

**ACCESS TO KNOWLEDGE AS A BRIDGE OVER THE TROUBLED WATERS OF
COPYRIGHT FAIR USE -- FROM JEFFERSON TO MANDELA TO GOOGLE**

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ACCESS TO KNOWLEDGE AS A BRIDGE OVER THE TROUBLED WATERS OF COPYRIGHT FAIR USE -- FROM JEFFERSON TO MANDELA TO GOOGLE¹

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I. INTRODUCTION

Thomas Jefferson wrote, "That ideas should freely spread from one to another over the globe, for the moral instruction of man, seems to have been peculiarly and benevolently designed by nature, when she made them, like fire, expansible over all space"² Yet access to the literary works generated from the ideas envisioned by Jefferson have not spread equally throughout the United States or the world.³ Nelson Mandela said, "Eliminating the distinction between the information-rich and information-poor is also critical to eliminating economic and other inequalities between North and

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¹ "Bridge Over Troubled Water" is a song copyrighted by Paul Simon. Access to knowledge is a concern of both academics and the courts. The "Yale Access to Knowledge (A2K) Initiative aims to build an intellectual framework that will protect access to knowledge both as the basis for sustainable human development and to safeguard human rights." See <http://research.yale.edu/isp/projects.html?pagelink=knowledge>, visited 8/12/06. The Eleventh Circuit has said the "Copyright Act promotes public access to knowledge because it provides an economic incentive for authors to publish books and disseminate ideas to the public." *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1261 (11th Cir. 2001).

² 1813 letter of Thomas Jefferson to Isaac McPherson. See <http://www.red-bean.com/kfogel/jefferson-macpherson-letter.html>, visited 5/26/2006; and J. Boyle, "The Second Enclosure Movement And The Construction Of The Public Domain" (hereafter "Second Enclosure Movement"), 66 Law & Contemp. Probs. 33, 53 (Winter/Spring 2003). Jefferson was referring in this letter to patents, but the same principal would naturally apply to the expression of ideas in copyrighted works.

³ See, eg., T. Bissell, "The Digital Divide Dilemma: Preserving Native American Culture While Increasing Access to Information Technology on Reservations," 2004 U. Ill. J.L. Tech. & Pol'y 129 (Spring 2004); A. Hammond, "The Digital Divide in the New Millennium," 20 Cardozo Arts & Ent. L.J. 135 (Symposium – Bridging the Digital Divide: Equality in the Information Age) (2002); C. Darch, "Digital Divide or Unequal Exchange? How the Northern Intellectual Property Rights Regime Threatens the South," 32 Int'l J. Legal Info. 488 (Summer 2004); M. Garlick, "Locking Up the Bridge in the Digital Divide – A consideration of the Impact of the U.S. Anti-Circumvention Measures for the Participation of Developing Countries in the Digital Economy," 20 Santa Clara Computer & High Tech. L.J. 941 (May 2004); and United Nations Conference on Trade and Development, "The Digital Divide Report: ICT Diffusion Index 2005" (New York and Geneva, 2006) p. iii ("Regardless of how we measure it, there is an

South, and to improving the life of all humanity."⁴ This article takes the position that applying copyright fair use to promote access to knowledge is one small but important step to eliminating the distinction between the information-rich (and not coincidentally materially rich) and the information-poor (and not coincidentally materially poor).⁵

The U.S. Constitution reflects the goal of which Mandela spoke -- benefiting humanity -- by authorizing Congress to grant authors and inventors exclusive rights to control works they create in order "to promote the Progress of Science and Useful Arts."⁶ The word "access" does not appear in that authorizing clause, but there can be no promotion of science or the useful arts without access to literary works.⁷ As

immense information and communication technology (ICT) gap, a 'digital divide,' between developed and developing countries").

⁴ E. Wilson, III, *The Information Revolution and Developing Countries*, p. 1, quoting Nelson Mandela (MIT Press 2004) (hereafter "Information Revolution").

⁵ In discussing the tension in copyright law between providing effective incentives to create copyrighted works and not harming public access to such works, Okediji said the "fair use doctrine is an important bridge across this divide." R.Okediji, "*Givers, Takers, And Other Kinds Of Users: A Fair Use Doctrine For Cyberspace*," 53 Florida L. Rev. 107, 153 (January 2001) (hereafter "Givers, Takers").

⁶ Article 1, section 8, clause 8 of the U.S. Constitution provides, "The Congress shall have Power To 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."

⁷ See L. R. Patterson, "Free Speech, Copyright and Fair Use," 40 Vanderbilt L. Rev. 1, 7 (Jan. 1987) (hereafter "Free Speech") ("Learning requires access to the work in which the ideas to be learned are embodied"). Of course presumably a person who creates a literary work advances his knowledge of useful arts and/or science by creating the work, but without any distribution, the advancement of science and the useful arts is very small in the context of the billions on people living on this planet. Contrary to what now might be the ordinary interpretation of the words, there is authority for the proposition that "science" refers to general knowledge and that "useful arts" refers to inventions subject to patents. See M. Nimmer and D. Nimmer, 1 Nimmer on Copyright §1.03[A], n.11.2 pp. 1-90-91 (hereafter "Nimmer on Copyright"); and O.G. Hatch and T.R. Les, "'To Promote The Progress Of Science': The Copyright Clause and Congress's Power To Extend Copyrights," 16 Harvard Journal Of Law & Technology 1, 7-8 (Fall 2002), citing *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966). In *Graham*, the Supreme Court indicated that the issuance of patents was "limited to the promotion of advances in the 'useful arts,'" implying that promoting science was the authority for copyright legislation. *Id.* at 5. However, in *Quality King Distribs., Inc. v. L'Anza Research Int'l, Inc.*, 523 U.S. 135, 151 (1998), the Court said that the principal purpose of the copyright statutes "was to promote the progress of the useful Arts." To the extent that "useful arts" instead of science is the authority for copyright legislation, courts have interpreted those words so that "*useful* has no meaningful operative effect." 1 Nimmer on Copyright §1.03[B], p. 1-92.

the Supreme Court said in *Fogerty v. Fantasy, Inc.*, "copyright law ultimately serves the purpose of enriching the general public through access."⁸

Reflecting a balance between control of works by authors and access to works by third parties, the U.S. statutory copyright scheme has never given authors the right to control all uses of their copyrighted works, but instead gives protection to certain uses of original works of authorship fixed in a tangible medium of expression.⁹ Specifically, authors of protected works have six rights, including the right to control reproduction (copying) of their works, create derivative works and distribute their works.¹⁰ Although denominated exclusive, the six rights do not prevent a purchaser of a book from reading that book multiple times.¹¹ Also, copyright law does not prevent

⁸ 510 U.S. 517, 527 (1994). The Court added that because of that purpose of "enriching the general public through access" to literary works, "it is particularly important that the boundaries of copyright law be demarcated as clearly as possible." *Id.* The holding in *Fogerty* was that prevailing plaintiffs and defendants must be treated the same in evaluating whether to award attorney's fees in copyright infringement claims, and that an award of attorney's fees to the prevailing party was up to the discretion of the court. *Id.* at 534.

⁹ See, e.g., *Sony Corp. of America v. Universal City Studios*, 464 U.S. 417, 442 (1984) (In applying the Copyright Act of 1976, the Court said copyright "protection has never accorded the copyright owner complete control over all possible uses of his work"); and *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 393-394 (1968) (discussing the Copyright Act of 1909). 17 U.S.C. §102(a) provides the statutory foundational requirement for any copyright protection: "[c]opyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."

¹⁰ 17 U.S.C. §106 provides: "the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission." 17 U.S.C. §106A provides additional rights for certain works of visual art that are limited to 200 or fewer copies. See definition of "work of visual art" in 17 U.S.C. §101.

¹¹ Similarly, if someone buys a book, the purchaser can subsequently sell, give or loan that book to any other person, without asking for the permission of the publisher. See, e.g., 17 U.S.C. §109(a):

someone from copying ideas or facts reflected in a work.¹² Most importantly for this article, copyright law does not prevent others from making "fair use" of copyrighted works.¹³

Fair use is "one of those intricate and embarrassing questions ... in which it is not ... easy to arrive at any satisfactory conclusion, or to lay down any general principles applicable to all cases."¹⁴ Jumping into this fair use abyss is significant litigation (the "Google Litigation") involving Google's project to scan the books from major university libraries in the United States and England into a huge on-line database (the "Google Database") from which users can search for books containing words of interest to the user and view "snippets" with those words from the books, but not view the complete books or even complete pages (the "Library Project").¹⁵ Considering only the Google Litigation, however, would be a constrained examination of fair use as a key

"Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord...." However, the purchaser generally cannot copy the book without obtaining the permission of the publisher, because under §106(1) controlling copying/reproduction is one of the exclusive rights of a copyright holder.

¹² See *Feist Publications, Inc. v. Rural Tel. Service Co.*, 499 U.S. 340, 345 and 348 (1991) ("The mere fact that a work is copyrighted does not mean that every element of the work may be protected"); 17 U.S.C. §102(b) ("In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work."); and *Lexmark International, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 534 (§102(b) "embodies the common-law idea-expression dichotomy that distinguishes the spheres of copyright and patent law").

¹³ See *Sony* 464 U.S. at 433 ("Any individual may reproduce a copyrighted work for a 'fair use'; the copyright owner does not possess the exclusive right to such a use"). 17 U.S.C. §107 provides in part, "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 reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright."

¹⁴ See L. Weinreb, "Fair Use," 67 *Fordham L. Rev.* 1291 (March 1999) (hereafter "Fair Use"), quoting *Folsom v. Marsh*, 9 F.Cas. 342, 344 (C.C.D. Mass 1841). In his dissent in *Sony Corp. of America v. Universal City Studios*, 464 U.S. 417, 475 (1984), Justice Blackmun said the "doctrine of fair use has been called with some justification, 'the most troublesome in the whole law of copyright'."

to broadening access to knowledge. This article therefore also considers as a fair use the translation of the books in those libraries – without permission from the copyright holders – into the native languages of citizens of developing countries in order to lessen the divide between information-rich and information-poor countries.

The reason for adding the issue of translations to an analysis of the Google Litigation is that the Google Database will not satisfy Nelson Mandella's concern that citizens of information-poor countries lack sufficient access to information. An index in English – and identifying the location of books written in English – will not provide meaningful access to individuals who only speak Kikuyu or one of the other native languages of millions of citizens of developing countries.¹⁶ Just as President Clinton pointed out that "[e]ducation closes the gap in America between opportunity and the reality of being able to access it,"¹⁷ a key to closing the information gap between countries is the translation of literary works into the native languages of citizens of developing countries. Although copyright law does not protect ideas and facts from copying and distribution,¹⁸ for hundreds of years people have distributed information through the written expression of ideas and facts. Limitations on the copying of such

¹⁵ At §II.A below this article summarizes the Google Litigation.

¹⁶ Technically, everyone with Internet access will have access to the Google Database, but to those who do not speak English, that access will not be meaningful. Of course, even an index in English will not directly help individuals who speak but cannot read English, or those who can read English but cannot obtain copies of those books to read. Similarly, an index in Kikuyu and books in Kikuyu will not directly help those who can speak but not read Kikuyu. That only emphasizes the enormity of the problem referred to as the digital divide. See note 3 above and note 33 below.

¹⁷ See speech of President Clinton at John Muir Middle School in San Jose, California in August, 1997, at <http://72.14.209.04/search?q=cache:WQg01kdIPzAV:www.clintonfoundation.org/legacy/>, visited 7/13/2006.

expression can decrease the creation of future works containing important information and thus limit access to information.¹⁹ That is where fair use enters the picture.²⁰

Google is a modern Goliath, with a market value of over \$100,000,000,000, far greater than the gross domestic product of Kenya.²¹ If, as this article contends, it is fair use for giants such as Google to create the Library Project, it also should be a fair use for nonprofit Davids in the United States to translate the works in the Google Database into Kikuyu, the language of the largest ethnic group in Kenya, and provide those translations to students in Kenya, who would otherwise not have access to that knowledge.²² As a shorthand term, this article uses "Kikuyu Key" to refer to the translation of literary works by non-profit entities into the native languages of

¹⁸ As stated in n. 12 above, 17 U.S.C. §102(b) provides in part that "[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery...."

¹⁹ W.M. Landes and R.A. Posner, "An Economic Analysis Of Copyright Law," 18 *Journal Of Legal Studies*, 325, 332 (1989) (hereafter "Economic Analysis") ("beyond some level copyright protection may actually be counterproductive by raising the cost of expression"); R.A. Posner, "Do We Have Too Many Intellectual Property Rights," 9 *Marq. Intell. Prop. L. Rev.* 173, 178-179 (Summer 2005) (hereafter "Too Many") ("A second reason that we don't want to have universal propertization of intellectual property as of physical property is that there is a greater monopoly potential for intellectual property, precisely because there are no spatial limits on a piece of such property suppose that people who copy an operating system are mainly people who could not afford to, and would not, buy the operating system from the producer – maybe they live in the third world the producer is not actually losing any sales as a result of this unauthorized copying").

²⁰ *Givers, Takers*, at n. 5 above, p. 152 ("Fair use simultaneously protects the incentive to create new works while protecting the public's right of access").

²¹ Google had a reported market capitalization of approximately \$114,240,000,000 as of August 9, 2006. See <http://finance.yahoo.com/q /ks?s=COOG>, visited 8/9/2006. Kenya had a reported gross domestic product of \$16,100,000,000 in 2004. See http://encarta.msn.com/fact_631504793/Kenya_Facts_and_Figures.html, visited 8/9/2006.

²² See <http://mnsu.edu/emuseum/cultural/oldworld/africa/kikuyu.html>, visited 7/15/06. Of course, the opponents of the Library Project assert that fair use should not protect Google. This article only uses Kikuyu as an example of a native language. The same arguments set forth here would also apply to large numbers of other languages.

developing countries without paying a license fee to, or receiving permission from, the copyright holders of the works.²³

What deters developing countries from translating into the native languages of their citizens works of importance to the education of their citizens?²⁴ One answer is that due to the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS"),²⁵ developing countries cannot – with impunity – disregard the copyright laws of other countries and translate English works into the native languages of their citizens without permission of the copyright holders.²⁶ Under TRIPS, in order to participate in certain trade benefits and avoid sanctions, developing countries must adopt and enforce intellectual property laws complying with certain standards that protect not only the literary works of the developing country but the works of economically developed countries.²⁷ Although under TRIPS developing countries have

²³ This article uses the term "developing countries" to include (1) countries with low levels of economic development and (2) the least developed countries that many people may not consider to be developing. See discussion of developing countries and least developed countries at http://72.14.209.104/search?q=cache:Jg0oo5y6s_wJ:en.wikipedia.org/wiki/Developing_country+developing+countries+and+less+developed+countries&hl=en&gl=us&ct=clnk&cd=1, visited 8/9/2006, and http://www.wto.org/english/thewto_e/whatis_e/tif_e/org7_e.htm and http://www.wto.org/english/thewto_e/whatis_e/tif_e/devl_e.htm, both visited 8/10/2006.

²⁴ Assuming the developing countries had the resources to create such translations.

²⁵ 10 *Nimmer on Copyright*, at Appendix 42 (n. 7 above).

²⁶ See also Article 8 of the World Intellectual Property Copyright Treaty ("authors of literary and artistic works protected by this convention shall enjoy the exclusive right of making and of authorizing the translation of their works throughout the term of protection of their rights in the original works") at 10 *Nimmer on Copyright* App. 50-14 (n. 7 above).

²⁷ The "adoption in 1994 of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) provided broader protections for intellectual property rights by granting most favored nation treatment for all signatories, establishing minimum terms of protection, increasing significant local enforcement and dispute settlement requirements, and authorizing trade sanctions against noncompliant nations." R.C. Bird, "Defending Intellectual Property Rights In The BRIC Economies," 43 *Am. Bus. L. J.* 317, 324-325 (Summer, 2006) (hereafter "*BRIC*") (BRIC refers to Brazil, Russia, India and China). See also D. C. K. Chow and T. Schoenbaum, *International Business Transactions Problems, Cases, and Materials*, Aspen Publishers (2005), pp. 360-361 and 626-628; and http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm, visited 8/10/2006.

certain leeway in the adoption and implementation of their copyright laws, the economically developed countries pressure developing countries to maximize copyright protection afforded to works of authorship.²⁸ If U.S. courts implement a flexible fair use that promotes the expansion of access to knowledge – such as translations – then the developing countries may not have to face the pressure from developed countries to maximize copyright protection in their own countries.

Part II of this article reviews U.S. copyright law and then analyzes the four Supreme Court decisions addressing fair use – none involving digital media – since the passage of the Copyright Act of 1976: *Sony Corp. of America v. Universal City Studios*,²⁹ *Harper & Row Publishers, Inc. v. Nation Enterprises*,³⁰ *Stewart v. Abend*,³¹ and *Campbell v. Acuff-Rose Music, Inc.*³² Part II explains that the Supreme Court has recognized that increased access resulting from a defendant's work is a factor favoring fair use, but has not expressly analyzed how to apply the issue of increased access.

²⁸ "there is considerable flexibility in how the rights and protected subject matter are defined, owned, managed, or subject to exceptions. In the area of enforcement, the Agreement recognizes that the implementation in a given WTO member may be impacted by the availability of resources. United Nations Conference on Trade and Development ("UNCTAD") published a detailed document on the flexibility of TRIPS." D. J. Gervais, "Intellectual Property, Trade & Development: The State Of Play," 74 *Fordham L. Rev.* 505, 526-527 (November 2005) (hereafter "Trade & Development"). On the issue of coercion, see BRIC, n. 27 above, at p. 334 ("Threats of a trade war encouraged China to enact more stringent copyright laws and close pirating factories. Russia improved its copyright laws under threat from the United States to withhold ratification of a trade agreement granting Russia preferential trade status. Economic pressure forced India to accede to the intellectual property standards of TRIPS"); C. M. Arnold, "Protecting Intellectual Property In The Developing World: Next Step – Thailand", 2006 *Duke Law & Technology Review* (March 2006); and Trade & Development, at 535 ("IP developments in bilateral and regional trade agreements mirror the so-called 'maximalist' approach").

²⁹ 464 U.S. 417 (1984).

³⁰ 471 U.S. 539 (1985).

³¹ 495 U.S. 207 (1990).

³² 510 U.S. 569 (1994). See discussion of these four Supreme Court decisions in *G.M. Duhi, "Old Lyrics, Knock-Off Videos, And Copycat Comic Books: The Fourth Fair Use Factor In U.S. Copyright Law*, 54 *Syracuse Law Review* 665, 693-697 (2004) (hereafter "Old Lyrics").

Part II then summarizes fair use issues that remain unanswered with respect to the Library Project and Kikuyu Key after these four Supreme Court decisions.

Part III examines these fair use issues applicable to the Library Project that remain unanswered by the Supreme Court. Part III argues that when, as viewed by the consumer, the third party's work (a) is not substantially similar to the original work(s) and (b) gives the public a type of work that the copyright holder would not provide, the increased access resulting from the third party's work strongly favors fair use and justifies disregarding the interim copying of the original work(s). Part III concludes that because (1) it increases access to knowledge that the individual copyright holders would not provide and (2) the users of the Library Project will only see selected quotes from the original works that by themselves would not infringe the original works, the Library Project is a fair use.

Part IV sets forth the Kikuyu Key principle that fair use is not simply an economic equation, but takes into account social welfare that cannot be measured in dollars and cents. Part IV distinguishes the facts assumed for the Kikuyu Key from lower court cases holding certain translations of literary works were not fair use. Part IV argues that the Kikuyu Key should be a fair use, because (1) it would increase access to knowledge in parts of the world that are in dire need of such knowledge and that cannot pay for it; (2) translations involve many subjective/original analyses, not rote copying; and (3) the parties providing the translations would be not-for-profit entities.³³

³³ Having books printed in the native language of citizens of developing countries is only one facet access of the issue. See Information Revolution at n. 4 above. Actually getting those books to the people who need them, and making sure there are the educators in place to help students make use of

Part V puts aside the technical fair use tests and concludes by arguing that basic considerations of fairness lead to the same conclusion as case law:

- Making interim, exact copies of original copyrighted works that are not substantially seen by the public in its use of the electronic database should be a fair use; and
- Translations by nonprofit entities into the native languages of citizens of developing countries, even though the translators do not receive permission from or pay license fees to the copyright holders, should be a fair use.

In both situations, increasing meaningful access to knowledge is the key to an application of fair use that could start decreasing the gap between the information-rich and information-poor.³⁴

II. INCREASING ACCESS AS A FACTOR FAVORING FAIR USE

A. *The Google Library Litigation*

On October 19, 2005, The McGraw Hill Companies, Inc. and other copyright holders (the "McGraw Plaintiffs") sued Google, Inc. in the Southern District of New York and claimed that the implementation of the Library Project would constitute

the knowledge, are separate issues beyond the scope of this article and copyright law. Yet if there is no solution to the copyright bottleneck of supply, there can be no solution to the other factors preventing meaningful access to knowledge in the developing countries. Under the acronym A2K, many persons and agencies are promoting access to knowledge worldwide. See n. 3 above and <http://www.access2knowledge.org/cs>, visited 8/13/06. If promoting a right to access can break the copyright bottleneck, then perhaps the A₂K movement can progress more rapidly than many would predict, just as the open source software movement, through the use of massive participation by individual programmers, has expanded more rapidly than most people anticipated.

³⁴ The Library Project will increase access to information for a different group of individuals than the Kikuyu Key. These are simply two examples of applying fair use to increase access to knowledge. Meaningful access is important, because as indicated in n. 16 above, someone who only speaks and reads Kikuyu may have physical access to a book printed in English, but that access will not help her learn. The book must be printed in the language she reads in order for the access to be meaningful and help her.

copyright infringement (the "Google Complaint").³⁵ Some of the 5 participating libraries only authorized the scanning of works no longer protected by copyright, and some had not been not clear in statements to the public what scanning they had authorized.³⁶ However, the University of Michigan agreed to make available to Google, for Google's reproduction and display, all books in Michigan's collection, even those books still protected by copyright.³⁷

The Google Database will be a database of the words and arrangement of words from the books scanned by Google and available for limited use by the public.³⁸ In response to search queries typed by the general public into the dialogue box for the Google Database, users will be able to browse the full text of public domain materials, but for books still covered by copyright, users will see "no more than two or three sentences of text surrounding the search term to help them determine whether they've

³⁵ See <http://books.google.com/googlebooks/library.html>, visited 5/11/2006, and <http://pubs.bna.com/ip/BNA/ptc.nsf/is/a0b1v4r6v6>. For a complete copy of the complaint, see <http://pub.bna.com/ptcy/058881.pdf>, both visited October 21, 2005. This article refers to this complaint as the Google Complaint, even though on September 20, 2005, the Authors' Guild and certain individual authors filed a complaint raising similar issues to the Complaint filed by McGraw Hill and others in the Southern District of New York. The complaint filed by the Authors' Guild case was filed as a class action. See http://www.authorsguild.org/news/sues_google_citing.htm, visited 8/13/06. A June 6, 2006, report on Yahoo said that in Paris, La Martiniere, a French publisher, was suing Google and its French subsidiary over the Library Project. See http://news.yahoo.com/s/afp/20060606/tc_afp/afpentertainmentfrance, visited 6/23/06.

