



United States Copyright Office

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Professor Richard L. Revesz
Director, ALI
Ms. Stephanie A. Middleton
Deputy Director, ALI
Professor Christopher Jon Sprigman
Professor Daniel J. Gervais
Professor Lydia Pallas Loren
Professor R. Anthony Reese
Professor Molly S. Van Houweling
Reporters, ALI Restatement of the Law, Copyright

Re: Council Draft No. 6

Dear Professor Revesz, Ms. Middleton, and Reporters:

The U.S. Copyright Office is responsible for administering significant portions of the nation’s copyright law and providing expert advice to Congress, federal agencies, and the courts on copyright matters.¹ We have reviewed Council Draft No. 6 of ALI’s proposed Restatement of the Law of Copyright and offer the below commentary to help guide consideration of the draft.²

As we have stated in prior letters, the Copyright Office does not believe that the Restatement should displace any of the “traditional tools of statutory construction,” including examination of the statute’s text, structure, purposes, and legislative history. *See INS v. Cardoza-Fonseca*, 480 U.S. 421, 446–50 (1987). Nor should the Restatement supplant the Copyright Office’s rules and regulatory guidance that interpret and apply the text of the Copyright Act, which are entitled to appropriate levels of judicial deference. Relatedly, we continue to urge the Reporters to avoid conflicts between the Restatement and Copyright Office regulations or other interpretive guidance, including the *Compendium of U.S. Copyright Office Practices (Third Edition)* (“*Compendium (Third)*”), as conflicts could produce significant confusion and adversely affect Copyright Office operations.

We appreciate that the Reporters have addressed many of the Office’s comments on Preliminary Draft No. 7 in this draft. We continue, however, to have additional concerns, which are set out below, ordered by their appearance in the draft.

¹ 17 U.S.C. § 701(a), (b).

² Since our previous letter, Kevin Amer has left the Office for a position with the U.S. Patent and Trademark Office, and we ask that his affiliation be updated. Suzanne Wilson has been appointed General Counsel of the Copyright Office, effective January 31, 2022.

Section 10

As noted in our prior letter, we continue to have concerns with Comment *c*'s description of privately authored works becoming “ineligible” for copyright protection once incorporated into a government edict. The current draft creates confusion for readers by stating it is the “adopted work” that is “excluded” from copyright protection. This section would benefit from more clearly explaining that the edict of government *itself* is ineligible for copyright, regardless of whether the edict incorporates privately authored works. As the Comment notes, the original work, despite being “adopted” by the edict, would not lose copyright protection as a model code or standard.

Section 15

We offer three overarching comments on this draft section. One, the draft should make clear that an original expression of a method of operation is protectable, even while acknowledging that a limiting doctrine or defense, such as merger, short phrases, *scenes a faire*, or fair use, may apply. Two, the draft should clarify that *copying* the expression of a method may constitute copyright infringement. Three, in discussing the copyrightability of computer programs in which methods are embodied, the draft should be restrained in its critique of the Federal Circuit opinion in *Oracle v. Google*, temper its reliance on the First Circuit opinions in *Lotus v. Borland*, and refrain from prognostication. Additional discrete comments follow elaboration on these overarching comments.

1. Original expressions of methods of operation are protectable

Comment *c* explains that an expression of a method of operation may be protectable, but other Comments and Reporters' Notes in section 15 cloud this general proposition. For example, Comment *d* and Reporters' Note *e* both unequivocally state that 17 U.S.C. § 102(b) is “clear” that “in no case” are methods of operation protected by copyright “regardless of the form in which [they are] described, explained, illustrated, or embodied in [a] work.” By selectively quoting from the statute, these statements, when unqualified by reference to the proposition outlined in Comment *c*, invite confusion about in what, if any, case an expression of a method may be protectable if “in no case” are methods protected. While a method of operation itself is clearly excluded from the scope of copyright protection by section 102(b), an original expression of the method—including original selection, coordination, and arrangement—may be protected. We recommend that Comment *d* and Reporters' Note *e* be revised to reflect this nuance.

