Questions and Answers-Copyright Column

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LEGAL ISSUES

Cases of Note — Copyright – To Exploit or Not to Exploit; That is the Question

Column Editor: Bruce Strauch (The Citadel) <strauchb@citadel.edu>


Righthaven was an LLC formed for the purpose of suing bloggers for posting news articles without authorization. After a targeted blogger posted an article, the newspaper — Las Vegas Review-Journal — would assign copyright to Righthaven subject to rights of reversion. Their Strategic Alliance Agreement (SAA) really only assigned the right to sue.

And here we see the death gasp of the print news industry. The paper could have hired the lawyers to sue. But they must have wanted to conceal their role.

And now we get an attempt at homespun humor. The circuit judge tells the tale of ol’ Rail-splitter Abe Lincoln telling the tale of a lawyer trying to establish a calf had five legs by calling the tail a leg. But old Abe sagely observed that calling a tail a leg does not make it so. And thus the 9th Circuit sagely notes that calling someone a copyright owner does not make it so. And thus the 9th Circuit sagely notes that calling someone a copyright owner does not make it so.

Wayne Hoehn and Thomas DiBiase are our defendants in question with their cases consolidated on appeal. The district court found in each case that Righthaven lacked standing to sue as it was not the owner of any of the exclusive rights under copyright law. In the Hoehn case, the judge found that fair use was available as a defense in the alternative.

And whups! We find that DiBiase is a practicing lawyer and was once an assistant U.S. attorney. Not a good candidate for a quick settlement shake-down. He runs a blog about lawyers to sue. But they must have wanted to conceal their role.

Righthaven points to the SAA language “all copyright requisite to have Righthaven recognized as the copyright owner of the Work for purposes of Righthaven being able to claim ownership as well as the right to seek redress for past, present, and future infringements of the copyright … in and to the Work.”

Now, shall we lean down from the bench, sigh, and remind Righthaven’s counsel of country lawyer Abe and the five-legged calf? Yes, let’s.

And thus the 9th Circuit sagely notes that calling someone a copyright owner does not make it so. And thus the 9th Circuit sagely notes that calling someone a copyright owner does not make it so.

You have to look beyond the labels to the substance and effect of the contract. Stephens Media retained “the unfeathered and exclusive ability” to exploit the copyright. Righthaven had no right to exploit.

And Righthaven continued to tap dance. Righthaven was given full ownership under the assignment, see? But then the SAA granted Stephens an exclusive license. So they had copyright? Right?

No. Even if they did, in granting the exclusive license to Stephens, Righthaven no longer had the exclusive rights. And only the exclusive licensee can sue for infringement. 3 M. Nimmer & D. Nimmer, Nimmer on Copyright § 12.02[C] (2012).

This whole thing was so in the news there for a while. But stop and think. Is there any real exploitation of Vegas-Journal news articles possible after the day’s issue becomes fish wrap?

So all this time and money were squandered flogging at those pesky bloggers of the new media who are making life so gosh-darned unpleasant for the stuffy, geriatric old media.

Questions & Answers — Copyright Column

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QUESTION: The U.S. Supreme Court decided Kirtsaeng v. John Wiley & Sons on May 19, 2013, in favor of Kirtsaeng who was sued for infringing Wiley’s copyrights when he imported and sold in this country foreign editions of Wiley’s textbooks sent to him by his family from Thailand. The Court held that the first sale doctrine was not limited to within the United States. (See http://www2.bloomberglaw.com/desktop/public/document/Kirtsaeng_v_John_Wiley_Sons_Inc_No_11697_2013_BL_71417_US_Mar_19/1) What is the

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Withdrawn copies. People who cannot afford U.S. prices. But foreign editions of their textbooks to sell to society if the impact of this decision discourages distribution. The 6-3 decision has raised the issue that royalties are due to the copyright owner only for the first sale of a work; thus, when books are resold, lent by libraries, etc., no further royalties are paid.

Library associations filed an amicus brief in the case asking the Court to hold that the first sale doctrine applied to copies that were lawfully acquired abroad. Libraries feared that a publisher that wanted to control application of the first sale doctrine, could simply move manufacturing off shore which would eliminate library reliance on the first sale doctrine to lend digital works and sell unwanted ones.

Some writers believed that the Supreme Court would support Wiley’s position, but others called it correctly that the first sale doctrine would trump section 602(a) which says that the first sale doctrine applies and likely holds that royalties are due to the copyright owner when the work is sold for the same purpose as the original copy. This does not mean that a library might not decide that a used copy would work as a replacement copy and make a replacement copy, the library must first consider was expressed concerning whether the library must consider the matter. It would not be beneficial to society if the impact of this decision discouraged publishers from producing inexpensive foreign editions of their textbooks to sell to people who cannot afford U.S. prices. But libraries must be able to lend materials and sell withdrawn copies.

