

# COPYRIGHT HARM AND INJUNCTIONS<sup>♦</sup>

CHRISTINA BOHANNAN<sup>\*</sup>

I.	RECLAIMING COPYRIGHT .....	11
II.	A THEORY OF COPYRIGHT HARM .....	13
III.	COPYRIGHT HARM AND INJUNCTIONS .....	15
IV.	INJUNCTIVE RELIEF AFTER EBAY .....	15
V.	EBAY'S APPLICATION TO COPYRIGHT CASES.....	17
VI.	HARM AND CAUSATION IN COPYRIGHT INFRINGEMENT .....	18
VII.	"IRREPARABLE" HARM .....	20
	A. The Difficulty of Measuring Damages .....	20
	B. Non-Monetary Harms .....	22

## I. RECLAIMING COPYRIGHT

Over the past thirty-five years or so, the scope and duration of statutory copyright protection have increased dramatically. It is not hard to see how or why this has happened. In my 2006 article *Reclaiming Copyright*, I described in detail how special interests have captured copyright law.<sup>1</sup> Today, the story of copyright's capture is well-known. Authors, publishers, music companies, and other owners of profitable copyrighted content have a tremendous incentive to lobby for greater rights. But the excessive copyright protection that results imposes significant costs on the public. We pay more for copyrighted works, and we are less free to use copyrighted works to make new works and in self-expression. The result is harm to both future innovation and First Amendment values. Yet, most of us who use copyrighted works in our daily lives do not have a sufficient individual interest to organize a response to these forces, and so they go unchecked in the legislative

---

<sup>♦</sup> Permission is hereby granted for noncommercial reproduction of this Article, in whole or in part, for education or research purposes, including the making of multiple copies for classroom use, subject only to the condition that the name of the author, a complete citation, and this copyright notice and grant of permission be included in all copies.

<sup>\*</sup> Professor and Lauridsen Family Fellow in Law, University of Iowa College of Law. The author would like to thank Roshni Patel for excellent research assistance.  
© 2012 Christina Bohannan.

<sup>1</sup> Christina Bohannan, *Reclaiming Copyright*, 23 CARDOZO ARTS & ENT. L. J. 567, 580–92 (2006) (describing private-interest influence over Copyright Act generally and over specific provisions such as the derivative works right and the Digital Millennium Copyright Act). This portion of my article built on the work of Jessica Litman and Stewart Sterk, among others, who first identified the forces at work in passage of the 1976 Act.

process.

In *Reclaiming Copyright*, I argued that constitutional challenges to the Copyright Act, such as the challenge to the Copyright Term Extension Act (“CTEA”) in *Eldred v. Ashcroft*, are unlikely to be effective in curbing the expansion of copyright protection.<sup>2</sup> This prediction proved true in *Golan v. Holder*, decided just a few weeks ago, in which the Supreme Court upheld portions of the Uruguay Round Agreements Act (“URAA”) that granted United States copyright protection to certain preexisting works of Berne member countries that were protected in their country of origin, but which had not been protected in the United States.<sup>3</sup> The CTEA prevented copyrighted works from falling into the public domain, while the URAA took some foreign-created works out of the public domain. Yet, both were upheld against constitutional challenge. Nor has there been any reason to think that constitutional challenge would be any more effective in combating expansion in the *scope* of copyright protection.

Courts are generally hesitant to hold legislation unconstitutional except in the most egregious circumstances. Institutional constraints on the judiciary, including *stare decisis* and its limited ability to conduct independent fact-finding, as well as separation of powers concerns, make courts wary of striking down federal statutes. For instance, the *Eldred* Court upheld the CTEA despite arguments that the “limited Times” language should be interpreted in light of the preambular language giving Congress the power “To promote the Progress and Science and the useful Arts.” Under the proposed interpretation, Congress’s continuous practice of retroactively extending the copyright term was unconstitutional because it results *de facto* in an *unlimited* term granted in installments, and because retroactive extensions for existing copyrighted works do nothing to promote progress in terms of future innovation. The petitioners also raised a First Amendment challenge on the ground that a lengthy copyright term restricts freedom of speech and fails heightened (intermediate) scrutiny.

The Court rejected these arguments, opting for a strict definition of “limited Times” that simply requires a fixed term, and otherwise applying rational basis scrutiny. Adhering to separation of powers, the *Eldred* Court explained that “it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives” and “we are not at liberty to second-guess congressional determinations and policy

---

<sup>2</sup> *Reclaiming Copyright*, *supra* note 1 at 622–27.