Further, concerning whether protection extends to choices made in expressing a method, Comment *d* should clarify that the original selection of material or data that comprises a method of operation can be copyrightable as a compilation,³ with the understanding that the scope of the protection does not extend to the underlying method or the choice of a particular method from among several options. Likewise, while Comment *f* correctly states that the *choice of* a method of operation is not protectable, it should clarify that the *choice of how to express* a method may

³ See *Feist Publ'n's, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991); *Compendium (Third)* §§ 312.1, 312.2. In addition, the statement in Illustration 2 that ordering of questions in a patient checklist is unprotectable is incorrect. Because the list of questions may constitute copyrightable subject matter (*i.e.*, a literary work), the arrangement of the questions “in a particular order” could be protected as a compilation if sufficiently original.

be protectable.⁴ Moreover, Comment *f* implies that, even if an expressive choice of method is not limited by section 102(b), other limiting doctrines will *necessarily* apply. Because this is inaccurate, we recommend that Comment *f* clarify that while courts *may* apply other limiting doctrines, these other approaches do not eliminate copyright protection for original expressions of methods of operation—including original selection, coordination, and arrangement—in computer programs.

In addition, it is unclear how Reporters' Note *c* contributes to understanding the distinction between copyright protecting an expression of a method and not protecting the method itself. The case cited, which concerns federal preemption of a state law statute, appears to be of limited relevance. If the point being made is that, besides copyright, patent law may provide an alternative basis for protecting a method of operation, then the Reporters' Note should be retitled and that point made more explicit.

2. *Copying an expression of a method may constitute infringement*

There are instances in Illustration 1 and Comment *d* where the draft conflates *using* a method with *copying* a method and, consequently, elides an important distinction between these activities. Certainly, section 102(b) provides that a method of operation, no matter how originally expressed, can always be used. Copying the original expression—that is, the description, illustration, or explanation—of a method of operation, however, may infringe the copyright in the expression.⁵ Moreover, Comment *d* imprecisely states that if protecting the description, illustration, or explanation of a method has the effect of prohibiting others from “copying or using the method,” then the expression of the method is necessarily subject to the merger doctrine and not protectable. If a method can be expressed in another way and used without expression being copied, however, then copying the original expression would be unnecessary, merger may not apply, and the copying may infringe.⁶ Comment *d* should be revised to reflect this scenario where merger may not apply.

3. *Copyrightability of computer programs in which methods are embodied*

Turning to the draft's consideration of methods embodied in computer programs, Comment *e* and Reporters' Note *e* do not address the concerns we previously raised, particularly with regards to the reliance on the concurring opinion in *Lotus v. Borland* as well as the characterization of APIs and the facts of *Google v. Oracle*. We direct you to our December 2017 comments on

⁴ See *Oracle Am., Inc. v. Google Inc.*, 750 F.3d 1339, 1367–68 (Fed. Cir. 2014); *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366, 1372 (10th Cir. 1997); *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 839 (Fed. Cir. 1992).

⁵ See *Baker v. Selden*, 101 U.S. 99, 104 (1879).

⁶ See *Comput. Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 708 (2d Cir. 1992) (citation and internal quotation marks omitted) (“[I]n order to determine whether the merger doctrine precludes copyright protection to an aspect of a program's structure that is so oriented, a court must inquire whether the use of this particular set of modules is necessary efficiently to implement that part of the program's process being implemented.”); U.S. COPYRIGHT OFFICE, SOFTWARE-ENABLED CONSUMER PRODUCTS 15 (2016) (“If . . . there are multiple ways to carry out [a] process, the merger doctrine would not apply and the author could claim copyright in the expression used to capture the ideas even though the idea itself remained a public good.”); NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS (CONTU), FINAL REPORT 20 (1978) (“When other language *is* available programmers are free to read copyrighted programs and use the ideas embodied in them in preparing their own works,” “but one is not free to take another's program.”).

these points.⁷ Further to our previous comments, we also suggest revising the explanation of what the term “method of operation” means in the context of 17 U.S.C. § 102(b); amending portions that imprecisely summarize the Federal Circuit’s opinion in *Oracle v. Google*; and appropriately contextualizing the Ninth Circuit’s decision in *Bikram’s Yoga College of India, L.P. v. Evolution Yoga LLC* and the Supreme Court’s decision in *Google v. Oracle*, neither of which analyze the scope of protection for expression of methods embodied in computer programs.

