fulfill the Constitutional mandate of protecting authors, Congress passed the first copyright act in 1790;¹⁸ subsequent acts frequently included major revisions and amendments.¹⁹ The Copyright Act of 1976²⁰ has been amended several times, principally to accommodate new technologies and to conform with international law.²¹ Notwithstanding its several amendments, the central philosophy of copyright law remains the same: To create a monopoly that rewards the individual author and benefits the public.²² Without the protection of copyright, infringing users could quickly copy and distribute new works. The original authors would then be unable to fully reap financial benefits from their works, and publishers would be reluctant to invest in the publication and distribution of new works. In addition, the growth of the arts and the transfer of knowledge would be reduced because future authors would fear the infringement of their new works.²³

Although the monopoly protection of copyright prohibited unauthorized duplication of an author's work, early courts and legal scholars recognized that a rigid adherence to the original author's monopoly power would, on occasion, stifle the very creativity that copyright law was designed to foster.²⁴ For example, if

17. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990).

18. Morris, *supra* note 9, at 125.

19. *Id.*

20. 17 U.S.C. §§ 101-1101 (1994).

21. See generally J. Wesley Cochran, *Why Can't I Watch This Video Here? Copyright Confusion and Performance of Videocassettes & Videodiscs in Libraries*, 15 HASTINGS COMM. & ENT. L.J. 837 (1993) (discussing the applications of copyright law to the viewing of commercially prepared videocassettes and videodiscs in libraries).

22. See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 545-46 (1985) (copyright is intended to increase, not impede, the harvest of knowledge and the rights conferred by copyright are designed to assure contributors a fair return for their labors). In numerous decisions, the Supreme Court has explained the theory behind copyright in similar terms. See, e.g., *Fogerty v. Fantasy, Inc.*, 114 S. Ct. 1023, 1029 (1994); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349-50 (1991); *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

23. Robert B. O'Connor, *Rap Parodies?: An In-Depth Look at Acuff-Rose Music, Inc. v. Campbell*, 2 FORDHAM ENT. MEDIA & INTELL. PROP. L.F. 239, 240 (1992).

24. See generally WILLIAM F. PATRY, *THE FAIR USE PRIVILEGE IN COPYRIGHT LAW* 6-25 (1985) (reviewing early English cases and reviewing *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901)); see also Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 281-91 (1970). Professor Breyer's article proposes "that the case for copyright in the book trade is not a strong one generally and is even weaker for some parts of that trade." *Id.* at 283-84. Professor Breyer suggests that while the copyright law should not be abolished, Congress should "hesitate to extend or strengthen it." *Id.* at 284. He argues that "the general case for copyright protection is weak." *Id.* at 350. But see Barry W. Tyerman, *The Economic Rationale for Copyright Protection for Published Books: A Reply to Professor Breyer*, 18 UCLA L. REV. 1100 (1970). In response to Professor Breyer, Mr. Tyerman's article concludes that:

original authors were given a complete monopoly over their works, research efforts would be greatly curtailed because quoting and citing earlier works could be considered an infringement.²⁵ In response, the fair use doctrine evolved to protect the use of original works under proper circumstances.

A. *The Fair Use Doctrine*

The fair use doctrine is defined as "a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without [the owner's] consent, notwithstanding the monopoly granted to the owner."²⁶ The fair use doctrine recognizes that there are circumstances in which the opportunity for fair use of copyrighted materials is thought necessary to fulfill copyright's purpose, which is "[t]o promote the Progress of Science and useful Arts."²⁷ As Justice Story explained, "[i]n truth, in literature, in science and in art, there are . . . few . . . things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before."²⁸

The fair use doctrine was first adopted in an American court in 1841 in the case *Folsom v. Marsh*.²⁹ In *Folsom*, Justice Story distilled the essence of the fair use doctrine from earlier English cases by explaining that a court should "look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree to which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work."³⁰ Fair use remained exclusively a judge-made doctrine until the passage of the Copyright Act of 1976,³¹ which codified the common law fair use doctrine as section 107.³²

[T]he existing federal copyright structure provides a relatively efficient, and, most importantly, time-proven system for ensuring both that authors find it intellectually and financially profitable to write, and that the American publishing industry is capable of producing a broad spectrum of book titles, and not merely a few commercially popular books. Thus, considering the crucial role that printed material plays in an enlightened democratic society, it is essential that copyright protection for published books be continued in substantially its present form.

Id. at 1102-03 (citations omitted).

25. PATRY, *supra* note 24, at 15-17.

26. *Rosemont Enters., Inc. v. Random House, Inc.*, 256 F. Supp. 55, 65 (S.D.N.Y. 1966); *see also* BLACK'S LAW DICTIONARY 598 (6th ed. 1990).

27. U.S. CONST. art. I, § 8, cl. 8.

28. *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4436).

29. 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901).

30. *Id.* at 348.

31. 17 U.S.C. §§ 101-1101 (1994).

32. The statute states:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news

Although the wording of the provision was revised several times, Congress intended for the courts to apply the doctrine in an equitable manner so that the goals of copyright might be furthered.³³ This intent was reflected in the drafting of section 107 which does not define the term “fair use,” but instead gives examples of the types of uses that might be considered fair,³⁴ as well as four illustrative factors for courts to weigh on a case-by-case basis.³⁵

The four factors include: “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;”³⁶ the “nature of the copyrighted work;”³⁷ the “amount and substantiality of the portion used in relation to the copyrighted work as a whole;”³⁸ and “the

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.

Id. § 107.

33. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 62 (1976); S. REP. NO. 473, 94th Cong., 1st Sess. 62 (1975), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5675.

34. The statute sets forth examples of what may qualify as a fair use such as criticism, comment, news reporting, teaching, scholarship or research. 17 U.S.C. § 107.

35. *Id.*

36. *Id.* § 107(1). This language focuses a court’s inquiry on the type of use being made, rather than the type of entity making the use. While not unrelated, they do not necessarily coincide. A profit-making company may on occasion engage in a noncommercial use and a nonprofit organization may use a work in a way that is blatantly commercial. *See Lish v. Harper’s Magazine Found.*, 807 F. Supp. 1090, 1101 (S.D.N.Y. 1992) (explaining that “the mere fact that . . . a non-profit organization . . . operates at a loss does not preclude a finding of ‘commercial use’”).

37. 17 U.S.C. § 107(2). Courts have interpreted this factor as permitting fair use more freely in cases involving informational works than those involving works of a creative nature. *See Harper & Row Publishing, Inc. v. Nation Enters.*, 471 U.S. 539, 563-64 (1985) (observing that a fair use defense is more readily upheld with respect to factual works because “the law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy”).

38. 17 U.S.C. § 107(3). In general, the larger the volume or the greater the importance of what is taken, the greater the affront to the interests of the copyright owner and the less likely the

effect of the use upon the potential market for or value of the copyrighted work."³⁹ Congress intended these four factors to be only illustrative of what a court may consider when determining fair use.⁴⁰ Given the endless variety of situations and combinations of circumstances that can arise in a particular case, the formulation of exact rules is precluded, and courts often consider other factors beyond those set forth in the Copyright Act,⁴¹ such as the good faith of the infringer, the good faith of the copyright owner, and the public's interest in the dissemination of a work.⁴² Notwithstanding the potentially vast number of factors a court may consider when determining fair use, the policy behind both the copyright law and the fair use doctrine remains the same: "[t]o promote the Progress of Science and useful Arts."⁴³ Therefore, the Supreme Court has been careful to limit the scope of the fair use analysis to only those factors which achieve this objective.⁴⁴

B. *The Remedies Rap*

Regardless of what factors a court may use to determine infringement or fair use, sections 501 through 510 of the Copyright Act set forth the remedies available to a plaintiff when an infringement is found.⁴⁵ Under the current statutory language, a successful plaintiff is entitled to recover: (1) actual damages and any additional profits of the infringer not taken into account in computing actual damages;⁴⁶ (2) statutory damages;⁴⁷ or (3) a permanent injunction barring future

taking will qualify as a fair use. *See, e.g., Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 565 (1985).

