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Questions and Answers-Copyright Column

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LEGAL ISSUES

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Cases of Note — Nominative Fair Use

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***New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302 (9th Cir. 1992).**

Ah, the music of the '80s, a time of boy bands. And **New Kids on the Block** were the heartthrobs of millions of teen girls.

Maxing out the product line is important to the bottom line, and the **New Kids** had more than 500 products and services bearing their trademark. You could even call a 900 number and be charged to listen to them talk about themselves. Or to leave a message!

Not to be left out, **USA Today** had a 900 number where for a mere fifty cents you could vote on which was your fav.

The Star had a 95-cent call where you could vote on which was the sexiest!

The things teenz did before Facebook.

Fearing loss of control, **New Kids** filed in federal court trademark infringement, **Lanham Act** false advertising, commercial misappropriation and seven other things.

USA/Star argued First Amendment and got a summary judgment. And of course there was an appeal or else we wouldn't be reading this.

Ninth Circuit

Since the Middle Ages trademarks have identified the source of goods and the law thereof is designed to prevent free-riders on another's labor and toil. The **Lanham Act** put it in federal statutory form. **Taylor v. Carpenter**, 23 F.Cas. 742-44 (C.C.D.Mass. 1844).

So how are we allowed to talk about something that is under the protection of a mark? Do we say "the professional basketball team from Chicago" or "The Chicago Bulls?" Of course we name the team. It would be impossible to discuss a product without naming it. We can't say "a big auto manufacturer in Michigan" because there are three of them.

Volkswagenwerk v. Church, 411 F.2d 350 (9th Cir. 1969) held that a VW repair shop was allowed to use the mark to show what it specialized in repairing.

WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 42,46 (1st Cir. 1991) allowed a TV station to use the words "Boston Marathon" so the viewer would know what he was about to see.

Why would anyone bring such a suit?

This sort of "nominative use" falls outside of trademark as fair use if it does not deceive the public. **Prestonettes, Inc. v. Coty**, 264 U.S. 359, 368 (1924).

All of the **New Kids**' causes of action hinged on the claim that the newspaper polls somehow implied the **New Kids** were sponsoring it.

But how is one to anoint the sexiest of the gang without naming him? And nothing in the poll suggested joint sponsorship or endorsement by **New Kids**. It is a nominative fair use.

But, argued **New Kids**, the newspapers weren't just reporting news; they were making money off this. They should have used an 800 number.

Their fans aren't made of money. 95-cents spent on a call might have gone to **New Kids**' product line.

The court just kind of gave this argument a back-hand, saying **New Kids** had no right to channel fan money into products sold by them. They could not prevent an unauthorized biography or censor parodies that used the name, all of which might bring the authors money.

The citation for their position is **International Order of Job's Daughters v. Lindeburg & Co.**, 633 F.2d 912 (9th Cir. 1990).

Well, I had certainly never heard of Job's Daughters. Perhaps you have.

It's a masonic order for girls 10 to 20. And the case, a bit astonishingly, allowed a jeweler to put their seal on pins and sell them.

But the mark was unregistered. And Lindeburg never claimed it was "official" jewelry of Job's Daughters.

Hmmm.

Anyhoo, the court signs off with a flippant "all's fair in love, war and the free market."

Not that the 9th Circuit seems to believe in a free market.

But the reasoning is that an author of an unauthorized biography could beat **New Kids** to fan money by coming up with the idea and publishing the book first. 🐷

Questions & Answers — Copyright Column

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QUESTION: *A school librarian asks how the first sale doctrine applies to the performance of movies, documentaries, music, and Internet materials in class.*

ANSWER: The first sale doctrine does not apply to the performance right at all. The first sale doctrine is found in section 109(a) of the **Copyright Act**. It states, "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." So, first sale applies to the transfer of a tangible copy of a work. It does apply to the transfer of a lawfully acquired copy of a film, a music CD, etc., but not to performance.