³⁶ ¶27 of Google Complaint. The Google Complaint listed 5 participating libraries. ¶ 27. Presumably the libraries made clear to Google what scanning they had authorized and what scanning they had not authorized. On August 10, 2006, the San Diego Union-Tribune reported that the University of California was joining the Library Project. The story said the project "saves the content of UC's aging books by digitally scanning them, largely at Google's expense. If UC were to scan the books, it would cost \$30 to \$40 per book The arrangement cuts UC's costs to \$1 per book Google stands to benefit with advertising revenue from increased traffic to its site." See <http://www.signonsandiego.com/news/education/20060810-999-1n>, visited 8/13/06.

³⁷ ¶28 of the Google Complaint. For statements from librarians at the now 6 participating libraries, see <http://books.google.com/googlebooks/partners.html>, visited 8/13/06.

³⁸ See <http://books.google.com/googlebooks/about.html>, visited 5/12/06.

found what they're looking for."³⁹ Google also has a Partner Program, in which Google has obtained the permission of publishers/copyright holders to scan the books and put a limited number of pages on the Internet and links to the publishers.⁴⁰ The McGraw Plaintiffs do not challenge the legality of the Partner Program.⁴¹

The creation and use of the Google Database for the Library Project will involve three levels of copying. First, Google or some company acting under contract with Google has to scan all the paper books into digital format. Scanning each book will create a new copy of each book, without the consent of the copyright holder.⁴² Second, whenever a user searches the database, presumably the scanned works will be loaded into the RAM of a server or servers in order for the search engine to determine which works contain the words inputted by the user.⁴³ Loading a program and database into

³⁹ See <http://books.google.com/googlebooks/newsviews/issue.html>, visited 8/13/06. It is not clear how the Library Project will limit the displays to 2 or 3 sentences if the search terms are found on many pages of the book, but this article assumes that the Library Project will so limit the displays.

⁴⁰ ¶¶30 of Google Complaint; <http://books.google.com/googlebooks/about.html>; <http://books.google.com/googleprint/library.html>; and <http://books.google.com/googlebooks/publisher.html>, all visited 8/13/06.

⁴¹ ¶¶30 and 31 of the Google Complaint. The Complaint refers to this program as the Print Program for Publishers, whereas the August 2006 Google web page uses the term Partner Program.

⁴² 17 U.S.C. §106 specifically provides that subject to certain exceptions in §§107-122, "the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords."

⁴³ "RAM (random access memory) is the place in a computer where the operating system, application programs, and data in current use are kept so that they can be quickly reached by the computer's processor.... However, the data in RAM stays there only as long as your computer is running. When you turn the computer off, RAM loses its data." See, http://searchmobilecomputing.techtarget.com/sDefinition/0,290660,sid40_gci214255,00.html, visited 5/26/2006. A "server is a computer program that provides services to other computer programs (and their users) in the same or other computers.... The computer that a server program runs in is also frequently referred to as a server.... In the client/server programming model, a server is a program that awaits and fulfills requests from client programs in the same or other computers.... Specific to the Web, a Web server is the computer program (housed in a computer) that serves requested HTML pages or files." See, http://searchnetworking.techtarget.com/sDefinition/0,290660,sid7_gci212964,00.html, visited 5/26/2006.

RAM constitutes making a copy under copyright law.⁴⁴ Third, the database will display to the user the results of the search.

Google allows any publisher to opt out of having any copyrighted books of that publisher scanned.⁴⁵ The Google Complaint rejects this opt-out provision as unsatisfactory, stating that 17 U.S.C. §106 "squarely put[s] the burden on Google either to obtain the permission from copyright owners to copy and make use of copyrighted books or exclude them from the Google Library Project."⁴⁶

The Google Complaint rejects the position of Google that the scanning/copying is a permitted fair use, "a necessary step to making them available for searching through www.google.com, where excerpts from the books retrieved through the search will be presented to the user."⁴⁷ The McGraw Plaintiffs distinguish between the Library Project and Google's general copying of web pages for its search engines. The McGraw Plaintiffs suggest that the copying of web pages may be justified, because "website owners have allowed their sites to be searchable via a Google (or other) search engine by not adopting one or more technological measures" that would block such copying by search engines.⁴⁸ Among other relief, the McGraw Plaintiffs asks for an order enjoining "Google from, in any manner, reproducing, publicly distributing and/or publicly displaying all or any part of any publisher's copyrighted works as part of the

⁴⁴ See *Stenograph L.L.C. v. Bossard Associates, Inc.*, 144 F.3d 96, 101 (D.C. Cir. 1998) ("the loading of software from some permanent storage medium, such as a floppy disk or a computer's hard drive, to the computer's random access memory ('RAM') when the software is 'booted up' causes a copy to be made") and *Triad Systems Corp. v. Southeastern Express Co.*, 64 F.3d, 1330, 1333, n.4, 1335 (9th Cir. 1995), citing *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 519 (9th Cir. 1993).

⁴⁵ <http://books.google.com/support/bin/answer.py?answer=43786&top>, visited 8/13/06.

⁴⁶ ¶133 of Google Complaint.

⁴⁷ ¶129 of Google Complaint.

Google Library Project, or otherwise, except upon the express prior authorization of the Publisher owning or controlling the copyrights in such works."⁴⁹

The details of the Library Project are likely to change over time.⁵⁰ In addition, there are a variety of scanning projects by other entities that may raise similar issues – or may answer certain issues raised in the Google Complaint.⁵¹ In this digital age, the copyright targets and responses will continue to move. That makes the broad discussion of the fair use principles in this article the appropriate preparation for whatever the landscape will be in the future, as content owners try to build more walls around their content and others try to break down those walls.⁵²

⁴⁸ *Id.*

⁴⁹ Prayer for Relief 2 in the Google Complaint.

⁵⁰ Google has announced, for instance, that it wants "to include books from all the world's languages and cultures." <http://books.google.com/support/bin/answers.py?answer=43745ofctx>.

⁵¹ Amazon put pages of certain books on its web site and changed the displays in apparent response to concerns expressed by the Authors Guild. See http://www.authorsguild.org/news/10_24_03htm; http://www.authorsguild.org/news/aap_press_amazon.htm; and http://www.authorsguild.org/news/10_03_amazon.htm, all visited 8/13/06. For an analysis of issues pertaining to Amazon's Search Inside the Book Program, see J. Kerry – Tyerman, "No Analog Analogue: Searchable Digital Archives and Amazon's Unprecedented Search Inside the Book Program as Fair Use," 2006 Stanford Tech. L. Rev. N1 (2006). The Open Content Alliance has announced it is "building a digital archive of global content for universal access," but that apparently nothing will be put into the archive without the consent of the copyright holders. See <http://www.opencontentalliance.org>, visited 8/13/06. While the Open Content Alliance says it will be administered by a nonprofit entity, contributing members include for profit entities such as Xerox and Yahoo! <http://www.opencontentalliance.org/contributors.html>, visited 8/13/06.

⁵² For analyses of the Google Litigation by other lawyers, law students and lay people, see H. Travis, "Building Universal Digital Libraries: An Agenda For Copyright Reform," 33 Pepp. L. Rev. 761 (2006); J. Bard, "The Google Library Project: The Copyright Debate," American Library Association, <http://ala.org/washoff/oitp/googlepaperfnl.pdf>, visited 8/13/06; and transcript of November 17, 2005 forum titled "The Battle Over Books. Authors And Publishers Take On The Google Print Library Project," <http://www.nypl.org/research/calendar/imagesprog/google111705.pdf>, visited 8/13/06. See also E.A. Proskine, "Google's Technicolor Dreamcoat: A Copyright Analysis Of The Google Book Library Project," 21 Berkeley Tech. L. J. 213 (2006); E. Hanratty, "Google Library: Beyond Fair Use," 2006 Duke Law & Technology Review 10 (2005); M. Goldstein, "Google's Literary Quest In Peril," 2005 B.C. Intell. Property & Technology Forum 110301 (November 2005); and K. Kelly, "Scan This Book," May 14, 2006 edition of New York Times Magazine.

B. Copyright Law Regulates Literary Works to Benefit the Public

The Google Plaintiffs appear to view copyrights as natural rights, but the Copyright Clause of the U.S. Constitution neither grants to, nor recognizes any rights in, authors.⁵³ The Copyright Clause instead is a grant of power to and a limitation on the power of Congress.⁵⁴ The principle behind this grant/limitation is that by giving authors certain rights, Congress will provide financial incentives for individuals to create literary works, and society will benefit as a result of access to those works.⁵⁵ Following that

⁵³ *Wheaton v. Peters*, 33 U.S. 591, 661 (1834) ("That congress, in passing the act of 1790, did not legislate in reference to existing rights, appears clear, from the provision that the author, &c 'shall have the sole right and liberty of printing,' &c. Now, if this exclusive right existed at common law, and congress were about to adopt legislative provisions for its protection, would they have used this language? Could they have deemed it necessary to vest a right already vested. Such a presumption is refuted by the words above quoted.... Congress, then, by this act, instead of sanctioning an existing right, as contended for, created it."). Article 1, section 8 clause 1 of the Constitution also authorizes the adoption of patent laws, but since this article only discusses copyrights, this article refers to the clause as the Copyright Clause, as the Supreme Court has referred to it at times. See, eg., *Eldred v. Ashcroft*, 123 S.Ct. 769, 790 (2003) ("the Copyright Clause empowers Congress to determine the intellectual property regimes that, overall, in that body's judgment, will serve the ends of the Clause").

⁵⁴ *Graham v. John Deere Company of Kansas City*, 383 U.S. 1, 5 (1966). There are many different analytical models of copyright law. See J. Garon, ""Normative Copyright: A Conceptual Framework for Copyright Philosophy and Ethics," 88 Cornell Law Review 1278 (July 2003) (hereafter Normative Copyright). Garon says, "Copyright law finds its basis in one of two discrete philosophies: the natural rights inherent in the law or the economic rights recognized by statute." *Id.* at 1293. In *Cable News Network, Inc. v. Video Monitoring Services of America, Inc.*, 940 F.2d 1471, 1478 (11th Cir. 1991), the Eleventh Circuit said, "Copyright simultaneously has two aspects, one proprietary and the other regulatory," citing L. Patterson, "Free Speech, Copyright, and Fair Use," 40 Vanderbilt L.Rev. 1, 5 (1987). Under any model, access is an important issue to consider, depending on the specific facts. See Normative Copyright, at 1310 ("As Landes and Posner have stated, '[s]triking the correct balance between access and incentives is the central problem in copyright law,' quoting Landes and Posner, "An Economic Analysis of Copyright Law, 18 J. Legal Stud. 325, 326 (1989)).

⁵⁵ The Supreme Court has said progress of the science and arts, rather than economic reward, is the primary goal of the Copyright Clause. In *Mazer v. Stein*, 347 U.S. 201, 219 (1954), quoting *United States v. Paramount Pictures*, 334 U.S. 131, 158 (1948), the Supreme Court said, "copyright law, like the patent statutes, makes reward to the owner a secondary consideration." In *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975), the Supreme Court said, "Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts." However, in *Eldred v. Ashcroft*, 123 S.Ct. 769, 785, n. 18, the Court seemed to balance economic incentives and public purpose, saying the "two ends are not mutually exclusive; copyright law serves public ends by providing individuals with an incentive to pursue private ones."

principle, the "Copyright Act promotes public access to knowledge because it provides an economic incentive for authors to publish books and disseminate ideas to the public."⁵⁶

The fact that the copyright statutes protect an original "work" of authorship and give the copyright holder rights with respect to certain uses of that work – such as copying – does not mean copyright protects all parts of the work from copying.⁵⁷ For instance, "in no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery regardless of the form."⁵⁸ In any copyrighted work there are at some level elements that copyright law does not protect, such as individual words in a book (in contrast to the arrangement of the words).⁵⁹ In addition, "[w]here the 'expression is essential to the statement of the idea',... or where there is only one way or very few ways of expressing the idea..., the idea and expression are said to have '**merged**'. In

⁵⁶ *SunTrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1261 (11th Cir. 2001), citing *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 US 539, 558 (1985).

⁵⁷ See 17 U.S.C. §102(a); and *Feist Publications, Inc. v. Rural Tel. Service Co.*, 499 U.S. 340, 348 (1991) ("The mere fact that a work is copyrighted does not mean that every element of the work may be protected."). In fact the Copyright Act does not define "work." See J. Hughes, "Size Matters (Or Should) In Copyright Law," 74 Fordham Law Review 575 (November 2005) (hereafter "Size Matters").

⁵⁸ 17 U.S.C. §102(b).

⁵⁹ For instance, 37 CFR §202.1 provides that words and short phrases are not subject to copyright protection. See also *Southco, Inc. v. Kanebridge Corp.*, 390 F.3d 276, 286-7 (3rd Cir. 2004) ("We believe the Copyright Office's longstanding practice of denying registration to short phrases merits deference....and believe that it logically extends to numbers"). Whether the reason copyright does not protect short phrases and words is that short phrases and words are not original or that they are not "works" is not clear. See Size Matters, n. 57 above, at p. 604, 605, 607 & 610 ("the dominant justification for the Rule 202 bar [37 CFR §202.1(a)] is that short phrases simply lack the modicum of creativity for protection under copyright.... Even assuming that the shorter the phrase is, the less likely it is to be original, that does not deny the existence of thousands or millions of short phrases that are original enough to cross the modicum of the creativity threshold The reasons for a minimum size principle today are no different than they have always been: (a) Protecting microworks would do no good and (b) protecting microworks would do some harm.").

these instances, copyright protection does not exist."⁶⁰ Similarly, the doctrine of **scènes à faire** (such as stock scenes or phrases) can preclude copyright protection for all or part of a work.⁶¹

Fair use of a copyrighted work by a third party is not copyright infringement.⁶² The fair use statute lists four factors courts must consider in determining whether a particular use of a work is a fair use: (1) purpose and character of the use; (2) nature of the copyrighted work; (3) amount and substantiality of the portion of the work used; and (4) effect on the use of the new work on the potential market for the copyrighted work.⁶³ The four fair use factors listed in §107 for courts to consider are "illustrative," not definitive, "[n]or may the four statutory factors be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright."⁶⁴ Scholars have suggested a variety of different approaches

⁶⁰ *Lexmark*, 387 F.3d at 535. (Emphasis added).

⁶¹ *Id.* at 536. (In "the computer-software context, the [scènes à faire] doctrine means that the elements of a program dictated by practical realities — e.g., by hardware standards and mechanical specifications, software standards and compatibility requirements, computer manufacturer design standards, target industry practices, and standard computer programming practices — may not obtain protection....")

⁶² (whether fair use is characterized as a right, an affirmative defense or a privilege). In *Bateman v. Mnemonics*, 79 F.3d 1532, 1542, n.22 (11th Cir. 1996), the Eleventh Circuit said, "Although the traditional approach is to view 'fair use' as an affirmative defense, this writer, speaking only for himself, is of the opinion that it is better viewed as a right granted by the Copyright Act of 1976. Originally, as a judicial doctrine without any statutory basis, fair use was an infringement that was excused—this is presumably why it was treated as a defense. As a statutory doctrine, however, fair use is not an infringement. Thus, since the passage of the 1976 Act, fair use should no longer be considered an infringement to be excused; instead, it is logical to view fair use as a right. Regardless of how fair use is viewed, it is clear that the burden of proving fair use is always on the putative infringer." In *Salinger v. Random House, Inc.*, 650 F. Supp. 413, 420 (S.D. N.Y. 1986), the district court said, "'Fair use' is a 'privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent....'" (internal citations omitted).

⁶³ 17 U.S.C. §107.

⁶⁴ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577-578 (1994). *Campbell* involved a parody of the song, "Oh, Pretty Woman."

to the application of fair use, including broad, alternative formulations.⁶⁵ The courts, however, have not adopted a single formulation but have instead applied fair use on a case-by-case basis.⁶⁶

From the above examples, it is apparent that copyrights reflect a regulatory scheme, not indivisible property rights or "natural rights" uniformly enforceable against all parties.⁶⁷ For instance, in addition to the fact that copyright law does not protect all part of a copyrighted work, two authors can have copyrights in

⁶⁵ See, e.g., W. Gordon, "Fair Use As Market Failure, n. 18 above; *Betamax Case And Its Predecessors*," 82 Columbia Law Review 1600 (Dec. 1982) (hereafter "Market Failure"); W. Fisher III, "Reconstructing The Fair Use Doctrine" 101 Harvard Law Review, 1659 (1988) (hereafter "Reconstructing"); P. Leval, "Toward A Fair Use Standard," 103 Harvard Law Review, 1105 (1990) (hereafter "Standard"); *Givers, Takers*, n. 5 above; and D. Burk and J. Cohen, "Fair Use Infrastructure for Rights Management Systems," 15 Harvard Journal of Law & Technology (Fall 2001) (hereafter "Rights Management Systems").

⁶⁶ *Sony*, 464 U.S. at 448, n. 31 (1984) ("the courts must be free to adopt the doctrine [of fair use] to particular situations on a case by case basis."); *Harper & Row*, 471 U.S. at 552 ("fair use analysis must always be tailored to the individual case"); and *Campbell*, 510 U.S. at 577 (fair use "calls for case-by-case analysis.").

⁶⁷ P. Samuelson, "Fair Use For Computer Programs And Other Copyrightable Works In Digital Form: The Implications Of *Sony*, *Galoob* and *Sega*," 1 J. Intell. Property Law 49, 116 (Fall 1993) (hereafter *Sony, Galoob*) ("The strict property-rights view of copyright for which universal argued in *Sony* was rejected by the Court, which instead seemed to view copyright law as more of a regulatory regime aimed at achieving a balance among the interests of copyright owners, the consuming public and other commercial participants in the marketplace, such that the rights granted to authors under the statute should be construed as reaching no further than Congress has intended to achieve this balance." Even to the extent one considers copyright a type of property, it is significantly different from physical property. *Too Many*, n. 19 above at 174-175 ("intellectual property rights tend to be limited in duration There are also significant scope limitations in intellectual property rights.... Fair use allows some appropriation of intellectual property without the permission of the owner-unlicensed copying that is nevertheless lawful. In these three respects intellectual property is really quite different from physical property.") See also *Normative Copyright*, n. 54 above at 1306-1307 ("The power to create a balance between the author and the public may be the most significant philosophical distinction between a natural rights theory of copyright and an economic rationale. Under the natural rights theory the power over one's writing is a 'sacred' liberty that cannot be for the public good, whereas the economic rationale allows for a balancing between the interests of the public in accessing the good and the right of the author to receive an economic reward"). Whether considered regulatory or property law, "[s]triking the correct balance between access and incentives is the central problem in copyright law." *Economic Analysis*, n. 19 above at 326.

identical literary works, if both authors created the works independently.⁶⁸ Notwithstanding the six rights granted to copyright holders in §106, the fair use of a copyrighted work by someone who is not the copyright holder is not an infringement of a copyright.⁶⁹ Under the fair use statute, a copyright holder may prevent one person from copying his work but not be able to prevent a second person from copying, because the second person is making a fair use of the original work.⁷⁰

The regulatory balance referred to above has changed over the years. First, "the law of copyright has developed in response to significant changes in technology," increasing the works copyright law protects.⁷¹ For instance, Congress only protected maps, charts and books in 1790, but subsequently Congress protected photographs (in 1865), motion pictures (in 1912), sound recordings (in 1971) and computer programs (by 1980).⁷²

⁶⁸ *Feist*, 499 U.S. at 346 ("assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable").

⁶⁹ *Supra*, n. 62. Infringement does not only relate to improper copying, but includes a violation of any of the six rights listed in §106. *See, e.g., Hotaling v. Church of Latter-Day Saints*, 118 F.3d 199, 203 (4th Cir. 1997) ("distributing unlawful copies of a copyrighted work does violate the copyright owner's distribution right and, as a result, constitutes copyright infringement"); and *Microsoft Corp. v. Software Wholesale Club, Inc.*, 129 F. Supp. 2d 995, 1001 (S.D. Tex. 2000) ("To establish copyright infringement, a plaintiff must prove both ownership in the copyrights at issue and encroachment by the defendant upon one of these six exclusive rights"). Each of the 6 exclusive rights is subject to the fair use defense. *See* 17 U.S.C. §106 ("Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize...."); and 17 U.S.C. §107 ("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 ... is not an infringement of copyright").

⁷⁰ For instance, it seems clear from the decision in *Sony*, discussed below at II B, that if the evidence had been one set of individuals making copies of television broadcasts had simply been viewing the tapes of the shows in their homes, but another set of families had been selling the tapes they made of the television shows, the first group of home viewers would have been protected by fair use (as the decision held), but the second group of homes viewers would have been liable for infringement, even though the "property" of the plaintiffs would have been the same in both situations.

⁷¹ *Sony*, 484 U.S. at 430.

⁷² *See Mazer v. Stein*, 347 U.S. 201, 208-214 (1954); L. Patterson, "Free Speech, Copyright, and Fair Use," 40 *Vanderbilt L. Rev.* 1, 48-53 (1987) (hereafter "Free Speech"); 1 *Nimmer on Copyright*, at pp.

Over time Congress has also made it easier to obtain federal copyrights for, and has increased the protections afforded to, works of authorship.⁷³ For instance, as of January 1, 1978, authors for the first time could have federal copyrights in unpublished works.⁷⁴ Effective March 1, 1989, authors in the United States no longer had to put copyright notices on their works in order to gain federal copyright protection.⁷⁵ Also, from an initial copyright term of 14 years in 1790, renewable once for a second 14 year term, Congress has now extended the general copyright term on new literary works to the life of the author plus 70 years.⁷⁶

In 1998, moreover, Congress passed the Digital Millennium Copyright Act ("DMCA"), providing copyright holders with significant new legal tools to help prevent third parties from accessing and copying software and other digital content made possible by the explosion of digital media.⁷⁷ Among other things, the DMCA provides,

OV 1-15 and 8 Nimmer on Copyright, at app. 7-4[D][1] (see n. 7 above). Whether copyright law protected computer programs before or immediately after the Copyright Act of 1976, it became clear with the addition of a definition of "computer program" in 17 U.S.C. 101 as the result of the passage of PL 96-517, 94 Stat. 3015, in 1980 that copyright law protected computer programs. R. Nimmer, "Law of Computer Technology," (hereafter Computer Technology) 1:9, pp. 1-28-30; and 5 U.S. Code Congressional and Administrative News, 96th Congress, Second Session (1980), House Report 96-1307, p. 6482.

⁷³ 17 USC §102(a) provides that "[w]orks of authorship include the following categories: (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and other choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works." Computer programs are a type of literary work. See n. 71 above and 17 USC §101.

⁷⁴ 1 Nimmer on Copyright at §5.01[A], p. 5-4.1 (n. 7 above).

⁷⁵ 7 Nimmer on Copyright at §7.01[A], p. 7-8 (n. 7 above).

⁷⁶ 3 Nimmer on Copyright at §9.01, p. 9-4 (n. 7 above).