39. 17 U.S.C. § 107(4). Not every type of market impairment opposes fair use under the fourth statutory factor. An adverse critical review of a book or a movie may impair the market for the original work. However, such a market impairment is not relevant to the fair use analysis. William F. Patry & Shira Pelmutter, *Fair Use Misconstrued: Profit Presumptions, and Parody*, 11 *CARDOZO ARTS & ENT. L. J.* 667, 688 (1990). Instead, the fourth factor disfavors a finding of fair use when the market is impaired because the quoted material or secondary use serves as a substitute or "supersede[s] the use of the original." *Folsom v. Marsh*, 9 F. Cas. 342, 345 (C.C.D. Mass. 1841) (No. 4901).

40. 17 U.S.C. § 101 ("The terms 'including' and 'such as' are illustrative and not limitative."); *see also* H.R. REP. NO. 1476, 94th Cong., 2d Sess. 65 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5678 (explaining that the four factors are "in no case definitive or determinative, [but] provide some gauge for balancing the equities").

41. *See* H.R. REP. NO. 1476, 94th Cong., 2d Sess. 66 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5679.

42. Leval, *supra* note 17, at 1128-32.

43. U.S. CONST. art. I, § 8, cl. 8.

44. *See generally* *Campbell v. Acuff-Rose Music, Inc.*, 114 S. Ct. 1164 (1994); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

45. 17 U.S.C. §§ 501-510 (1994).

46. *Id.* § 504(b).

47. *Id.* § 504(c). The actual damages, profits, and statutory damages outlined in section 504

infringement.⁴⁸ It is the latter of these remedies which will be the primary focus of the remainder of this Note.

Section 502 of the Copyright Act states that “[a]ny court having jurisdiction of a civil action arising under this title may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.”⁴⁹ Courts have traditionally interpreted this section as calling for the issuance of an automatic injunction whenever an infringement is likely to continue.⁵⁰ However, language in *Campbell v. Acuff-Rose Music, Inc.*⁵¹ appears to reject this traditional approach of automatically issuing injunctions against future infringements.

II. CAMPBELL V. ACUFF-ROSE MUSIC, INC.

A. *Purging the Presumptions*

On March 7, 1994, the Supreme Court handed down its opinion in *Campbell v. Acuff-Rose Music, Inc.*⁵² The issue before the Court was whether the rap group 2 Live Crew’s commercial parody of Roy Orbison’s song, *Oh Pretty Woman* was a fair use within the meaning of the Copyright Act of 1976.⁵³ In 1964, Roy Orbison and William Dees wrote the song *Oh Pretty Woman* and assigned their rights to Acuff-Rose Music, Inc. (“Acuff-Rose”).⁵⁴ In 1989, Luther Campbell, a member of 2 Live Crew, wrote a song entitled *Pretty Woman* which he described

are designed to compensate the copyright owner for losses from past infringement, and to prevent the infringer from unfairly benefiting from a wrongful act. 3 NIMMER & NIMMER, *supra* note 13, § 14.01[A]. They do not provide the infringer with a compulsory license to continue the infringement. Often, section 504 damages will be awarded along with an injunction to prevent future infringement.

48. 17 U.S.C. § 502 (1994).

49. *Id.*

50. *See* New Era Publications Int’l v. Henry Holt & Co., 873 F.2d 576, 582 (2d Cir. 1989) (recognizing that “injunctions generally are granted to prevent copyright infringement”); *Salinger v. Random House, Inc.*, 811 F.2d 90, 96 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987) (holding that “if [a biographer] copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined”); *Blackburn v. Southern California Gas Co.*, 14 F. Supp. 553, 554 (S.D. Cal. 1936) (holding that the customary remedy for a copyright infringement is an injunction or accounting).

51. *See supra* notes 1-4 and accompanying text.

52. 114 S. Ct. 1164 (1994). *Campbell* is one of only four cases in which the Supreme Court has addressed the issue of fair use since the enactment of the Copyright Act of 1976. The other three cases are: *Steward v. Abend*, 495 U.S. 207 (1990); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985); and *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

53. *Campbell*, 114 S. Ct. at 1167.

54. *Id.* at 1168.

as intended, "through comical lyrics, to satirize the original work."⁵⁵ On July 5, 1989, 2 Live Crew's manager informed Acuff-Rose that 2 Live Crew had written a parody of *Oh Pretty Woman*, that they would give all credit for ownership and authorship of the original song to Acuff-Rose, and that they were willing to pay a fee for the use they wished to make of it.⁵⁶ Acuff-Rose refused permission.⁵⁷ Nonetheless, in the summer of 1989, 2 Live Crew released records, cassette tapes, and compact discs of *Pretty Woman* in a collection of songs entitled *As Clean As They Wanna Be*.⁵⁸

Almost a year later and after nearly a quarter of a million copies of the recording had been sold, Acuff-Rose sued 2 Live Crew for copyright infringement.⁵⁹ The district court granted summary judgment for 2 Live Crew reasoning that the commercial purpose of 2 Live Crew's song was not a bar to fair use. Instead, it viewed 2 Live Crew's version as a parody which "quickly degenerates into a play on words, substituting predictable lyrics with shocking ones" to show "how bland and banal the Orbison song seems to them."⁶⁰ The district court also concluded that 2 Live Crew had taken no more than was necessary to "conjure up" the original in order to parody it; and that it was unlikely that 2 Live Crew's song could adversely affect the market for the original song.⁶¹ The district court weighed these factors and held that 2 Live Crew's song was a fair use of Orbison's original.⁶²

The Court of Appeals for the Sixth Circuit reversed and remanded.⁶³ Although it assumed for the purposes of its opinion that 2 Live Crew's song was a parody of the Orbison original, the court of appeals noted that the district court had put too little emphasis on the commercial nature of 2 Live Crew's use.⁶⁴ The court of appeals, relying on dicta from the Supreme Court's opinion in *Sony Corp. of America v. Universal City Studios, Inc.*,⁶⁵ "that every commercial use . . . is

55. *Id.*

56. *Id.*

57. *Id.* The fact that Acuff-Rose denied Campbell permission could strengthen the fair use defense because the copyright law is designed to promote the progress of science and useful arts and should not allow an author to censor the use of his or her work. See, e.g., *Maxtone-Graham v. Burtchaell*, 631 F. Supp. 1432, 1436 (1986). In *Maxtone-Graham* the copyright owner, who had denied the defendant permission to use the work, argued that the defendant could not claim fair use because the custom in the publishing industry was to not claim fair use after permission to quote copyrighted material had been denied. *Id.* The court held that "since the doctrine of fair use is a legal doctrine having Constitutional implications, it cannot be subject to definition or restriction as a result of any such trade custom or practice." *Id.*

58. *Campbell*, 114 S. Ct. at 1168.

59. *Id.*

60. *Acuff-Rose Music, Inc. v. Campbell*, 754 F. Supp. 1150, 1155 (M.D. Tenn. 1991).

61. *Id.* at 1157-58.

62. *Id.* at 1160.

63. *Campbell v. Acuff-Rose Music, Inc.*, 972 F.2d 1429, 1439 (6th Cir. 1992).

64. *Id.*

65. 464 U.S. 417, 451 (1984).

presumptively . . . unfair," held that "the admittedly commercial nature" of the parody required the conclusion "that the first factor weighs against a finding of fair use."⁶⁶ Next, the court of appeals relied on dicta from another Supreme Court decision, *Harper & Row, Publishers, Inc. v. Nation Enterprises*,⁶⁷ which concluded that every commercial use would adversely affect the original or derivative markets for the original work.⁶⁸ By interpreting the dicta in the two Supreme Court decisions as creating presumptions against fair use, the court of appeals held that 2 Live Crew's parody was an infringement of the Orbison original.⁶⁹

The Supreme Court in reversing and remanding, criticized the court of appeals' limited analysis of the fair use factors.⁷⁰ The Court specifically observed that the Sixth Circuit erred in its elevation of the dicta in *Sony* to a per se rule and the Court explained that such an attempt to reduce the fair use test to an inflexible rule runs counter to the "common law tradition of fair use adjudication."⁷¹

B. Additional Dicta

Several commentators and scholars have praised the Supreme Court's opinion in *Campbell* for repudiating its own dicta in *Sony* and *Harper & Row* and for retreating from any prior suggestions that a commercial use gives rise to a presumption or has a dispositive significance in the fair use analysis.⁷² These commentators may be correct in concluding that the *Campbell* opinion will restore the common law traditions behind the copyright law and the fair use doctrine. However, they have overlooked other dicta in the *Campbell* opinion that may have a far greater impact on the law of copyright.

