



United States Copyright Office

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Reporters, ALI Restatement of the Law, Copyright

Re: Preliminary 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 Preliminary Draft No. 6 of ALI's proposed Restatement of the Law of Copyright and offer the below commentary to help guide consideration of the drafts.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, 446-450 (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.

While not comprehensive, the following comments reflect the Office's primary areas of concern with the most recent Draft, ordered by their appearance in the Draft.

¹ 17 U.S.C. § 701(a), (b).

² The Office notes that Sarang (Sy) Damle is still listed as an advisor affiliated with the Copyright Office. Mr. Damle is no longer with the Copyright Office, and therefore we ask that his affiliation be updated.

Section 3.08

Comment *k* states that a signed writing is required to confer a license after termination. While section 203(b)(3) requires a signed writing for the grant of any right covered by a terminated grant, section 304(c)(6)(C) only requires a signed writing “[w]here the author’s rights revert to two or more persons.” Thus, a signed writing may not be required under section 304 when the rights revert to a single person. The Draft should be updated to reflect this distinction.

Section 3.10

It would be helpful to clarify the sections of the Draft that relate to the Copyright Act’s directives that transfers and licenses of works made for hire are not eligible for termination. In particular, it may be helpful to explain that although one category of works made for hire consists of specially commissioned work for which the parties have agreed in a signed, written agreement that the work is a work made for hire, because the person who commissioned the work made for hire is considered the author of the work, the agreement between the creator and the commissioner of the work is not considered a transfer of copyright in the work, and it therefore cannot be terminated under section 203 or 304.

Relatedly, *Community for Creative Non-Violence v. Reid*,³ is most appropriately cited in Reporters’ Note *b*, which discusses the manner in which courts determine if a work is a work made for hire, rather than in Comment *b*, which discusses the exclusion of works made for hire from termination rights. In that case, the Supreme Court considered whether a particular work was a work made for hire within the definition of the Copyright Act. Although the court noted that the resolution of that question affects a number of copyright issues, including termination rights under section 203(a), the case did not deal with whether a transfer or license of a work made for hire can be terminated.

In discussing the gap in termination provisions in Comment *g*, the Draft cites the position taken by the Copyright Office in a November 26, 2010 Notice of Proposed Rulemaking. The Office recommends that the Draft also cite the Copyright Office’s report entitled *Analysis of Gap Grants Under the Termination Provisions of Title 17*, which discusses this issue in greater detail.⁴ The Reporters also may consider citing to the final rule clarifying the Copyright Office’s recordation practices with respect to gap grants.⁵

Section 3.11

In the discussion of copyright abandonment, it would be helpful to note, either in Comment *a* or the Reporters’ Notes, the distinction between abandonment, which disclaims copyright, and granting a public license either in general or as to specific types of uses (*e.g.*, noncommercial uses), which is premised on the work being protected by copyright. In our experience, the

³ 490 U.S. 730 (1989).

⁴ U.S. COPYRIGHT OFFICE, ANALYSIS OF GAP GRANTS UNDER THE TERMINATION PROVISIONS OF TITLE 17 (2010).

⁵ 76 Fed. Reg. 32316 (June 6, 2011).

general public sometimes mistakenly conflates public licenses, such as a Creative Commons license, with abandonment, and we think it would be helpful to correct that misunderstanding.

Comment *b* could be more explicit that because the question of abandonment turns on whether the copyright owner intended to surrender its rights, determining whether a copyright has been abandoned frequently requires an assessment of the copyright owner's state of mind or a credibility determination, which courts have treated as factual issues that can preclude summary judgment.⁶ In addition, in providing the example of a copyright owner recording with the Copyright Office a document purporting to abandon his or her rights, the Draft should clarify that recordation does not represent a legal determination by the Office that abandonment has been effected.⁷

The Office cautions against using the facts of *Hadady Corp. v. Dean Witter Reynolds, Inc.*⁸ as the basis for an Illustration. In that case, the court found that a copyright notice stating that "The information contained in this letter is protected by U.S. copyright laws through noon EST on the 2d day after its release . . ." reflected a clear intent to abandon any copyright claim following the specified time period. While the court was persuaded that the copyright owner had abandoned the copyright, the wording in this statement, which does not explicitly reference abandonment, may not be an ideal illustration of the requisite clear and unmistakable intention to abandon copyright.

We note that the citation to the *Compendium* on line 8 of page 49 indicates that the emphasis was added, but the preceding quotation does not contain any emphasis.

Reporters' Note *c* distinguishes abandonment of copyright from abandonment of tangible property on the ground that, in the case of the former, "there is no res left to claim." The Note should clarify that that conclusion applies only where all persons holding exclusive rights in a work have successfully abandoned them.