<sup>3</sup> *Golan v. Holder*, 2012 WL 125436, at \*2 (S. Ct. Jan. 18, 2012).

judgments of this order, however debatable or arguably unwise they may be.”<sup>4</sup> The Court also noted a problem posed by copyright law’s particular history. The Court explained that because of the “unbroken congressional practice” of applying each previous term extension retroactively to existing copyrights, petitioners had failed “to show how the CTEA crosses a constitutionally significant threshold with respect to ‘limited Times’” that the 1831, 1909, and 1976 Acts did not.”<sup>5</sup>

The Court also rejected the petitioners’ First Amendment challenge, for essentially three reasons. First, the Court held that although copyright law is not “categorically immune” to First Amendment challenge, the First Amendment provides less protection for copied speech than it does for original speech. Second, copyright law is compatible with the First Amendment because the Framers intended copyright to be the “engine of free expression.” Copyright law encourages authors to contribute to the marketplace of ideas by granting them exclusive rights over their writings. Third, copyright law has its own “built-in free speech safeguards,” namely the idea/expression dichotomy and the fair use doctrine, which allow some free uses of copyrighted material.<sup>6</sup>

Although it is still theoretically possible that courts could strike down new copyright legislation as unconstitutional, it is clear that constitutional challenges will rarely be successful. Thus, I argued, statutory interpretation is a better vehicle for protecting the public’s interest in copyright law. Statutory ambiguities should be resolved against excessively broad rights, including the derivative works right and Digital Millennium Copyright Act (“DMCA”) rights, and in favor of public-interest provisions, such as the idea/expression dichotomy and the fair use doctrine. Statutory interpretation is frequently used as a way to avoid constitutional problems, and it leaves Congress free to overturn a court’s interpretation through clear statutory language. Such an approach, I argued, would serve copyright’s purpose of promoting the arts and sciences, avoid constitutional issues, and increase transparency in the legislative process.<sup>7</sup>

## II. A THEORY OF COPYRIGHT HARM

In more recent work, I have considered how the scope of copyrights might be interpreted in ways that are more consistent with copyright’s statutory and constitutional purpose. Unlike most

---

<sup>4</sup> *Eldred v. Ashcroft*, 537 U.S. 186, 212, 208 (2003).

<sup>5</sup> *Id.* at 200, 189.

<sup>6</sup> *Id.* at 218–21.

<sup>7</sup> *Reclaiming Copyright*, *supra* note 1, at 613–33.

torts and other statutes, the Copyright Act grants rights against seemingly harmless activities. Copyright plaintiffs are not required to prove that allegedly infringing uses of copyrighted material cause any meaningful harm to them or their incentives to produce creative works. The copyright plaintiff must merely prove copying, and sometimes very little copying will suffice. Copyright holders can show prima facie infringement even if the nature, extent, or circumstances surrounding the copying make harm unlikely. Once the copyright plaintiff proves copying, the burden of proof shifts to the defendant to prove a defense such as fair use. Fair use includes “harm to the market for the copyrighted work” as one factor, but other factors are also considered, and the defendant bears the difficult burden to show the *absence* of harm, among other things. More important, what constitutes legally cognizable harm is uncertain. There is even the potential for circularity as a copyright holder can always argue that the defendant’s use caused her harm, and therefore is not fair, because the defendant could have paid her a license fee for any use. But if the use is fair, then no license or payment would have been required.<sup>8</sup>

I have argued that copyright law’s failure to develop a coherent theory of harm impedes copyright’s constitutional goal of promoting innovation and thwarts First Amendment values besides. In order to promote “the Progress of Science,” we must provide adequate protection to encourage the creation and dissemination of copyrighted works while also allowing others to access and improve upon those copyrighted works. We stifle progress when we prohibit uses of copyrighted material that are not likely to harm a copyright holder’s ex ante incentives to produce the work.