The additional dicta is the Court's suggestion in footnote ten that a balancing test be applied when a court considers the proper remedy for a copyright infringement and that the balancing test may include the public's interest in the original work.⁷³ In footnote ten the Court invited future courts "to bear in mind that the goals of the copyright law, 'to stimulate the creation and publication of edifying matter,' are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use."⁷⁴

66. *Campbell*, 972 F.2d at 1437.

67. 471 U.S. 539, 566 (1985).

68. *Campbell*, 972 F.2d at 1439.

69. *Id.*

70. *Campbell v. Acuff-Rose Music, Inc.*, 114 S. Ct. 1164, 1173-75 (1994).

71. *Id.* at 1174.

72. See Howard J. Schwartz & Cynthia D. Richardson, *2 Live Crew Case Sets 'Fair Use' Back on Track*, N.J.L.J., July 25, 1994, at S12; Henry R. Kaufman & Michael K. Cantwell, *From A First Amendment Standpoint, The 2 Live Crew Case Added 'Breathing Space' Into The Copyright Mix*, NAT'L L.J., May 16, 1994, at A7; Joseph Mauro, *'Pretty Woman' Packs A Punch*, N.Y.L.J., April 29, 1994, at 7.

73. *Campbell*, 114 S. Ct. at 1171 n.10.

74. *Id.*

The Court cited Judge Pierre N. Leval,⁷⁵ who had stated that where "there may be a strong public interest in the publication of the secondary work," a court may wish to protect the copyright owner's interest by awarding damages rather than issuing an injunction.⁷⁶ The Court buttressed its assertion in noting the position taken by the Ninth Circuit in *Abend v. MCA, Inc.*,⁷⁷ that an injunction should not issue when "special circumstances" may cause "great injustice" to defendants and "public inquiry."⁷⁸

The *Campbell* decision was the first time the Supreme Court supported the proposition that an injunction should not automatically issue whenever an infringement is likely to continue, and is a tremendous departure from the traditional approach of automatically issuing injunctions against future copyright infringements.⁷⁹ The proposition is particularly interesting because the Court did not define the proper scope of the public's interest nor did it determine what "special circumstances" will allow an infringing user to pay damages and continue the infringement. The remainder of this Note will explore these issues.

III. THE INTERPRETATION OF FOOTNOTE TEN

This Note addresses three possible interpretations of footnote ten in the *Campbell* opinion. One interpretation is based on the First Amendment, and is founded on the notion that the public's interest in a work, regardless of the underlying motivation for the creation of the original work and its published or unpublished nature, should be considered when fashioning a remedy for an infringement.⁸⁰ Proponents of this theory argue that the "special circumstances" for withholding an injunction are met whenever there is a high degree of public interest in the information conveyed.⁸¹

A second approach was set forth by Judge Pierre N. Leval in his *Harvard Law Review* article, *Toward A Fair Use Standard*.⁸² Judge Leval's interpretation is also founded on the notion that the public's interest is relevant to the selection of

75. Judge Leval currently presides over the United States District Court for the Southern District of New York.

76. Leval, *supra* note 17, at 1132.

77. 863 F.2d 1465, 1479 (9th Cir. 1988).

78. *Campbell*, 114 S. Ct. at 1171 n.10.

79. *See, e.g.*, *New Era Publications Int'l v. Henry Holt, Co.*, 884 F.2d 659, 662 (2d Cir. 1989) (holding that "the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use"); *Salinger v. Random House, Inc.*, 811 F.2d 90, 96 (2d Cir. 1987) ("If [an author] copies more than minimal amounts of . . . expressive content, he deserves to be enjoined.").

80. *See generally*, Paul Goldstein, *Copyright and The First Amendment*, 70 COLUM. L. REV. 983 (1970) (assessing the extent to which a copyright's statutory and enterprise monopolies infringe upon the First Amendment).

81. *Id.* at 990.

82. Leval, *supra* note 17, at 1132.

the proper remedy.⁸³ Judge Leval, however, places factual restrictions on his approach and would deny an injunction in only those circumstances where there is a great public interest in the original work and the original work was created for purely private purposes.⁸⁴

A third interpretation withholds an injunction in only those cases which have factual scenarios that closely parallel the prerequisites for invoking one of the compulsory licenses set forth in the Copyright Act.⁸⁵ This is the most restrictive approach and the key to understanding this interpretation of footnote ten is to understand why Congress created the compulsory licenses.

A. *The First Interpretation—Unbounded Public Interest*

In light of the policy supporting copyright law and the fair use doctrine, should the degree of the public's interest in an infringing work determine the type of remedy a court should order for an infringement? More specifically, should a court withhold an injunction when there is great public interest in an infringing work, regardless of the creative motivation and the published or unpublished status of the original work? In order to answer these questions, it will be helpful to explore the debate surrounding the coexistence of the copyright law and the First Amendment. Also, it will be beneficial to examine the Supreme Court's reaction to an earlier proposition that the public's interest in a work should be considered when determining fair use.⁸⁶

1. *Copyright's First Amendment Infringement.*—Given the broad language in section 107 of the Copyright Act, several commentators and courts have entertained the question of whether the public's right to receive information plays a role in the law of copyright.⁸⁷ This debate was largely fueled by the apparent clash of the monopoly power granted to a copyright owner⁸⁸ and the free speech guaranteed by the First Amendment.⁸⁹ The fundamental rationale of the First

83. *Id.*

84. *Id.*

85. See 17 U.S.C. § 115 (1994). This section allows a secondary user to pay a statutorily determined fee and obtain a compulsory license to record his version of a nondramatic musical work when: (1) the original work has been distributed to the public under the authority of the copyright owner; (2) the primary purpose of the secondary user in making the recordings is to distribute them to the public for private use; and (3) the secondary user only changes the original work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but does not change the basic melody or fundamental character of the original work.

86. See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 555-56 (1985).

87. See *Salinger v. Random House, Inc.*, 811 F.2d 90 (1987); *Harper & Row*, 471 U.S. at 539; see also Floyd Abrams, *First Amendment and Copyright*, 35 J. COPYRIGHT SOC. 1, 12 (1987); Goldstein, *supra* note 80, at 983.

88. 17 U.S.C. § 106 (1994) (giving the copyright owner exclusive rights to his works).

89. The amendment states that "[c]ongress shall make no law . . . abridging the freedom of speech, or the press . . ." U. S. CONST. amend. I.

Amendment was stated by Justice Brandeis in the following passage:

Those who won our independence believed that the final end of the State was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness and courage to be the secret of liberty. They believed that freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American government.⁹⁰

The First Amendment is central to preserving a democratic society.⁹¹ An important prerequisite "in a society of free choice is that its members be broadly educated in the ideas that affect their political decisions."⁹² However, political choices are not only the result of exposure to political ideas. Cultural experiences such as philosophy, science, and the written, visual, and musical arts are also important.⁹³ This same general principle was recognized by the judiciary and reduced to three judicial rules of thumb in modern constitutional decisions. First, the "assertion that the first amendment was intended to define not an individual's right to speak, but, rather, a community right to hear."⁹⁴ Second, "this right to hear, while ultimately justified by reasons of political fluency, extends to artistic as well as political expression."⁹⁵ Third, and connected to the second, "the fact that the motive for an expression is commercial rather than political does not exclude it from First Amendment protection."⁹⁶

The latter two rules are concerned with works "typically subject to the copyright monopoly. Copyrighted works are usually artistic rather than political,

90. *Whitney v. California*, 274 U.S. 357, 375 (1927) (Brandeis, J., concurring).