As initial matter, Comment *e* may benefit from additional context about the legal origins of the meaning of “method of operation” as employed in section 102(b).⁸ As noted in our December 2017 letter, the phrase “method of operation” is better understood as a reference to an “operation” that is “propound[ed]” in the mathematical or theoretical sense, rather than a method by which someone operates a car, food processor, or computer.⁹ Given that section 15 bundles the statutory terms “procedure,” “process,” “system,” and “method of operation” as types of “methods,” it would be beneficial to cite any cases that define these terms. Providing alternative or additional examples of “methods” may also aid in illustrating what is not protectable (*i.e.*, the procedure, process, system, or method of operation) as distinct from what may be protectable (*i.e.*, descriptions, illustrations, or explanations of the procedure, process, system, or method of operation).¹⁰

In several places in Comment *e* and Reporters’ Note *e*, the discussion of the Federal Circuit’s analysis of section 102(b) in *Oracle v. Google* is imprecise and, as a consequence, potentially misleading. First, the circuit panel only analyzed section 102(b) with respect to the copyrightability of the sequence, structure, and organization (SSO) of the packages,¹¹ having separately concluded that the declaring code for the packages was copyrightable and its protection was not limited by the doctrines of merger, short phrases, or *scenes a faire*.¹² To be more precise, we recommend that the first sentence addressing the Federal Circuit’s decision in *Oracle v. Google* in Comment *e* be revised to clarify that the court concluded section 102(b)’s limitation on the scope of copyright in expressions of methods of operation did not bar the *sequence, structure, and organization (SSO)* of the packages from protection. Second, given that the court’s analysis implicates the idea/expression dichotomy, an internal cross-reference to section 12 on “ideas” may be appropriate and helpful here. But, even as courts often employ the same “idea/expression” dichotomy for both “methods” and “ideas” when analyzing whether merger applies, we suggest the distinction for methods is more aptly characterized as an “explanation/use” dichotomy (*i.e.*, copyright can protect an *explanation* of a method, but does

⁷ See Letter from Sarang V. Damle, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Richard Revesz et al., American Law Institute at 2–5 & Addendum (Dec. 4, 2017).

⁸ See *id.* at 2 n.2.

⁹ *Id.* (citing *Baker v. Selden*, 101 U.S. 99, 103 (1879)).

¹⁰ For example, the scope of copyright in a book on how to build a bicycle would not prohibit others from practicing this method of bicycle-building. See Brief for the United States as Amicus Curiae at 17, *Google Inc. v. Oracle Am., Inc.*, 141 S. Ct. 1183 (2021) (No. 18-956). Nor would a copyright for a book describing a new surgical method bar others from performing the surgical method. See *id.* at 2.

¹¹ See *Oracle Am.*, 750 F.3d at 1364–68 (Fed. Cir. 2014).

¹² See *id.* 1360–64 (Fed. Cir. 2014).