Moreover, because copyright regulates words and other creative expression, it burdens First Amendment speech. The First Amendment provides robust protection of speech in order to promote democracy, enrich the marketplace of ideas, and protect individual liberties. First Amendment jurisprudence allows the government to burden speech only when it has a sufficient governmental interest for doing so. The harm caused by speech plays a central role in determining whether such an interest exists: the greater the harm caused by speech, the stronger is the government’s interest in regulating the speech that causes the harm. While the First Amendment sometimes protects even harmful speech, it does not allow the regulation of *harmless* speech.<sup>9</sup>

---

<sup>8</sup> Christina Bohannon & Herbert Hovenkamp, CREATION WITHOUT RESTRAINT: PROMOTING LIBERTY AND RIVALRY IN INNOVATION 139–40 (2012).

<sup>9</sup> Christina Bohannon, *Copyright Infringement and Harmless Speech*, 61 HASTINGS L.J. 1083,

For these reasons, I have argued that courts must take harm more seriously in copyright infringement cases. The most obvious ways in which the harm issue arises is in fair use analysis and in assessing damages. The defendant ordinarily should not bear the burden of proving the absence of harm as part of establishing the fair use defense. Rather, the plaintiff should bear the burden to prove harm except in fairly straightforward cases of copying in which harm may be presumed. Moreover, to the extent possible, actual or statutory damages should be commensurate with the plaintiff's harm.

### III. COPYRIGHT HARM AND INJUNCTIONS

Until this point, however, I had not focused on how a theory of copyright harm should influence a court's decision of whether to grant injunctive relief. Yet, in some ways, injunctions are the most damaging to both copyright's purpose and the First Amendment values at stake in copyright law. After all, while a damages award is a deterrent to the use of copyrighted materials, an injunction is an outright prohibition. Indeed, if one accepts the premise that the use of copyrighted material constitutes speech, then preliminary injunctions are essentially prior restraints. Nevertheless, courts have routinely granted both preliminary and permanent injunctions in copyright cases in the past.

Yet, more recent cases change the landscape of injunctive relief in patent and copyright infringement cases. Beginning with those cases, the remainder of this article is devoted to the important subject of when injunctions may be granted in copyright cases and the role that harm should play in making that determination.

### IV. INJUNCTIVE RELIEF AFTER EBAY

Recent cases emphasize the need for courts to think seriously about harm in deciding whether to grant injunctions. In *eBay Inc. v. MercExchange*, the Supreme Court held inapplicable the Federal Circuit's "general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances."<sup>10</sup> The Court acknowledged that the Patent Act confers property rights in patented inventions that entitle patent holders to exclude others from using the patented invention, but stated that "the creation of a right is distinct from the provision of remedies for

---

1088-96 (2010).

<sup>10</sup> *eBay, Inc. v. MercExchange LLC*, 547 U.S. 388, 391, 393-95 (2006).

violations of that right.”<sup>11</sup> Finding nothing in the statute to indicate that Congress intended to abrogate longstanding equity practice, the Court held that the traditional four-factor test for equitable relief applies.<sup>12</sup> There is no presumption either in favor of or against the issuance of injunctive relief following a finding of infringement.<sup>13</sup>

According to traditional equitable principles, a plaintiff must satisfy a four-factor test in order to obtain injunctive relief. A plaintiff must show:

- 1) that it has suffered, or is likely to suffer, an irreparable injury in the absence of an injunction;
- 2) that remedies at law, such as monetary damages, are inadequate to compensate for that injury;
- 3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and
- 4) that the public interest would not be disserved by a permanent injunction.<sup>14</sup>

This approach to injunctive relief is not limited to requests for permanent injunctions in patent cases. The *eBay* Court explicitly observed that the same approach applies in copyright cases, saying “this Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed.”<sup>15</sup> Moreover, subsequent Supreme Court decisions have reinforced and extended the *eBay* holding in cases involving violations of other federal statutes such as environmental laws.<sup>16</sup> Likewise, in *Winter v. National Resources Defense Council*, the

---

<sup>11</sup> *Id.* at 392.

<sup>12</sup> *Id.* 391–94.

<sup>13</sup> Concurring opinions debated the extent to which the longstanding practice of granting injunctive relief in patent infringement cases should influence modern cases. *Compare eBay*, 547 U.S. at 394–95 (Roberts, C.J. concurring) (historical practice of granting injunctive relief upon showing of patent infringement should guide courts in exercising discretion under four-factor test), *with eBay*, 547 U.S. at 395–96 (Kennedy, J. concurring) (“In cases now arising trial courts should bear in mind that in many instances the nature of the patent being enforced and the economic function of the patent holder present considerations quite unlike earlier cases.”).