91. Goldstein, *supra* note 80, at 988.

92. *Id.*

93. *Id.*

94. *Id.* See, e.g., *Rosenblatt v. Baer*, 383 U.S. 75, 95 (1966) (Black, J., concurring and dissenting); *Lamont v. Postmaster Gen.*, 381 U.S. 301, 308 (1965) (Brennan, J., concurring); *Roth v. United States*, 354 U.S. 476, 484 (1957); *Stromberg v. California*, 283 U.S. 359, 369 (1931).

95. Goldstein, *supra* note 80, at 989. See, e.g., *Curtis Publishing Co. v. Butts*, 388 U.S. 130, 147 (1967); *Time, Inc. v. Hill*, 385 U.S. 374, 388 (1967); William J. Brennan, Jr., *The Supreme Court and the Meiklejohn Interpretation of the First Amendment*, 79 HARV. L. REV. 1, 13 (1965).

96. Goldstein, *supra* note 80, at 989. See, e.g., *Time*, 385 U.S. at 396-97; *Ginzburg v. United States*, 383 U.S. 463, 474 (1966). *But cf.* *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942) (explaining that "the Constitution imposes no such restraint on government [regulation] as [it] respects purely commercial advertising").

and their motive is commonly economic."⁹⁷ To the extent that copyrighted material falls within the reach of the First Amendment's protection, copyright's monopoly will inevitably conflict with the community's right to hear. Inherent in the copyright owner's monopoly power is the right to withhold his expression from the public. The original owner's right to limit the size of the audience to which the work is distributed restricts the public's right to hear, read, and view the copyrighted material.

Based upon the above analysis, the government's grant of copyright monopolies tends to abridge the public's right to information.⁹⁸ However, copyright can also be viewed as advancing this right. The First Amendment has historically been used to destroy barriers that may prevent a malleable and revolutionary public from having access to new political speech and information about its elected government.⁹⁹ The only stimulus required to induce political speech is an audience capable of political action. In contrast, the rewards of artistic expression are economic;¹⁰⁰ the artist seeks money rather than votes. By providing the economic incentive for the production of artistic creations, copyright theoretically assures that the information distributed to the public will also include that which is motivated by profit.

If the right to hear and the underlying theory of the First Amendment were taken to their furthest extent, the public could demand access to nonpolitical, creative works with little or no compensation being paid to the original author or creator. This full measure of the public's interest—free participation in all forms of expression—would require that the artist be denied copyright protection and the right to exclude. This withdrawal of copyright protection would reduce the incentives for creation and would be accompanied by a decline in the dissemination of needed expressions, thoughts and ideas.

2. *Harper & Row*.—The apparent tension between copyright law and the First Amendment was largely resolved by the Supreme Court in the seminal case *Harper & Row, Publishers, Inc. v. Nation Enterprises*.¹⁰¹ In *Harper & Row*, the Court sought to determine if the unauthorized use of quotations from President Gerald R. Ford's unpublished manuscript was a "fair use" under section 107 of the Copyright Act of 1976.¹⁰² In March, 1979, an undisclosed source provided Nation Enterprises with the unpublished manuscript of President Ford's autobiography, *A Time to Heal: The Autobiography of Gerald R. Ford*.¹⁰³ Working directly from the manuscript, a Nation editor produced a short piece entitled *The Ford*

97. Goldstein, *supra* note 80, at 989.

98. Thomas I. Emerson, *Toward a General Theory of the First Amendment*, 72 YALE L. J. 877, 918 (1963).

99. Goldstein, *supra* note 80, at 989.

100. Zechariah Chafee, Jr., *Reflections on The Law of Copyright: I*, 45 COLUM. L. REV. 503, 506-08 (1945).

101. 471 U.S. 539 (1985).

102. *Id.* at 541-42.

103. *Id.* at 542.

Memoirs—Behind the Nixon Pardon.¹⁰⁴ The work was timed to “scoop” an article scheduled to appear in *Time* magazine. Time had agreed to purchase from Harper & Row the exclusive right to print prepublication excerpts of *A Time to Heal*, but as a result of Nation’s article, Time canceled its agreement with Harper & Row.¹⁰⁵ Harper & Row then brought a successful copyright action against Nation Enterprises. On appeal, however, the Second Circuit reversed the lower court’s finding of infringement, explaining that Nation’s act was sanctioned as a “fair use” of the copyrighted material.¹⁰⁶ The Supreme Court granted certiorari.¹⁰⁷

A principal argument set forth by Nation on appeal was that the First Amendment widened the scope of fair use when the information conveyed related to matters of “high public concern.”¹⁰⁸ Nation argued that the “substantial public import of the subject matter of the Ford memoirs [was] grounds for excusing a use that would ordinarily not pass muster as a fair use.”¹⁰⁹ Nation, therefore, set forth the notion “that the public’s interest in learning . . . news . . . outweighs the right of the author to control its first publication.”¹¹⁰

The Supreme Court did not find this reasoning persuasive. The Court noted that copyright’s idea and expression dichotomy “strikes a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author’s expression.”¹¹¹ The Court observed that “the news element—the information respecting current events contained in the literary production—is not the creation of the writer, but is a report of matters that ordinarily are *publici juris*; it is the history of the day.”¹¹² Notwithstanding the lack of protection copyright offers to facts contained in a work, the Court ensured that those who write and publish factual narratives, such as *A Time to Heal*, would “at least enjoy the right to market the original expression contained therein as just compensation for their investment.”¹¹³

The Court explained that Nation’s theory of expanding fair use would effectively destroy any expectation of copyright protection in a work of a public figure and would leave little incentive to create such memoirs.¹¹⁴ This in turn would deny the public an important source of significant historical information.¹¹⁵ The Court then warned that in society’s “haste to disseminate news, it should not be forgotten that the Framers intended copyright itself to be the engine of free

104. *Id.*

105. *Id.*

106. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 208 (2d Cir. 1983).

107. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).

108. *Id.* at 555-56.

109. *Id.* at 556.

110. *Id.*

111. *Id.* (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 203 (2d Cir. 1984)).

112. *Id.* (quoting *International News Serv. v. Associated Press*, 248 U.S. 215, 234 (1918)).

113. *Id.* at 557.

114. *Id.*

115. *Id.*

expression. By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas."¹¹⁶

The Court concluded that it is "fundamentally at odds with the scheme of copyright to accord lesser rights in those works that are of greatest importance to the public. Such a notion ignores the major premise of copyright and injures author and public alike."¹¹⁷ "[T]o propose that fair use be imposed whenever the "social value [of dissemination] . . . outweighs any detriment to the artist," would be to propose depriving copyright owners of their right in property precisely when they encounter those users who could afford to pay for it."¹¹⁸ As one commentator noted: "If every volume that was in the public interest could be pirated away by a competing publisher, . . . the public would have nothing worth reading."¹¹⁹

3. *The Public's Interest and The Appropriate Remedy.*—Since the *Harper & Row* decision, First Amendment lawyers and commentators have argued that the public's interest in a work should still be an important consideration when determining the appropriate remedy for an infringement.¹²⁰ However, both the policy behind the copyright law and the practical effect of considering the public's interest at the remedial stage renders this suggestion inappropriate. An example will show how the same reasoning used in *Harper & Row*, which rejected the proposal that the public's interest should play a role in the fair use determination, can be used to reject the notion that the public's interest in a work should be considered when choosing the appropriate remedy for an infringement.

Suppose a plaintiff is a gifted photographer who, through a combination of diligence and skill, manages again and again to take captivating photographs of cataclysmic or historic occurrences which are of insurmountable public interest. Also, suppose that because of the great public interest in the plaintiff's photographs, several newspapers, news magazines and television networks infringe upon the photographer's copyright by republishing and broadcasting his photos without payment and without regard to whether the photographer had an opportunity for first publication.¹²¹ Under the theory that the public's interest should bear upon the type of remedy, regardless of the motivation for creation or the published or unpublished status of the original work, an injunction against the infringement in the above hypothetical would be disfavored.

Proponents of this theory would interpret the word "may" in section 502 of the Copyright Act as allowing a court to choose between enjoining the infringers or

116. *Id.* at 558.

117. *Id.*

118. *Id.* (quoting Wendy J. Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and its Predecessors*, 82 COLUM. L. REV. 1600, 1615 (1982)).