Question: A university attorney asks why there is a difference in section 108 of the Copyright Act between subsections (c) and (e) concerning whether the library must consider used books as replacement copies under (c) or copies for users under (e).

Answer: Under subsection (c), the language of the statute itself indicates that to make a replacement copy, the library must first conduct a reasonable investigation to determine that an “unused” copy cannot be obtained at a fair price. Thus, the Act recognizes that a used copy does not necessarily fulfill the same purpose as the original copy. This does not mean that a library might not decide that a used copy would work as a replacement copy and could purchase it. Further, it is much easier to find used copies online than it was in pre-Internet days.

Section 108(e) provides an exception that permits libraries to reproduce an entire work or a substantial portion thereof if certain conditions are met. The first condition is that the library must conduct a reasonable investigation to determine that a copy cannot be obtained at a fair price. The statute does not use the word “unused” which presumably means that a used copy would satisfy the patron who is requesting the work. Congress certainly could have specified that the search be only for an unused copy as it did in subsection (c), but it did not. This leads to the conclusion that the library must also search for a used copy for the user before reproducing the work.

Section 108(h)(2)(B) applies only to works in the last 20 years of a work’s term of protection, and it contains a similar provision concerning a search. It also does not use the word “unused” and mysteriously substitutes “reasonable price” for “fair price.” So, presumably a library would also have to look on the used copy market before reproducing the work.

Question: An instructor for a course titled the History of American Sexualities asks about splicing segments of the film “A Florida Enchantment,” a film originally produced in 1914. The Library of Congress republished the film on videotape in 1993. The Media Resource Center at his institution said that it would not allow him to do this unless the film was available through public domain. May parts of this film be recorded without copyright infringement?

Answer: If the film is in the public domain, then the instructor may copy even the entire film at will. Based on the date, it does appear to be in the public domain. Even if the copyright in the film was renewed after the first term of copyright, 56 years is the longest that it could have been protected. Thus, it would have entered the public domain in 1970. The Library of Congress videotape version would have a new copyright only for any new material added since it was a copy of the original and not really a new version.

Even if the work were still under copyright, the segments might be reproduced and used for teaching purposes. If the course is taught face-to-face and the instructor is showing the film to the class from a spliced DVD, section 110(1) of the Copyright Act applies and likely would permit the reproduction of a fair use portion of the film. If the instructor is using a course management system to show films, or if the course is taught online, then section 110(4) applies and “a reasonable and limited portion” of a video may be performed. The statute even allows copying of the reasonable and limited portions.

Question: Does the first sale doctrine apply to digital works? How are companies like ReDigi able to permit the resale of these works?

Answer: The former Register of Copyrights, Marybeth Peters opined that digital copies were not subject to the first sale doctrine. Her reason is that the doctrine was meant to apply to tangible copies where the actual physical work is transferred to another. In the digital world, however, if one gives another person his e-copy, it is not the same copy that he had even if he deletes it from his device. The question now is whether this matters or should matter?

For many digital works, the license agreement controls and the first sale doctrine does not even come into play. Both Amazon and Apple have recently obtained patents for the exchange of digital materials which has made publishers extremely nervous. ReDigi, a company that allows the reselling of iTunes songs, has been in the news recently because it has been sued by Capitol Records. ReDigi tried a friendly approach to recording companies by requiring, for example, that any money a consumer made from selling an iTunes song had to be spent on new songs. Similarly, the Amazon and Apple patents allow only one copy of an electronic product to exist at any one moment.

Is the resale of digital works a good idea? Certainly, it is for libraries and consumers. Authors are concerned, however, that resale of digital works will hurt the sale of new books and could even lead to unrestrained reproduction of digital works. Interestingly, a similar concern was expressed with Amazon began to offer used books for sale. The parade of “horribles” from the online sale of used books has not been realized, though. The judge in the ReDigi case refused to issue a preliminary injunction against ReDigi, and a decision in the case is expected soon.

Rumors

QUESTION: A library asks whether someone is responsible for the missing copies of the works they are holding. They believe that the works are in the public domain and they are responsible for the copies. They ask if they should be held responsible for the copies or if someone else is responsible.

Answer: The former Register of Copyrights, Marybeth Peters opined that digital copies were not subject to the first sale doctrine. Her reason is that the doctrine was meant to apply to tangible copies where the actual physical work is transferred to another. In the digital world, however, if one gives another person his e-copy, it is not the same copy that he had even if he deletes it from his device. The question now is whether this matters or should matter?

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Hear via the GV that the incredibly awesome Liz Lorbeer is the new (and right now only) librarian for the new medical school at Western Michigan University in Kalamazoo, MI. The school will open in the fall 2014 so Liz will spend the next year building a collection to support the faculty already on board in affiliated hospitals and the like. Exciting!