<sup>14</sup> *eBay*, 547 U.S. at 391 (setting forth four-factor test), *Winter v. National Resources Defense Council*, 555 U.S. 7, 20–24 (2008) (courts deciding whether to grant injunctive relief must decide whether “irreparable injury is likely in the absence of an injunction” and must then “balance the competing claims of injury,” while “pay[ing] particular regard for the public consequences in employing the extraordinary remedy of injunction” (internal quotations omitted)).

<sup>15</sup> *eBay*, 547 U.S. at 392–93.

<sup>16</sup> *See, e.g., Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743 (2010) (invalidating presumption against injunctive relief in cases alleging violation of the National Environmental Policy Act); *Winter*, 555 U.S. 7 (holding likelihood of irreparable injury is important consideration in preliminary injunction cases brought under the National

Court applied the *eBay* approach to preliminary injunctions as well.<sup>17</sup>

#### V. EBAY'S APPLICATION TO COPYRIGHT CASES

Both the Second and Ninth Circuits have since applied the *eBay* test to copyright injunction cases. In *Salinger v. Colting*, the Second Circuit vacated and remanded a case in which author J.D. Salinger obtained a preliminary injunction against dissemination of a purported sequel to *The Catcher in the Rye*.<sup>18</sup> The court held that *eBay* effectively abrogated its prior law on injunctive relief in copyright cases. Prior to *eBay*, the Second Circuit's longstanding approach had been to "presume[] that a plaintiff likely to prevail on the merits of a copyright claim is also likely to suffer irreparable harm if an injunction does not issue."<sup>19</sup> Although some courts of the circuit had made that presumption rebuttable, they "nearly always issued injunctions in copyright cases as a matter of course upon a finding of likelihood of success on the merits."<sup>20</sup> The *Salinger* court held that after *eBay* and *Winter*, courts "must not adopt a 'categorical' or 'general' rule or presume that the plaintiff will suffer irreparable harm" but rather "must actually consider the injury the plaintiff will suffer if he or she loses on the preliminary injunction but ultimately prevails on the merits, paying particular attention to whether the 'remedies available at law, such as monetary damages, are inadequate to compensate for that injury.'"<sup>21</sup>

Following the Second Circuit's lead, the Ninth Circuit reached the same conclusion in the *Perfect 10 v. Google* litigation. Perfect 10 requested a preliminary injunction under the Copyright Act for Google's use of its copyrighted photographs and argued that the court should presume irreparable harm based on a likelihood of success on the merits.<sup>22</sup> The District Court refused. The Ninth Circuit affirmed, stating that its "longstanding rule that a showing of a reasonable likelihood of success on the merits in a copyright infringement claim raises a presumption of irreparable harm is clearly irreconcilable with the reasoning of the Court's decision in *eBay* and has therefore been effectively overruled."<sup>23</sup>

---

Environmental Policy Act, the Endangered Species Act, and other federal laws).

<sup>17</sup> *Winter*, 555 U.S. at 20–23. See also *Amoco Prod. Co. v. Vill. of Gambell*, 480 U.S. 531, 546 n.12 (1987) ("The standard for a preliminary injunction is essentially the same as for a permanent injunction with the exception that the plaintiff must show a likelihood of success on the merits rather than actual success.")

<sup>18</sup> *Salinger*, 607 F.3d 68 (2d Cir. 2010).

<sup>19</sup> *Id.* at 75.

<sup>20</sup> *Id.* at 76.

<sup>21</sup> *Id.* at 80 (quoting *eBay Inc. v. MercExchange LLC*, 547 U.S. 388, 391).

<sup>22</sup> *Perfect 10, Inc. v. Google Inc.*, 653 F.3d 976, 978–79 (9<sup>th</sup> Cir. 2011).

<sup>23</sup> *Id.* at 981 (citations omitted).

The first factor of the test for injunctive relief makes the injury caused by copyright infringement a central inquiry. The plaintiff must be able to demonstrate that some actual injury is likely to occur, even if it cannot prove the full extent of the injury. This means that the plaintiff cannot rely on speculative claims that it might suffer some harm in the future. Moreover, the injury has to be *irreparable*. To some extent, the requirement of an irreparable injury spills over into the second factor of the test, which requires that other remedies, such as damages, are inadequate to compensate for the injury.