119. Lionel S. Sobel, *Copyright and the First Amendment: A Gathering Storm?*, 19 ASCAP COPYRIGHT L. SYMP. 43, 78 (1971).

120. See, e.g., James A. Oakes, *Copyrights and Copyremedies: Unfair Use and Injunctions*, 18 HOFSTRA L. REV. 983, 994-96 (1990).

121. Leval, *supra* note 17, at 1131 n.114.

limiting the plaintiff to damages.¹²² If a court chose not to issue an injunction, the plaintiff would then look to section 504 of the Copyright Act for his remedy.¹²³ Section 504(b) of the Copyright Act provides that “[t]he copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages.”¹²⁴

Under this section, the plaintiff—the photographer in the above example—should be entitled to receive all the profits from the newspapers, magazines, and networks for their infringements. Proponents of this theory, however, would not support this outcome because awarding the plaintiff all profits from the infringing use would have the same effect as an injunction. The infringing users would no longer profit from the use and would discontinue the infringement. This would have the effect of decreasing or completely halting the dissemination of the photographs, which was the very thing the proponents of this theory wished to avoid. Instead, the proponents of this theory would interpret section 504 of the Copyright Act as allowing the public’s interest in the photographs to decrease the compensation awarded the photographer to a level that would allow the infringement to remain profitable, yet provide the photographer with some compensation.¹²⁵

Awarding the plaintiff-photographer a remedy and allowing the infringement to continue may appear fair and in compliance with the congressional suggestion that the fair use doctrine “is an equitable rule of reason.”¹²⁶ However, the long-term effect of awarding such a remedy and allowing the infringement to continue may not comply with the constitutional mandate of “promoting the Progress of Science and the useful Arts.”¹²⁷ For example, what will the photographer do the

122. The statute states that “[a]ny court . . . may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.” 17 U.S.C. § 502 (1994) (emphasis added). In a recent copyright infringement case the Supreme Court interpreted the word “may” in section 505 of the Copyright Act as “clearly connot[ing] discretion.” *Fogerty v. Fantasy, Inc.*, 114 S. Ct. 1023, 1033 (1994). The full text of section 505 reads as follows:

In any civil action under this title, the court in its discretion *may* allow the recovery of full costs by or against any party other than the United States or an officer thereof.

Except as otherwise provided by this title, the court *may* also award a reasonable attorney’s fee to the prevailing party as part of the costs.

17 U.S.C. § 505 (emphasis added).

123. 17 U.S.C. § 504.

124. 17 U.S.C. § 504(b).

125. Interpreting the statute in this manner would be difficult because, unlike section 502, section 504(b) does not contain discretionary language that would allow a court to reduce the copyright owner’s actual damages and profits. *Id.* Instead, the language in section 504(b) “entitles” the copyright owner to the actual damages suffered by him and any profits of the infringer. *Id.*

126. H.R. REP. No. 1476, 94th Cong., 1st Sess. 65 (1975), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5679.

127. U.S. CONST. art. I, § 8, cl. 8.

next time he is presented with an opportunity to take another captivating photograph? If courts allow newspapers, magazines, and networks to infringe upon the copyright of his photographs and pay only a judicially determined fee, which may have been far below market value in order to ensure that the infringing use would remain profitable, he may hesitate to raise his camera.¹²⁸ The photographer would soon realize that the more successful he becomes in capturing photographs of great public interest the better defense secondary users would have for infringing upon his copyright. At some point, the photographer would generate such a high degree of public interest in his photographs that an infringing, secondary user would be able to copy and distribute his photographs and pay little or nothing in damages.

Such a case is no different from that presented to the Court in *Harper & Row, Publishers, Inc. v. Nation Enterprises*¹²⁹ where the infringers argued that a high degree of public interest in a work should allow them to make a fair use of the original work without compensating the original creator.¹³⁰ In *Harper & Row*, the Court explained that to allow such an outcome would “effectively destroy any expectation of copyright protection” and would leave little incentive to create such works.¹³¹ Here again, to allow a high degree of public interest in a work to reduce the amount of compensation awarded to the gifted photographer would “effectively destroy any expectation of copyright protection” and would reduce or eliminate the incentives¹³² for taking photographs of public interest.

To avoid future appropriation of his work, a photographer would not strive to take compelling photographs and the public would soon have few photographs worthy of interest and would be denied those photographs which could best advance the progress of science and useful arts.¹³³ Given this result, the approach that the public’s interest should be considered when fashioning a remedy for an infringement, regardless of the underlying motivation for creation or the publication status of the original work, must be regarded as an inappropriate interpretation of the *Campbell* opinion’s footnote ten.

B. *The Second Interpretation—Judge Leval’s “Purely Private” Approach*

1. *The Public’s Interest and Purely Private Works.*—A second possible interpretation of footnote ten¹³⁴ comes from Judge Pierre N. Leval. Like the first approach, his theory is founded on the notion that the public’s interest is relevant

128. Another problem with a judicially determined fee is that the judiciary is not always aware of the many different markets and market prices for copyrighted material. A proper market price requires a great deal of economic analysis and market study; even then reasonable minds will differ.

129. 471 U.S. 539 (1985).

130. *Id.* at 556.

131. *Id.* at 557.

132. *Id.*

133. U.S. CONST. art. I, § 8, cl. 8.

134. See *supra* notes 1-4 and accompanying text.

to the selection of a proper remedy.¹³⁵ However, Judge Leval limits the application of his approach to narrowly defined circumstances. Unlike the first approach, which its proponents would apply in all fair use cases regardless of the creative motivation for the original work or its publication status,¹³⁶ Judge Leval would apply his approach in only those instances where the original work was created "for purely private purposes and not as a work . . . for the public benefit."¹³⁷ By considering the public's interest in a work in only those cases where the work is created for purely private reasons, he professes to eliminate the flaws of the first approach as revealed in the above hypothetical.¹³⁸

Judge Leval reasons that when a work is created for public dissemination and monetary gain, the refusal to issue an injunction against future infringements reduces the original author's compensation, diminishes the incentive to create, and does not comport with the underlying policy of copyright.¹³⁹ On the other hand, Judge Leval reasons that in cases where the original work was created for "purely private reasons" the original author has no expectation of monetary gain and allowing a secondary user to infringe upon the copyright of the original work does not reduce the incentive to create future works for purely private purposes.¹⁴⁰

Judge Leval is mistaken. The practical effect of allowing secondary users to make an unfair use of private works can reduce the incentive to create such works and does not "promote the Progress of Science and the useful Arts."¹⁴¹ In order to reveal the weaknesses in Judge Leval's theory, it will be necessary to explore the facts of the case that motivated Judge Leval to adopt his position: *Salinger v. Random House, Inc.*¹⁴² This Note will then apply Judge Leval's proposal to the facts of *Salinger* and explore the ramifications.

2. *Salinger v. Random House, Inc.*—*Salinger* involved the highly regarded American novelist J.D. Salinger, best known for his novel *The Catcher in the Rye*. The defendants were Ian Hamilton, a well-respected writer on literary topics, and his publisher, Random House.¹⁴³ In July, 1983, Hamilton informed Salinger that he was undertaking a biography of Salinger and sought Salinger's cooperation.¹⁴⁴ Salinger refused, informing Hamilton that he preferred not to have the biography written during his lifetime.¹⁴⁵ Hamilton nevertheless proceeded and spent the next three years preparing a biography titled, *J.D. Salinger: A Writing Life*.¹⁴⁶ Several unpublished letters written by Salinger between 1939 and 1961 were an important

135. Leval, *supra* note 17, at 1134.

136. See *supra* notes 120-122 and accompanying text.

137. Leval, *supra* note 17, at 1134.

138. *Id.*

139. *Id.*

140. *Id.*

141. U.S. CONST. art. I, § 8, cl. 8.

142. 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir. 1986).

143. *Salinger v. Random House, Inc.*, 811 F.2d 90, 92 (2d Cir. 1986).