⁷⁷ D. Nimmer "A Riff on Fair Use in the Digital Millennium Copyright Act," 148 *University of Pennsylvania Law Review*, 673, 674 (January, 2000) ("In late 1998, the Congress enacted its most sweeping revisions ever to the Copyright Act of 1976") (hereafter "Riff"); and Committee on Intellectual Property Rights and the Emerging Information Infrastructure, "The Digital Dilemma. Intellectual Property in the Information Age" (National Academy Press)(2000) (hereafter "Digital Dilemma"), p. 2 ("information in digital form ... has arrived accompanied by contradictory powers and promises it promises more – more quantity, quality, and access – while imperiling one means of rewarding those who create and publish. It is at once a remarkably powerful medium for publishing and distributing information, and the

"No person shall manufacture ... or otherwise traffic in any technology ... that – (A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title...."⁷⁸

In spite of this increase in the rights of copyright holders, fair use is not an appendix, but an essential component of the copyright regulatory system.⁷⁹ Indeed, the "fair use right was codified to maintain the constitutionally mandated balance to ensure that the public has access to knowledge."⁸⁰ Courts have recognized that they are free

world's largest reproduction facility.") This Committee addressed the issue of access throughout the work and said the "Constitution provides for intellectual property protection with the pragmatic goal of promoting the public interest in access to knowledge and innovation." *Id.* at 97.

⁷⁸ 17 U.S.C. §1201(a)(2). Other sections say the DMCA shall not affect fair use (17 U.S.C. §1201(c)) and provide limited exemptions for reverse engineering (17 U.S.C. §1201(f)). The DMCA has been the subject of much scholarly comment and criticism. See, e.g., *Riff*, n. 76 above at 739-740 ("The tension between property rights and user-access rights ... has been a ceaseless part of the millennium now ending The user safeguards [in the DMCA] so proudly heralded as securing balance between owner and user interests, on inspection, largely fail to achieve their stated goal"); J. Littman, *Digital Copyright*, Prometheus Books (2001), 144-145 ("There is no overarching vision of the public interest animating the Digital Millennium Copyright Act"); P. Samuelson, "Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to be Revised," 14 *Berkeley Tech. L. J.* 519, 557 (Spring 1999) ("Unless the anti-device provisions of the DMCA are modified, either by narrow judicial interpretation or by legislative amendments, they are likely to have harmful effects on competition and innovation in the high technology sector"); and J. Ginsberg, "Copyright Use and Excuse on the Internet," 24 *Columbia-VLA Journal of Law and the Arts* 1, 45 (Fall 2000) ("The tools the DMCA and copyright case law give copyright owners to confront copyright use on the Internet should be employed to promote broad distribution of works of authorship at reasonable, and variable prices. If copyright owners instead wield those tools to enhance control without facilitating dissemination, we can expect to see courts expand the zones of excused uses, whether or not the uses are doctrinally persuasive"). While the provisions of the DMCA are not directly applicable to the Google Litigation, the concern over preserving a balance between the interests of copyright holders and potential users expressed in the articles mentioned in this note is relevant to the issue of access discussed in this article.

⁷⁹ See *Givers, Takers*, n. 5 above, at p. 113 ("as owners' rights are expanded to respond to the ease with which digital technology enables large scale infringement, users' rights should, correspondingly, be reconceived to reflect the variety of ways the internet facilitates—indeed encourages—production, access and use of copyrighted content."). Professor Okediji focused and said "I would eliminate the traditional fourth factor, the effect of the use upon the potential market or value of the copyrighted work, as an element of fair use and instead apply it as one of the measurements for damages if infringement and not fair use were to be found." *Id.* at 168. Adoption of this proposal would require a legislative change to §107. Professor Okediji concluded that "Fair use offers welfare maximizing efficiencies in the allocation of the most important resource of the global economy, namely, information." *Id.* at 182.

⁸⁰ *SunTrust Bank*, 268 F.3d at 1261.

to adopt the doctrine of fair use to particular situations on a case by case basis.⁸¹ Congress has recognized that the application of the fair use statute should change over time.⁸²

If copyright created an indivisible property right, as the Google Plaintiffs appear to argue, then each potential fair use would be a restriction on the rights of property holders, and increasing access to literary works might reasonably not be a factor to consider in evaluating whether a third party's use was a fair use. However, the Copyright Clause did not recognize or create any rights.⁸³ The copyright statutes do not give a person a Due Process property right, but simply provide that authors of original works may receive certain benefits in the future, depending on the facts.⁸⁴ Copyright and fair use are an exercise in balance, as evidenced by the facts that (a) a person's right to control copying of her work depends in part on the purpose of the copying by the third party, (b) a copyright holder cannot protect all parts of her work, and (c) two people

⁸¹ *Sony*, 464 U.S. at 448-449, n. 31. Quoting from H. Rep. No. 94-1476, pp. 65-66, U.S. Code Cong. & Adm. News 1976, p. 5680, the Court said "there is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change."

⁸² House Report No. 94-1476, accompanying PL94-553, 5 U.S. Code Congressional and Administrative News, 94th Congress, Second Session 1976, p. 5659, 5680, said in greater detail: "The bill endorses the purpose and general scope of the judicial doctrine of fair use, but there is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change. Beyond a very broad statutory explanation of what fair use is and some of the criteria applicable to it, the courts must be free to adapt the doctrine to particular situations on a case-by-case basis. Section 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way."

⁸³ *Wheaton v. Peters*, 333 U.S. at 661, n. 53 above.

⁸⁴ *American Mfrs. Mut. Ins. Co. v. Sullivan*, 526 US 40, 60-61 (1999): ("the law expressly limits an employee's entitlement to "reasonable" and "necessary" medical treatment, and requires that disputes over the reasonableness and necessity of particular treatment must be resolved *before* an employer's obligation to pay – and an employee's entitlement to benefits – arise.... Thus, for an employee's property interest in the payment of medical benefits to attach under state law, the employee must clear two hurdles: First, he must prove that an employer is liable for a work-related injury, and second, he must establish that the particular medical treatment at issue is reasonable and necessary. Only then does the employee's interest parallel that of the beneficiary of welfare assistance in *Goldberg* and the recipient of disability benefits in *Mathews*.")

can have copyrights in the identical work.⁸⁵ The four Supreme Court decisions discussed in II.C-E below show that meaningful access by the public is a key part of the fair use balance.

C. Sony – Increasing Access Through Time-shifting is a Fair Use

1. Background

The first Supreme Court fair use case decided after the effective date of the Copyright Act of 1976, *Universal City Studios, Inc. v. Sony Corp. of America*, involved the use of Sony videotape recorders (VTRs) by consumers to record free television broadcasts for subsequent playing in their homes.⁸⁶ Universal argued that Sony was liable for contributory copyright infringement.⁸⁷ After trial the district court denied Universal any relief, but the Ninth Circuit concluded Sony was liable for contributory infringement, because of consumer copying of the television shows, and reversed.⁸⁸ In a 5-4 decision,⁸⁹ the Supreme Court reversed the Ninth Circuit and held

⁸⁵ See e.g., notes 63, 57-61 and 68 above.

⁸⁶ 464 U.S. 417 (1984).

⁸⁷ The courts have held that defendants can be liable for copyright infringement committed by third parties, even though the Copyright Act does not create such a cause of action. *Sony*, 464 U.S. at 434-5. A defendant can be liable for copyright infringement of a third party under the doctrine of contributory infringement if the defendant (1) had actual or constructive knowledge of the infringing activity and (2) induced, caused or materially contributed to the infringing conduct of the third party. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 125 S. Ct. 2764 (2006); *A&M Records, Inc. v. Napster, Inc.* 239 F.3d 1004, 1019 (9th Cir. 2001); and *Arista Records, Inc. v. Flea World, Inc.*, 2006 WL 842883, *13 (D.N.J. 2006). A defendant can be liable for the copyright infringement of a third party under the doctrine of vicarious liability if the defendant (1) supervised or controlled the party or premises on which the infringement occurs and (2) received a direct financial benefit from the third party's infringing activities. *Napster*, 239 F.3d at 1022; and *Arista*, 2006 WL 842883, *9. For a critique of the liability of persons who in some sense facilitate infringement, see M. Lemley and R. Reese, "Reducing Digital Copyright Infringement without Restricting Innovation," 56 *Stanford L. Rev.* 1345 (May 2004).

⁸⁸ In *Universal City Studios, Inc. v. Sony Corporation of America*, 480 F. Supp. 429, 452 (C.D. Calif. 1979), the district court said, "Harm which 'imperils the existence of a publication' is more destructive of a fair use defense than is harm which would 'limit profits.'" The court also said that "[c]opyright law ... does not protect authors from change or new considerations in the marketing of their products." *Id.* The Ninth Circuit reversed, concluding that "when copyrighted material is reproduced for its intrinsic use, the mass

that even if Sony's VTR users had infringed the copyrights of the studios by taping the broadcasts, there could be no contributory infringement, because the Betamax that Sony manufactured had substantial non-infringing uses.⁹⁰

The Court also directly addressed whether unauthorized home time-shifting by the consumer was a fair use. The majority referred to the fair use doctrine as an equitable rule of reason for which "no generally applicable definition is possible" and discussed the four fair use factors specified in Section 107.⁹¹ The majority concluded

copying of the sort involved in this case precludes an application of fair use." *Universal City Studios, Inc. v. Sony Corporation of America*, 659 F.2d 963, 972 (9th Cir. 1982). The Ninth Circuit exhibited concern about change when it said "[n]ew technology, which makes possible the mass reproduction of copyrighted material (effectively taking control of access from author), places a strain upon the fair use doctrine." *Id.* at 971.

⁸⁹ Justice Stevens delivered the opinion for the majority of Chief Justice Burger and Justices Stevens, Brennan, White and O'Connor. Justice Blackmun filed the dissenting opinion and was joined by Justices Marshall, Powell and Rehnquist.

⁹⁰ For instance, Fred Rogers (of *Mr. Rogers' Neighborhood*) "testified that he had absolutely no objection to home taping for noncommercial use and expressed the opinion that it is a real service to families to be able to record children's programs and to show them at appropriate times." *Id.* at 445. This was one example of the authorized uses of the Betamax. The Court held that "the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is likely used for legitimate unobjectionable purposes." *Id.* at 442. The Court also found in *Sony* that Sony had done nothing to encourage infringing uses (other than making the product). *Id.* at 438-439. In *Grokster*, 125 S. Ct. at 2770, the Supreme Court unanimously held "that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties." This "inducement theory" of contributory infringement applied even if "the product [was] capable of both lawful and unlawful use". *Id.* The decision in *Grokster* is not inconsistent with the decision in *Sony*. In *Sony*, the majority said the "seller of the equipment that expands those [TV] producers' audience cannot be a contributory infringer if, as is true in this case, it has had no direct involvement with any infringing activity." *Id.* at 446-7. In *Grokster*, the Court concluded Grokster had direct involvement with the infringement. *Id.* at 2779 and 2781.

⁹¹ *Id.* at 448-450. It may strike some as ironic that years later, Sony Computer Entertainment, Inc. sued Connectix Corp. for copyright infringement for reverse engineering (and thus temporarily copying) Sony's BIOS software to develop software that would allow a user to play Sony video game cartridges on computers rather than Sony game consoles. The district court preliminarily enjoined Connectix, but the Ninth Circuit reversed, concluding that Connectix's copying was fair use. See *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 48 F. Supp. 2d 1212 (N.D. Calif. 1999), rev'd 203 F.3d 596 (9th Cir. 2000). The Ninth Circuit's decision in *Connectix* is discussed below at III.A.3.

that "the unauthorized home time-shifting of respondents' programs is legitimate fair use."⁹²

2. *The statutory fair use factors*⁹³

The Court considered the first factor, the commercial or nonprofit character of the activity, by focusing not on Sony's purpose in making the Betamax, but on the use of the Betamax by consumers.⁹⁴ There was no evidence introduced in the litigation that the persons making tapes transferred them to other persons, that home recorded tapes were subsequently used for public performances or that persons copied programs transmitted on pay or cable television systems.⁹⁵ Nevertheless, the studios argued that Betamax users were engaged in commercial uses, because home taping would mean those users would not buy tapes of those programs sold by the copyright holder.⁹⁶ The Court rejected that argument, concluding "the live viewer is no more likely to buy pre-recorded videotapes than is the timeshifter."⁹⁷

⁹² 464 U.S. at 442.

⁹³ The text of this article does not discuss the Court's treatment of each of the four statutory fair use factors in each of the four fair use cases, but only those factors most relevant to the Library Project and Kikuyu Key. However, the footnotes about the applicable case do refer to the Court's treatment of the statutory fair use factors not discussed in the text.

⁹⁴ 464 U.S. at 425, 448-451. It does not follow from *Sony* that the courts should always look at the use of products by consumers. In *Sony* the claim was that the consumer directly infringed and that *Sony* contributed to that infringement. The Court in *Sony* had to consider whether the uses of the consumer infringed, because there could be no contributory infringement by Sony if there was no direct infringement. In the Google Litigation, the McGraw Plaintiffs argue that Google is directly infringing their copyrights. See ¶¶ 39-40 of Google Complaint first cited at n. 35 above.

⁹⁵ *Id.* at 425.

⁹⁶ *Id.* at 450, n. 33.

⁹⁷ *Id.* The Court cited no evidence for this conclusion. The Court suggested that "consumptive uses" were not fair uses. Universal argued that since a theft of jewels was consumptive even if the jewels were only worn rather than sold by the thief, making a Betamax copy of a television show was also consumptive, even if the copy was not sold. The majority rejected the analogy, reasoning that a theft of jewels would deprive the jewel owner of the right to sell those jewels to any individual, but "[t]imeshifting does not even remotely entail comparable consequences to the copyright owner." *Id.* In dissent, Justice

The Court only referred to the second and third fair use factors in passing.⁹⁸ However, it is significant that making an essentially identical copy of the original work that the consumer saw did not result in a finding of infringement.⁹⁹

The Court gave primary attention to the fourth factor and concluded, "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."¹⁰⁰ The Court added that there must be a "showing by a preponderance of the evidence that some meaningful likelihood of future harm exists."¹⁰¹ In other words, it is not sufficient to simply argue that there is an adverse economic effect because a use could in theory become widespread. The plaintiff must present proof that adverse affect on the copyright holder's market resulting from the copying is a realistic possibility.¹⁰²

Blackmun said one issue was time-shifting, and a "second is 'library-building,' in which the user records a program in order to keep it for repeated viewing over a long term." *Id.* at 458-9.

⁹⁸ The majority said that considering the nature of the work, since "time-shifting merely enables a viewer to see such a work which he had been invited to witness in it's entirety free of charge, the fact that the entire work is reproduced... does not have its ordinary affect of militating against the finding of fair use." *Id.* at 449-450.

⁹⁹ Samuelson wrote that Justice Steven's decision reflects the view of "copyright as a limited monopoly right" in contrast to Justice Blackmun's dissenting view of copyright as an "exclusive property right." P. Samuelson, "The Generativity of Sony v. Universal: The Intellectual Property Legacy of Justice Stevens", 74 Fordham Law Review 1831, 1849 (March, 2006) (hereafter "Generativity of Sony").

¹⁰⁰ *Id.* at 450 (Emphasis added).

¹⁰¹ *Id.* at 451 (Emphasis added). The dissent took a different position on economic harm by stating "at least when the proposed use is an unproductive one, a copyright owner need prove only a potential for harm to the market for or the value of the copyrighted work....Proof of actual harm, or even probable harm, may be impossible in an area where the effect of a new technology is speculative...." *Id.* at 482.

¹⁰² Samuelson says that "perhaps the most important impacts of *Sony* have been in mitigating the significance of 'non-transformative copying of whole works made routinely in today's digital network environments.'" Generativity of Sony n. 98 above at 1875.

3. *Access as a separate factor*

The Supreme Court recognized increasing access was a factor that favored a finding of fair use in *Sony*.¹⁰³ The Court noted the district court had found time-shifting "served the public interest in **increasing access** to television programming, an interest that 'is consistent with the First Amendment policy of providing the fullest possible access to information through the public airways.'¹⁰⁴ The conclusions of the district court were "buttressed by the fact that to the extent time-shifting **expands public access** to freely broadcast television programs, it yields societal benefits."¹⁰⁵ The Supreme Court said this public benefit of making literary works more available supported an interpretation of "fair use that requires the copyright holder to demonstrate some likelihood of harm."¹⁰⁶

The dissent in *Sony* argued that an extension of "fair use so as to permit unfettered use of this new technology in order to increase access to television programming" risked "eroding the very basis of copyright law, by depriving authors of control over their works and consequently of their incentive to create."¹⁰⁷ Yet even this

¹⁰³ 464 U.S. 417 (1984). The Ninth Circuit in *Sony* discounted access in the fair use calculation, noting "the statute does not list 'convenience' or 'entertainment' or 'increased access' as purposes within the general scope of fair use." 659 F.2d 963, 970 (9th Cir. 1982). This statement was referring to the examples of "criticism, comment, news reporting, teaching..., scholarship, or research" provided in the first sentence of §107 as purposes that may constitute fair use.

¹⁰⁴ 464 U.S. at 425 (Emphasis added).

¹⁰⁵ *Id.* at 454 (Emphasis added).

¹⁰⁶ *Id.* The Court was referring specifically here to "making television broadcasting more available." *Id.* Citing *Sony*, Fisher said, "The fair use doctrine enables the judiciary to permit unauthorized uses of copyrighted works in particular situations when doing so will result in wider dissemination of those works without seriously eroding the incentives for artistic and intellectual innovation." Reconstructing, n. 65 above at 1687.

¹⁰⁷ 464 U.S. at 480-481 (Justices Blackmun, Marshall, Powell and Rehnquist). The dissent also said, "Copyright gives the author a right to limit or even to cut off access to his work." *Id.* at 480. While that is true for unpublished works, fair use is a limitation on the rights of authors. In other words, the right

proprietary view of copyright by the dissent implicitly acknowledged that access was a factor that favored fair use, since the dissent recognized that one of the two risks of the copyright system was "that granting authors a copyright monopoly will reduce the creative ability of others because others would not have access to the works."¹⁰⁸ The dissent concluded that "[w]hen the use is one that creates no benefit to the public at large, copyright protection should not be denied on the basis that a new technology that may result in harm has not yet done so."¹⁰⁹ In other words, the dissent believed that if increased access benefited the public, such increased access would favor fair use.

While both the majority and dissent considered the impact of access on fair use, neither suggested that access was part of the four statutory fair use factors. Instead, the Justices seemed to discuss access as a separate factor in determining the fair use balance.¹¹⁰ However, whether they considered access as a separate factor or a "sub-factor" within one of the four factors listed in §107 is not as important as the fact they recognized that increasing access favored a finding of fair use.

The increased access in *Sony*, moreover, was only increased access to persons who already had some access. It would be logical to conclude that where there

to prevent access is subject to the fact that the copyright holder does not have the right to control all uses of their work, including the right to fair use. *Id.* at 432-433. Thus, the fair use statute begins by stating, "Notwithstanding the provisions of sections 106 and 106A...". Indeed, §107 now expressly provides that unpublished works may be the subject of fair use by third parties by the last sentence in the section: "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."

¹⁰⁸ *Id.* at 479. The dissent said the second risk was "that depriving authors of their monopoly will reduce their incentive to create." *Id.*

¹⁰⁹ *Id.* at 482. The dissent inferred to taping of the broadcasts on an "unproductive use." *Id.* at 482.

¹¹⁰ The majority discussed access at pp. 428-429, 440-441, 446 (n. 28), discussed the four statutory fair use factors at pp. 448-451 (it mentioned access once on p. 451) and continued discussing access at

had been no access previously (as with the existing Library Project and the contemplated Kikuyu Key), the Supreme Court would rule that the increased access favored fair use even more. Although the next Court decision on fair use might appear to have discounted increasing access as a favorable factor, in fact the defendant in the next case did not increase access by its use of the original work, so the decision does not weaken the conclusion that increasing access favors a finding of fair use.

D. Harper – Leaking Excerpts From an Unpublished Work the Copyright Holder Was About to Publish Did Not Increase Access and Was Not a Fair Use

1. *Background*

In the second Supreme Court fair use case, Harper & Row Publishers sued Nation Enterprises for publishing in *The Nation* unauthorized verbatim quotes from the then soon to-be-released memoirs of President Ford. *Time Magazine* had contracted with Harper & Row for the exclusive right to publish excerpts from the memoirs before the publication of the memoirs, but *The Nation* had obtained a copy of the manuscript in spite of the efforts of Harper & Row to maintain secrecy. After *The Nation* published excerpts, *Time* cancelled its agreement and refused to pay Harper & Row \$12,500.¹¹¹ The district court found that the excerpts in *The Nation* had infringed Harper & Row's copyright, but the Second Circuit held that *The Nation's* actions had

pp. 453-454. The dissent discussed access at pp. 480-481 and did not really focus on §107 until pp. 482-486.

¹¹¹ 471 U.S. at 543. Justice O'Connor wrote the majority opinion and was joined by Chief Justice Burger and Justices Blackman, Powell, Rehnquist and Stevens. Justice Brennan wrote a dissenting opinion and was joined by Justices White and Marshall.

been a fair use.¹¹² The Supreme Court reversed the Second Circuit and held that the publication of the excerpts was not a fair use.

2. *The statutory fair use factors*¹¹³

Prior to the passage of the Copyright Act of 1976, fair use generally had not even been a defense to a claim of copyright infringement of an unpublished work.¹¹⁴ The Court in *Harper* recognized, however, that the 1976 Copyright Act for the first time gave a copyright owner a federal right to control the first publication of her work and that

¹¹² *Id.* at 544-545. Different views of copyright are apparent in the two decisions of the lower courts. The district court seemed to look at the excerpts in *The Nation* as a whole and the Ford memoirs as the property of Harper & Row. The district court said, "The Nation certainly had no interest in presenting these historical facts and memoranda in isolation. Rather, it is the totality of those facts and memoranda collected together with Ford's reflections that made them of value to *The Nation*. Correspondingly, it is the same totality that is protected by the copyright laws." 557 F.Supp. 1067, 1072 (S.D. N.Y. 1983). In contrast, the Second Circuit directed more attention to the uncopyrightable parts and seemed to view copyright as a regulatory mechanism balancing (a) incentives to create works with (2) the interest of others to reproduce parts of such works. The Second Circuit said, "Where information concerning important matters of state is accompanied by a minimal borrowing of expression, the economic impact of which is dubious at best, the copyright holder's monopoly must not be permitted to prevail over a journalist's communications." 723 F.2d 195, 208 (2nd Cir. 1983).

¹¹³ On the purpose and character of the use, the majority said the significance of the profit/non-profit question was not motive, "but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Id.* at 562. The use of "customary price" suggests an established, common price in the market. The majority said, "Also relevant to the 'character' of the use is 'the propriety of the defendant's conduct' The trial court found that *The Nation* knowingly exploited a purloined manuscript." *Id.* The listing of "news reporting" as a possible fair use in §107 did not create a presumption of fair use for news reporting, but was only an example to "give some ideas of the sort of activities the courts might regard as fair use under the circumstances." *Id.* at 561, quoting from the applicable Senate Report. The majority also said that whether "an article arguably is 'news' and therefore a productive use is simply one factor in a fair use analysis." *Id.* The majority did not explain there what it considered to be a "productive use." On the issue of "productive use," see L.G. Lape, "Transforming Fair Use: The Productive Use Factor In Fair Use Doctrine," 58 Alb. L. Rev. 677 (1995); and 4 *Nimmer on Copyright* §13.05[A][1][b] (n. 7 above). The dissent said the purpose of the Nation's article was news reporting that "strongly favors a finding of fair use." *Id.* at 591. The dissent also argued that the majority's "reliance on the Nation's putative bad faith is equally unwarranted." *Id.* at 593.