The requirement of irreparable harm reflects the severity of the injunctive remedy. The Supreme Court has held that where nothing in a statute signals congressional intent to deviate from the traditional test, equitable principles establish that injunctive relief is an “extraordinary and drastic remedy” that “is never awarded as of right.”<sup>24</sup> And in extending *eBay*’s equitable principles to preliminary injunctions, the Court has said that “[i]ssuing a preliminary injunction based only on a *possibility* of irreparable harm is inconsistent with our characterization of injunctive relief as an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.”<sup>25</sup>

#### VI. HARM AND CAUSATION IN COPYRIGHT INFRINGEMENT

There are many cases in which copyright holders allege that they will suffer irreparable harm because the defendant’s use is likely to cause market substitution. They offer precious little proof of such an effect, however, and the markets for copyrighted works are sufficiently complex that such harm cannot be presumed. It is not obvious that an encyclopedia of the world of *Harry Potter* would displace J.K. Rowling’s own fictional companion books such as *Quidditch Through the Ages*, nor that an unauthorized parody of *Gone With the Wind* would displace the market for authorized sequels of the original, even if the parody incorporates more copyrighted material than is necessary to achieve its purpose. Indeed, anecdotal evidence suggests that sometimes the unauthorized work might actually increase the demand for the original rather than supplant it.<sup>26</sup> *eBay*’s emphasis on case-by-case consideration of irreparable harm requires detailed evaluation of

---

<sup>24</sup> *Munaf v. Geren*, 553 U.S. 674, 689–90 (2008).

<sup>25</sup> *Winter v. National Resources Defense Council*, 555 U.S. 7, 22 (2008) (emphasis added).

<sup>26</sup> See CREATION WITHOUT RESTRAINT, *supra* note 8, at 183 (discussing several examples of cases in which derivative works either complemented, or at least did not diminish, sales of the copyrighted works on which they were based); *Reclaiming Copyright*, *supra* note 1, at 596–97.



such evidence and precludes reliance on convenient presumptions.

Another important element of irreparable harm is causation. In order to obtain an injunction, the copyright holder must show not only irreparable harm but also that the defendant's use caused that harm.<sup>27</sup> Causation is necessary but somewhat overlooked because the problem arises less frequently. Typically, the question is whether the plaintiff has suffered any harm. Sometimes, however, even if harm is alleged, there is no demonstrable nexus between the harm and the defendant's use of the copyrighted work.

The *Perfect 10* case is a good example. *Perfect 10* proved that it had suffered huge financial losses during the years that Google used its copyrighted photographs in conjunction with its search engine.<sup>28</sup> Like many copyright plaintiffs, *Perfect 10* offered a seemingly plausible theory of market substitution:

Perfect 10's theory of irreparable harm is that Google's various services provide free access to Perfect 10's proprietary images, and this access has both destroyed its business model and threatened it with financial ruin, since no one would be willing to pay a subscription fee for material that is available without charge.<sup>29</sup>

The court held, however, that there was no real proof that Google's use caused *Perfect 10*'s injury.<sup>30</sup> The court observed that *Perfect 10* had been losing money from "the beginning" and it was not clear that it was "ever in sound financial shape."<sup>31</sup> In addition, several other search engines, including Yahoo! and MSN, also used *Perfect 10*'s images and therefore may have contributed to the harm as well.<sup>32</sup> Significantly, *Perfect 10* "failed to submit a statement from even a single former subscriber who ceased paying for *Perfect 10*'s service because of the content freely available via Google."<sup>33</sup>

*Perfect 10* is an appropriate application of principles set forth in *eBay*. The court followed *eBay*'s admonition against presuming that an injunction will follow a determination of copyright infringement by refusing to assume that Google's alleged

---

<sup>27</sup> *Perfect 10*, 653 F.3d at 982 (describing causal connection between irreparable harm and defendant's activities as a "necessary requirement for obtaining preliminary injunctive relief").

<sup>28</sup> *Id.* at 981.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 981–82.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 982.

<sup>33</sup> *Id.*

infringement caused irreparable harm. Rather, it required proof that the market substitution alleged by Perfect 10 was really happening, and that it was happening as a result of Google's activities. Courts would be wise to follow *Perfect 10's* example.