144. *Id.*

145. *Id.*

146. *Id.*

source of research material for the biography.¹⁴⁷ Most were written to his close friends and business associates.¹⁴⁸ Hamilton located several, if not all, of the letters in the libraries of Harvard, Princeton, and the University of Texas where they had been deposited by their recipients.¹⁴⁹ Prior to examining the letters at the libraries, Hamilton signed agreements restricting the use he could make of the letters without permission from the owner of the copyright.¹⁵⁰

After Hamilton finished the first version of the biography, Salinger was provided a set of the biography proofs.¹⁵¹ After reviewing the proofs, Salinger objected to the publication of the biography until all of his unpublished materials were deleted.¹⁵² In response, Hamilton and Random House revised the initial draft of the biography.¹⁵³ Much of the material previously quoted from the Salinger letters was replaced with close paraphrasing.¹⁵⁴ However, more than 200 quoted words remained. Salinger then filed suit seeking both an injunction to prohibit future publication of the biography and damages.¹⁵⁵

Judge Leval, in his district court opinion, held in favor of Hamilton.¹⁵⁶ The circuit court reversed,¹⁵⁷ finding that Hamilton had copied too much of Salinger's expressive material.¹⁵⁸ Further, the court rejected the notion that denying Hamilton the opportunity to copy the expressive content would interfere with the process of enhancing public knowledge.¹⁵⁹ The Second Circuit held that Hamilton could copy the facts contained in the letters but not the expressive content, regardless of the public's interest.¹⁶⁰

147. *Id.*

148. *Id.*

149. *Id.* The general rule concerning copyright ownership of a letter is that although the author of a letter sends the document to another, the author retains the copyright in the expressive content of the letter. 1 NIMMER & NIMMER, *supra* note 13, § 5.04. The author is therefore entitled to prevent the letter's copying or publication. The recipient of the letter becomes the owner of the ink and paper or other physical materials of which the letter consists. *Id.* The recipient has the right to permit a limited number of people to inspect the letter, to transfer possession of the document to another, or to simply destroy it. *Id.* The recipient may also permit the letter to be displayed by a library. Exceptions to these general principles apply when the author intends to convey the copyright to the recipient or dedicate such right to the public, when the recipient's publication of the letter is necessary to protect his or another's rights or character, and when the letter is written by a public official to a governmental body. *Id.*

150. *Salinger*, 811 F.2d at 93.

151. *Id.*

152. *Id.*

153. *Id.*

154. *Id.*

155. *Id.*

156. *Salinger v. Random House, Inc.*, 650 F. Supp. 413, 428 (S.D.N.Y. 1986).

157. *Id.*

158. *Id.*

159. *Id.*

160. *Id.*

Unable to reconcile the Second Circuit's finding of infringement with the great public interest in having access to Hamilton's unedited work, Judge Leval used the facts of *Salinger* to create a narrow exception to the general rule that with infringement comes injunction.¹⁶¹ In his *Harvard Law Review* article, Judge Leval explained that the facts of *Salinger* were worlds apart from cases of "simple piracy" in which the infringer incurs "no development cost, no advertising expense, and little risk." In cases of "simple piracy" the infringer takes a "free-ride on the copyright owners publicity . . . and deprive[s] the copyright owner of the rewards of his creation."¹⁶² Judge Leval then narrowly defined the circumstances of when a court should refrain from issuing an injunction against an infringement by looking to the original author's intent or interest in the work.¹⁶³ When the original author created a work with a "view toward publication," Judge Leval would have a court grant an injunction against a future infringement.¹⁶⁴ However, in cases where the original work was created for "purely private purposes," Judge Leval would have a court refrain from issuing an injunction, allow the infringement to continue, and limit the original author's remedies to monetary damages.¹⁶⁵

3. *Problems With Judge Leval's "Purely Private" Proposal.*—Like the first theory, Judge Leval's approach may appear equitable because it allows for both the dissemination of the work and the compensation of the original creator. However, like the first approach, the long-term effects of Judge Leval's interpretation may harm both the copyright owner and the public. For example, suppose the Second Circuit had applied Judge Leval's theory to the facts of *Salinger*.¹⁶⁶ If so, the court would have allowed Hamilton to continue the infringing use and would have provided Salinger with any provable damages, which would have likely been nominal because the original work was not created with an eye toward publication.¹⁶⁷ Next, suppose that the day after the court rendered judgment, Salinger is asked by his relatives to compile a list of all the family traditions he can remember and give the private list to members of his family so that future generations could carry on the traditions. No doubt, Salinger may hesitate to compile the list. He may fear that the list would one day be obtained by an opportunistic writer who would reproduce the list knowing that there would be a great public interest in learning about the Salinger family traditions, as described by J.D. Salinger. Given this result, the continuance of the Salinger family traditions would be relegated to the chance of memory.

In addition to the harm suffered by Salinger and his family, the public may

161. See *supra* note 1 and accompanying text.

162. Leval, *supra* note 17, at 1132.

163. *Id.*

164. *Id.* at 1133.

165. *Id.* at 1133-34.

166. 811 F.2d 90 (2d Cir. 1986).

167. *Id.* at 93. Under section 505 of the Copyright Act, Salinger may also receive attorney fees; however, he would only be recouping what he had already paid and would not be receiving the full benefits from his work. 17 U.S.C. § 505 (1994).

suffer as well. For example, suppose that if not for the hypothetical holding of the Second Circuit, which allowed Hamilton's infringement to continue, Salinger would have compiled the list of family traditions and voluntarily deposited it in the Harvard, Princeton, and University of Texas libraries. Instead, fearful that secondary users would infringe upon the copyright of his work, Salinger's refusal to compile the list and make the contribution would deny the public access to a work of great public interest. Other writers and contributors of works may also follow Salinger's lead and withhold information and withdraw works already deposited in those and other public libraries. Given this result, the very institutions which are to be the centers for research and the depositories of knowledge would be boycotted by those most able to make worthwhile contributions. As a consequence, all of society would be denied access to works of great public interest and would suffer because of the actions of an infringing secondary user and the holding of an ill-informed court.

Another problem with Judge Leval's theory is that it allows the judiciary to determine the appropriate licensing fee. In most cases, economist and market analysts can testify about market conditions and help establish an appropriate fee. However, when the original work was created for purely private purposes there is no market to analyze, and the expert testimony will largely be based on subjective factors. Without an existing market price as a guide, it is unlikely that judges and jurors will be able to fashion an appropriate licensing fee that comports with the underlying purpose of the copyright law.

This Note is not suggesting that copyright law should be structured to protect the narrow interest of an individual obsessed with privacy¹⁶⁸ or allow authors to censor the use of their works. Secondary users should be free to make a fair use of private works that are legally obtained. Judge Leval's proposal is disturbing because it provides private works less protection under the copyright law than works which are created with an eye toward publication. Judge Leval's proposal allows a secondary user to go beyond fair use and infringe upon the copyright of private works.¹⁶⁹ He attempts to compensate for the infringement by providing the copyright owner with monetary damages.¹⁷⁰ This, however, is an illogical remedy because the original author's incentive to create the private work was not based on monetary gain. Instead, the original author created the private work in order to communicate with others.

One could argue that private works should receive less protection under the copyright law because the incentive to create private works will always exist regardless of infringements. However, if an author is concerned about the infringement of her private works, "she will be less likely to present her thoughts

168. Other areas of the law protect the right to privacy. *See, e.g.*, 16A AM. JUR. 2D *Constitutional Law* § 504 (1979). "[T]he First Amendment does not guarantee to the press a constitutional right of special access to information or places not available to the general public, nor does the right to speak and publish carry with it the unrestrained right to gather information." *Id.*

169. *See Leval, supra* note 17, at 1131-32.

170. *Id.* at 1132.

in tangible form;¹⁷¹ she may edit the expression of her ideas more scrupulously or she may be inhibited in the creation of her works.¹⁷² She will also be discouraged from donating her works to libraries and institutions of higher learning.