not protect against *use* of the method itself). Third, the Federal Circuit, consistent with the Ninth Circuit cases cited in its opinion, concluded that “competition concerns”—*i.e.*, interoperability—were relevant to the fair use analysis. We recommend the draft clarify that the Federal Circuit is *applying*, as opposed to offering its own “interpretation” of, Ninth Circuit law here.¹³ Fourth, Reporters’ Note *e* remarks that the Federal Circuit “recognized that declaring code constituted a method of operating the Java programming language—*i.e.*, it is the means by which programmers use Java to construct programs” before commenting that the court “nonetheless held that the Java declaring code was copyrightable because it was the product of creative choices in both the structure of the declaring code and the names used in that structure.” Putting aside the assumption being made that literal copying of a computer program’s code, code which embodies an original taxonomy structuring the program, is necessary to use the program, if the court had thought that the declaring code, by embodying the Java taxonomy, also might embody a “method of operation,” then it presumably would have analyzed whether that code was outside the scope of copyright protection under 102(b), as it proceeded to do for the code’s SSO. The court, however, did not and instead considered whether other limiting doctrines—merger, short phrases, and *scenes a faire*—applied before concluding that the declaring code was protected by copyright. While not discounting that “creative choices” were made in developing the Java SE, these choices did not, as the Reporters’ Note suggests, “nonetheless” override a countervailing consideration that the code may be an unprotectable method of operation. Rather, the creative choices demonstrated that the declaring code did not merge with any underlying methods or processes that the SSO organized and that the declaring code pointed to (*e.g.*, a method for finding the higher of two numbers).

The draft’s questioning of the “continued vitality” of the Federal Circuit’s analysis of methods embodied in computer programs, seems premature and inappropriate to include in a Comment. For one, the subsequent cases cited—*Bikram* and *Google v. Oracle*—do not support this speculation. As acknowledged in the Comment, *Bikram* does not involve computer programs or APIs, so its relevance is questionable. We reiterate our prior comments noting that, in *Bikram*, the Ninth Circuit concluded that a sequence of yoga poses was not copyrightable as a compilation because the individual underlying poses were not copyrightable subject matter, namely, they were not choreography.¹⁴ The analysis for whether a sequence is protectable as a compilation is different where the underlying subject matter is protectable, which is the case for computer program code that is protectable as a literary work. Indeed, the Federal Circuit in *Oracle v. Google* concluded that the declaring code, which embodied the code’s SSO, was copyrightable as a literary work. Consequently, the analysis of the copyrightability of the SSO was different than if the declaring code embodying the SSO had not been copyrightable. Also, as acknowledged in the Comment, the Supreme Court in *Google v. Oracle* did not rule on copyrightability, so the Court’s fair use analysis may or may not be considered significant or even relevant by lower courts in cases where they must analyze the copyrightability of computer programs and APIs. The suggestion that the Court “cast doubt on the Federal Circuit’s

¹³ See *id.* at 1368–72 (Fed. Cir. 2014); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1520 (9th Cir. 1992); see also *Sony Comput. Entm’t v. Connectix*, 203 F.3d 596, 602–03 (9th Cir. 2000) (finding reverse engineering of code to be fair use).

¹⁴ See Letter from Sarang V. Damle, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Richard Revesz et al., American Law Institute, Addendum at A-17 to A-19 (Dec. 4, 2017).

copyrightability holding” based on a few sentences from the majority opinion’s analysis of the second fair use factor stretches the language’s import too far. The majority opinion, partly in response to the dissent’s view that no distinction should be made between types of computer programs, emphasized that there is a continuum of creativity in computer programs that bears on the second fair use factor.¹⁵ Transplanted from this context, the draft affords the majority’s statements greater weight than is warranted for determining copyrightability of software *generally*, and whether portions of an API may be unprotectable methods *specifically*. In sum, even if the draft’s criticism of the Federal Circuit’s copyrightability analysis for computer programs is borne out in cases yet to be decided, because the two cases cited cannot be objectively viewed as addressing the substantive legal issue that is the focus of this Comment—that is, the scope of copyright protection for expressions of methods embodied in computer programs—we recommend this portion of the draft Comment be either removed or substantially revised and relocated back to the Reporters’ Notes section.¹⁶

4. *Additional comments*

In addition to the more detailed discussion above of specific citations in the draft, there are a few other instances in section 15 where citations either do not appear to directly support the proposition or would benefit from including alternative cases. First, the statement in Comment *d* that “choosing among several methods” does not make the selection of one specific method protectable is accurate, but the citation to *Lexmark* offered in support does not directly support that proposition, so we recommend changing the signal to “*Cf.*”¹⁷ Second, in Reporters’ Note *d*, we recommend replacing or supplementing the citation to an infrequently-cited district court decision as the first example of a court grappling with distinguishing unprotectable methods from protectable expression in computer programs with an earlier, more heavily-cited circuit