The Office believes it would be useful to address the issue of abandonment of a work of joint authorship in the Reporters' Notes. Although we are not aware of any case law on this issue, and we would expect the discussion to acknowledge as much, it would appear that if a joint owner

⁶ See, e.g., *Seshadri v. Kasraian*, 130 F.3d 798, 805 (7th Cir. 1997) (criticizing lower court for resolving abandonment on summary judgment because even though statement by author was "most plausibl[y]" read as authorizing publication of an article under the name of another, "that is not the inevitable reading of the correspondence"); *Furie v. Infowars, LLC*, 401 F. Supp. 3d 952, 966 (C.D. Cal. 2019) (denying summary judgment based on factual dispute because at that phase court could not "determine Plaintiff's credibility nor place weight on his competing public statements" regarding an intent to abandon his copyright); *Melchizedek v. Holt*, 792 F. Supp. 2d 1042, 1053 (D. Ariz. 2011) (denying summary judgment despite author stating he didn't "care about copyrights" and saying "forget it, just take it and you'll understand what this is all about by tomorrow" because meaning could be interpreted differently).

⁷ See *Compendium (Third)* § 2305 (stating that recordation of a document "is not a determination by the U.S. Copyright Office concerning the validity or the effect of that document" and that such determinations "can only be made by a court of law").

⁸ 739 F. Supp. 1392 (C.D. Cal. 1990).

abandoned her rights in the work, those rights would revert to the remaining owner(s), just as real property rights revert to the remaining tenants in a tenancy in common.

Section 5.02

Reporters' Notes *f* and *h*, which discuss copyright term for an anonymous or pseudonymous work and the presumption as to the date of the author's death, respectively, both note that as of 2019, the Copyright Office had not issued any regulations regarding recordation of statements related to either issue. These Notes, while accurate, would benefit from additional context to avoid an erroneous conclusion that the Copyright Office does not record such statements. As the corresponding Comments note, the Copyright Act specifically provides for the recordation of statements regarding anonymous and pseudonymous works and dates of authors' death. While the Copyright Office does not have regulations specifically addressing these statements, it does record them pursuant to the general policies and procedures for recording documents.⁹ The Office follows the same examination process using the requirements set forth in the *Compendium*,¹⁰ and the filing fee is the same as other recordation filings.¹¹

Section 5.03

The discussion of copyright term would be more complete if it referred to the specific provisions governing sound recordings fixed before February 15, 1972. Pursuant to the Music Modernization Act ("MMA"), such works receive protection for time periods set forth in 17 U.S.C. § 1401 and are not subject to the general term provisions in section 303(a). If the Reporters plan to address this issue in a separate section of the Restatement, they might consider including a cross-reference here.

Section 6.01

The use of the phrases "actually copying," "must copy protected elements," and "that copying must meet the standard of substantial similarity" in Comment *c* is inappropriate. Although it is true that many courts use the term "copying" to denote "infringing activity,"¹² these phrases imply that the making of a copy is a required element of a claim of infringement of any exclusive right of copyright. This clearly is not the case with respect to the rights of distribution, public performance, and public display. The Comment should be rephrased to avoid any misunderstandings.

In addition, we believe that the phrase "which determines whether the copying constitutes improper appropriation" should be deleted. Although we acknowledge that many courts, and

⁹ See *Compendium (Third)* §§ 2304.2, 2305.

¹⁰ *Compendium (Third)* §§ 2306, 2306.7.

¹¹ 37 C.F.R. § 201.3(c)(18). The Copyright Office recently published a final rule adjusting fees, in which the paragraph establishing the fees for recordation of a document has been redesignated as § 201.3(c)(20). 85 Fed. Reg. 9374, 9386-87 (Feb. 19, 2020).

¹² See, e.g., *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 291 (3d Cir. 1991) (quoting *Paramount Pictures v. Video Broadcasting Systems*, 724 F. Supp. 808, 819 (D. Kan. 1989)); *Jalbert v. Grautski*, 554 F. Supp. 2d 57, 67 (D. Mass. 2008); Nimmer on Copyright § 8.02[B] ("copying" is a shorthand for infringing one of the exclusive rights).

Nimmer, use something like this formulation to express the meaning of substantial similarity, the concept of substantial similarity is subject to different formulations in different circuits. Thus, we suggest that this matter is best taken up in Chapter 7’s discussion of infringement.