Allowing a court to refrain from issuing an injunction against infringement, when the original work is created for purely private purposes, does not advance the underlying philosophy of copyright law¹⁷³ and may impede the transfer of knowledge. Judge Leval's proposal, like the first approach, does not always comply with the constitutional mandate of promoting the progress of science and the useful arts and is not the proper interpretation of the *Campbell* opinion's footnote ten.¹⁷⁴

C. *The Third Theory—The "Compulsory License" Approach*

1. *The Compulsory Licenses.*—A compulsory license allows a secondary user to use an original work by simply paying a statutorily controlled price.¹⁷⁵ Compulsory licenses reflect the conclusion that in certain narrowly defined circumstances, the public's interest in having access to a work outweighs the creator's interest in appropriating the pure market value of the work.¹⁷⁶ Specifically, Congress concluded that a compulsory license would not reduce creative incentives to a point where authors would decline to create and publishers would decline to produce desired works in desired numbers.¹⁷⁷

Section 115(a) defines the availability and scope of compulsory licenses for nondramatic musical works.¹⁷⁸ It states that "[w]hen phonorecords of a nondramatic musical work have been distributed to the public . . . under the authority of the copyright owner, any other person may . . . obtain a compulsory license to make and distribute phonorecords of the work."¹⁷⁹ However, until

171. Teresa De Turrís, *Copyright Protection of Privacy Interests in Unpublished Works*, 1994 ANN. SURV. AM. L. 277, 287. See also Jay Dratler, Jr., *Distilling the Witches' Brew of Fair Use in Copyright Law*, 43 U. MIAMI L. REV. 233, 272 (1988) (explaining that one of the underlying rationales of the *Harper & Row* decision is that "special protection of unpublished works [would] . . . promote full gestation of [an author's] creative effort [and] foster artistic integrity").

172. De Turrís, *supra* note 171, at 287.

173. See U.S. CONST. art. I, § 8, cl. 8.

174. 114 S. Ct. 1164, 1171 n.10 (1994).

175. *Id.*

176. 1 PAUL GOLDSTEIN, COPYRIGHT § 1.2.3.1, at 17 (1989).

177. *Id.*

178. 17 U.S.C. § 115(a) (1994). For the purposes of this Note, section 115 will serve as a fair representation of all the compulsory licenses. Other compulsory licenses include the compulsory license for secondary transmissions by cable systems and the compulsory license for coin-operated phonorecord players. 17 U.S.C. §§ 111(d), 116.

179. 17 U.S.C. § 115(a)(1). This section does not allow the secondary user to make and distribute copies and phonorecords of the original work. It only allows the secondary user to record their *own version* of the original nondramatic, musical work and distribute their version of the original work. See 2 NIMMER & NIMMER, *supra* note 13, § 8.04[A].

copyright owners distribute their works to the public their rights remain exclusive and they cannot be forced to reveal their work in the name of the public interest.

Section 115 also restricts the nature of the rights granted under the compulsory license.¹⁸⁰ For example, under section 115, the compulsory licensee does not obtain the right to reproduce transformative derivatives of the original musical work, such as sheet music or public performances.¹⁸¹ Instead, the section 115 compulsory licensee is accorded only a limited adaptation right in connection with his recording of the licensed musical work.¹⁸² He may make a musical arrangement of the work "to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work."¹⁸³ Therefore, Congress has concluded that the requirements for obtaining a compulsory license under section 115, combined with the limited rights granted to the licensee, and the compulsory licensing fee protect the creative incentives of the copyright owner to the extent that the copyright owner will still create nondramatic musical works even if subject to a compulsory license.

Section 115 also outlines the procedures for accounting and payment of the compulsory licensing fees to the copyright owner of record in the Copyright Office.¹⁸⁴ The licensing fees are determined by the Copyright Arbitration Royalty Panels (CARPs).¹⁸⁵ However, in practice, the compulsory license provisions are rarely invoked by the major record companies because they would like to avoid the burden of monthly or annual statements and payments. Instead, an important role is played by the Harry Fox Agency, Inc., a wholly owned subsidiary of the National Music Publishers Association.¹⁸⁶ Almost all the major music publishing firms in the United States have authorized the Harry Fox Agency to issue licenses to record companies for the manufacture of phonorecords of their musical compositions.¹⁸⁷ The license is issued at a royalty equal to the prevailing statutory rate and requires accounting and payment schedules less onerous than those of the

180. 17 U.S.C. § 115(a)(2).

181. *Id.*; see also 2 NIMMER & NIMMER, *supra* note 13, § 8.04[B].

182. 2 NIMMER & NIMMER, *supra* note 13, § 8.04[F].

183. 17 U.S.C. § 115(a)(2).

184. *Id.* § 115(c)(1).

185. *Id.* § 801(b)(1). The now defunct Copyright Royalty Tribunal was a major and controversial creation of the 1976 Act. It was an independent agency functioning within the legislative branch of the government, and was set up to administer compulsory copyright licenses. The Copyright Royalty Tribunal served two functions. The first was to set the statutory royalty rates for the compulsory licenses. The second was to settle disputes concerning the distribution of monies collected for cable television and jukebox performances. In 1993 Congress abolished the Copyright Royalty Tribunal, replacing it with Copyright Arbitration Royalty Panels to be convened, as the need arises, by the Librarian of Congress with the recommendation of the Register of Copyrights. MARSHAL LEAFFER, UNDERSTANDING COPYRIGHT LAW 223-25 (2d ed. 1995).

186. SHELDON W. HALPERN ET AL., COPYRIGHT CASES AND MATERIALS 212 (1992).

187. *Id.*

statute.¹⁸⁸ The record companies are also free to negotiate directly with the copyright owner in an attempt to get a license at a lower rate.¹⁸⁹

With this background, a third possible interpretation of footnote ten in the *Campbell* opinion¹⁹⁰ is the "compulsory license" approach. This approach does not enjoin infringements in cases that have factual scenarios which closely parallel the prerequisites for normally invoking one of copyright's compulsory licenses.¹⁹¹ Instead, this approach allows an infringing user to pay a fee and continue to infringe upon the copyright of the original work. The "compulsory license" approach can be distinguished from the two previously discussed interpretations in two ways. First, the "compulsory license" approach requires the copyright owner to voluntarily distribute his or her work to the public before it can be invoked. Both the first and second approaches allowed for the continued infringement of works that had not been published or were never intended to be published. Second, the "compulsory license" approach requires the existence of an organization or agency that has already determined an appropriate licensing fee for the continued infringement of the original work. Under both the first and second approaches, the judiciary was required to determine the appropriate fee and this created a risk that the fee would be set far below the proper market price.

2. *American Geophysical Union v. Texaco, Inc.*—The "compulsory license" approach to interpreting footnote ten of the *Campbell* opinion recently found support in *American Geophysical Union v. Texaco, Inc.*¹⁹² In *Texaco*, the American Geophysical Union and 82 other publishers of scientific and technical journals brought a class action suit against Texaco claiming that Texaco's unauthorized photocopying of articles from their journals constituted copyright infringement.¹⁹³ Among other defenses, Texaco claimed that its copying was a fair use under section 107 of the Copyright Act.¹⁹⁴ The actions which gave rise to the suit focused on Dr. Donald H. Chickering, II, a scientist at one of Texaco's research centers.¹⁹⁵

As part of its substantial expenditures to support research activities, Texaco subscribed to many scientific and technical journals and maintained a sizable library of these materials.¹⁹⁶ In order to keep abreast of developments in his field, Dr. Chickering would review works published in various scientific and technical journals related to his area of research.¹⁹⁷ Texaco assisted him by having the company library circulate current issues of relevant journals to Dr. Chickering

188. *Id.*

189. *Id.*

190. *See supra* notes 1-4 and accompanying text.

191. *See, e.g.*, 17 U.S.C. § 115 (1994) (compulsory license for making and distributing phonorecords).

192. 37 F.3d 881 (2d Cir. 1994).

193. *Id.* at 883.