If these requirements are not met—if there is no demonstrable harm or causation cannot be shown—then there should be no injunction. Indeed, I have argued elsewhere that in such a case there should be no infringement and no relief of any kind. Requiring proof of harm for copyright infringement liability is the key to balancing copyright holders' incentives and the public's freedom of expression. Of course, denying an injunction in such a case is crucial even if monetary damages are awarded—a financial burden on expression is better than an outright prohibition—but the best result would be to find no liability at all where no harm can be proved.

## VII. "IRREPARABLE" HARM

If a court finds that the defendant's use has caused or will cause the copyright holder real harm, the question remains whether the harm is "irreparable." Harm must be irreparable because injunctive relief is an "extraordinary and drastic" remedy. But given the availability of damages for infringement, when would a copyright holder suffer truly *irreparable* harm if an injunction is not granted?

### A. *The Difficulty of Measuring Damages*

In some cases, courts have found harm to be "irreparable" because the amount of damages is difficult to prove and measure.<sup>34</sup> It is true that damages are often difficult to assess in copyright infringement cases. Copyright defendants frequently copy only small portions of a copyrighted work and add a substantial amount of original material to create a new work. They often use the copyrighted material in a different market or for a different purpose than did the copyright holder, which makes it difficult to assess lost sales and other market effects. There are close cases in which much of the copying consists of uncopyrighted material or constitutes fair use. Moreover, it is often the case that neither of the parties has kept perfect sales records.

This problem is ordinarily not a good reason to issue an injunction in copyright law, however, because the Copyright Act provides for statutory damages. The difficulty of proving and

---

<sup>34</sup> See, e.g., *Salinger*, 607 F.3d 68, 81 ("Harm might be irremediable, or irreparable, for many reasons, including that a loss is difficult to replace or difficult to measure....").

measuring actual damages was precisely the reason Congress included a statutory damages provision in the 1909 and 1976 Copyright Acts.<sup>35</sup> As Pam Samuelson and Tara Wheatland have argued,

[S]uch damages have long been intended to compensate plaintiffs in situations in which it was difficult for a copyright owner to prove what actual damages she sustained and what profits the defendant made or when it would be too expensive, for example, because of a possible need to hire an expert witness, to prove damages or profits in comparison with the amount that could be recovered.<sup>36</sup>

Unfortunately, some courts have veered away from this compensatory purpose, awarding statutory damages that are arbitrary and grossly out of proportion to any actual harm suffered by the copyright holder.<sup>37</sup> These excessive awards pose due process problems similar to those raised by the punitive damages award struck down in *BMW v. Gore*.<sup>38</sup> Abuses aside, however, awarding statutory damages for compensatory purposes and in proportion to the copyright holder's actual harm is preferable to granting an injunction where actual damages are difficult to measure.<sup>39</sup>

When the court finds that the copyright holder has suffered harm but actual damages are difficult to measure, the court should award damages within the statutory range but should not issue an injunction, unless the court believes that the amount available in statutory damages would be wholly inadequate to compensate the plaintiff. Given that courts have discretion to

---

<sup>35</sup> See Pamela Samuelson and Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 446 n.22 (detailing legislative history of statutory damages in copyright law).

<sup>36</sup> *Id.* at 499 (noting that “[t]his compensatory purpose continues to be important in the statutory damage case law, and courts routinely consider actual damages in assessing how much to award as statutory damages,” but arguing that extreme awards of statutory damages for punitive purposes might violate due process principles).

<sup>37</sup> *Id.*

<sup>38</sup> *BMW of North America, Inc. v. Gore*, 517 U.S. 559 (1996) (punitive damages award of \$2,000,000 to purchasers of BMW automobiles for nondisclosure of minor repairs violated due process clause because it was “grossly excessive” in relation to actual damages award of \$4,000 and because defendant’s conduct exhibited low level of reprehensibility).

<sup>39</sup> I would disagree with Samuelson and Wheatland’s suggestion that minimal statutory damages should be awarded where there are no actual damages. In my view, harm should be the basis for infringement, and harmless copying should not give rise to liability or any relief, unless there is good reason to think that the defendant’s copying, while harmless in and of itself, is likely to become harmful if repeated. I fully agree that in cases of harmful copying, statutory damages should bear resemblance to actual damages. This proportionality avoids both due process problems and over-deterrence in the use of copyrighted material.

award statutory damages anywhere within the broad range of \$750-\$30,000 per act of infringement per work (but without regard to the number of copies made of that work),<sup>40</sup> such cases should be relatively infrequent. Yet, in the rare case in which actual damages are uncertain and statutory damages are inadequate, the harm is truly irreparable, and it would be best to enjoin the use and let the parties negotiate for the appropriate licensing fee.