¹⁵ We note the editorial decisions to include the fair use analysis from the majority opinion and entirely disregard the dissenting opinion, which is the only opinion from members of the Court that addressed copyrightability directly. This omission is particularly curious given the lengthy discussions of and citations to a concurring opinion from a circuit court case, *Lotus v. Borland*, elsewhere throughout this section. We suggest that if a persuasive, non-binding opinion from a circuit court judge is relevant to how courts may evaluate the copyrightability for computer programs going forward, then the opinion of Associate Justices of the U.S. Supreme Court addressing the same issue warrants similar discussion.

¹⁶ The Supreme Court itself exercised discretion in assuming, without deciding, copyrightability “[g]iven the rapidly changing technological, economic, and business-related circumstances.” *Google LLC v. Oracle Am., Inc.*, 141 S. Ct. 1183, 1197 (2021). Although we do not suggest that this draft section be held open for comment indefinitely to see how subsequent courts may rule on the scope of copyright protection for computer programs in which methods of operation are embodied, the ALI may consider withholding commentary until after the Federal Circuit issues its opinion in the pending case *SAS Inst., Inc. v. World Programming Ltd.*, 496 F. Supp. 3d 1019 (E.D. Tex. 2020), *appeal docketed*, No. 21-1542 (Fed. Cir. Jan. 13, 2021). At that point, at least one appellate court will have had the opportunity to consider the relevance of Supreme Court’s fair use decision to the copyrightability analysis for computer programs, and the ALI can evaluate whether to proceed, modify, or wait for further formal judicial guidance on this issue before ossifying a view that the courts may affirm, reject, splinter on, or avoid altogether.

¹⁷ In the relevant discussion from *Lexmark*, the district court’s error was not that it found choosing one method from several available methods to be copyrightable; in fact, no “method” was chosen for the computer program at all. Rather, the error was that the district court would only consider the applicability of limiting doctrines to the analysis of substantial similarity and not how these doctrines limit the scope of a copyright, which in turn led the court to erroneously conclude that, so long as an idea could be expressed in a computer program several different ways, the program was *de facto* copyrightable.

court decision that previously considered the issue.¹⁸ Third, also in Reporters' Note *d*, we recommend considering adding *Lexmark* as another circuit court case where scope of protection was considered as part of the copyrightability analysis, not the infringement analysis.¹⁹

Reporters' Note *f* concludes by commenting that “allowing choice among methods to be protectable and relying instead on fair use . . . presents its own set of problems,” citing to the *Lotus* concurrence “warn[ing]” of administrative problems and unpredictability. Without discounting these concerns, it is worth noting that the Supreme Court in *Google v. Oracle* did not find fair use to be inadequate, administratively burdensome, or unpredictable for evaluating cases involving computer programs in which methods of operation were embodied. Had Judge Boudin's concerns expressed in 1995 been of consequence in the 25-plus intervening years, arguably the Court would not have assumed copyrightability and instead based its decision on fair use. Regardless, because it is clear that the Court's decision to rely on fair use provides a gloss on the *Lotus* concurrence's warnings, we recommend revising the conclusion that fair use is as problematic for resolving copyright cases involving computer programs as Judge Boudin once predicted.

We recommend the Illustrations be moved to appear after Comment *d* because they illustrate concepts discussed in Comments *c* and *d*.

Finally, we propose adding a Comment or a Reporters' Note explaining that simply characterizing something a “system” or “method of operation” does not make it unprotectable for purposes of section 102(b).²⁰ This would seem self-evident, but given the common use of these terms in copyrighted works and in computer programs in particular, making this clear may be useful to anyone relying on the Restatement for guidance.