194. *Id.*

195. *Id.*

196. *Id.*

197. *Id.* at 884.

when he placed his name on the appropriate routing list.¹⁹⁸ When he received the various publications, Dr. Chickering would photocopy any material or data from them which he felt would facilitate his current or future research, and would then place the copies in his files for future reference.¹⁹⁹ American Geophysical Union claimed that this copying constituted copyright infringement.²⁰⁰

The district court considered the statutory fair use factors identified in section 107,²⁰¹ weighed other equitable considerations, and held that Dr. Chickering's photocopying of the articles did not constitute fair use.²⁰² The Second Circuit affirmed the district court's finding of infringement.²⁰³ The Second Circuit concluded that the first factor, "the purpose and character of the use,"²⁰⁴ favored the publishers because the "dominant purpose of the use [was] 'archival'--to assemble a set of papers for future reference, thereby serving the same purpose for which additional subscriptions are normally sold, or . . . for which photocopying licenses may be obtained."²⁰⁵ The court held that the second factor, "the nature of the copyrighted work,"²⁰⁶ favored Texaco because of the "predominately factual nature of [the articles]."²⁰⁷ The third factor, "the amount and substantiality of the portion used in relation to the copyrighted work as a whole,"²⁰⁸ weighed in favor of the publishers because Texaco had copied entire articles and "each article constituted an entire work in the fair use analysis."²⁰⁹ Under the fourth factor, "the effect of the use upon the potential work,"²¹⁰ the Second Circuit held that, in addition to the sale of additional journal subscriptions, Texaco's copying was reducing the publishers' markets for the sale of individual journal articles.²¹¹

The court concluded that "the publishers . . . [had] created, primarily through the CCC [Copyright Clearance Center],²¹² a workable market for institutional users to obtain licenses for the right to produce their own copies of individual articles via photocopying."²¹³ The court concluded "that three of the four statutory factors, including the important first and fourth factors, favored the publishers" and agreed

198. *Id.*

199. *Id.*

200. *Id.* at 883.

201. 17 U.S.C. § 107 (1994).

202. *American Geophysical Union v. Texaco Inc.*, 802 F. Supp. 1 (S.D.N.Y. 1992).

203. *American Geophysical Union v. Texaco Inc.*, 37 F.3d 881 (2d Cir. 1994).

204. 17 U.S.C. § 107(1).

205. *Texaco*, 37 F.3d at 892-93.

206. 17 U.S.C. § 107(2).

207. *Texaco*, 37 F.3d at 893.

208. 17 U.S.C. § 107(3).

209. *Texaco*, 37 F.3d at 894.

210. 17 U.S.C. § 107(4).

211. *Texaco*, 37 F.3d at 898.

212. "The CCC is a central clearing-house established in 1977 primarily by publishers to license photocopying. The CCC offers a variety of licensing schemes; fees can be paid on a per copy basis or through blanket license arrangements." *Id.* at 897 n.16.

213. *Id.* at 898.

with the district court that Texaco's photocopying of the journal articles was not a fair use.²¹⁴ The Second Circuit then went beyond the issues before it and considered the publishers' remedies.²¹⁵ The court explained "that the context of this dispute appears to make ill-advised an injunction," and the dispute "appears to be an appropriate case for exploration of the possibility of a court-imposed compulsory license."²¹⁶ The court cited footnote ten of the *Campbell* opinion to support this suggestion.²¹⁷

3. *The "Compulsory License" Approach Appears to Comply.*—The factual similarity between the *Texaco* case and the requirements for invoking one of copyright's compulsory licenses was most likely the reason that the Second Circuit recommended withholding an injunction notwithstanding Texaco's infringement.²¹⁸ For example, the publishers in *Texaco* produced their journals with an eye toward publication and had voluntarily disseminated their journals for the purposes of exploiting the public's interest in the work,²¹⁹ thereby meeting the requirement in section 115 of the Copyright Act that the copyright owner of a nondramatic musical work voluntarily distribute it to the public before a compulsory license can be invoked.²²⁰ Second, section 115 includes a built-in damage estimator in that a compulsory license is issued only after the original composer markets his work. In *Texaco*, the publishers had the opportunity of first publication,²²¹ and a court could avoid undercompensating them by basing the court-imposed licensing fee on a percentage of the cover price in proportion to the amount copied. Third, section 115 guards against the infringement of derivative works by allowing for only a limited transformation of the original work. The infringing use of the journals in *Texaco* did not transform them into derivative works. Instead, Texaco simply reproduced sections of the journals in their original form.²²² Finally, like the Copyright Arbitration Royalty Panels and the Harry Fox Agency, which oversee the regulation and payment of compulsory licenses for nondramatic musical works, the existence of the Copyright Clearance Center (CCC) in the *Texaco* case provided an efficient mechanism to oversee and license the photocopying of individual journal articles.²²³

214. *Id.* at 899.

215. *Id.* at 899 n.19.

216. *Id.*

217. *Id.*

218. *See, e.g.*, 17 U.S.C. § 115 (1994) (compulsory license for making and distributing phonorecords).

219. *Texaco*, 37 F.3d at 883.

220. 17 U.S.C. § 115(a)(1).

221. *Texaco*, 37 F.3d at 883.

222. *Id.*

223. *Id.* at 897. Because few judges are familiar with the market for the direct sale and distribution of individual journal articles, organizations such as the CCC can help courts establish the proper rate for a judicially imposed compulsory license, provide judges with an independent, expert opinion on the appropriate rate for individual journal articles, and help a court avoid undercompensating the copyright owner.

Making the "compulsory license" approach contingent upon the original author's act of public dissemination ensures that the original author will have the right of first publication and avoids the problems of the first theory, which allowed for the use of all works of high public interest, regardless of the published or unpublished nature of the original.²²⁴ This approach also avoids the pitfalls of Judge Leval's theory, which allows for the continued infringement of works created for purely private purposes, because it permits the continued infringement of only those works which were created with an eye toward publication.²²⁵ Finally, the "compulsory license" approach ensures that the copyright owner will be properly compensated because the ill-equipped judiciary is not required to determine the appropriate licensing fee. Instead, this approach requires the preexistence of an organization or agency, such as the CCC or the Harry Fox Agency, which has already determined the appropriate licensing fee.

The "compulsory license" approach can succeed where the other two interpretations fail because it allows for an expedited dissemination of works while at the same time preserves the incentives for future creation. By accomplishing both of these tasks, the "compulsory license" approach more readily complies with the constitutional mandate of promoting science and the useful arts and is a more appropriate interpretation of footnote ten.

CONCLUSION

This Note briefly reviewed the policies behind copyright law and the fair use doctrine and explored three possible interpretations of footnote ten in the *Campbell* opinion. The primary focus was to determine under what circumstances a court should refrain from issuing an injunction against infringement and award monetary damages. The first approach, which would deny an injunction whenever there was a high degree of public interest in a work regardless of the motivation for creation and the publication status of the work, would reduce creative incentives to produce future works and does not comport with the underlying policy of copyright law. The second approach, which would deny an injunction in only those cases where there was a high degree of public interest in the original work and the original work was created for purely private purposes, might chill the incentives for creating private works and to a greater extent, chill the frequency with which such works are donated to libraries. Given these ramifications, the second interpretation, like the first, fails to comport with the underlying policy of copyright law and is not a proper interpretation of footnote ten. The third interpretation of footnote ten allows a court to withhold an injunction against infringement and award monetary damages only in those cases that are factually similar to the requirements for invoking a compulsory license. By preserving creative incentives and allowing for the expedited dissemination of works, this approach more readily complies with the underlying philosophy of copyright law and therefore is the appropriate interpretation of footnote ten in the *Campbell*

224. See *supra* notes 126-133 and accompanying text.

225. See *supra* 166-174 and accompanying text.

opinion.

The Supreme Court has not resolved the proper interpretation of footnote ten and future litigation will determine its proper meaning. Given the broad language of footnote ten, courts are likely to adopt several different interpretations. The task for future courts will be to determine when a licensing fee, as opposed to an injunction, is the appropriate remedy for an infringement. In doing so, two important aspects of the *Campbell* opinion should be considered: first, that footnote ten's proposition is dicta; and second, that the primary focus of the *Campbell* opinion was to reject the lower courts' elevation of the Supreme Court's dicta in the *Sony* and *Harper & Row* opinions. Thus, future courts should not inflate footnote ten to a per se rule that denies injunctions whenever there is a high degree of public interest in a work, but instead, they should apply the proposition in a manner that will comply with copyright's constitutional mandate of promoting the progress of science and useful arts.