This approach is consistent with work done on the proper use of property and liability rules in intellectual property. A property rule provides an exclusive right and therefore ordinarily allows the property owner to enjoin unauthorized uses. A liability rule, by contrast, does not allow the property owner to enjoin a use but compensates for the use after the fact. Thus, as Mark Lemley and Philip Weiser have argued, a liability rule is often preferable to a property rule in intellectual property law where the boundaries of the intellectual property right are unclear and an injunction would prohibit lawful as well as unlawful activity.<sup>41</sup> Damages will be most difficult to measure in cases that do not involve exact copying, that is, when at least some portion of the defendant's work does not infringe. In general, harm is less clear when the copying is not exact, and it is likely in such cases that an injunction will prohibit non-infringing activity. Fair use and the idea/expression dichotomy are likely to be major issues in many of these cases, and the uncertainty in applying these doctrines makes overbroad injunctions likely. A liability rule is better in such cases, and statutory damages are available to provide compensation.

### B. *Non-Monetary Harms*

Other cases in which the harm might be irreparable are those alleging non-monetary injuries. A copyright holder might argue that an unauthorized use of her copyrighted work causes a moral rights violation or other harm to her reputation. Or she might claim that allowing another to use her copyrighted work in the

---

<sup>40</sup> See 17 U.S.C. § 504(c) (2010).

<sup>41</sup> Mark A. Lemley & Philip J. Weiser, *Should Property or Liability Rules Govern Information?*, 85 TEX. L. REV. 783 (2007). Lemley and Weiser build on Guido Calabresi and A. Douglas Melamed's article *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089 (1972). Lemley and Weiser explain that "[t]he conventional approach that emerged from Calabresi and Melamed's classic article is that courts should rely on liability rules when transaction costs are sufficiently high that the relevant parties will not be able to reach a consensual arrangement for access to the resource in question." Lemley & Weiser, *supra*, at 786. They argue, however, that Calabresi and Melamed "assumed that the scope of property rights was well defined," which was sensible because they were using real property as their paradigm. *Id.* at 793. In intellectual property law, however, the rights often are not well-defined. Thus, Lemley and Weiser offer an alternative justification for the use of a liability rule in the enforcement of intellectual property rights: they argue that a liability rule is better when enjoining an unlawful use of intellectual property would run the risk of enjoining lawful uses as well. *Id.* at 794-95.

other's speech violates her own First Amendment right not to speak by forcing her to associate with another's message. Finally, there might be some cases in which the copyright holder simply claims that allowing continued unauthorized use of her work degrades or dilutes the value of her work, reducing her will (and therefore her incentives) to continue her own writing or other creative endeavors.

Because these rights may be viewed as non-compensable and therefore irreparable, injunctive relief might seem like the appropriate remedy. Ironically, however, these are sometimes the worst cases for silencing speech through an injunction. As I have argued elsewhere, using copyright law to prohibit uses of copyrighted material that the author or copyright holder would find objectionable threatens to impede the dissemination of competing ideas and creative discourse.<sup>42</sup>

Injunctions are likely permissible for moral rights violations because (1) the rights are narrow in scope, applying only to a specific class of works and only to very particular modifications of those works;<sup>43</sup> and (2) Congress specifically included a right to an injunction for these violations, thereby arguably obviating the need to apply *eBay's* traditional equitable test.<sup>44</sup> The bigger concern is that courts will grant injunctions for reputation-based harm in copyright cases that do not involve moral rights claims. Parody and satire cases provide the most obvious examples. Enjoining a defendant's use of a copyrighted work on the ground that the use casts the original work in a negative light or hurts the author or copyright holder's reputation runs afoul of First Amendment principles. First Amendment case law has carved out narrow exceptions to protected speech for causes of action like defamation. For instance, statements that hurt the reputation of public figures—including untrue statements—are actionable only upon a showing of actual malice. Moreover, truth is a defense in all defamation cases. Many copyright infringement cases involve matters of public interest or concern, and very few of them involve false statements of fact. Rather, they typically involve the use of a copyrighted work in order to convey an idea or opinion, such as to

---

<sup>42</sup> See Christina Bohannon, *Copyright Infringement and Harmless Speech*, *supra* note 9, at 1140 (discussing First Amendment problems with using copyright law to protect reputation and other non-economic rights). See also Amy M. Adler, *Against Moral Rights*, 97 CAL. L. REV. 263, 265 (2009) (discussing how moral right of artistic integrity conflicts with artistic practice and threatens to disrupt artistic discourse).