Section 20, Comment g

Further to the comments provided in our October 5, 2021 letter, we note that Comment *g* states that “priority between conflicting transfers of copyright ownership is determined *in part* by recordation in the Copyright Office” pursuant to 17 U.S.C. § 205(d) (emphasis added). We suggest rephrasing to make clear that if a transfer is recorded and, in the case of a later transfer, it satisfies the additional conditions outlined in the statute, then section 205(d) governs.

Section 40

Section 40(b)(4) notes that registration, while not required for copyright protection, enables the copyright owner to enforce their rights through infringement actions in federal court. Similarly, Comment *a* to section 40 states that registration or preregistration is a prerequisite for instituting an infringement action. In both places, we suggest mentioning that a copyright owner may bring an enforcement action if registration has been refused as well.²¹

¹⁸ See *Apple Comput., Inc. v. Franklin Comput. Corp.*, 714 F.2d 1240, 1249–54 (3d Cir. 1983).

¹⁹ See *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 537–44 (6th Cir. 2004).

²⁰ See *Oracle Am.*, 750 F.3d at 1366 (citing *T Toro Co. v. R & R Prods. Co.*, 787 F.2d 1208, 1212 (8th Cir. 1986); *Am. Dental Ass'n v. Delta Dental Plans Ass'n*, 126 F.3d 977, 980 (7th Cir. 1997)).

²¹ See 17 U.S.C. § 411(a).

Additionally, section 40(b)(4) states that registration enables a copyright owner to bring claims in both federal court and before the Copyright Claims Board. As written, this paragraph may suggest that the registration requirements for bringing an infringement claim in federal court and before the Copyright Claims Board are identical. While a party may assert an infringement claim in federal court only if a work has been registered or registration has been refused,²² a party may assert an infringement claim before the Copyright Claims Board if a completed application, deposit, and fee have been delivered to the Office and a registration certificate either has been issued or has not been refused.²³ Though an infringement claim may be filed without a registration certificate, the Copyright Claims Board may not issue a determination concerning such a claim until a registration certificate issues or, if the registration is refused, it must dismiss the proceeding without prejudice.²⁴ We suggest revising this section to make clear that there are different registration requirements for bringing claims in federal court and before the Copyright Claims Board. Additionally, since section 40 discusses registration requirements for Copyright Claims Board proceedings, a citation to the CASE Act should be added to the source note for the section.

Comment *a* cites to 17 U.S.C. § 104A(h)(3)–(4) for the proposition that the Copyright Act provides protections to “reliance parties” who used or acquired foreign works while they were in the public domain, but the cited paragraphs simply provide the definitions for “eligible country” and “reliance party.” We recommend instead citing to the specific portions of the statute that address the protections available to reliance parties.²⁵

Section 45

As with section 40, we suggest adding a citation to the CASE Act to the source note for this section, since section 45(c) includes a discussion of the registration requirement for infringement claims in Copyright Claims Board proceedings.²⁶

Additionally, Comment *g* states that 17 U.S.C. § 411 provides the rules for infringement claims brought in federal court and observes that section 411 uses the term “civil action for infringement.”²⁷ Comment *g* then notes that infringement claims also may be asserted before the Copyright Claims Board, but such claims are not “civil actions for infringement” and are subject to different registration rules. While it is true that infringement claims before the Copyright Claims Board are subject to different registration rules than infringement claims asserted in federal court,²⁸ it is not clear what the significance of highlighting the term “civil action for infringement” is here. We suggest either explaining the significance of the term or omitting this reference.

²² *Id.*

²³ *Id.* § 1505(a).

²⁴ *Id.* § 1505(b).

²⁵ *See, e.g., id.* § 104A(d)(2) (enforcement against reliance parties); *id.* § 104A(d)(3) (derivative works created by reliance parties).

²⁶ *See id.* § 1505(a).

²⁷ *Id.* § 411(a).

²⁸ *Compare id.* § 1505(a), *with id.* § 411(a).