¹¹⁴ 471 U.S. at 550-551. Prior to the 1976 Act, only the common law protected authors from the unauthorized copying of their unpublished works. *Id.* at 551.

the right of first publication was expressly made subject to the fair use provision of §107.¹¹⁵

With respect to the nature of the copyrighted work, the Court rejected the idea that the Copyright Act of 1976 treated identically the copying and public distribution of (1) a previously unpublished work and (2) a previously published work, saying "fair use analysis must always be tailored to the individual case."¹¹⁶ The Court had noted earlier in its decision that "where an author and publisher have invested extensive resources and created an original work and are poised to release it to the public, no legitimate aim is served by pre-empting the right of first publication."¹¹⁷ The Court concluded the "fact that a work is unpublished is a critical element of its 'nature'" and

¹¹⁵ *Id.* at 551-552. As a result of the Copyright Act of 1976, 17 U.S.C. §106(3) gives a copyright holder the exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending." P.L. 94-553, 90 Stat. 2546. House Report No. 94-1476 explained that this provision "establishes the exclusive right of publication.... Under this provision the copyright owner would have the right to control the first public distribution of an authorized copy or phonorecord of his work.... Likewise, any unauthorized public distribution of copies or phonorecords that were unlawfully made would be an infringement....however, the copyright owner's rights under section 106(3) cease with respect to a particular copy or phonorecord once he has parted with ownership of it." 5 U.S. Code Congressional and Administrative News, 94th Congress, Second Session, 1976, pp. 5675-5676. 17 U.S.C. §301 pre-empts common law copyright claims. See House Report No. 94-1476 ("The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law.") 5 US Code Cong. Adm. News 1976, p. 5746.

¹¹⁶ *Id.* at 552. The Court restated the general principle that factual works receive less protection under copyright law than works of fiction and that the Ford memoirs were a "historical narrative," but that this still favored a finding of infringement. 471 U.S. at 563.

¹¹⁷ *Id.* at 557. In Rights Management Systems, n. 65 above, at p. 43, D. Burke and J. Cohen say that in *Harper & Row*, the Court "identified fair use as a type of 'safety valve' that mediates between the strictures of copyright and the demands of the First Amendment," citing 471 U.S. at 560. What the Court said at 560 was, "Courts and commentators have recognized that copyright, and the right of first publication in particular, serve this countervailing First Amendment value" (the right to speak and the right to refrain from speaking). The majority added, "In view of the First Amendment protections already embodied in the Copyright Act's distinction between copyrightable expression and uncopyrightable facts and ideas, and the latitude for scholarship and comment traditionally afforded by fair use, we see no warrant for expanding the doctrine of fair use to create what amounts to a public figure exception to copyright." *Id.* The majority rejected the argument of *The Nation* that "First Amendment values require a different rule" for balancing the rights of the copyright holder against a claim of fair use. *Id.* at 555.

that the "right of first publication encompasses not only the choice of whether to publish at all, but also the choices of when, where and in what form first to publish the work."¹¹⁸

The Court addressed the amount and substantiality of the portion used and held "a taking may not be excused merely because it is insubstantial with respect to the *infringing* work."¹¹⁹ The Court also observed that the district court had found that The Nation had copied "what was essentially the heart of the book."¹²⁰ It was this "expressive value of the excerpts and their key role in the infringing work" that made this factor favor infringement, even though the number of words taken may have been small.¹²¹

The Court said that the effect on the market – both for the original work and derivative works – was "undoubtedly the single most important element of fair

¹¹⁸ *Id.* at 564. The dissent argued that the majority's position improperly considered economic loss of the copyright holder as part of the second factor. *Id.* at 598. In 1992, subsequent to the decision in *Harper*, Congress amended the fair use statute by adding the following sentence at the end of §107: "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." PL 102-492 106 Stat. 3145. House Report 102-836, 5 U.S. Code Congressional and Administrative News, 102nd Congress, Second Session (1992), p. 2561, said the purpose of the addition was not to change the principles set forth in *Harper*, but "to reiterate Congress's intention in codifying fair use that in evaluating a claim of fair use, including claims involving unpublished works, the courts are to examine all four statutory factors set forth in Section 107, as well as any other factor deemed relevant in the court's discretion." The House Report also suggested that the fact a work was unpublished might not mean fewer uses of unpublished works would be fair use, but would likely mean the amount of protected material that may be copied from an unpublished work would be less than the amount of protected material that may be copied from a published work. *Id.* at pp. 2560-2561.

¹¹⁹ *Id.* at 565. The Court noted, however, that the approximately 300 words taken verbatim from the memoirs were at least 13% of the infringing article. *Id.* at 565. There was a dispute over how much more of protected parts of the memoirs may have been copied. *See e.g., Id.* at 565, n. 8. The dissent did not disagree with the principle quoted above, but disagreed that "the substantiality of the expression taken was clearly excessive or inappropriate to the Nation's news reporting purpose." *Id.* at 601.

¹²⁰ *Id.* at 564-565, quoting from 557 F.Supp. 1067, 1072 (S.D. N.Y. 1983). The Second Circuit reversed the decision of the district court at 723 F.2d 195 (2nd Cir. 1983). The quoted material addressed President Ford's pardon of former President Nixon. *See* 557 F. Supp. at 1069, 1072, and Appendix A.

¹²¹ 471 U.S. at 566.

use."¹²² Once a plaintiff shows a causal connection between an infringement and actual loss of revenue, "the burden properly shifts to the infringer to show that this damage would have occurred had there been no taking of copyrighted expression."¹²³ Of course, Harper & Row had shown actual damages (the loss of the income from Time Magazine), so the Court did not have to address the importance of this factor when plaintiff had not proven actual damage was not an issue.

3. Access

Meaningful access (or lack thereof) was clearly a factor to the Court in *Harper*, since the Court distinguished between fair use of "out of print" books and fair use of unpublished works.¹²⁴ Quoting from the Senate Report, the Court said, "If the work is 'out of print' and unavailable for purchase through normal channels, the user may have more justification for reproducing it."¹²⁵ The Court indicated that more favorable copyright protection for unpublished works than for out of print works made sense, since "not being published is the result of a deliberate choice on the part of the

¹²² *Id.* at 566, citing 3 *Nimmer on Copyright* §13.05[A] at 13-76. Without expressly adopting it, in a footnote Justice O'Connor summarized the market failure approach to fair use: "Economists who have addressed the issue believe the fair use exception should come into play only in those situations in which the market fails or the price the copyright holder would ask is near zero." 471 U.S. at 566, n. 9. If the copyright holder would ask a price near zero, the market failure approach would conclude it was not worth the transaction costs involved to obtain permission, so the use could be fair use. Justice O'Connor continued, "As the facts here demonstrate, there is a fully functioning market that encourages the creation and dissemination of memoirs of public figures." *Id.* In fact the relevant market for purposes of fair use would have been not the market for memoirs, but for pre-publication releases of excerpts from books, including memoirs. However, the fact that Time had paid Harper & Row for rights to release excerpts from the Ford memoirs before publication showed there was a market for pre-publication releases. Justice O'Connor concluded by saying that "[i]n the economists' view, permitting 'fair use' to displace normal copyright channels disrupts the copyright market without a commensurate public benefit." *Id.*

¹²³ *Id.* at 567.

¹²⁴ As in *Sony*, the Court in *Harper* discussed the question of lack of access (in *Harper*, out of print books) at 553, largely outside of its consideration of the four statutory fair use factors, which four factors the Court discussed at 563-568. See note 110 above concerning *Sony*.

copyright owner," whereas the copyright holder may not have planned to be out of print.¹²⁶

The Court, however, rejected the Nation's argument that it was promoting the public interest by increasing access to works. The Court said "[a]ny copyright infringer may claim to benefit the public by increasing public access to the copyrighted work."¹²⁷ Yet all that means is a court should not accept every claim of increasing access as favoring fair use.

Assume a copyright holder produces 100,000 copies of a book and another company (the pirate) – seeing that the book is selling well – makes 500,000 copies of that book and sells them to the public before the original publisher can produce additional copies. The pirate's actions would not increase the number of books available to the public, because the original publisher probably would have produced the additional copies for the public. Similarly, in *Harper*, The Nation had not increased access to parts of President Ford's memoirs, but had simply sped up that access. That is significantly different than creating a work that the copyright holder could not produce and that consumers would not otherwise be able to access. The next Supreme Court decision on fair use also did not involve a situation in which the defendant was providing access to a type of work that a segment of the public had not had access before.

¹²⁵ *Id.* at 553.

¹²⁶ *Id.*

¹²⁷ 471 U.S. at 569.

E. Stewart – An Established Market for the Type of Derivative Works at Issue Can Defeat a Finding of Fair Use

1. *Background and statutory fair use factors*

In the third Supreme Court fair use case, *Stewart v. Abend*, Alfred Hitchcock's "*Rear Window*" was the challenged work.¹²⁸ Although at the time of the initial production of "*Rear Window*," the producers had a license from the copyright holder of the original story, "It Had To Be Murder," for the creation/distribution of a derivative work, that license lapsed upon the death of the copyright holder.¹²⁹ Then, without the permission of the copyright holder (at this point the estate of the original copyright holder), the producers caused the re-broadcast of *Rear Window* on television, and the holder of the copyright renewal term in "It Had To Be Murder" sued the producers of "*Rear Window*."¹³⁰ The re-release of *Rear Window* of course was a commercial venture, since the defendants had received twelve million dollars for that re-release.¹³¹

¹²⁸ 495 U.S. 207 (1995). The dissent by Justice Stevens, Chief Justice Rehnquist and Justice Scalia took the position that the respective rights of the parties were determined by the Copyright Act of 1909, the statute in effect when the work had been created, so this article does not discuss the dissent. *Id.* at 239, n. 1. The majority opinion of Justices O'Connor, Brennan, Marshall, Blackmun and Kennedy held that under either the 1909 Act or the 1976 Act, "the owner of the pre-existing work possessed the right to sue for infringement even after the incorporation of the pre-existing work in the derivative work." *Id.* at 226.

¹²⁹ *Id.* at 211-212.

¹³⁰ 495 U.S. at 213. There are no longer copyright renewal rights for new copyrights. 3 Nimmer on Copyright at §§9.02 and 9.07 (n. 7 above). The Supreme Court's opinion focused mainly on the argument of the owners of "*Rear Window*" that "the rights of the owner of the copyright in the derivative use of the preexisting work are extinguished once it is incorporated into the derivative work, assuming the author of the pre-existing work has agreed to assign his renewal rights." 495 U.S. at 216. The owners of "*Rear Window*" also argued that even if the use of the original work to create a derivative work had been unauthorized (which the Supreme Court concluded it was), the use was a fair use.

¹³¹ *Id.* at 237. The work in question was fictional, so it was less likely than a factual work to be deemed a fair use. Also, although the original story quantitatively constituted only 20% of the motion

The Court again said that the fourth factor was the "most important, and indeed central fair use factor" and concluded that the record supported the conclusion that re-release of "Rear Window" harmed the ability to market a new version of the story "It Had To Be Murder."¹³² There was no need to discuss the needed quantum of proof concerning harm to a market, since counsel for the defendants had conceded at oral argument in the Ninth Circuit that "Abend's plans for a remake were frustrated by the existence of the 'Rear Window' film."¹³³

2. Access

The Court in *Stewart* recognized that access was a fundamental consideration in copyright law, saying that "although dissemination of creative works is a goal of the Copyright Act, the Act creates a balance between the artist's right to control the work during the term of the copyright protection and the public's need for access to creative works."¹³⁴ In *Stewart*, however, there was no lack of public access to the type of derivative work at issue. The defendants had interfered with the copyright owner's attempt to market to HBO a derivative work of "It Had To Be Murder," had distributed "Rear Window" itself in 1954 and then had "Rear Window" broadcast on ABC television in 1971.¹³⁵ In contrast to *Stewart*, the fourth Supreme Court fair use decision,

picture story-line, the Court noted that the motion picture used the story's unique setting, characters, plot and sequence of events, and that was qualitatively sufficient for infringement. *Id.* at 237-238.

¹³² *Id.* Citing 3 *Nimmer On Copyright*, §13.05[A] at 13-81.

¹³³ 863 F.2d 1465, 1482 (9th Cir. 1988).

¹³⁴ 495 U.S. at 228.

¹³⁵ 495 U.S. at 212-213. See also n. 133 above. The Stewart in this case was the famous actor Jimmy Stewart, who with Alfred Hitchcock had formed a production company, Patron, Inc., to produce and distribute "Rear Window." *Id.* at 212.

discussed next, did address a situation in which the public would not have had access to a type of derivative work but for the actions of the defendants.

F. *Campbell – Transformative Works of a Type That the Copyright Holder Would Not Prepare Favor Fair Use*

1. *Background*

The fourth case, *Campbell v. Acuff-Rose Music, Inc.* established that when the third party gave the public a different type of work than had previously been available, a "transformative work," such work was likely to be a fair use. 2 Live Crew had written a parody, "Pretty Woman," of Roy Orbison's song, "Oh, Pretty Woman" and told Acuff-Rose that they had written the parody.¹³⁶ 2 Live Crew offered to pay Acuff-Rose a fee for the use of "Oh, Pretty Woman" and to give credit to Acuff-Rose and the original authors. Acuff-Rose refused to give permission and sued.¹³⁷

2. *The statutory fair use factors*

A unanimous Court discussed "transformative use" in its analyses of the first, third and fourth statutory fair use factors.¹³⁸ For the first factor, the Court said that

¹³⁶ Justice Souter wrote the opinion for a unanimous Court, and Justice Kennedy filed a concurring opinion. Roy Orbison and William Dees had written the rock ballad "Oh Pretty Woman" and assigned their rights to Acuff-Rose Music, Inc.

¹³⁷ 510 U.S. at 572. The district court granted summary judgment for 2 Live Crew. 754 F.Supp. 1150 (M.D. Tenn. 1991). The Sixth Circuit reversed, concluding that 2 Live Crew's "blatantly commercial purpose ... prevents this parody from being a fair use." 972 F.2d 1429, 1439 (6th Cir. 1992); and *Id.* at 574. The Supreme Court reversed and noted that 2 Live Crew's request for permission did "not necessarily suggest that they believed their version was not fair use; the offer may singly have been made in a good-faith effort to avoid this litigation." *Id.* at 585, n. 18. The Court added, "being denied permission to use a work does not weigh against a finding of fair use." *Id.*

¹³⁸ 510 U.S. at 578-583, 588 and 591. In a concurring opinion, Justice Kennedy said, "As future courts apply our fair use analysis, they must take care to ensure that not just any commercial takeoff is rationalized post hoc as a parody." *Id.* at 600. Although the Court had said in *Sony* that "every commercial use of copyrighted material is presumptively . . . unfair," the Court explained in *Campbell* that this was not a "hard evidentiary presumption." *Id.* at 584. The Court added that *Sony* simply stood for the proposition that the existence of a commercial was simply one factor that tended to weigh against a

the important issue was whether the new work simply superseded the objects of the original work or added something new, "with a further purpose or different character, altering the first with new expression, meaning or message; it asks, in other words, whether and to what extent the new work is 'transformative.'"¹³⁹ The Court said that the goal of copyright law to promote science and arts was "generally furthered by the creation of transformative works."¹⁴⁰

The Court discussed the role parody plays in the fourth statutory fair use factor, but did not repeat its previous statements that the fourth statutory factor was the most important factor.¹⁴¹ It acknowledged that a parody may harm the market for the original work, but explained that "when a lethal parody, like a scathing theatre review,

finding of fair use. *Id.* at 585. The Court noted that the illustrations of possible fair use in §107, such as news reporting and teaching were commercial endeavors, but that fact did not preclude findings of fair use. Determining fair use was not a process "to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis." *Id.* at 577.

¹³⁹ *Id.* at 579.

¹⁴⁰ *Id.* The Court drew a distinction between parody, which needed to mimic (copy) an original to make its point and satire, which the Court said could "stand on its own two feet." *Id.* at 580-581. The Court said that the threshold question for a parody raising fair use as a defense was "whether a parodic character may reasonably be perceived," and that whether the parody was in bad taste or good taste did not matter for purpose of determining fair use. *Id.* at 582. The Court agreed that fair use was more difficult to establish with works at the "core of intended copyright protection" (such as fictional works) and that "Oh, Pretty Woman" fell within that core. *Id.* at 586. However, that fact might never "help much in separating the fair use sheep from the infringing goats in a parody case, since parodies almost invariably copy publicly known, expressive works." *Id.* With respect to the third factor, the Court said that once "enough has been taken to assure identification, how much more is reasonable will depend, say, on the extent to which the song's overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original." *Id.* at 588.

¹⁴¹ As a result, one court has concluded that the Supreme Court has abandoned the idea that the fourth factor is the most important fair use factor. *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 926 (9th Cir. 1995) ("apparently abandoning the idea that any factor enjoys primacy, *Campbell* instructs" that all four factors "are to be explored and the results weigh together, in light of the purposes of copyright." Another court was not sure the Supreme Court no longer considered the fourth factor the most important factor. *Princeton University Press v. Michigan Document Services, Inc.*, 99 F.3d 1381, 1385-1386 (6th Cir. 1996) ("We take it that this factor ... is at least *primus inter pares*, figuratively speaking, and we shall turn to it first"). Emphasizing a different factor, Leval argued that "Factor One is the soul of fair use." P.N. Leval, "Toward A Fair Use Standard," 103 Harv. L. Rev. 1105, 1116 (March 1990) (hereafter "Fair Use Standard").

kills demand for the original, it does not produce a harm cognizable under the Copyright Act."¹⁴² Although the Court recognized that fair use must take into account not only harm to the original work, but harm to the market for derivative works, it added that the "market for potential derivative uses include only those that creators of original works would in general develop or license others to develop."¹⁴³ In other words, certain economic harm – whether actual or potential – does not factor into the fair use balance.

3. Access

Although not expressly discussing "access," the Court's conclusion that certain transformative works favored a finding of fair use has the same effect as recognizing that a defendant's creation of certain types of literary works to which the public would not otherwise have had access favors a finding of fair use. The Court said "the unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such user from the very notion of a potential licensing market."¹⁴⁴ The Court explained that the "market for potential derivative uses includes only those that creators of original works would in general develop or license for others."¹⁴⁵ Put another way, if a copyright holder would not produce or license a certain type of derivative work, creation by a third party of that type

¹⁴² *Id.* at 591-592.

¹⁴³ *Id.* at 592. At 590, the Court stated, "Since fair use is an affirmative defense," citing *Harper & Row*, 471 U.S. at 561, "its proponents would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets." However, the Court also said that "[n]o 'presumption' or inference of market harm ... is applicable to a case involving something beyond mere duplication for commercial purposes." *Id.* at 591.

¹⁴⁴ 510 U.S. at 592.

¹⁴⁵ *Id.*

of derivative work, such as a parody, would create access to literary works that the public would not otherwise have access to and would favor a finding of fair use.¹⁴⁶

G. Initial Application of Fair Use Factors to the Library Project and Kikuyu Key

1. *Four statutory fair use factors*

The application of the four statutory fair use factors to the Library Project and the Kikuyu Key reveals some of those factors favoring a finding of fair use and some favoring a finding of infringement. Consider the Library Project first and just how a consumer would use the Library Project (column 3 below), disregarding temporarily the copying of the books necessary to create the Google Database.

Google is a for-profit corporation that earns millions of dollars from advertising placed on its web pages, and the Library Project is part of Google's allure for users, which in turn is an enticement for advertisers. As a result, the Library Project has a commercial character not favoring fair use.¹⁴⁷ However, for the second part of the first fair use factor, the end result will be a massive electronic database, a "work" significantly different in content and purpose than each individual book, and this would

¹⁴⁶ Lower court cases have confirmed that the allegedly harmed market for derivative works must not be a hypothetical one. For instance in *Leibovitz v. Paramount Pictures Corp.*, the Second Circuit said, "Leibovitz has not identified any market for a derivative work that might be harmed by the Paramount ad. In these circumstances, the defendant had no obligation to present evidence showing lack of harm in a market for derivative works." 137 F.3d 109, 116, n. 6 (2nd Cir. 1998). In *Sony Computer Entertainment America, Inc. v. Bleem, LLC*, the Ninth Circuit held that Bleem's use of screen shots from Sony's video games to advertise Bleem's "software emulator" was a fair use. 214 F.3d 1022, 1026 (9th Cir. 2000). The software emulator allowed consumers to play Sony video games on PC's instead of the Sony PlayStation. *Id.* at 1024. The Ninth Circuit said, "Certainly screen shots are a standard device used in the industry to demonstrate video game graphics, but there is not a market for them, or at least not one in which Bleem may participate given Sony's refusal to license to it." *Id.* at 1029.

¹⁴⁷ *Harper*, 471 U.S. at 562 ("The crux of the profit/nonprofit distinction is ... whether the user stands to profit from exploitation of the copyrighted material without paying the customary price"); and 4 Nimmer on Copyright at §13.05[A][1][c] (n. 7 above) ("Commercial uses' are extremely broad").

be a transformative result favoring fair use.¹⁴⁸ The Library Project involves both novels (at the core of copyright protection) and scientific texts, so the second fair use factor favors a finding of infringement.¹⁴⁹ Since the consumer only sees minor portions of the results of each search, the amount and substantiality of portion copied should favor fair use.¹⁵⁰ The fourth fair use factor should also favor a finding of fair use, since no copyright holder has the ability to create the database on its own, and presumably there is no existing market for the licensing of books for use in such a database and thus could be no demonstrable adverse effect on the market.¹⁵¹ In light of the special favorable weight the Supreme Court gave to transformative works in *Campbell*, and without considering the interim copying of the complete works, the table below shows that a court should conclude the Library Product is a fair use:

Google Books Library Project

	(1) Google scanning	(2) Google RAM	(3) What Google user views
1. Character and purpose of allegedly infringing use			a. Commercial - favors copyright holders. b. transformative— favors Google
2. Nature of copyrighted work			Favors copyright holders
3. Amount and			Minor parts shown to viewer, generally not

¹⁴⁸ See text accompanying notes 138-143 above.

¹⁴⁹ If only factual texts were copied for the Google Database this factor might favor less strongly a finding of infringement, but this factor would nevertheless favor a finding of infringement. See n. 116 above.

¹⁵⁰ See, in contrast, the text accompanying notes 119-121 above.

¹⁵¹ See the text accompanying notes 100 and 101 above and n. 146 above.