Section 6.02

The Office remains concerned about the definition of fixation in Comment *b*, which states that “[t]he duration required to establish fixation should be understood by reference to the stability with which a particular work must be embodied in order to permit the enjoyment or exploitation of the work’s expressive content.” As the Office has noted, that formulation is not the test set forth in the statutory text or governing case law. The Office recently addressed this concern in its May 29, 2020 letter regarding Tentative Draft 1, where we urged the Reporters to “retain the terms used in the statute and not suggest additional requirements unless it is simply pointing out what a particular court or courts have stated, with appropriate citations.”¹³ While we appreciate the Comment’s acknowledgement that this language describes how “this Restatement interprets” the statutory duration requirement, that statement only underscores that the articulated standard goes beyond a restatement of existing law.¹⁴

As to the substance of the definition, the current Draft provides insufficient support for the proposition that no reproduction occurs if a work’s embodiment allows it to be enjoyed or exploited “solely during the work’s transmission via the medium in which it is embodied (even if [it] can be perceived during that transmission).” In particular, section 115’s definition of “digital phonorecord delivery,” as amended by the Music Modernization Act (MMA), should be brought to bear on this issue, as discussed further below.

The Office suggests revising the heading for Comment *c* to read “Authority of author not relevant to whether an infringing ‘copy’ or ‘phonorecord’ has been made.” This will avoid any possible confusion between the requirements for authorship and the requirements relating to infringement.

We suggest including a statement in Comment *d* that the reproduction right also encompasses non-literal copying.¹⁵

¹³ Ltr. from Regan A. Smith, General Counsel & Associate Register of Copyrights and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Professor Richard L. Revesz, Director, ALI, et al., at 5 (May 29, 2020).

¹⁴ See Letter from Karyn Temple Claggett, Acting Register of Copyrights, to Professor David Levi, et al., American Law Institute, at 2 (Jan. 16, 2018) (“There can be no more accurate statement of the law than the words that Congress has enacted in the Copyright Act and those that the Copyright Office has adopted in its regulations.”); Ltr. from Jacqueline C. Charlesworth, General Counsel & Associate Register of Copyrights, to Professor Richard L. Revesz, Director, ALI, et al., at 1 (Dec. 1, 2015) (“[S]ubstituting words, condensing text and otherwise tinkering with complex statutory provisions, and the manner in which they relate to one another, will inevitably alter sense and meaning.”).

¹⁵ See H.R. Rep. 94-1476, at 61 (“As under the present law, a copyrighted work would be infringed by reproducing it in whole or in any substantial part, and by duplicating it exactly or by imitation or simulation. Wide departures or variations from the copyrighted work would still be an infringement as long as the author’s ‘expression’ rather than merely the author’s ‘ideas’ are taken.”); see also, e.g., Brief for the United States as Amicus Curiae, Google LLC, v. Oracle America, Inc., at 2, No. 18-956 (2020) (discussing copying of a work’s structure, sequence and organization).

Section 6.04

We are concerned that Comment *c* and the corresponding Reporters' Note seek to define the circumstances under which a transmission of a work constitutes a distribution, even though, as the Comment itself recognizes, few courts have actually addressed the issue. In particular, the Draft provides inadequate support for the proposition that “[t]he transmission of a copyrighted work that does not result in the transmission recipient possessing a copy or phonorecord of the work generally does not constitute the distribution of a copy or phonorecord” The Reporters' Note cites only one case in support of that interpretation, *London-Sire Records, Inc. v. Doe*.¹⁶ Even assuming that a single district court case could indicate the state of the law generally, the question whether a transmission must always result in possession of a copy to fall within the scope of the distribution right was not before the court in *London-Sire*. Rather, the relevant issue was whether section 106(3) encompasses digital transfers in which both the transferor and transferee possess copies of a work at the end of the transmission. The court did not purport to hold that a distribution cannot occur absent a transmission recipient obtaining possession of a copy or phonorecord. Put another way, *London-Sire* held that possession of a copy by a recipient is sufficient to implicate the distribution right, but did not hold that such possession is necessary.

Moreover, the Draft gives little attention to the potential impact of the MMA on this analysis. The Reporters' Note points out that the MMA expanded the definition of “digital phonorecord delivery” to include “interactive stream[s],” which suggests that a distribution may occur in at least some situations in which there is no physical copy made. But while the Note states that this change “qualifie[s]” the principle that possession of a copy is required under the distribution right, it does not explain how the MMA definition can be reconciled with the Restatement's broader position. We recommend that the Draft address this issue with respect to both the distribution right and the reproduction right.

Regarding the issue of “making available” in Comment *d* and the corresponding Reporters' Note, even if the Reporters continue to decline to take a position on this issue, we believe that the Comment and the Reporters' Notes do not fairly characterize the bases for the Office's conclusion. The Draft implies that the Office's study relied principally on the need to reconcile the statute with U.S. treaty obligations. The study, however, also contains an analysis of the statutory language and history, which should be reflected in the discussion.¹⁷ In addition, we believe that the assertion that “most courts have held that actual distribution is required to support a claim that the distribution right has been infringed” is overstated. The Office's study cites several cases recognizing that section 106(3) does not necessarily require an “actual” distribution,¹⁸ and at least one court has recently suggested that such a requirement is “contrary to the great weight of the case law.”¹⁹

¹⁶ 542 F. Supp. 2d 153 (D. Mass. 2008).