Further, Comment *p* states that 37 U.S.C. § 220.20(d) provides exceptions to the deposit requirements for particular categories of works, along with “special relief” from aspects of the deposit requirements. The citation should be to 37 C.F.R. § 202.20, rather than 37 U.S.C. § 220.20. We also recommend citing to the section of the regulations generally rather than paragraph (d) specifically, since paragraph (d) only describes “special relief” from the deposit requirements, rather than exceptions for particular categories of works.

Reporters’ Note *a* includes a brief discussion of the CARES Act. Since the remaining adjustments under the CARES Act expired on December 31, 2021, we suggest omitting this discussion or reworking it to note that the adjustments have expired.

Finally, Reporters’ Note *d* references the Copyright Act’s definition of “treaty party”²⁹ for purposes of identifying what qualifies as a “United States work” under 17 U.S.C. § 411(a). The note then lists the treaties identified in the Copyright Act’s definition of “international agreement.”³⁰ As written, this suggests that this list of treaties may be found in the Copyright Act’s definition of “treaty party,” but that is not the case. We suggest reworking this section to make clear that the definition of “United States works” in the Copyright Act refers to “treaty parties,”³¹ which is defined by the Act to include parties to “international agreements,”³² the definition of which provides the list of treaties included in Reporters’ Note *d*.³³

Section 9.02

We have concerns with the quotation of the Restatement of Unfair Competition in Comment *h*. The Comment quotes the Restatement for the proposition that courts have freedom to balance the interests of parties when determining whether to issue injunctive relief. In context, however, the Restatement appears to support the issuance of injunctions as a default, stating elsewhere that prevailing parties “ordinarily” receive injunctions and that it is “only in unusual circumstances” that an injunction is denied.³⁴ This quotation thus appears to mischaracterize the Restatement. Moreover, trademark law may not be an appropriate analog in light of 15 U.S.C. § 1116, which creates a rebuttable presumption in favor of an injunction when liability is found in a trademark infringement or dilution action, as copyright law contains no such rebuttable presumption. We would suggest eliminating the quotation and citation.

Comment *k* states that courts have not made clear what they mean by a heightened standard for mandatory injunctions. We suggest considering citing *Garcia v. Google*, where the court stated that: “Because Garcia seeks a mandatory injunction, she must establish that the law and facts

²⁹ See *id.* § 101.

³⁰ See *id.*

³¹ See *id.* (defining “United States work” to include works first published “simultaneously in the United States and another treaty party or parties, whose law grants a term of copyright protection that is the same as or longer than the term provided in the United States”).

³² See *id.* (defining “treaty party” as “a country or intergovernmental organization other than the United States that is a party to an international agreement”).

³³ See *id.* (defining “international agreement” as six specific treaties, along with “any other copyright treaty to which the United States is a party”).

³⁴ Restatement (Third) of Unfair Competition § 35 cmt. c (Am. Law Inst. 1995).

clearly favor her position, not simply that she is likely to succeed.”³⁵ We also suggest that the accompanying Reporters’ Note be revised to clarify that the quoted language from *Silvertop Associates v. Kangaroo Manufacturing* was itself quoting a different, unpublished district court case.³⁶

Section 9.03

In Reporters’ Note *h*, the Reporters cite *Singletary Construction, LLC v. Reda Home Builders, Inc.* and its holding that a verdict that “shocks the conscience” may be overturned, notwithstanding that the verdict is compliant with the statutory requirement regarding defendant’s obligation to demonstrate its expenses.³⁷ We suggest adding more context from this case to the discussion, as the case presented unique facts indicating that the actual expenses were far greater than those found by the jury.³⁸

As we stated in our previous letter, we continue to suggest that the statement in Reporters’ Note *l*, about punitive damages being excluded from actual damages, either be updated to include citations to courts adopting this principle or clarify that this is the Restatement’s view.

Section 9.04

We suggest additional attention to Comment *j* to fully explain the role of derivative works in statutory damages. The statute could be read to require that derivative works be considered together with the original work as one work for statutory damage purposes.³⁹ As Nimmer points out,⁴⁰ if an original work and derivative work are owned by separate entities (e.g., a licensed film adaptation of a novel), this suggests infringement of both works at the same time could only result in one award of statutory damages. But if the two copyright owners filed separate suits, it appears that they could each recover separate awards. The Comment does not mention this possibility.