Google Books Library Project

	(1) Google scanning	(2) Google RAM	(3) What Google user views
substantiality of portion of copyrighted work copied			identifiable — favors Google
4. Effect on markets for copyrighted work and derivatives			Realistically copyright holder could not create the market (but could license individual book titles) -- favors Google

If, however, a court separately analyzed the interim copying (columns 1 and 2 in the table below), and without considering the value of increasing access to literary works, a court could conclude that there was infringement:

Google Books Library Project

	(1) Google scanning	(2) Google RAM	(3) What Google user views
1. Character and purpose of allegedly infringing use	a. Commercial - favors copyright holders. b. Not transformative— favors copyright holders	a. Commercial - favors copyright holders. b. Not transformative—favors copyright holders	a. Commercial - favors copyright holders. b. transformative— favors Google
2. Nature of copyrighted work	Favors copyright holders	Favors copyright holders	Favors copyright holders
3. Amount and substantiality of portion of copyrighted work copied	Favors copyright holders	Favors copyright holders	Minor parts shown to viewer, generally not identifiable — favors Google

Google Books Library Project

	(1) Google scanning	(2) Google RAM	(3) What Google user views
4. Effect on markets for copyrighted work and derivatives	Favors copyright holders	Favors copyright holders	Realistically copyright holder could not create the market (but could license individual book titles) -- favors Google

An initial examination of the Kikuyu Key leads to a similarly ambiguous result, especially when not considering the value of increasing access to literary works. The first part of the fair use factor should favor a finding of fair use, since the translations would be prepared by nonprofit corporations without financial gain. However, 17 U.S.C. §101 expressly includes translations as derivative works, and 17 U.S.C. §106(2) expressly gives the copyright holder the exclusive right to make derivative works, so the purpose of the Kikuyu Key – to provide derivative works – could favor a finding of infringement. The second and third fair use factors would favor a finding of infringement, because a variety of books would be involved, and all of the contents of the books would be copied, albeit in another language. For the fourth factor, the publishers have not found a market yet for licensing books to be translated into Kikuyu or other native languages of citizens in developing countries. However, the publishers presumably would be willing to license the right to translate and publish works in Kikuyu, and presumably there would be a market for translations into some language, so it is not clear how a court would evaluate the fourth factor:¹⁵²

¹⁵² This raises the issue of what constitutes the licensing market, the market for translation into any language other than English or a market for translating only into Kikuyu? See *Campbell*, n. 137 above,

	Kikuyu Key
1. Character and purpose of allegedly infringing use	a. Non-commercial—favors Kikuyu Key. b. Translations are one of the express rights authors have, so arguably the purpose could favor the copyright holders.
2. Nature of copyrighted work	Favors copyright holders
3. Amount and substantiality of portion of copyrighted work copied	Favors copyright holders
4. Effect on markets for copyrighted work and derivatives	No realistic possibility that for-profit publishers would translate works into Kikuyu, but publishers would be willing to license the right to translate and publish in Kikuyu to someone willing to translate.

Yet this does not end the analysis. A lower court should recognize that increasing access should favor a finding of fair use, and the next section restates that point.

2. *Increasing access is an additional factor favoring a finding of fair use*

The Supreme Court has not limited itself to the four factors listed in §107 in determining if a challenged use of a copyright work is a fair use. In *Sony*, the Court expressly held that increasing access to literary works favored fair use.¹⁵³ In *Campbell*, the Court gave significant weight to the probability that the copyright holder of the original work would neither produce the type of derivative work created by the defendant

510 U.S. at 591-592 ("market for potential derivative uses include only those that creators of original works would in general develop or license others to develop"), and n. 146 above. Could publishers seriously suggest they expected to translate their works into Kikuyu? For a critique of taking into account licensing systems in the fair use analysis, see L.P. Loren, "Redefining The Market Failure Approach To Fair Use In An Era Of Copyright Permission Systems," 5 J. Intellectual Property Law 1, 38 (Fall 1997) ("Restricting fair use to only those situations where an efficient mechanism for obtaining permission does not yet exist trivializes the importance of fair use in a democratic society and the importance of fair use in furthering the goals of copyright law"). See also discussion at IV.C. below.

¹⁵³ §II.C.3. above.

nor license the defendant to develop the type of derivative work.¹⁵⁴ In other words, the public would never have had access to the parody involved in *Campbell* but for the finding of fair use. Therefore, it is not sufficient to consider only the four statutory fair use factors where the third party's use will increase access to literary works to which consumers would not otherwise have had access.¹⁵⁵

Recognizing that increasing access favors fair use does not end the purpose of this article, however. There needs to be more analysis in order to answer whether the Library Project is a fair use or the Kikuyu Key would be a fair use. Part III provides that analysis for the Library Project with respect to interim copying of works, and Part IV provides that analysis for the Kikuyu Key with respect to translations.

¹⁵⁴ §II.F.3. above. Generally two works derivative of the same original work – one by the copyright owner and one by a third party – would not be identical to each other, but the third party could not necessarily use those differences to support a finding of fair use for the work created by the third party on the grounds that it would provide access to the public of a different work. The work by the third party should be a different type of derivative work than the author of the original work would prepare in order to favor fair use. In other words, a third party should not be allowed to create the next *Mission Impossible* movie simply because it is different from the original *Mission Impossible*.

¹⁵⁵ Increasing access is not the only additional factor the Supreme Court has considered. For instance, in *Harper*, the Court considered the propriety of defendant's conduct and whether the original work had previously been published or not as factors in a finding of infringement and no fair use. See n. 113 above. In contrast, Leval has argued that the four statutory factors are the only valid factors. See *Fair Use Standard*, n. 141 above, at p. 1125 ("The more that I have studied the question, the more I have come to conclude that the pertinent factors are those named in the statute. Additional considerations that I and others have looked to are false factors that direct the inquiry from the goals of copyright"). However, to try to shoehorn all considerations into the four specified categories in §107 seems to confuse, rather than clarify, fair use analysis.

III. IN SPITE OF THE INTERIM COPYING, PROVIDING ACCESS TO A DIGITAL DATABASE THAT WOULD OTHERWISE NOT BE AVAILABLE TO THE PUBLIC MAKES THE LIBRARY PROJECT A FAIR USE

A. The Importance of Increasing Access Can Justify Making Complete Interim Copies of Copyrighted Works

Some scholars argue that the market system will generally result in appropriate payment for and distribution to the public of copyrighted works.¹⁵⁶ For instance, Gordon has argued that "[o]nly where the desired transfer of resource use [granting the right to copy a copyrighted work in whole or part] is unlikely to take place spontaneously, or where special circumstances such as market flaws impair the market's ordinary ability to serve as a measure of how resources should be allocated, is there an economic need for allowing nonconsensual transfer."¹⁵⁷ A classic example of the need for fair use under this economic model is when the costs of obtaining consent for the use would be "so high relative to the benefits that no such exchange is feasible between a user of a copyrighted work and its owner."¹⁵⁸

Yet even scholars who are proponents of the economic model recognize that other factors than technical market failures or purely economic ones can justify the need for the fair use doctrine.¹⁵⁹ An example of such other factor is when the copyright

¹⁵⁶ See, e.g., Market Failure, n. 65 above.

¹⁵⁷ See Market Failure, n. 65 above at 1615. Gordon argues that "[f]air use should be awarded to the defendant in a copyright infringement action when (1) market failure is present; (2) transfer of the use to defendant is socially desirable; and (3) an award of fair use would not cause substantial injury to the incentives of the plaintiff copyright owner." *Id.* at 1614. As one example, Gordon suggests that "out-of-print status of a copyrighted work may help to justify fair use....markets cannot form where goods are unavailable." *Id.* at 1627-1628.

¹⁵⁸ Economic Analysis, n. 19 above, at 357-358. See also Market Failure, n. 65 above at 1627-1630.

¹⁵⁹ Economic Analysis, n. 19 above at 357 ("Our economic model, however, explains the major applications of the fair use principle").

holder has the anti-dissemination motive of preventing competition.¹⁶⁰ In such situations, discussed below, considerations of access have played key roles in findings of fair use.

1. *scanning a work and then changing it slightly in the ultimate work*
Arriba

Arriba Soft Corp. operated a visual search engine that displayed on the Internet search results from consumer queries as "thumbnail" pictures. Arriba had obtained the pictures by copying images from other websites and then using "these copies to generate smaller, lower-resolution thumbnails of the images. Once the thumbnails are created, the program deletes the full-sized originals from the server."¹⁶¹ Kelly's images were among thousands of images that Arriba displayed through its search engine database.¹⁶² Kelly sued Arriba for copyright infringement.¹⁶³

The Ninth Circuit in *Arriba* held that the display of the thumbnail images by Arriba constituted a fair use. The court said that fair use "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster."¹⁶⁴ The court said that Arriba's use of the images

¹⁶⁰ *Market Failure*, n. 65 above at 1632-1635. Of course, one could call any factor justifying fair use a "market failure," but anti-dissemination motives have nothing to do with the actual structure of the market.

¹⁶¹ *Kelly v. Arriba Soft Corp.* 336 F.3d 811, 815 (9th Cir. 2003). The court later added that "[a]nyone who downloaded the thumbnails would not be successful selling full-sized images enlarged from the thumbnails because of the low resolution of the thumbnails. There would be no way to view, create, or sell a clear, full-sized image when going to Kelly's web sites." *Id.* at 822.

¹⁶² *Id.* at 818.

¹⁶³ *Id.* at 815.

¹⁶⁴ *Id.* at 817, n.11, quoting *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.* 109 F.3d 1394, 1399 (9th Cir. 1997). *Dr. Seuss* involved a poem about the O.J. Simpson double murder trial that was written in the style of Dr. Seuss and titled "The Cat NOT in the Hat! A Parody by Dr. Juice." *Id.* at 1396

was transformative, favoring fair use, since Kelly's images were artistic works "to engage the viewer in an aesthetic experience," whereas Arriba's use was unrelated to any aesthetic purpose but was instead a tool to help index and approve access to images on the Internet.¹⁶⁵

Addressing the amount and substantiality of the portion used in *Arriba*, the court said the "extent of permissible copying varies with the purpose and character of the use."¹⁶⁶ The court concluded that this factor did not weigh in favor of or against the finding of fair use, "because, although Arriba did copy each of Kelly's images as a whole, it was reasonable to do so in light of Arriba's use of the images."¹⁶⁷

The Ninth Circuit held that the fourth factor favored Arriba, concluding that "Arriba's creation and use of the thumbnails does not harm the market for or value of Kelly's images."¹⁶⁸ The court did not expressly discuss the possibility of Kelly developing similar derivative works as Arriba or the possible effect Arriba's displaying of

The Ninth Circuit affirmed the district court's grant of a preliminary injunction against Penguin Books on copyright infringement in large part because Penguin Books was not holding the distinctive style of Dr. Seuss up to ridicule, but was using the title and style to get attention. The court in *Dr. Seuss* also noted that the defendants had not presented "evidence about relevant markets," and that the "good will and reputation associated with Dr. Seuss' works is substantial." 109 F.3d at 1400-1401. Of course *Dr. Seuss* involved a derivative work that was a commercial use. A distinction between *Dr. Seuss* and *Campbell* is that the Ninth Circuit concluded The Cat NOT in the Hat was not a true parody – holding the original work up to ridicule, whereas "Pretty Woman" was trying to ridicule "Oh Pretty Woman."

¹⁶⁵ 336 F.3d at 818. Although the use of the thumbnail images was commercial, the court concluded that Arriba was not using Kelly's images to directly promote its website and was not trying to make money by selling Arriba's images, so "the commercial nature of the use weighs only slightly against a finding of fair use." *Id.* Although the Ninth Circuit said that the second factor favored Kelly slightly, the court added that published works are more likely to qualify as fair use, because the artist's expression has already appeared. *Id.* at 820.

¹⁶⁶ *Id.* at 820.

¹⁶⁷ *Id.* at 821. For another discussion of the Ninth Circuit's decision, see A. Olson, "Why *Kelly v. Arriba Soft Corp.*" 336 F.3d 811 (9th Cir. 2003), *Does and Doesn't Matter*, 44 *Jurimetrics J.* 487 (Summer 2004).

¹⁶⁸ *Id.* at 822.

the thumbnail images might have on the market for derivative works, but noted that "Arriba does not sell or license its thumbnails to other parties."¹⁶⁹ The court concluded Arriba's use of the thumbnail images was a fair use.

Bill Graham Archives

In a 2006 decision, *Bill Graham Archives v. Dorling Kindersley Ltd.*,¹⁷⁰ the Second Circuit held that copying of complete pictorial works was not copyright infringement but a fair use, where the copies were modified slightly and put into a larger work. The challenged work was a 480 page book by Dorling Kindersley – *Grateful Dead: The Illustrated Trip* – that included copies of artistic concert posters copied and reduced in size by the book publishers and placed in the book. The court said a typical page in the book had a collage of images, text and graphic art. Plaintiff Bill Graham Archives claimed copyright ownership of seven of the over 2,000 images in the book.¹⁷¹

¹⁶⁹ *Id.* at 821. In contrast, see *Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828, 851 (C.D. Calif. 2006) ("Google's use of thumbnails likely does harm the potential market for the downloading of P10's reduced-size images onto cell phones"). *Perfect 10* involved a copyright challenge to (a) Google's use of thumbnail images copied by Google's web crawlers from other web sites and (b) Google's in-line linking to other websites, so that when the user clicked on the link, he saw a display from the other website's server. The court concluded that in-line linking did not constitute a display or distribution by Google, so did not constitute copyright infringement. However, the court said that the creation and display of the thumbnails by Google did infringe P10's copyrights in the images. *Id.* at 838-845. The court also concluded that the display of the thumbnails probably did not constitute a fair use, so the court issued a preliminary injunction, "despite the enormous public benefit that search engines such as Google provide." *Id.* at 851. The court found that "Google's use of thumbnails to simplify and expedite access to information is transformative of P10's use of reduced-size images to entertain." *Id.* at 849. It was *Perfect 10*'s licensing of thumbnail images to cell phone operators after the litigation had commenced that caused the court to conclude that the first and fourth factors weighed against Google and that there was infringement. *Id.* at 849 and 851. This seems to be an unduly limiting interpretation of the fourth fair use factor. See §IV.C. below. However, unlike the Google Database, the final products in *Perfect 10* were substantially similar to the original, so the conclusion of infringement in *Perfect 10* should not be applicable to the Google Litigation. Also, since the Kikuyu Key assumes a nonprofit entity will create the translations, the decision in *Perfect 10*, involving a for profit entity would not warrant a finding of infringement with respect to the Kikuyu Key.

¹⁷⁰ 448 F.3d 605 (2nd Cir. 2006).

¹⁷¹ *Id.* at 607.

Dorling Kindersley unsuccessfully had sought permission from Bill Graham Archives to reproduce the images, but Dorling Kindersley nevertheless published the book.¹⁷² The district court granted summary judgment for the defendants, and the Second Circuit affirmed on the ground that Dorling Kindersley's reproduction of the images was a fair use.¹⁷³

The Second Circuit in *Graham* said the overall test for fair use was whether allowing or preventing the use would further the progress of science and useful arts.¹⁷⁴ In considering the first three fair use factors, the court focused on the "transformative purpose" of the poster copies in the book. Originally the copyright holders had used the posters as expressive advertisements for an upcoming concert, but the defendants had used the copied images in the book as part of an historic timeline.¹⁷⁵ The court noted the fact that defendant "significantly reduced the size of the reproductions and thus their expressive value."¹⁷⁶ Although the defendant had copied complete images, the court concluded the images constituted "an inconsequential

¹⁷² *Id.*

¹⁷³ *Id.* at 607.

¹⁷⁴ *Id.* at 608, citing *Castle Rock Entertainment, Inc. v. Carroll Publishing Group*, 150 F.3d 132, 141 (2nd Cir. 1998). In *Castle Rock*, the Second Circuit affirmed a finding of copyright infringement for defendants' publication of a book containing trivia questions about a copyrighted television series.

¹⁷⁵ The court said the original purpose of the poster was "to generate public interest in the Grateful Dead and to convey information to a large number [of] people about the band's forthcoming concerts." *Id.* at 609. The court said Dorling Kindersley used the same pictures in the book as historical artifacts to document and represent the actual occurrence of Grateful Dead concert events featured on *Illustrated Trip's* timeline." *Id.*

¹⁷⁶ *Id.* at 611. The court said the reduced size was "inadequate to offer more than a glimpse of their expressive value.... DK used the minimal image size necessary to accomplish its transformative purpose." *Id.*

portion" of the book, and noted that defendant had not used any of the images in question in its commercial advertising.¹⁷⁷

On the fourth factor, the Second Circuit in *Graham* agreed that lost licensing revenue from a derivative market could be part of the consideration, but added that "a publisher's willingness to pay license fees for reproduction of images does not establish that the publisher may not, in the alternative, make fair use of those images." The court pointed out that a copyright holder could license any use or copying of the copyrighted work, so if any lost licensing revenue was relevant, the fourth fair use factor would always favor a finding of infringement.¹⁷⁸

The key to *Arriba* and *Bill Graham Archives*

In both *Arriba* and *Graham* the courts analyzed as a factor favoring a finding of fair use the benefit to the public of providing the public with a transformative use.¹⁷⁹ In both the plaintiffs had held copyrights to only a small proportion of the copyrighted works the defendant had used, so the individual plaintiffs – using only their

¹⁷⁷ *Id.* at 611-612. The use of the images was "tailored to further its transformative purpose because DK's reduced size reproductions of BGA's images in their entirety displayed the minimal image size and quality necessary to ensure the reader's recognition of the images as historical artifacts of Grateful Dead concert events." *Id.* at 613. Although the court agreed that the second factor favored the copyright holder, it did not put much weight in this factor. It said, "we hold that even though BGA's images are creative works, which are a core concern of copyright protection, the second factor has limited weight in our analysis because the purpose of DK's use was to emphasize the images' historical rather than creative value." *Id.* at 612-613. With respect to the third factor, the court indicated that if the extent of use was consistent with the transformative purpose, the fact that the whole work was displayed did not weigh against fair use. *Id.* at 613.

¹⁷⁸ *Id.* at 614, citing *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 929-930, n. 17 (2nd Cir. 1994); *Princeton University Press v. Michigan Document Services*, 99 F.3d 1381, 1387 (6th Cir. 1996); Fair Use Standard, n. 141 above at 1124; and 4 Nimmer On Copyright at §13.05[A][4] (n. 7 above).

¹⁷⁹ 336 F.3d at 820 ("they benefit the public by enhancing information-gathering techniques on the Internet"); and 448 F.3d at 609-610 (Dorling Kindersley's "image display enhances the reader's understanding of the 'biographical text'").

copyrighted works – could not have created the works the defendants created. In both the courts determined whether there was infringement based on the ultimate use, and making the interim copies did not preclude a finding of fair use. In both, because the third parties provided different works that the public would not otherwise have been able to access, the interim copying was part of a fair use.

2. *extraction of unprotected data*

Courts have also held that it is a fair use for persons to copy a copyrighted work in order to extract the factual parts of the database not protected by copyright and then discard the rest. For instance, in *Assessment Technologies of WI, LLC v. Wiredata, Inc.*, the owner of copyrighted software used to compile and store real estate tax assessment data sued for copyright infringement a company seeking access to that data for use by real estate brokers.¹⁸⁰ Although the Seventh Circuit indicated the defendant had not needed to copy the whole software program in order to obtain the raw data, it added that the plaintiff would have lost the case "even if the raw data were so entangled with Market Drive that they could not be extracted without making a copy of the program."¹⁸¹ The intermediate copying of the operating system would be a fair use, since "the only purpose of the copying would be to extract non-copyrighted material and not to go into competition with AT by selling copies of Market Drive."¹⁸² In other

¹⁸⁰ 350 F.3d 640 (7th Cir. 2003).

¹⁸¹ *Id.* at 644.

¹⁸² *Id.* at 645. The court also said that the copyright "owner is trying to secrete the data in its copyrighted program — a program the existence of which reduced the likelihood that the data would be retained in a form in which they would have been readily accessible. It would be appalling if such attempt could succeed." *Id.* at 642.

words the interim copying was justified, because it was the only way to gain access to unprotected elements of the work/database.

Access was also a key issue in the finding of fair use in *Nautical Solutions Marketing, Inc. v. Boats.com*,¹⁸³ which involved (1) use of a robot to extract the hypertext markup language (HTML) from web pages of Boats.com and (2) entering facts from that copied web page into a database searchable by the public.¹⁸⁴ The district court said that the "momentary copying of Yacht World's public web pages in order to extract from Yacht listing facts unprotected by copyright law constitutes a fair use..."¹⁸⁵ The court addressed the initial copying of the HTML as part of the third fair use factor, explaining that "because Yachtbroker.com's final product – the searchable database – contained no infringing material, the 'amount and substantiality of the portion used' is of little weight."¹⁸⁶

In both *Assessment Technologies* and *Nautical Solutions*, the plaintiffs attempted to prevent defendants from accessing plaintiffs' works, because plaintiffs did not want competition. As long as the ultimate work of the defendants did not infringe the copyrights of plaintiffs, the interim copying of the copyrighted works was a fair use.

¹⁸³ 2004 WL 783121 (M.D. Fla. 2004)

¹⁸⁴ The district court noted that NSM ultimately discarded the HTML. *Id.* at *1.

¹⁸⁵ *Id.* at *2.

¹⁸⁶ See also *Ticketmaster Corp. v. Tickets.com, Inc.*, 2003 WL 21406289 (D. Calif. 2003) ("Taking the temporary copy of the electronic information [on a web site through use of a spider] for the limited purpose of extracting unprotected public facts leads to the conclusion that the temporary use of the electronic signals was 'fair use' and not actionable").

3. *reverse engineering*

Reverse engineering is a process "starting with the known product and working backward to divine the process which aided in its development or manufacture."¹⁸⁷ For computer programs, reverse engineering can include the "use of a program known as a 'disassembler' to translate the ones and zeros of binary machine-readable object code into the words and mathematical symbols of source code."¹⁸⁸ Such disassembly requires running the software program a number of times, which in turn means "copying of the program into RAM every time the computer is booted up."¹⁸⁹ Assuming a defendant acquires a computer program legally, running that program (and thus causing a copy to be loaded onto RAM) many times might not constitute copyright infringement. First, a person acquires a program in order to run the program, so the person acquiring the program must have the consent of the copyright holder.¹⁹⁰ Second, 17 U.S.C. §117 provides a safe harbor for owners of a copy of a computer program to use that software.¹⁹¹

Reverse engineering of software to make other software or hardware compatible, however, can include ultimately creating source code from the object code of the original software.¹⁹² That reverse engineered source code would be an infringing

¹⁸⁷ *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 476 (1974).

¹⁸⁸ *Sony Computer Entertainment v. Connectix Corp.*, 203 F.3d 596, 600 (9th Cir. 2000).

¹⁸⁹ *Id.* at 601.

¹⁹⁰ Of course, if a license restricts the use a licensee may make of a program, there may be a separate cause of action for breach of license instead of copyright infringement, if the software use exceeds what the license permits.

¹⁹¹ See, e.g., *Krause v. Titleserv, Inc.*, 402 F.3d 119 (2nd Cir. 2005).