<sup>43</sup> For instance, moral rights apply to a "work of visual art," which is defined not to include "any poster, map, globe chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication. . . ." 17 U.S.C. § 101 (2010).

<sup>44</sup> 17 U.S.C. section 106A specifically grants authors the right "to prevent" violations of their moral rights.

ridicule or comment upon some aspect of the copyrighted work or a related message. As the Supreme Court explained in *Gertz v. Welch*, “[u]nder the First Amendment there is no such thing as a false idea. However pernicious an opinion may seem, we depend for its correction not on the conscience of judges and juries but on the competition of other ideas.”<sup>45</sup>

A copyright holder might also argue that unauthorized copying causes irreparable harm because it violates her right not to speak or associate with another’s message. In *Salinger*, the Second Circuit recognized that “the loss of First Amendment freedoms, and hence infringement of the right *not* to speak, for even minimal periods of time, unquestionably constitutes irreparable injury.”<sup>46</sup> As I have argued at some length elsewhere, the right not to speak might be violated where the defendant has copied from or published a previously unpublished work. The First Amendment right not to speak is not violated by mere unauthorized copying of published works, however. When a copyright holder publishes a work, she voluntarily discloses the work to the world. And because the copyright holder is no longer in exclusive physical control of the work, there is no reason to think that others will impute the defendant’s message to her. The copyright holder can also disclaim any connection to the work if she so chooses. Unless the defendant has taken affirmative steps to mislead as to the copyright holder’s association with the defendant’s message, there is no irreparable harm to the copyright holder’s First Amendment rights.<sup>47</sup>

Finally, there are times when an author claims that an unauthorized use of her copyrighted work hurts her incentives to continue in her own creative endeavors, not because the use actually hurts sales of her own work, but because it causes psychic injury that deprives her of the motivation to continue working. For instance, J.K. Rowling testified to this effect in the Harry Potter Lexicon case, and the district court held that this testimony provided evidence of irreparable injury for purposes of the injunction.<sup>48</sup> There are other authors, such as J.D. Salinger or *Calvin and Hobbes* author Bill Watterson, who could make similar arguments.

It is difficult to know what to do with this type of harm. On

---

<sup>45</sup> *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 339–40 (1974).

<sup>46</sup> *Salinger v. Colting* 607 F.3d 68, 81 (internal citations and quotations omitted).

<sup>47</sup> See *Copyright Infringement and Harmless Speech*, *supra* note 9, at 1146–52 (reviewing First Amendment doctrine regarding forced subsidization of and association with another’s message and applying it to copyright infringement cases).

<sup>48</sup> *Warner Bros. Ent. Inc. v. RDR Books*, 575 F. Supp. 2d 513, 552 (S.D.N.Y. 2008) (crediting Rowling’s testimony that if the Lexicon were published, she would not have the “will or heart to continue with [writing her own] encyclopedia”).

the one hand, the Supreme Court has rejected a natural-rights theory in copyright law and has held that only the harm of market substitution is cognizable under the Copyright Act. On the other hand, if it could be proved that unauthorized use of a particular copyrighted work actually did cause or is likely to cause the author to stop writing, that evidence would show a reduction of incentives to produce creative works. Arguably, if an author could show that he really would have stopped working or would not have published a particular work, etc., then he should be able to get an injunction. Of course, the evidence would have to be very convincing, because many authors might say this but very few would actually do it. For instance, given J.K. Rowling's widespread licensing of Harry Potter, it seems unlikely that a few unauthorized uses (especially an encyclopedia that she herself had relied on) would have actually caused her to stop writing the books. On the other hand, an author like Salinger or Watterson might have a stronger claim, as they have steadfastly refused widespread marketing of their works. Obviously, we need more than just a showing of annoyance, frustration, or hurt feelings, or else we run the risk that the exception could swallow the rule. But if we are taking incentives seriously, we have to acknowledge that in rare cases an author's perceived harm to his or her natural rights can actually decrease his or her incentives to create or distribute copyrighted works.