The performance of films, documentaries, music and Internet materials in a classroom in

a nonprofit educational institution is covered by sections 110(1)-(2) of the **Copyright Act**. For motion pictures and other audiovisual works, the copy used must have been lawfully acquired.

QUESTION: *What does the recent U.S. Copyright Office study on section 1201 of the Copyright Act mean for libraries?*

ANSWER: Section 1201 was added to the **Copyright Act** in 1998 as part of **Digital Millennium Copyright Act**. It prohibits "access controls," the circumvention of technological measures that copyright owners have employed to protect access to their works. Additionally, the provision prohibits the trafficking in technology or services that facilitate such circumvention or facilitating circumvention of technological measures that protect the exclusive rights granted to copyright owners under the **Act** (known as

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“copy controls”). There are also some exceptions such as legitimate encryption research and libraries gaining access to determine whether to acquire a work. Typically, when discussing section 1201 in this column the subject has been the results of the statutorily required triennial rulemaking process through which the Librarian of Congress that may grant limited exceptions to the bar on circumventing access controls. A new triennial process has just begun.

The ranking member of the House Judiciary Committee requested that the Copyright Office undertake a comprehensive study on the impact and effectiveness of section 1201. Following the solicitation of public comments on topics such as the effect of the section on consumer interests, the role of the anti-trafficking provisions and the adequacy of the existing statutory exemptions, the report was submitted to Congress on June 22, 2017, see www.copyright.gov/policy/1201/.

Many had hoped that the report would suggest significant changes to the provision, but that is not the case. Librarians and many others have long believed that the social costs of the provision far outweigh the protections that section 1201 afforded to copyright owners, especially when it comes to preservation, replacement and research activities. While the triennial rule making has helped to ameliorate some of those concerns, library groups believe that significant problems still exist. Unfortunately, the modest recommendations of the Copyright Office do little to fix the problems with section 1201. (See **Mitch Stoltz**, *Copyright Office Proposes Modest Fixes to DMCA 1201, Leaves Fundamental Flaws Untouched*, June 28, 2017, <https://www.eff.org/deeplinks/2017/06/copyright-office-proposes-modest-fixes-dmca-1201-leaves-fundamental-flaws>).

The report's recommendations do not include any change in the basic framework of 1201. Although the beneficiaries of exemptions should themselves be able to develop necessary tools solely for their own use in carrying out exempted circumventions, the report recommends no statutory change. Where beneficiaries cannot themselves make use of an exemption, the Copyright Office says that it is important to allow users to seek assistance in making use of that exemption. Therefore, the report recommends amending section 1201 expressly to grant the Librarian of Congress discretion to adopt temporary regulatory exemptions that permit third-party assistance at the direction of an intended user. Finally, the report agrees that the Copyright Office will make the triennial rulemaking clearer and more streamlined.

The report also recommends certain legislative updates, including expanding existing exemptions for security and encryption research and adding new provisions to allow circumvention for other purposes, such as the use of assistive reading technologies and the repair of devices. For libraries, it specifically does not recommend adoption of a permanent exemption to facilitate the lawful preservation, replacement, and research activities of libraries and archives. The report states that such an

exemption is premature in light of the Office's ongoing review of the copyright exceptions for such institutions under section 108 of the *Copyright Act*. The Copyright Office report further says that it is hopeful that the recommended exemption for obsolete access controls noted above can accommodate many of these activities of libraries and archives.

QUESTION: *For electronic journals, how do we click through license agreements that do not mention how fair use affects the distribution of materials for the classroom?*

ANSWER: Electronic journals typically are covered by license agreements, and the terms of the license spell out the use that may be made of articles in that journal by the educational institution. Fair use is seldom mentioned in license agreements since the licensee is agreeing to rely on the terms of the license agreement rather than the statutory exceptions such as fair use. In fact, usually licensors will not permit access to its content unless the license agreement is signed and then followed by the institution. Most school and academic licenses do permit reproduction for the classroom and for inclusion in course management systems. For most students, there is little necessity to copy that material for them, however, but instead to provide them with a link to the full-text as provided through the school's license. For younger students, it may be necessary to provide a printed copy or another digital copy, and the license should specifically allow this.