¹⁹² For a detailed discussion of software reverse engineering, see A. Johnson-Laird, "Software Reverse Engineering In The Real World," 19 U. Dayton L. Rev. 843, 846 (Spring 1994): "There are only four ways to perform software reverse engineering: (1) read about the program; (2) observe the program

derivative work of the object code, unless fair use protected the creation of the source code. A number of cases, some of which are discussed next, have applied fair use to such reverse engineering cases.¹⁹³

making software compatible with the equipment of a third party: The Ninth Circuit examined the fair use doctrine extensively in *Sega Enterprises Ltd. v. Accolade, Inc.*,¹⁹⁴ which involved "reverse engineering" of Sega software by Accolade in order for Accolade to make its game cartridge software compatible with the Sega video game machines.¹⁹⁵ Accolade had copied the object code "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."¹⁹⁶ The court in *Sega* concluded that since there was no other method for studying the requirements for compatibility of the software in question, and there was "no evidence in the record that Accolade sought to avoid performing its own creative work," the first factor (purpose and character of use) weighed in favor of Accolade on the issue of fair use.¹⁹⁷

in operation by using it on a computer; (3) perform a static examination of the individual computer instructions contained within the program; or (4) perform a dynamic examination of the individual computer instructions as the program is being run on a computer." Only methods (3) and (4) involve the reproduction of object or source code outside of the software. *Id.* at 863-887. As a result, only these two methods raise the possibility of copyright infringement.

¹⁹³ See also P. Samuelson and S. Scotchmer, "The Law And Economics Of Reverse Engineering" 111 Yale L. J. 1575 (May 2002); D. Prestin, "Where To Draw The Line Between Reverse Engineering And Infringement: Sony Computer Entertainment, Inc. v. Connectix Corp.," 3 Minn. Intell. Prop. Rev. 137 (2002); and R.V. Donohoe, "Does Intermediate Copying Of Computer Software For The Purpose Of Reverse Engineering A Non-Infringing Product Infringe The Copyright In Software?", 2001 B.C. Intell. Prop. & Tech. F. 111301 (2001).

¹⁹⁴ 977 F.2d 1510 (9th Cir. 1992).

¹⁹⁵ The fact that the copying was for a commercial purpose weighed against the finding of fair use. *Id.* at 1522.

¹⁹⁶ *Id.* (emphasis added).

¹⁹⁷ *Id.* at 1522. In examining the second factor (the nature of the copyrighted work), the court in *Sega* noted that works of fiction receive greater protection than works which have strong functional

The court concluded that the fourth factor (effect of use on market) weighed in favor of Accolade, even though Sega could suffer some economic loss as a result of the copying.¹⁹⁸ The court said the identification of the functional requirements for Genesis' compatibility resulted in increased numbers of video game programs, and 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."¹⁹⁹ The court in *Sega* rejected the argument of Sega that Accolade was improperly "free-riding" on the efforts of Sega and held Accolade's disassembly/copying of the computer program to be fair use of the copyrighted work.²⁰⁰

The Federal Circuit similarly said that "reverse engineering object code to discern the unprotectable ideas in a computer program is a fair use" in *Atari Games Corp. v. Nintendo of America, Inc.*²⁰¹ The Federal Circuit added, however, that any "reproduction of protectable expression must be strictly necessary to ascertain the bounds of protected information within the work."²⁰²

elements. *Id.* at 1524. The court, however, said that computer programs were utilitarian articles that accomplished tasks, and concluded that since the video game program in question contained unprotected aspects which could not be examined without at least temporary copying, the copyright law afforded the program a lower degree of protection than more traditional literary works and ruled that the second statutory factor weighed in favor of Accolade.¹⁹⁷ *Id.* at 1524-1526.

¹⁹⁸ As to the third factor, the court noted that Accolade disassembled the entire program written by Sega, so the third factor weighed against Accolade. However, the court noted that when the ultimate use was as limited as it was in that case, the third factor was of very little weight. *Id.* at 1526-7.

¹⁹⁹ *Id.* at 1523, citing *Feist*, 499 U.S. 340 (1991). On the other hand, courts have said "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.'" *Harper & Row*, 471 U.S. at 568, quoting *Sony*, 464 U.S. at 451. In *Harper & Row*, the Supreme Court added that the consideration of the effect of a use on the market "must take account not only of harm to the original but also of harm to the market for derivative works." 471 U.S. at 568.

²⁰⁰ 977 F.2d at 1527-1528.

²⁰¹ 975 F.2d 832, 843 (Fed. Cir. 1992).

²⁰² *Id.*

making equipment compatible with software of a third party: Connectix had used the operating system of a Sony PlayStation to develop a program (the PlayStation emulator) for individuals to use computers rather than the Sony PlayStation to play Sony games.²⁰³ Before it started marketing its PlayStation emulator, Connectix substituted its own operating system — which did not contain any of Sony's copyrighted material — for Sony operating systems. The district court preliminarily enjoined Connectix from selling or distributing the Virtual Game Station for Macintosh or Windows-based computer systems.

Relying on its earlier decision in *Sega*, the Ninth Circuit in *Sony* reversed the decision of the district court and dissolved the injunction. The foundation of the Ninth Circuit's opinion was that (1) "[c]opyrighted software ordinarily contains both copyrighted and unprotected or functional elements," and (2) for an internal program which did not produce a screen display, the only way to gain access to the program's functional (unprotectable) elements was through copying and reverse engineering the program.²⁰⁴ The Ninth Circuit said that when only intermediate copying was involved, the amount and substantiality of the use was afforded "very little weight."²⁰⁵

The Ninth Circuit concluded the nature of the copyrighted work favored Connectix, noting that since Sony's operating system contained unprotected functional aspects that could not be examined without copying, the operating system had a "lower

²⁰³ *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 48 F. Supp. 2d 1212 (N.D. Calif. 1999), reversed 203 F.3d 596 (9th Cir. 2000).

²⁰⁴ *Sony Computer Entertainment Inc. v. Connectix Corp.*, 203 F.3d at 599.

degree of protection than more traditional literary works."²⁰⁶ The Ninth Circuit rejected Sony's argument that the reverse engineering was unnecessary, and said the "necessity" it "addressed in *Sega* was the necessity of the method, i.e., disassembly, not the necessity of the number of times that method was applied."²⁰⁷

4. *summary of interim copying cases*

In the reverse engineering and database cases discussed in §§2 and 3 above, plaintiffs wanted to deny access to third parties to prevent competition, an anti-dissemination motive that does not seem appropriate for fair use to recognize as a favorable factor.²⁰⁸ In *Arriba* and *Bill Graham*, discussed in § 1 above, the plaintiffs could not have created from works of their original copyrighted works the works defendants had created. In all of the cases in §§1-3, as long as the ultimate works of

²⁰⁵ *Id.* at 606, quoting *Sega*, 977 F.2d at 1526-7. Of course, as indicated above, at some level (e.g., the individual words in a book, and the different specks of paint in a painting) all works contain unprotected elements.

²⁰⁶ 203 F.3d at 603, quoting *Sega* at 1524-6. Of course, as discussed in the text accompanying notes 57-61 above, all copyrighted works have elements that copyright law does not protect.

²⁰⁷ 203 F.3d at 605. See also, *Bateman v. Mnemonics, Inc.* 79 F.3d 1532, 1539-1540, n.18, (11th Cir. 1996)("And although there has been some uncertainty as to whether reverse engineering constitutes copyright infringement, the one federal circuit court that has squarely addressed the issue has concluded that reverse engineering may be a fair use. See *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1527-28 (9th Cir.1992) See *Atari Games Corp. v. Nintendo of America Inc.*, 975 F.2d 832, 843 (Fed.Cir.1992) (concluding that "reverse engineering object code to discern the unprotectable ideas in a computer program is a fair use," although denying the defendant's fair use claim, based on the fact that it was wrongfully in possession of the source code). We find the *Sega* opinion persuasive in view of the principal purpose of copyright-the advancement of science and the arts.").

²⁰⁸ See, e.g., Economic Analysis, n. 19 above at 359 ("The suppression of an unfavorable review would be comparable to concealment by an ordinary seller of a defect in his goods"); and Market Failure, n. 65 above at p. 1632-1633 ("Section 107 places first among the purposes for which fair use is appropriate 'criticism' and 'comment', uses that a copyright owner might be reluctant to license.... Even if money were offered, the owner of a play is unlikely to license a hostile review or a parody of his own drama; a publicity-shy tycoon who owns the copyright on magazine articles discussing his life is unlikely to license a biographer to use those articles; a candidate for governor is unlikely to license his copyrighted campaign music to be utilized in his opponent's televised advertisement; and the publisher of a periodical is unlikely to license his competitor to use his copyrighted magazine covers in comparative advertising").

defendants did not infringe, the courts concluded interim copying not seen by the ultimate consumer did not preclude a finding of fair use.

The McGraw Plaintiffs can argue that the Google Database contains complete books and not just unprotected facts. However, Google can argue in response that the Google Database simply contains unprotectable words and the words are not arranged in a database as they are arranged on paper. The Google Database, in other words, provides an analysis of the words and the arrangement of a small number of the words, so has a different purpose and function than the individual books scanned to create the Google Database. A court should disregard the interim copying in determining whether the Library Project is a fair use.

B. *MP3.com – Commercial Distribution of Exact Copies Does Not Support a Finding of Fair Use*

The McGraw Plaintiffs may argue that based on the decision in *UMG Recordings, Inc. v. MP3.com, Inc.*,²⁰⁹ the scanning of books to implement the Library Project precludes a finding of fair use. In *UMG*, MP3.com had purchased thousands of CDs, and without the authorization of the copyright owners of the sound recordings in those CDs, MP3.com copied the sound recordings onto MP3.com's servers to replay for subscribers. MP3.com said that a subscriber could only get access to the recordings from MP3.com by first proving that the subscriber owned the CD in question.²¹⁰ Once that hurdle was crossed, the user could -- anyplace in the world that had Internet access

²⁰⁹ 92 F.Supp.2d 349 (S.D.N.Y. 2000).

²¹⁰ "by inserting his copy of the commercial CD into his computer CD-Rom drive for a few seconds (the 'Beam-it Service') or must purchase the CD from one of defendant's cooperating online retailers (the 'instant Listening Service')." *Id.* at 350.

-- listen to, but not download, that recording via computer.²¹¹ The court held that MP3.com's activities did not constitute a fair use.²¹²

Reflecting an inaccurate understanding of copyright, the court said, "Copyright ... is not designed to afford consumer protection or convenience but, rather, to protect the copyrightholders' property interests."²¹³ This rejection of consumer interests and the public interest is not consistent with the majority of copyright authorities.²¹⁴

In spite of its inaccurate characterization of the purpose of copyright law, the court's decision in *UMG* does not conflict with the cases holding that interim copying of works can be fair use.²¹⁵ In *UMG* the final product of the third party was identical to the copyright owner's product, in contrast to the interim copying cases, where the third party's final product was not substantially similar to the copyright owners product.

²¹¹ "The data is transferred over the Internet via 'streaming,' a technique that allows information to flow through the Internet to the user's computer without saving it as a mp3 file on the user's hard drive." S. Steele, "*UMG Recordings, Inc. v. MP3.com, Inc.: Signaling The Need For A Deeper Analysis Of Copyright Infringement Of Digital Recordings*," 21 Loy.L.A.Ent.L.Rev. 31 (2000).

²¹² The court noted that the use was commercial, stating that "while subscribers to My.MP3.com are not currently charged a fee, defendant seeks to attract a sufficiently large subscription base to draw advertising and otherwise make a profit." *Id.* at 350. The second and third fair use factors easily supported a finding of infringement, since the works were creative and artistic and defendant had copied all of each work. *Id.* at 351-352.

²¹³ 92 F. Supp. 2d at 352.

²¹⁴ See *e.g.*, notes 55, 56 and 67 above. See also *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1523 (9th Cir. 1993) (in a fair use analysis, "we are free to consider the public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially"); and *Cable News Network, Inc. v. Video Monitoring Services of America, Inc.*, 940 F.2d 1471, 1483 (11th Cir. 1991) ("the court is charged with protecting the public interest" in cases claiming copyright infringement).

²¹⁵ The court rejected the argument that the copies of the CD's made by MP3.com were not exact copies as follows: "defendant claims that the simulated sounds on MP3-based music files are not physically identical to the sounds on the original CD recordings.... Defendant concedes, however, that the human ear cannot detect a difference between the two.... Moreover, defendant admits that a goal of its copying is to create a music file that is sonically as identical to the original CD as possible.... In such circumstances, some slight, humanly undetectable difference between the original and the copy does not qualify for exclusion from the coverage of the Act." *Id.* at 350, n. 1.

The court in *UMG* rejected MP3.com's argument that the use was a "transformative 'space shift' by which subscribers can enjoy the sound recordings contained on their CDs without lugging around the physical discs themselves...."²¹⁶ Although defendant's argument about space shifting on first glance appears to be similar to the argument about time-shifting in *Sony*, there were at least three factual distinctions between *UMG* and *Sony*.²¹⁷ First, in *Sony* the allegedly infringing use (the consumers' copying of the broadcasts) was non-commercial, whereas in *UMG* the allegedly infringing use (MP3.com's copying and broadcasting of the CD's) was commercial.²¹⁸ Second, in *Sony* the broadcasters had distributed the content (the telecasts) to all consumers at no cost, whereas in *UMG* the copyright holders had sold the content (the CD's) to stores, for the stores to sell to consumers. Third, in *UMG* MP3.com was effectively distributing the sound recordings to the public, whereas the home viewers in *Sony* were not.²¹⁹

MP3.com argued that the fourth factor did not favor UMG, because users could only gain access through MP3.com by purchasing the original works, thus increasing sales of the copyright owners. The court rejected this argument, saying that any positive effect the use might have on the original market did not free "defendant to usurp a further market that directly derives from reproduction of the plaintiffs'

²¹⁶ 92 F. Supp. 2d at 351.

²¹⁷ If *UMG* were inconsistent with *Sony*, moreover, the McGraw Plaintiffs would not be able to argue that *UMG* should control the Google Litigation, since the Supreme Court decision would prevail.

²¹⁸ See notes 94-96 and 211 above.

²¹⁹ 12 U.S.C. §106(3). Under 17 U.S.C. §106(6), a copyright holder also has the exclusive right "to do and to authorize ...in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission." However, the district court did not discuss this right in the decision cited

copyrighted works."²²⁰ The court also said a copyright holder had "the right, within broad limits, to curb the development of ... a derivative market by refusing to license a copyrighted work or by doing so only on terms the copyright owner finds acceptable."²²¹ Yet the court was referring to derivative markets, not derivative products, and in *UMG*, there was no derivative product, only a derivative market. The decision in *UMG* does not support an argument that the Library Project constitutes copyright infringement.

C. *The Library Project Represents a Fair Use*

If the ultimate work is not infringing and as a practical matter the only feasible way to create the ultimate work is through the interim copying of another work that the consumer never sees, that interim copying should not prevent a finding of fair use.²²² Such interim copying is necessary in at least two situations. First, the copyright

in this article. It is interesting that the district court did not try to distinguish the result in *Sony* from the result in *UMG*.

²²⁰ *Id.* at 352.

²²¹ The court did note, however, that plaintiffs had introduced substantial evidence that they had "taken steps to enter that market by entering into various licensing agreements." *Id.*

²²² Sections 108-122 of the Copyright Act contain certain exemptions on the "exclusive rights" of copyright holders listed in section 106. These exemptions include certain reproductions of works by libraries and archives (§108). In order to fall within one of the permitted uses in §108, the library or archive must meet three preconditions. The first precondition in §108 – that the reproduction/distribution be performed without any purpose of commercial advantage – would exclude the Library Project from exemption under §108. Google is creating the Database with the purpose of commercial advantage. However, the fact that the Library Project does not fit within the §108 exemption should not preclude a finding of fair use with respect to the Library Project is not a fair use. In fact, §108(f) says "[n]othing in this section ... (4) in any way affects the right of fair use as provided by section 107...." *Cf., Texaco*, 37 F3d at 898 ("section 108 of the Copyright Act narrowly circumscribes the conditions under which libraries are permitted to make copies of copyrighted works Though this section states that it does not in any way affect the right of fair use, ... the very fact that Congress restricted the rights of libraries to make copies implicitly suggests that Congress views journal publishers as possessing the right to restrict photocopying, or at least the right to demand a licensing royalty from nonpublic institutions that engage in photocopying. Second, Congress apparently prompted the development of CCC by suggesting that an efficient mechanism be established to license photocopying"). For critiques of those §108 guidelines, see K. Crews, "The Law Of Fair Use And The Illusion Of Fair Use Guidelines," 62 Ohio St. L. J. 599 (2001); and A. Bartow, "Educational Fair Use In Copyright: Reclaiming The Right To Photocopy Freely," 60 U. Pittsburgh L. Rev. 149 (Fall, 1998).

holder may not be able – from her copyrighted works – to create the new work, such as in *Arriba* and *Graham*. Second, as in the database and reverse engineering cases, the copyright holder may not want to allow third parties to have access to and copy the copyrighted works, because the third parties would compete with the original copyright holder.²²³ In each situation, third parties would create original works the copyright holder would not create. Allowing third parties to create such works that the public could use would further the purpose of copyright laws to stimulate creative activity.²²⁴

This would lead to the conclusion that the Library Project is a fair use, because as a practical way, there would be no other way to create the Google Database, and the ultimate work viewed by the consumer does not infringe any copyrighted work. When the copying that the public does not see is disregarded and the importance of access is added, the conclusion of fair use for the Library Project seems clear:

	What Google user views
1. Character and purpose of allegedly infringing use	a. Commercial - favors copyright holders, but commercial nature generally not considered important when third party transforms purpose and end result of work. b. transformative purpose is to educate individuals on where

²²³ Even without attributing an improper anti-dissemination motive to a plaintiff, when a "defendant has 'filled a market niche that the [copyright owner] simply had no interest in occupying," then a finding of fair use is appropriate. *Princeton University Press v. Michigan Document Services, Inc.*, 99 F.3d 1381, 1387 (6th Cir. 1996), quoting in part *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1377 (2nd Cir. 1993). In *Princeton*, the Sixth Circuit added, "Only 'traditional, reasonable, or likely to be developed markets' are to be considered in this connection, and even the availability of an existing system for collecting licensing fees will not be conclusive." 99 F.3d at 1387, quoting in part *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 930-931 (2nd Cir. 1994). In *Princeton*, because there was a functioning market, the Sixth Circuit concluded that the copying was not a fair use.

²²⁴ Arguably allowing copyright holders to exclude competition might give the holders incentives to create more works, but that incentive is not the kind the Copyright Act encourages or recognizes as valid. See, n. 208 above.

	What Google user views
	books on specific subjects are located, not what the books say on those subjects. What consumer sees of any individual book is not substantially similar to the specific book— favours Google
2. Nature of copyrighted work	Favors copyright holders slightly, but since amount shown to users fits with the transformative, educational purpose of work, this factor not significant
3. Amount and substantiality of portion of copyrighted work copied	Minor pieces of works shown to viewer — favours Google
4. Effect on markets for copyrighted work and derivatives	Realistically copyright holder could not create the market (but could only license individual book titles) -- favours Google
5. Access to Knowledge	Gives users throughout the world access to knowledge of which libraries hold books on any variety of subjects and some few sentences in the books, to help user determine if she wants to try to obtain a copy of that book from the library holding the book or from the publisher. Individual copyright holders cannot provide that knowledge with only their copyrighted works. Favors Google

The above table for the Library Project does not answer the fair use question for the Kikuyu Key, however. With the Kikuyu Key, unlike the Library Project, the final product would be substantially similar in expression to the book in English, albeit in a different language, so would constitute a derivative work whose creation the copyright holder had a right to prevent.²²⁵ The copyright holder would have a right to prevent the translation, unless the translation was a fair use, so the next section of this article addresses the question of a translation as a fair use.

²²⁵ Under §106(2), the owner of a copyright has the "exclusive" right "to prepare derivative works based upon the copyrighted work," and §101 defines a "derivative work" to include a translation. See §IV.B.1. below.

IV. TRANSLATING LITERARY WORKS INTO THE LANGUAGES OF CITIZENS OF DEVELOPING COUNTRIES WHO WOULD OTHERWISE REMAIN UNSERVED SHOULD BE A FAIR USE

In addition to the Library Project, Google offers to translate for free into a multitude of languages – at the request of users -- web pages and text submitted by the user.²²⁶ Separately, software programs are available for sale to automatically translate English works into many other languages.²²⁷ Google may argue that the translation of web pages from one language to another language by individual computer users is no different than the private time-shifting approved as fair use in *Sony*, and also that by publishing web pages without copy protection, the owners of the web pages have consented to such translations.²²⁸ The manufacturers of the translation programs probably obtain an agreement from consumers that they will not use the software in any improper way, trying to protect the software manufacturer from a claim of contributing to copyright infringement. Rather than trying to skirt the copyright issues presented by translations, this part of the article directly addresses translations.²²⁹

Although a translation of a copyrighted work is a derivative work,²³⁰ presumably a publisher of textbooks would be willing – upon the receipt of some fee(s) -- to license third parties to translate that publisher's textbooks into Kikuyu and

²²⁶ See http://www.google.com/language_tools, visited 8/15/06

²²⁷ See e.g., <http://www.translution.com>, visited 8/15/06; and <http://translation.net> and <http://www.smartlinkcorp.com/translation-software/about.html>, visited 8/14/06.

²²⁸ *Cf. Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828, 832 ("Websites that do not wish to be indexed, or that wish to have only certain content indexed, can do so by signaling to Google's web crawler those parts that are 'off limits.' Google's web crawler honors those limits.").

²²⁹ It would seem particularly appropriate to use computers to help narrow the Digital Divide rather than increasing the divide created as the result of digital media. Moreover, since the books will be in some digital form in the Google Database, if someone developed effective translation programs for the applicable languages, the process of translation might become much more efficient.

distribute those translated textbooks, just as the publisher may already have done for the translation of those textbooks into French, German or Japanese. The publisher will lose a license fee if a third party can translate the book into Kikuyu and distribute the translations in Kenya without permission of and payment of a fee to the publisher. Why should such translation and distribution of textbooks – without the third party paying a license fee to the copyright holder – be a fair use? Why shouldn't all translations made without the permission of the copyright holder be illegal derivative works? This part IV answers those questions.

A. Fair Use is Not Simply an Economic Balancing Test

Fair use entails more than economic considerations and "seeks to accommodate the author's need for remuneration and control while recognizing that in specific instances the author's rights must give way before a **social need for access and use**."²³¹ The "careful balance between protecting rights of 'owners' and **ensuring public benefit by facilitating access** to protected works has been the framework within which the constitutional imperative to 'promote the progress of science and the useful arts' has historically been pursued."²³² Advocates of the economic analysis of law agree that "[s]triking the balance between access and incentives is the central problem in copyright law."²³³

Case law supports the scholars who recognize that fair use balancing is more than an economic exercise and can include free speech and the related principle

²³⁰ See last paragraph in IIIC. above, and see IV.B.1. below.

²³¹ Fair Use, n. 14 above, at 1602 (Emphasis added).