Reporters’ Note *f* references the damages provisions of the Patent Act. We note that, unlike the Copyright Act, the Patent Act does not explicitly mention willful infringement.⁴¹ We suggest making that clear in the Note.

Reporters’ Note *g* discusses *BMG Music v. Gonzalez* and takes the position that the general public’s access to copies with proper copyright notice is not dispositive of whether the defendant

³⁵ 786 F.3d 733, 740 (9th Cir. 2015) (emphasis in original).

³⁶ See *Silvertop Assocs. v. Kangaroo Mfg.*, 319 F. Supp. 3d 754, 761 (D.N.J. 2018) (quoting *Coast to Coast Ent., LLC v. Coastal Amusements, Inc.*, No. 05-cv-3977, 2005 WL 7979273, at *9 (D.N.J. Nov. 7, 2005) (citing *Edge v. Pierce*, 540 F. Supp. 1300, 1303 (D.N.J.1982))).

³⁷ 815 Fed. Appx. 892 (6th Cir. 2020).

³⁸ See *id.* at 899 (“Put simply, the jury’s verdict represents a determination that Reda spent only \$24,691.25 in deductible expenses in constructing a house that he sold for \$320,900,” leaving a profit amount that is “plainly absurd”).

³⁹ See 17 U.S.C. § 504(c)(1) (“For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work”).

⁴⁰ See 4 NIMMER ON COPYRIGHT §14.04[E][1][b][i] (2021).

⁴¹ See 35 U.S.C. § 284.

herself had access to such copies. While the Office agrees that the statute emphasizes the individual defendant’s access, rather than that of the general public, we suggest revising this Note to explain that general public’s access is at least relevant, given that accused infringers are part of the general public.⁴²

Section 9.05

In Comment *f*’s citation of *Design Basics, LLC v. Kerstiens Homes & Designs, Inc.*, we suggest noting that the Seventh Circuit tempered its statement regarding a presumption of awarding attorney’s fees by citing the requirements in *Kirtsaeng*.⁴³

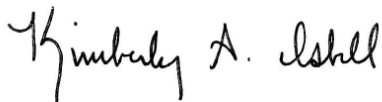
Reporters’ Note *b* suggests that the Copyright Claims Board can generally award costs. This is incorrect; the Board is not generally authorized to award costs or attorney’s fees.⁴⁴ The statute only permits a costs award if a party acts in bad faith.⁴⁵

In the same Note, we also suggest highlighting in a parenthetical that the DART statute does not mention “full” costs, only “costs.”⁴⁶

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The Office welcomes public evaluation and discussion of U.S. copyright law and thanks the ALI and the Reporters for their attention to our comments.

Sincerely,



Kimberley Isbell
Acting General Counsel and Deputy Director of Policy & International Affairs



Robert J. Kasunic
Associate Register of Copyrights and Director of Registration Policy & Practice

⁴² While the Note states that general public access is relevant to “the reasonableness of the defendant’s belief” that conduct is noninfringing, it is equally relevant to whether the defendant had access in the same manner as the general public.

⁴³ See 1 F.4th 502, 508 (7th Cir. 2021) (despite presumption as to cost recovery, “that presumption and a district court’s discretion must be moored to sound legal principles that look to ‘the large objectives of the relevant Act’”) (quoting *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 204 (2016)).

⁴⁴ 17 U.S.C. § 1504(e)(3) (except in cases of bad faith conduct, “the parties to proceedings before the Copyright Claims Board shall bear their own attorneys’ fees and costs”).

⁴⁵ 17 U.S.C. § 1506(y)(2) (Board may award costs and fees if it is established that a claim or defense was brought “for a harassing or other improper purpose, or without a reasonable basis in law or fact”).

⁴⁶ See 17 U.S.C. § 1009(c)(3) (allowing “the recovery of costs by or against any party other than the United States”).