If the license agreement does not permit the use that a particular school needs, the librarian should contact the publisher and renegotiate the license to insure that the school's needs are satisfied by the license agreement.

QUESTION: *A college librarian says that her institution relies on Sci-Hub for access to articles from very expensive scientific and technical journals. She notes that recently Elsevier sued Sci-Hub and was awarded \$15 million by the court and she asks what this means for her institution.*

ANSWER: The April 2016 *Copyright Q&A* column discussed the fact that Elsevier had moved to shut down Sci-Hub and received a preliminary injunction in its favor. The creator of Sci-Hub continued to provide unauthorized free access from Russia to paywalled content even following the preliminary injunction. On June 21, 2017, Elsevier won that lawsuit in a \$15 million default judgment (meaning that the defendant failed to appear or respond) as well as a permanent injunction in the federal district court in the Southern District of New York against the websites such as Sci-Hub, the Library of Genesis (LibGen) and related sites that provide access to its copyrighted articles without permission.

Elsevier, Springer Nature, and Wiley-Blackwell publish over 50% of the articles requested from Sci-Hub. In May, Elsevier presented the court with a list of 100 of its articles made available through Sci-Hub and LibGen and asked for a permanent injunction and damages of \$15 million.

While many academic institutions have complained about the increasing costs of Elsevier and other scientific journals, the creation of such pirate sites may also be symptomatic of problems in academic publishing and the rise of open access journals. Members of the publishing community point out that Sci-Hub adds no value to the scholarly community; instead, it merely allows someone to obtain content that was stolen in the first place.

Whether Elsevier will ever recover any of the \$15 million is questionable since the founder of Sci-Hub lives outside the United States and has no assets here. Another suit has been filed in against Sci-Hub by the **American Chemical Society (ACS)** for the same infringing behavior as well as trademark counterfeiting, trademark infringement, and wrongful exercise of dominion and control over another's property.

Sci-Hub also created close replicas of ACS websites that incorporate ACS trademarks and allow users to search for ACS-copyrighted works in the same way as real ACS web pages. ACS asks a federal district court in Virginia to order Sci-Hub and its operators to stop copying and distributing ACS-copyrighted works, cease using ACS trademarks, and pay damages and legal fees. Whether Sci-Hub's creator will respond to this suit is unknown at this time.

QUESTION: *A public librarian asks what has happened to the bill to modernize the Copyright Office and change the way the Register of Copyrights is appointed.*

ANSWER: The *Register of Copyrights Selection and Accountability Act of 2017* cleared the U.S. House of Representatives in April 2017 by a 378-48 margin. The companion bill in the Senate (S. 1010) is stalled at present while the Senate deals with other matters. The reorganization of the Copyright Office was discussed in the February *Copyright Q&A* column.

Among other things, the bill would change how the Register of Copyrights is selected. Instead of an appointment by the Librarian of Congress, it would become a presidential appointment with a 10-year term (like the Librarian of Congress). A panel consisting of the Librarian of Congress, the Speaker of the House and the Majority and Minority leaders of both the House and Senate would choose three names to submit to the President. The bill was presented as a result of a multiyear study to modernize the Copyright Office.

There are several other important provisions of the proposed legislation. These include creating a stakeholder advisory board, a chief economist, a chief technology officer, upgrading the Office's technology, creating a searchable database of ownership information, and establishing a small claims court for minor copyright disputes.

Despite these proposed changes, the bill does not deal with the major issue that overlies all of this: whether the Copyright Office should be an independent agency or remain a part of the Library of Congress. There are good arguments on both sides. Many argue that the current bill does little good because it fails to address this primary issue. 🌿