²³² Givers, Takers, n. 5 above, at 111. (Emphasis added).

of access. In *Cable News Network v. Video Monitoring Services of America, Inc.*, a "technologically-induced collision between the free speech doctrine and a broad media-owned copyright" produced the fair use dispute.²³⁴ The Eleventh Circuit said "[i]t is axiomatic that learning relative to a work requires access to the work in which the ideas are included...."²³⁵ In the past, the requirement of publication to obtain a federal copyright before 1978 had ensured access to books in paper format. Since Congress eliminated in 1978 the requirement of publishing a work for that work to receive a federal copyright, the Eleventh Circuit said that fair use had become a more important tool in preserving access to literary works.²³⁶

The Fifth Circuit, in *Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc.*, similarly described fair use as "a 'rule of reason' fashioned by Judges to balance the author's right to compensation of his work, on the one hand, against the

²³³ *Economic Analysis*, n. 19 above, at 326.

²³⁴ 940 F.2d 1471, 1472 & 1478 (11th Cir. 1991). The court said legal developments embraced an: "(1) ... interpretation of the First Amendment recognizing that free speech encompasses the right of access to the free flow of ideas; and (2) the elimination of the requirement of publication as a condition for statutory copyright, thereby ensuring public access. The advent of new communications technology has blurred the distinction between product and process, a distinction which served as a practical limitation on a copyright owner's right to limit access to the work (i.e., product)." *Id.* at 1478. The court described the defendant as "a national video monitoring service that monitors television programming nationwide, including CNN's, and provides copies of program segments and other information requested by its clients." *Id.* at 1474. The service provided such copies to its clients, so the clients could verify that the advertisements or other content that the clients had contracted for CNN to run had in fact aired on television. *Id.*

²³⁵ *Id.* at 1478, n. 12. Quoting from the introduction of the Dean of Columbia Law School to Benjamin Kaplan's *An Unhurried View of Copyright* (1967), the Eleventh Circuit said "that greater emphasis should be placed on the public's interest in the free accessibility of ideas is particularly appropriate in an era when freedom of expression is frequently under attack and when the means of dissemination of ideas are increasingly concentrated in fewer hands." *Id.* at 1479.

²³⁶ *Id.* at 1484-1485. The court also said that "[a]fter *Feist* it cannot be assumed that every newscast would qualify for even compilation copyright status." *Id.* at 1485. Reversing the injunction issued by the district court, the Eleventh Circuit held that "any injunction that would prevent the copying of CNN's newscasts "in any part" would be inconsistent with the Copyright Act, particularly its fair use provisions, and both the Copyright Clause and the First Amendment to the Constitution." *Id.*

public's interest in the **widest possible dissemination of ideas and information**, on the other."²³⁷ Triangle claimed that the copying by the defendant of a cover page of Triangle's publication for purposes of comparative advertising constituted copyright infringement. While agreeing that copyright law protected Triangle's cover page, the Fifth Circuit said that fair use often served to avoid potential conflicts between copyright law and freedom of speech.²³⁸ Noting the benefits to the public of comparative advertising, the Fifth Circuit concluded that the comparative advertising constituted fair use, regardless of any adverse market effect the advertising could have had on Triangle.²³⁹

Of course, simply looking at the four statutory fair use factors shows that only the fourth factor is an express economic consideration. A fair use regime limited to economic considerations might be satisfactory to authors of existing content, but such a regime could decrease the production of new creative works by making it more difficult for authors to borrow from existing works and could harm society as a result, and

²³⁷ 626 F.2d 1178, 1174 (5th Cir. 1980)(Emphasis added), quoting Sobel, *Copyright and the First Amendment: A Gathering Storm?*, 19 ASCAP Copyright L.Symp. 43, n. 1 at 51, in turn quoting Latman, *Fair Use of Copyrighted Works* 5 (Sen.Comm. on Judiciary Study No. 141960)." In *Triangle*, some of the alleged infringements occurred before the effective date of the Copyright Act of 1976, and one occurred after the effective date. The Fifth Circuit concluded the outcome would be the same under both the Act of 1909 and the 1976 Act, so limited its analysis to the 1976 Act. 626 F.2d at 1173, n. 6.

²³⁸ Id. at 1174, citing Denicola, "Copyright and Free Speech: Constitutional Limitations on the Protection of Expression," 67 Calif.L.Rev. 283, 299, 303-304 (1979); and Case Note, "Copyright and the First Amendment, *Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc.*, 445 F.Supp. 875 (S.D.Fla. 1978)," 1979 Wisc.L.Rev. 242, 246 & n. 26.

²³⁹ 626 F.2d at 1177-1178. The Fifth Circuit did note that no adverse economic effect had been shown. The district court had held fair use did not apply, but denied injunctive relief on the grounds of First Amendment Protection. Id. In light of its holding that fair use applied, the Fifth Circuit concluded it should not reach the First Amendment issue and affirmed the decision of the district court on the alternate ground of fair use.

conflict with the purpose of the Copyright Clause.²⁴⁰ Under fair use, in other words there must be a balance between (a) the economic interests of authors in having control over their works and (b) the benefit to the public in allowing others to access and make a variety of uses of those works.

B. The Fact That a Translation by a Third Party is a Derivative Work Does Not Prevent It From Being a Fair Use

1. *The right of authors to create derivative works*

Although copyright and fair use involve balancing, authors have the exclusive right under §106(2)²⁴¹ to create a "derivative work," defined as a "work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted."²⁴² Applying that definition broadly, "almost all works are

²⁴⁰ See Economic Analysis, n. 19 above at p. 332 ("beyond some level copyright protection may actually be counterproductive by raising the cost of expression....Creating a new work typically involves borrowing or building on material from a prior body of works, as well as adding original expression to it....The less extensive copyright protection is, the more an author, composer, or other creator can borrow from previous works without infringing copyright and the lower, therefore, the costs of creating a new work....The effect [of maximum copyright protection] would be to raise the cost of creating new works—the costs of expression, broadly defined—and thus paradoxically, perhaps lower the number of works created.")

²⁴¹ Cf. M. A. Lemley, "The Economics of Improvement in Intellectual Property Law," 75 Tex. L. Rev. 989, 1017 (1997) ("It is not clear precisely how a derivative work differs from a nonliteral copy, or what section 106(2) adds to the provisions of 106(1).")

²⁴² 17 U.S.C. §§106(2) and 101. The Copyright Act of 1909 gave the copyright holder the exclusive right to "translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work." 8 *Nimmer on Copyright* App. 6-3, §1(b) of Act (n. 7 above). Prior to that time, making a translation of a copyrighted work was not an infringement. See, eg., *Stowe v. Thomas*, 23 F. Cas. 201, 207-208 (Cir. Ct., E.D.PA. 1853) ("To make a good translation of a work, often requires more learning, talent and judgment than was required to write the original ... A translation may, in loose phraseology, be called a transcript or copy of her thoughts or conceptions, but in no correct sense can it be called a copy of her book").

derivative works in that in some degree they are derived from pre-existing works."²⁴³ For instance, all books written in English have structures – such as sentences and paragraphs – and words and phrases that previous authors have used. The courts have concluded, however, that in order for a second work to be a derivative work within the meaning of copyright law, the author of the second work must have "substantially copied" expression from the prior work.²⁴⁴

If a second work's expression is not substantially similar to an earlier work in some meaningful respect, there is no infringement, and there does not need to be a fair use analysis. It is only when the second work is substantially similar to an earlier copyrighted work in some meaningful respect, presenting a prima facie case of copyright infringement, that a court may have to consider the defense of fair use in analyzing whether there has been copyright infringement.²⁴⁵

²⁴³ 1 *Nimmer on Copyright* §3.01, p. 3-3 (n. 7 above). See also, *Campbell*, 568 U.S. at 576 ("as Justice Story explained, "[i]n truth, in literature, in science and in art, there are, and can be, few, if any, 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." *Emerson v. Davies*, 8 F.Cas. 615, 619 (No. 4,436) (CCD Mass.1845)").

²⁴⁴ *Litchfield v. Spielberg*, 736 F.2d 1352, 1357 (9th Cir. 1984). Not all the courts have used the identical test for determining how much the second work must have copied from the first work to be a derivative work. See, e.g., *Mulcahy v. Cheetah Learning LLC*, 386 F.3d 849, 853 (8th Cir. 2004)(A second work can be a derivative work "even if it has 'a different total concept or feel from the original work'," if, for instance, the second work "copied or condensed the qualitative core of one marketable portion" of the earlier work.); and *Atkins v. Fischer*, 331 F.3d 988, 993-994 (D.C. Cir. 2003) ("it is ... whether the 'total concept and feel' of the works and their 'aesthetic appeal' is the same," quoting in part *Knitwaves, Inc. v. Lollytogs Limited*, 71 F.3d 996, 1004 (2nd Cir. 1995)).

²⁴⁵ See 4 *Nimmer on Copyright* §13.05[A] at p. 13-158 (n. 7 above) ("fair use is a defense not because of the absence of substantial similarity but rather despite the fact that the similarity is substantial"); and *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, 150 F.3d 132, 144, citing 4 *Nimmer on Copyright* §13.05[A] (n. 7 above) ("secondary users need invoke the for use defense only where there is substantial similarity between the original and allegedly infringing works, and thus actionable copying...").

2. *Fair use of derivative works*

In spite of the copyright holder's right to make derivative works under §106(2), a derivative work prepared by a third party without the consent of the copyright holder can be a fair use. After all, §107 begins, "Notwithstanding the provisions of sections 106 and 106A...", the fair use of a copyrighted work is not an infringement of copyright. This "Notwithstanding" qualification makes the right to create derivative works in §106(2) subject to the fair use statute, just as the Supreme Court held in *Harper & Row* that this qualification made the right to first publication in §106(3) subject to fair use.²⁴⁶ In *Campbell*, for instance, the Court recognized that 2 Live Crew's song was a derivative work and said that it "would be an infringement of Acoff-Rose's rights in 'The Pretty Woman' ... but for a finding of fair use through parody."²⁴⁷ As discussed above, the Court held that 2 Live Crew's song, a derivative work, was a fair use.²⁴⁸

A more recent case evidencing that a derivative work by a third party can constitute a fair use is *Ty, Inc. v. Publications Intern. Ltd.*, in which the Seventh Circuit addressed a claim that books described as collectors' guides to "Beanie Babies" were illegal derivative works of Beanie Babies.²⁴⁹ The district court had granted summary judgment for Ty and had enjoined Publications from selling any of the books, and the Seventh Circuit agreed the photographs of the Beanie Babies in the books were

²⁴⁶ 471 U.S. at 552 ("the right of first publication, like the other rights enumerated in §106, is expressly made subject to the fair use provision of §107").

²⁴⁷ 510 U.S. at 574-575, n. 4, and 590

²⁴⁸ See §II.B.4. above.

²⁴⁹ 292 F.3d 512 (7th Cir. 2002). Ty had registered copyrights in "Beanie Babies" as sculptural works.

derivative works.²⁵⁰ However, the Seventh Circuit reversed the district court's injunction because of fair use, and said the issue on remand was whether "the use of the photos [derivative works] is a fair use because it is the only way to prepare a collectors' guide."²⁵¹ In other words, even though the photographs were derivative works, they may have been fair uses.²⁵² Similarly, the mere fact that a translation into Kikuyu of a copyrighted book in English would constitute a derivative work would not mean the translation constituted copyright infringement.²⁵³

On the other hand, differences in content alone between substantially similar works cannot make the second work "transformative" in the sense that the differences favor a finding of fair use, or else all translations would be transformative works that favored fair use.²⁵⁴ In *Sony*, Justice O'Connor did not use "transformative" to

²⁵⁰ *Id.* at 520.

²⁵¹ *Id.* at 522.

²⁵² In contrast, the Seventh Circuit said that the textual portions of a collectors' guide "are not among the examples of derivative works listed in the statute, and guides don't recast, transform, or adapt the things to which they are guides." 292 F.3d at 502. The court said a "derivative work thus must either be in one of the forms named [in the definition in §101] or be 'recast, transformed, or adapted,'" quoting in part *Lee in A.R.T. Co.*, 125 F.3d 580, 582 (7th Cir. 1997). The court said "a collectors' guide is very much like a book review, which is a guide to a book and which no one supposes is a derivative work. Both the book review and the collectors' guide are critical and evaluative as well as purely informational" 292 F.3d at 520-521. However, the definition of derivative works begins with the statement it is a "work based upon one or more preexisting works," so it seems the overall books were in part derivative works. That would not change the basic question of the court, were the books fair uses of the original works, even though the books were derivative works.

²⁵³ Bohanan has commented, "Paradoxically, while the 'transformative' quality of a defendant's use of a copyrighted work bolsters the defendant's claim of fair use, the derivative works right reserves to the copyright owner the right to make any work 'in which the copyright work may be recast, transformed, or adopted.' There is an obvious conflict between Congress's use of the word 'transformed' in the definition of 'derivative work' and the Court's use of the word 'transformative' in the elaboration of the fair use defense." C. Bohanan, "Reclaiming Copyright," 23 *Cardoza Arts & Ent. L. J.* 567, 595 (2006) (hereafter Reclaiming Copyright), citing Givers, Takers, n. 5 above, at pp. 124-128.

²⁵⁴ If someone made a new *Rocky* movie (would it be *Rocky 7?*) without the consent of the copyright holder of the original *Rocky* movie, the fact that there were significant changes in the plot would not make *Rocky 7* a fair use. The copyright holder of the original *Rocky* would have the exclusive right to make *Rocky 7*, even though it was "transformative" in the sense that there was a new plot. See, e.g., *Dr. Seuss*

refer to changes in content alone, but said the "central purpose of this [fair use] investigation is to see ... whether the new work merely 'supersede[s] the objects' of the original creation ... or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning or message...."²⁵⁵ (Emphasis added). Whether labeling this "something extra" a change in function, a complementary product or transformative, there must be more than changes in content to cause a court to consider a derivative work to be a fair use rather than an infringing derivative work.²⁵⁶

3. *Translations*

Courts have rejected fair use defenses in two cases involving translations. In *Radji v. Khakbaz*, the district court directly considered the fair use defense to a claim of copyright infringement for Khakbaz's translation into Farsi of a work originally published in English.²⁵⁷ Excerpts of that book had been published in a London newspaper with the permission of Radji, the copyright holder.²⁵⁸ However, without the

Enterprises, 109 F. 3d at 1401 and n. 164 above. ("Although *The Cat NOT in the Hat!* does broadly mimic Dr. Seuss' characteristic style, it does not hold *his style* up to ridicule.... use the Cat's stove-pipe hat, the narrator ('Dr. Juice'), and the title (*The Cat NOT in the Hat!*) to get attention.... Because there is no effort to create a transformative work with 'new expression, meaning, or message,' the infringing work's commercial use further cuts against the fair use defense.")

²⁵⁵ *Sony*, 510 U.S. at 579.

²⁵⁶ *Campbell*, 510 U.S. at 578-585; and *Ty*, 292 F.3d at 517 ("Generalizing from this example in economic terminology that has become orthodox in fair-use case law, we may say that copying that is complementary to the copyrighted work (in the sense that nails are complements of hammers) is fair use, but copying that is a substitute for the copyrighted work (in the sense that nails are substitutes for pegs or screws), or for derivative works from the copyrighted work...is not fair use"). Nimmer on Copyright prefers to use a "functional test," not "complementary" or "transformative". See 2 Nimmer on Copyright §13.05 [A][1][b], p. 13-170; and §13.05 [B], pp. 13-205–13-219. (see n. 7 above).

²⁵⁷ The book described Radji's service as Iran's ambassador to Great Britain 607 F.Supp. 1296 (D.D.C. 1985)

²⁵⁸ *Id.* at 1299. The London newspaper paid the copyright holder 15,000 pounds for that permission. *Id.*

permission of Radji, Khakbaz translated large portions of those excerpts into Farsi, which the Iran Times then published.

The district court rejected the fair use defense. The court said, "Defendants' reprinting of the 80 days of diary entries in a commercial publication was presumably intended to boost sales and thus was for commercial rather than non-profit educational purposes."²⁵⁹ The second and third factors also favored a finding of infringement, because the book was a "highly subjective and introspective account" of the author's service in Great Britain, and because the defendants had copied the large majority of the excerpts published in the London newspaper.²⁶⁰ Even if the articles in Farsi increased interest in and thus sales of the book, the fourth factor favored a finding of infringement, because the articles in Farsi "certainly prejudiced the sale of a serialization of his book in Farsi in a different magazine or newspaper."²⁶¹ The sale of the work in Farsi by the copyright holder was not speculative, moreover, because Radji was Iranian and would reasonably have been expected to sell his book in Farsi in Iran. In fact Radji had "translated his book into Farsi in late 1983."²⁶²

²⁵⁹ *Id.* at 1300. The court rejected the argument that the articles were newsworthy and that fact favored fair use: "an argument of newsworthiness can always be made where the author of the original work is a well-known person or where the book or article described political or other events of significance, but that is not *per se* a defense to an infringement action." *Id.*

²⁶⁰ *Id.* at 1301 – 1302.

²⁶¹ *Id.* at 1303.

²⁶² *Id.* at 1302. The court added that by the time plaintiff had translated his work into Farsi, "defendants' articles had already been circulated in Farsi in marketplaces where plaintiff wished to sell his book, and this was bound to injure substantially many of the same marketplace sales of plaintiff's own Farsi version." *Id.*

The Second Circuit's decision in *Nihon Keizai Shimbun, Inc. v. Comline Business Data*²⁶³ also held that the translations of plaintiff's copyrighted works by the defendant were not fair uses. In *Nihon*, the plaintiff was a Japanese corporation that published financial news and made many of its articles available in English. Defendant separately translated the articles from Japanese into English and sold the abstracts – rough translations – of the articles to its customers. The Second Circuit held that the abstracts were for commercial purposes and were not transformative, weighing in favor of a finding of infringement.²⁶⁴ The Second Circuit also said that "Comline's abstracts compete with and supersede" the *Nihon* articles, a factor that "weighed strongly against fair use."²⁶⁵ The Second Circuit affirmed the district court's finding of no fair use.

4. Summary

Neither the decision in *Radji* nor *Nihon* suggests that an unauthorized translation of a literary work is always an infringement. *Radji* and *Nihon* did hold that the translations in those cases were not transformative, but that does not end the analysis under the fair use factors. In *Radji*, a reasonable person would have concluded that *Radji* would translate his work into Farsi and sell it in Iran in competition with the derivative work, and *Radji* did have such a translation made. Similarly, in *Nihon*, *Nihon* in fact had translated many of its works into English prior to the

²⁶³ 166 F.3d 65 (2nd Cir. 1999).

²⁶⁴ *Id.* at 72 – 73.

²⁶⁵ *Id.* at 73. The Second Circuit concluded that the second factor may have been neutral, and the third factor favored the plaintiff.

commencement of the litigation.²⁶⁶ In each *Radji* and *Nihon*, in other words, the translations of defendants were sold commercially and were substitutes for translations of the plaintiffs. There was a concrete threat of economic harm to the plaintiff for works of the plaintiff in the same language as the works of the defendants. There was no lack of meaningful access to the works of the type defendants had produced for the individuals in the markets in question, so no reason to conclude that access favored a finding of fair use.

In contrast, when (1) translations are provided on a non-profit basis and give access to persons in desperate need of such literary works and (2) the publisher has not previously created or licensed such translations, fair use should be a bridge to create access. The next three sections of this article discusses that position.

C. *Not Considering Potential Licensing Income*

Economic theory forms a significant foundation for copyright law in the United States.²⁶⁷ Posner has said that in order "to promote economic efficiency," copyright law's "principle legal doctrines must, at least approximately, maximize the benefits from creating additional works minus both the losses from limiting access and the costs of administering copyright protection."²⁶⁸ As indicated above, the market analysis of copyright law argues that "[o]nly when the desired transfer of resource use is unlikely to take place spontaneously, or where special circumstances such as market

²⁶⁶ Plaintiff "also makes many of its Japanese articles available in English through wire services, an English language website, and a licensing agreement with LEXIS/NEXIS. *Id.* at 69.

²⁶⁷ See notes 19, 55, 56 and 65 above and Normative Copyright, n. 54 above at 1307 (July 2003) ("the economic rationale for copyright services is the central guiding theme for U.S. jurisprudence, which both expands and limits copyright").

flaws impair the market's ordinary ability to serve as a measure of how resources should be allocated, is there an economic need for allowing nonconsensual transfer."²⁶⁹ Also as discussed above, the most common example of market failure given is where high transaction costs in obtaining consent would outweigh the financial benefit in creating the derivative work.²⁷⁰

What if the party wishing to create a derivative work only needs to obtain one consent – as is the case of a translation of a single book – and the third party knows who the copyright holder is, so the issue would not really be the transaction cost of finding the copyright holder? Is it a "market failure" if the copyright holder wants to charge a license fee, and the third party does not wish to pay it?²⁷¹

Since a copyright holder can license any part of his work to create a derivative work, allowing a person to avoid paying such license fee and create a derivative work as a fair use would necessarily have some adverse economic effect on the copyright holder (the loss of the license fee).²⁷² Yet the Supreme Court in *Sony* rejected the argument that the parody was not a fair use, even though it could hurt the market for the original work, since that did not "produce a harm cognizable under the

²⁶⁸ *Economic Analysis*, n. 19 above at 326.

²⁶⁹ *Market Failure*, n. 65 above at 1615.

²⁷⁰ *Id.* at 1627-1630.

²⁷¹ Article II of the Appendix to the World Intellectual Property Organization Copyright Treaty provides for compulsory licensing of literary works for developing countries to make translations of those works if a number of conditions are met. 10 Nimmer On Copyright, App. 50-24/25 (n. 7 above). However, providing such a mechanism for the imposition of fees on developing countries or entities in developing countries that cannot afford food for their citizens simply would not seem fair. In economic terms, requiring a license fee to be paid where functioning economic markets would be a "market failure."

²⁷² "it is a given in every fair use case that plaintiff suffers a loss of a *potential* market that if that potential is defined as the theoretical market for licensing the very use at bar the plaintiff can always

Copyright Act."²⁷³ In other words, not all economic "harm" is cognizable under the four fair use factors.

Is not receiving a possible license fee a "harm cognizable under the Copyright Act"? In *Williams & Wilkins Co. v. United States*,²⁷⁴ plaintiff alleged that the copying of articles in medical journals by the National Institute of Health (NIH) to distribute to employees of NIH and other research and education oriented institutions was copyright infringement. Looking at the same factors called for by the Copyright Act of 1976, the court said "the law gives copying for scientific purposes a wide scope" and that the copying was not an "attempt to misappropriate the work of earlier scientific writers for forbidden ends, but rather an effort to gain easier access to the material for study and research."²⁷⁵ The court said that without such copying, medical researchers realistically would not be able to gain access to the articles, since many did not have wide circulation, and that "medical science would be seriously hurt if such library photocopying were stopped."²⁷⁶ Since plaintiff had not proved economic harm from the copying, the court concluded the copying at issue was a fair use.²⁷⁷

allege that she wished to reserve the future right to enter that niche – even to the extent of parodying her own work at some future time." 4 Nimmer on Copyright §13.05[A][4], pp. 13-196-197 (n. 7 above).

²⁷³ 510 U.S. at 591-592.

²⁷⁴ 487 F.2d 1345 (Ct. Claims 1973), aff'd by equally divided Supreme Court without opinion, 420 U.S. 376 (1975).

²⁷⁵ 487 F.2d at 1354

²⁷⁶ Id. at 1356 - 1357.