¹⁷ U.S. COPYRIGHT OFFICE, THE MAKING AVAILABLE RIGHT IN THE UNITED STATES: A REPORT OF THE REGISTER OF COPYRIGHTS 24-29 (statutory analysis), 29-36 (legislative history) (2016) (“Making Available Study”).

¹⁸ See Making Available Study at 23 n.97 (collecting cases).

¹⁹ *UMG Recordings, Inc. v. Grande Communications Networks, LLC*, 384 F. Supp. 3d 743, 764 (W.D. Tex. 2019).

Section 6.06

Comment *c* states that “the first-sale limitation prevents a copyright owner from controlling the disposition, whether by sale, rental, lease, or lending, of lawfully made copies or phonorecords” That statement is correct only if the copyright owner has already parted with ownership of the copies. We suggest rephrasing to make this point clear.

Comment *f* contains extensive discussion of Ninth Circuit cases relating to the issue of ownership versus a license.²⁰ We believe that citation of case law from other circuits, *e.g.*, *Krause v. Titleserv, Inc.*,²¹ would be appropriate here. *Krause* takes a somewhat more case-by-case approach than the Ninth Circuit cases, and we believe it is consistent with the Restatement’s conclusion that this issue “requires careful attention to both the details of the transaction and the context of the market in which it occurs.”²² Although *Krause* focused on the issue of ownership under section 117, we see no reason not to apply its analysis to the issue of ownership under section 109. We would also suggest a citation to the Copyright Office’s *Software-Enabled Consumer Products* report, which contains a discussion of the issue and concludes that the analysis is fact-specific.²³

In Comment *g*, on line 12 of page 109, the citation to the C.F.R. should be to 37 C.F.R. § 201.24, not § 201.14.

Finally, in Reporters’ Note *d*, the reference to “shift[ing] the burden to the defendant” does not accurately describe *United States v. Sachs*.²⁴ In that case, the court ruled that the government had met its burden of proof beyond a reasonable doubt (*i.e.*, had introduced sufficient evidence for a jury to convict), not that the burden was in any way shifted. In criminal cases, the burden is always on the government to prove an element of the offense beyond a reasonable doubt and cannot be shifted to the defendant.²⁵ The Office suggests rewording or deleting this part of the Reporters’ Notes.

Section 9.02

Comment *j* correctly states that “principles of state sovereign immunity bar injunctions against states and their instrumentalities.” It may be useful to note, however, that copyright owners remain entitled to seek injunctions against state officials under *Ex parte Young*.²⁶

²⁰ We suggest moving the discussion of the case law to the Reporters’ Notes to be consistent with similar discussions on other issues.

²¹ 402 F.3d 119 (2d Cir. 2005).

²² See Comment *f*, page 108, lines 13-14.

²³ U.S. COPYRIGHT OFFICE, SOFTWARE-ENABLED CONSUMER PRODUCTS: A REPORT OF THE REGISTER OF COPYRIGHTS 21-25 (2016).

²⁴ 801 F.2d 839 (6th Cir. 1986).

²⁵ See, *e.g.*, *In re Winship*, 397 U.S. 358, 364 (1970).

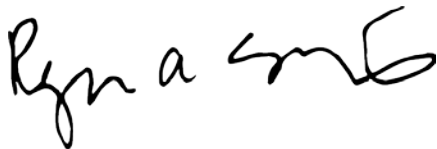
²⁶ 209 U.S. 123 (1908). The Office is currently conducting a study on sovereign immunity issues at the request of Congress. See *Sovereign Immunity Study: Notice of Inquiry*, 85 Fed. Reg. 34,252 (June 3, 2020).

Finally, Reporters Note *b* could be revised to more accurately describe the holding in *New York Times Co. v. Tasini*.²⁷ The finding of infringement in that case was based not on the newspapers exceeding their licenses with freelance journalists, but rather on the newspapers exceeding their statutory privilege under section 201(c) as the owners of copyrights in collective works.²⁸

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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,

A handwritten signature in black ink, appearing to read "Regan A. Smith". The signature is fluid and cursive, with the first name being the most prominent.

Regan A. Smith
General Counsel and Associate Register of Copyrights

A handwritten signature in black ink, appearing to read "Robert J. Kasunic". The signature is highly stylized and cursive, with the first name being the most prominent.

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

²⁷ 533 U.S. 483 (2001).

²⁸ *See id.* at 499.