²⁷⁷ *Williams* was decided before the effective date of the Copyright Act of 1976 and is controversial. Copies are now made much easier than in the past, and in *Williams* there was no established licensing market for articles from periodicals. *Id.* at 1359-1360. In *Williams*, moreover, at least many of the authors of the specific works did not object to the copying of those articles. *Id.* at 1359. The split vote in the Supreme Court in *Williams* reflects the fact that how to balance access in the fair use "equation" has often been disputed. Even though four Justices voted to affirm the decision of the Court of Claims in *Williams*, the Ninth Circuit in *Sony* referred to the decision in *Williams* as the "Dred Scott decision of copyright law," quoting from the dissent in *Williams*. 659 F.2d 963, 970 (9th Cir. 1982). Of course, the Supreme Court

Should the copyright holder have the right to require a "reasonable" license fee in all cases ? Gordon said "to propose that fair use be imposed whenever the 'social value . . . outweighs any detriment to the artist,' would be to propose depriving copyright owners of their right in the property precisely when they encounter those users who could afford to pay for it." Yet the Supreme Court has rejected copyright as a natural right.²⁷⁸ Moreover, the statutory copyright scheme establishes copyright as a regulatory mechanism in which balance – not property – is the key.²⁷⁹ In *Sony*, the Supreme Court's statement suggested that a copyright holder could only have an expectation of a license fee for markets that "creators of original works would in general develop or license to others."²⁸⁰

At least with respect to non-profit uses by third parties, courts should only consider evidence of lost licensing revenues with respect to authorized derivative works in existing markets at the time of the litigation.²⁸¹ For instance, Duhl has argued that

reversed the Ninth Circuit in *Sony*. Moreover, in *Triangle Publications, Inc.*, 626 F.2d at 1177, the Fifth Circuit cited *Williams* favorably a number of times.

²⁷⁸ *Wheaton*, 33 U.S. at 661, n. 53 above.

²⁷⁹ n. 67 above and accompanying text.

²⁸⁰ 510 U.S. at 592.

²⁸¹ *Sony Computer Entertainment American v. Bleem*, 214 F.3d 1022, 1029 (9th Cir. 2000) (In a case involving comparative advertising, the Ninth Circuit said "Bleem responds by contending that there is no *market* in screen shots. Certainly screen shots are a standard device used in industry to demonstrate video game graphics, but there is not a market for them, or at least not one in which Bleem may participate given Sony's refusal to license it"). In *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 116, n. 6 (2nd Cir. 1998), n. 146 above, the court said that because the plaintiff had "not identified any market for a derivative work that might be harmed by the Paramount ad, "the defendant had no obligation to affirmatively present evidence of lack of harm in connection with the fourth factor. Although the court in *Leibovitz* also said that "Leibovitz all but concedes that the Paramount photograph did not interfere with any potential market," *Id.* at 116, the discussion of the evidence involved actual markets, which suggests actual products, not theoretical ones. Although the Supreme Court in *Sony* referred to "effect upon the potential market," the Court there was referring to potential market for the original work. 464 U.S. at 450. In other words, there was an existing product. For a derivative work, there also should be an existing product. Moreover, in *Sony*, the Court made clear that with respect to a noncommercial use by a third party, the copyright holder had a greater burden of proving harm. *Id.* at 451. In *Princeton*, n. 223 above,

"[o]nly when a market for such licensing exists and the copyright holder is able and willing to exploit that market should lost royalties be considered in measuring the effects of the unlicensed use on the copyright holder's market."²⁸² There should be a provable nexus, in other words, between an identified market and existing uses of the type similar to the use at issue challenged in the litigation.²⁸³

Two appellate court decisions holding that copying excerpts from larger works did not constitute fair use do not lead to the conclusion that a plaintiff's willingness to license a work should preclude fair use. In *American Geophysical Union v. Texaco, Inc.*, the Second Circuit held that copying of articles in scientific and medical journals by employees of Texaco – when there was an ongoing market for licensing such articles – was not a fair use.²⁸⁴ The court stated "[o]nly an impact on potential licensing revenues for traditional, reasonable, or likely to be developed markets should be legally cognizable when evaluating a secondary use's 'effect upon the potential

99 F.3d at 1387, the court said fair use was appropriate when the copyright holder "simply had no interest in occupying" the market. If the copyright holder has not created, or previously licensed a party to create, the translations in question, that is evidence it does not intend to occupy the market. That evidence becomes stronger each year a book is on the market in the United States.

²⁸² G. Duhl, "Old Lyrics, Knock-Off Videos, And Copycat Comic Books: The Four Fair Use Factor In U.S. Copyright Law," 54 Syracuse L. Rev. 665, 734 (2004). Duhl suggests that a key issue should be whether the allegedly infringing work is a private use or a public use. He suggests that public uses are transformative uses and "non-transformative uses satisfying other governmental objectives, such as education and public adjudication." *Id.* at 735. This would support the position that the Kikuyu Key is a fair use.

²⁸³ In *Williams*, the court said "[w]e think it equally outside a court's present competence to turn the determination of 'fair use' on the owner's willingness to license to hold that photocopying (without royalty payments) is not 'fair use' if the owner is willing to license at reasonable rates but becomes a 'fair use' if the owner is adamant and refuses all permission (or seeks to charge excessive fees)." 487 F.2d at 1360. See also, *Bond v. Blum*, 317 F.3d 385, 396 (4th Cir. 2003) ("we determine whether the defendants' introductions of the manuscript in evidence would *materially impair* the marketability of the work and whether it would act as a market substitute for it" – emphasis added); and *Haberman v. Hustler Magazine, Inc.*, 626 F.Supp. 201, 213 (D. Mass. 1986) ("the evidence does not establish that there is a reasonable probability of a textbook market for the disputed photographs or that any such market has been materially impaired by the alleged use").

market for or value of the copyrighted work."²⁸⁵ The court noted that Congress had specifically encouraged the particular licensing market and added, "[w]e do not decide how the fair use balance would be resolved if a photocopying license for Catalyses articles were not currently available."²⁸⁶

The Sixth Circuit also took into account lost license fees in rejecting a fair use defense in *Princeton University Press v. Michigan Document Services, Inc.*²⁸⁷ In *Princeton*, a "copy shop" made copies of parts of textbooks that university professors wanted to use in their courses, without paying any fees to the publishers of the textbooks. Other copy shops had paid fees to the publishers amounting to \$500,000 a year.²⁸⁸ Exact copies of the excerpts were made, and there was no evidence the students would otherwise not have had access to the works.²⁸⁹ The Sixth Circuit said a "licensing market already exists here, as it did not in *Williams*." Quoting *American Geophysical*, the court said "a particular unauthorized use should be considered 'more fair' when there is no ready market or means to pay for the use, while such an

²⁸⁴ 60 F.3d 913 (2nd Cir. 1994).

²⁸⁵ *Id.* at 930. The Second Circuit noted that "a copyright holder can *always* assert some degree of adverse effect on its potential licensing revenue as a consequence of the secondary use at issue simply because the copyright holder has not been paid a fee to permit that particular use." *Id.* at 929, n. 17. *Texaco* involved copying by researchers at Texaco of articles from scientific journals for use in their research "without Texaco having to purchase another original journal." *Id.* at 919. The court found it important that publishers had "created, primarily through the CCC [Copyright Clearance Center, Inc.], a workable market for institutional users to obtain licenses for the right to produce their own copies of individual articles via photocopying." *Id.* at 930.

²⁸⁶ *Id.* at 931.

²⁸⁷ 99 F.3d 1381 (6th Cir. 1996).

²⁸⁸ *Id.* at 1387.

²⁸⁹ *Id.* at 1389 ("This kind of mechanical 'transformation' bears little resemblance to the creative metamorphosis accomplished by the parodists in the *Campbell* case."); and 1389 ("none of these affidavits shows that the professor executing the affidavit would have refrained from assigning the copyrighted work if the position taken by the copyright holder had been sustained beforehand").

unauthorized use should be considered 'less fair' when there is a ready market or means to pay for it."²⁹⁰

In neither *American Geophysical* nor *Texaco* had an identifiable population been unable to gain access to the works in question at the time of the litigation in question.²⁹¹ Also, in *American Geophysical* and *Texaco* the challenged uses were commercial,²⁹² and there were existing licensing markets for the exact derivative works. Neither case would preclude a finding of fair use for the Kikuyu Key.

More recently the Eleventh Circuit looked only at the effect of a third party's work on derivative works existing at the time of the litigation in *Suntrust Bank v. Houghton Mifflin Co.*, a case involving a claim that the book "The Wind Done Gone" (TWDG) infringed the copyright of "Gone With The Wind." (GWTW)²⁹³ The author of TWDG had "appropriated the characters, plot and major scenes from GWTW into the first half of TWDG" in order to create "a critique of GWTW's depiction of slavery and the

²⁹⁰ 99 F.3d at 1387, quoting from 60 F.3d at 931.

²⁹¹ The recent decision in *Perfect 10*, discussed above at n. 169, considered an authorized derivative work in existence at the time of the decision, but not at the filing of the suit. As mentioned in n. 169, this is an unduly restrictive reading of fair use. See Reclaiming Copyright, n. 253 above at p. 598 ("The copyright owner could always argue that she has suffered some market harm because the defendant could have paid a fee for the very use at issue in the case. This argument is circular, however, because if the defendant's use is a fair use, then the copyright owner had no right to compensation from the defendant in the first place and there would be no harm to a legally recognized market").

²⁹² Cf. *Allen v. Academic Games League of America, Inc.*, 89 F.3d 614, 617 (9th Cir. 1996) (§107 "allows the fair use of a copyrighted work in such instances as for nonprofit educational purposes and where the effect of the use upon the potential market for or value of the protected work is limited.... AGLOA tournaments are held not for profit, but for encouraging education among young students").

²⁹³ 268 F.3d 1257, 1274-1275 (11th Cir. 2001) ("Several derivative works of GWTW have been authorized, including the famous movie of the same name and a book titled *Scarlett: The Sequel* Suntrust has negotiated an agreement with St. Martin's Press permitting it to produce another derivative work [Suntrust] fails to address and offers little evidence or argument to demonstrate that TWDG would supplant demand for Suntrust's licensed derivatives." (Emphasis added).

Civil-War era American South."²⁹⁴ Although recognizing that the fourth fair use factor considered adverse economic effect on the original work and on derivative works, the court added that the "only harm to derivatives that need concern us is the harm of market substitution."²⁹⁵ The court only considered existing licensed derivatives, not potential licensed derivative works. The Eleventh Circuit said that plaintiff Suntrust "fails to address and offers little evidence or argument to demonstrate that TWDG would [substitute] demand for Suntrust's licensed derivatives."²⁹⁶ The court held it was unlikely plaintiff would prevail against defendant's fair use defense and vacated the preliminary injunction issued by the district court.²⁹⁷

Lost licensing income can be an issue, in other words, when there is an existing market. However, there is no authority for the proposition that a copyright holder causes a non-profit entity's derivative work to be an infringing work simply by saying the copyright holder would not have objected to the creation of the derivative work if the third party had paid a license fee. This lack of authority requiring such license payments is consistent with the need, discussed next, to create translations for underserved populations without requiring payment of a license fee.

²⁹⁴ *Id.* at 1259.

²⁹⁵ *Id.* at 1274, quoting *Campbell*, 510 U.S. at 593.

²⁹⁶ *Id.* at 1275.

²⁹⁷ The court concluded by saying "the issuance of the injunction was at odds with the shared principles of the First Amendment and the copyright law, acting as a prior restraint on speech because the public had not had access to Randall's ideas or viewpoint in the form of expression that she chose." *Id.* at 1277. The court separately suggested that even without the fair use defense, damages would be more appropriate than an injunction, in light of the speech issues involved.

D. *Underserved Populations Throughout the World Need Meaningful Access to Literary Works*

Congress recognized the need visually impaired individuals had to meaningful access to literary works by limiting the legal ability of copyright holders to prevent translations of literary works into Braille.²⁹⁸ Division (a) of §121 provides that "it is not an infringement of copyright for an authorized entity to reproduce or to distribute copies or phonorecords of a previously published, nondramatic literary work if such copies or phonorecords are reproduced or distributed in specialized formats exclusively for use by blind or other persons with disabilities." Division (d) defines "authorized entity" to mean "a nonprofit organization or a governmental agency that has a primary mission to provide specialized services relating to training, education, or adaptive reading or information access needs of blind or other persons with disabilities." President Clinton applauded the legislation upon signing it and said books could now be converted into formats such as Braille as soon as they appeared in print.²⁹⁹

Just as there is a great need to provide visually impaired individuals in this country with access to literary works by allowing third parties to copy existing books into Braille without paying a license fee, the need for more meaningful access to literary

²⁹⁸ 17 U.S.C. §121. PL 104-197, Title III, §316

²⁹⁹ September 16, 1996 Statement Upon Signing H.R. 3745, the Legislative Branch Appropriations Act, 1997. 5 U.S. Code Congressional and Administrative News, 104th Congress, Second Session, 1996, p. 2904-2. Previously, §710 of the Copyright Act had authorized the Library of Congress to establish forms and procedures to permit copyright owners to voluntarily grant the Library of Congress a license to produce copyrighted works in the form of Braille or as books on tape to be distributed solely to visually impaired persons. Section 710 was repealed by PL 106-379 in 2000, because §710 had become "redundant." See House Report 106-861 to accompany H.R. 5107, 4 U.S. Code Congressional and Administrative News, 104th Congress, Second Session, p. 1378.

works in the developing countries is also crucial.³⁰⁰ The 2003 Declaration of Principles of the World Summit on the Information Society said "the benefits of the information technology revolution are today unevenly distributed between the developed and developing countries and within societies."³⁰¹ Trying to reduce the gap between rich and poor must include trying to increase "access to relevant programming, stories and reports.... Especially critical here is access to materials in the user's own language, whether Swahili or Tamil."³⁰² One element of the Plan of Action of the World Summit on the Information Society is, "Through public/private partnerships, [to] foster the creation of varied local and national content, including that available in the language of users . . ."³⁰³ This great need for increased access supports a finding of fair use for the Kikuyu Key.

E. Kikuyu Key Summary

Under the Kikuyu Key concept, a nonprofit corporation would provide the translations for educational purposes to school districts or governmental entities in developing countries that would otherwise not be able to pay for them. In contrast to *American Geophysical* and *Princeton*, the persons translating the works (or creating the software to translate the works) would not simply copy the works, but would put creative

³⁰⁰ M. Chon. "Intellectual Property And The Development Divide," 27 *Cardozo L. Review* 2821, 2894 (April 2006) (hereafter "Chon") ("Education is fundamental to the capacity-building upon which all further progress is made. Although copyright is only one of many factors that go into the provision of basic education it is an essential policy lever for educational development generally").

³⁰¹ ¶ 10, <http://www.itu.int/wsis/docs/geneva/official/dop.html>, visited 6/1/2006.

³⁰² *Information Revolution*, n. 4 above at p. 302. In *Information Revolution*, Wilson added, "The potential user in a developing country will find all these other forms of access [such as cognitive, financial and physical access] quite hollow if when she goes to the Web, the Internet, or the television, she finds nothing available to her in her language. . . ." *Id.*

³⁰³ ¶ 2g – see <http://www.itu.int/wsis/docs/geneva/official/pou.html>, visited 6/1/2006.

effort into determining how the works would best translate into Kikuyu (or languages of other citizens of developing countries).³⁰⁴ Translating into Kikuyu a math book written in English, or a web page written in English, would create a derivative work of the book or web page. However, publishers should not be able to prevent persons acting on a nonprofit basis from translating English works into the languages of citizens of developing countries, citizens who would not otherwise be able to meaningfully access such works.

Unlike the sale of books originally written in English in this country, where a significant consideration presumably was the prospect of profit from the sales of books, the purpose in translations would not be profit, but education, a transformative purpose.³⁰⁵ Moreover, unlike citizens in this country who have access to free public libraries and free public education, citizens in developing countries do not have access to such books or knowledge. This distinguishes the Kikuyu Key from *Nihon* and *Radji* and means that a court should find the Kikuyu Key to be a fair use.³⁰⁶

	Kikuyu Key
1. Character and purpose of allegedly infringing use	a. Non-commercial—favors Kikuyu Key. b. Translations one of the express rights authors have, but purpose is different than purpose of

³⁰⁴ Cf. *Merkos L'inyonei Chinuch v. Otsar Sifrei Lubavitch*, 312 F.3d 94, 97 (2nd Cir. 2002) (“We reject Otsar’s assertion that the translation [of a Hebrew prayerbook in the public domain into English] is not copyrightable The translation process requires exercise of careful literary and scholarly judgment”).

³⁰⁵ Arguably textbooks in the United States would have the same purpose as textbooks in Kenya, but there is an established market and ability to pay for them, perhaps in contrast to Kenya. Also, to the extent textbooks are involved, the “law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy.” *Harper*, 471 U.S. at 563; and *Los Angeles News Service v. Tullio*, 973 F.2d 791, 798 (9th Cir. 1992), quoting *Harper*.

³⁰⁶ *Chon*, n. 298 above at p. 2900 (“there is a lot of ‘room for manoeuvre’ [sic] both for intellectual property protection in the form of copyright, on the one hand, and for limitations and exceptions to copyright in order to access knowledge goods for essential education, on the other”).

	Kikuyu Key
	publishers in U.S., to make a profit rather than simply to educate— favours Kikuyu Key.
2. Nature of copyrighted work	Favors copyright holders, but only slightly, because copying is necessary to fit the transformative purpose.
3. Amount and substantiality of portion of copyrighted work copied	Favors copyright holders, but only slightly, because copying is what is necessary for the transformative purpose.
4. Effect on markets for copyrighted work and derivatives	No realistic possibility that for-profit publishers would translate works into Kikuyu, and publishers will not be harmed. Favors Kikuyu Key.
5. Increasing access to literary works/knowledge	Favors Kikuyu Key.

V. CONCLUSION

Put simply, courts must consider fair use in the context of the real world, and the statutory fair use factors are only tools to arrive at fair results.³⁰⁷ Under copyright authority and theory, the "public is entitled to expect access to the works that copyright inspires."³⁰⁸ Indeed, "it is central to our democratic processes that we secure 'the widest possible dissemination of information from diverse and antagonistic sources.'"³⁰⁹ Yet the law controls more content for copyright holders than ever in our past.³¹⁰

While citizens of developed countries may be able to adjust to the increased control of content, the situation is more dire in developing countries and the

³⁰⁷ See L. L. Weinreb, "Fair's Fair: A Comment On The Fair Use Doctrine", 103 Harvard L. Rev. 1137, 1152 (March 1990) ("Fairness is a particularly open concept, on which almost any of the facts in a concrete may have a bearing.... The statutory factors ... are central to the question of fair use. But copyright is itself set in a social context, and more general considerations of fairness may come into play").

³⁰⁸ J. Litman, *Digital Copyright*, Prometheus Books (2001), p. 175.

stakes higher.³¹¹ In spite of "the important scientific and technological advances and promises of the 20th and early 21st centuries, in many areas a significant 'knowledge gap' as well as a 'digital divide' continue to separate the wealthy nations from the poor."³¹² Moreover, "higher standards of intellectual property protection have failed to foster the transfer of technology through foreign direct investment [in] and licensing" to developing countries.³¹³

The direction of the law discussed in this article is consistent with basic notions of fairness. How can it be fair to deny people in the United States and throughout the world access to a digital database that none of the separate copyright holders could create and that identifies by key words books addressing certain subjects and the location of those books?³¹⁴ That cannot be fair.

The First Amendment aspects of fair use discussed above in part IVA are also consistent with the morality of helping spread knowledge to developing

³⁰⁹ Y. Benkler, "Free As The Air To Common Use: First Amendment Constraints On Enclosure Of The Public Domain," 74 N.Y. U.L. Rev. 354, 358 (May 1999), quoting *Associated Press v. United States*, 326 U.S. 1, 20 (1945) and citing other Supreme Court decisions.

³¹⁰ L. Lesseg, *The Future Of Ideas*, Random House, (2001), p. 110.

³¹¹ Anatole France said, "The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread." *The Red Lily*, 1894, chapter 7; http://www.quotationspage.com/quotes/Anatole_France/, visited 8/12/06. Of course, his point was the rich did not have to sleep under bridges, so as a practical matter, the law treated the rich and poor unequally. Similarly, the majority of individuals living in developed countries have the resources to overcome the burdens imposed by higher copyright protection of works.

³¹² World Intellectual Property Organization General Assembly – Proposal By Argentina And Brazil For The Establishment Of A Development Agenda For WIPO (WIPO Proposal"), p. 1 of Annex, http://www.wipo.int/documents/en/document/govbody/wo_gb_ga/doc/wo_ga_31_11.doc.

³¹³ *Id.* at p. 3 of Annex.

³¹⁴ Chon, at n. 298 above, p. 2912 ("If the instrumental mandate of intellectual property law is truly to increase knowledge for positive purposes, then there must be fuller consideration of the provision of basic needs and other global public goods such as food, security, education and health care. Undernourished, diseased, dying, undereducated, or extremely impoverished populations are viewed by many as negative externalities both qualitatively and quantitatively more serious than the danger of under-incentivizing authors....")

countries.³¹⁵ How can it be fair for the United States to say democracy should spread but deny developing countries access to translations of the great literary works that are a foundation of our democracy? That cannot be fair.

In perhaps his most famous speech, Dr. Martin Luther King, Jr. said "we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream."³¹⁶ Similarly, non-profit organizations should not be satisfied to ask the copyright holders for permission to create translations for the citizens of developing countries.³¹⁷ Such non-profit entities should be able to use fair use to help education roll down like water to those who most need it, citizens of developing countries.

One can construct any technical fair use test he wants to, but it would simply not be fair to deny individuals access to the Google Database or to prevent individuals from voluntarily, and without charge, translating works identified in the Google Database into languages of the citizens of developing countries. Those citizens could then for the first time have meaningful access to knowledge and a chance to escape from poverty. Let it be that the prospect of increasing access to literary works makes fair use a bridge over the troubled waters of despair and poverty to hope and prosperity.³¹⁸

³¹⁵ See §IV.A. above. Of course, some publishers may allow third parties to translate certain works into the native languages of citizens of developing countries without paying a license fee, and that would be wonderful. However, it is more likely that publishers would grant such consent if they knew they had no choice.

³¹⁶ "I Have A Dream," August 28, 1963. <http://www.usconstitution.net/dream.html>, visited 8/12/06.

³¹⁷ Describing his experiences with the Truth and Reconciliation Commission in South Africa, Bishop Desmond Tutu said "You can kiss reconciliation and forgiveness goodbye, unless the gap between the rich and poor—the haves and have-nots—is narrowed, and narrowed quickly and dramatically."

³¹⁸ The Beatles sang "And when the broken hearted people Living in the world agree, There will be an answer, let it be." <http://www.allspirit.co.uk/let.html>, visited 8/12/06. Simon and Garfunkel sang "When

Douglas L. Rogers

you're down and out, When you're on the street, ... And pains is all around, Like a bridge over troubled water, I will lay me down." <http://freespace.virgin.net/r.kent/lyrics/bridge.over.troubled.water>, visited 8/12/06.