THE WIDENING GYRE: ARE DERIVATIVE WORKS GETTING OUT OF HAND?

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Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the center cannot hold
Mere anarchy is loosed upon the world. . . .[1]

I. INTRODUCTION

The passage I have just read came to mind when I was obliged to provide a label for something that was not yet written. It was of course utterly presumptuous for me to take my title from one of the noblest poems of this century, William Butler Yeats' *The Second Coming*. I had an uneasy feeling from recent cases and commentaries that a certain escape from control marked the sphere of copyright. Yet if the falcon, flying high and wide, could not hear the falconer, it was not because our chief falconer, Herman Finkelstein, was any less clear in voice or acute in discernment than when he first took to this field more than half a century ago. While his primary attention has always been devoted to his clients—grateful clients, I trust—namely the thousands of composers, authors and publishers who make up ASCAP, he has ardently concerned himself with the welfare of all creative people, and with the body of law surrounding copyright that is intended to create and protect their rights.

Among his contributions to the enrichment of copyright law none has been more fruitful than the essay competition that honors the memory of Herman's mentor Nathan Burkan. Generously fertilized by ASCAP, the green shoots of young scholars have produced a rich foliage of writing that has no parallel that I can think of, in the 30 volumes of the Burkan national prize papers, and the numberless law review contributions bearing the Burkan imprimatur.

As you will hear, on reflection I do not think that mere anarchy has been loosed upon the copyright world. But I am somewhat troubled, because of the following developments that I perceive in some of the cases and some of the commentators:

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[1] W. B. YEATS, *The Second Coming*, in COLLECTED POEMS 184 (1956).

First, the exclusive right of a copyright owner "to prepare derivative works based upon the copyrighted work"[2] is an expansive one, because of the definition of derivative work in section 101.[3]

> A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."[4]

It is not only expansive, it is still expanding. We have come a long way from 1853, when, in the absence of an express statutory right, Justice Grier could tell Harriet Beecher Stowe that a German translation did not infringe her most famous work, *Uncle Tom's Cabin*.[5] Most of the rights now protected seem to most of us, I'm sure, to reflect little more than simple justice. But the nineteenth century judges who were uneasy about enlarging copyright saw a difference that still has force. Copyright is not patent. The scuttling crabwise movement of copyright into any and all other media and forms sometimes looks as though copyright is outdoing patent law when it protects "equivalents".[6] Such enlargements engender the same fears as far more timid steps did in our forbears. I do not need to belabor the reasons why a patent should cast a wider net of protection than a copyright. It is hard (and expensive) to get. It requires an inventive step that is far more difficult than the simple copyright test of originality, that you did it yourself. Its duration is only 17 years, compared to our approximately 75.[7] And so on.

Second, maybe we are calling on copyright to do the work of unfair competition, and of design patents. When you have a produc-

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[2] 17 U.S.C. § 106(2) (1982).

[3] *Id.* § 101 (1982).

[4] *Id.*

[5] Stowe v. Thomas, 23 F. Cas. 201 (C.C.E.D. Pa. 1853) (No. 13,514). For further discussion on the history before and after 1853, consult the first of Professor-Justice Kaplan's delicious lectures in AN UNHURRIED VIEW OF COPYRIGHT (1967).

[6] *See* Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605 (1950). A broad range for "equivalents" is reserved for "pioneer" patents. *See* 4 D. CHISUM, PATENTS §§ 18.02[2], 18.04 (1983).

[7] *See* Graham v. John Deere Co. of Kansas City, 383 U.S. 1 (1966); Alfred Bell & Co. v. Catalda Fine Arts, 191 F.2d 99 (2d Cir. 1951).

tion of great popularity with enormous potential for exploitation of all its derivative bits and pieces—the T-shirt market, the cocktail coaster market, etc.,—appropriate protection in those markets should perhaps come from other quarters. Paul Goldstein has pointed this out,[8] but you will see that I do not always follow him down certain garden paths.

Third, and related to the second concern, derivative works are edging into what I think should be the forbidden area of useful articles. Paul Goldstein does not mind this either;[9] I do.

Fourth, the new copyright in a derivative work may be misused to block access to a public domain original. This despite the fact that section 103 of the new law could hardly be more emphatic in stating that the derivative right "does not imply any exclusive right in the preexisting material."[10]

Fifth, there is a bold attempt to claim that some derivative works, notably movies, have a life of their own that overrides claims of an underlying work in copyright. Then these derivate works can doubtless spawn their own derivatives, *ad infinitum*. This is a process I shall address.

Sixth and finally, I am troubled because there are too many reported cases. Not only is it hard to keep up with them—that's a *personal disability—rather, it seems to me that the sheer numbers* may signify undue pressures and strains. This is a shaky conjecture, I know. Let me dubiously objectify it with some numbers.

This chart[11] shows, in the black columns, all the cases in United States Code Annotated, from 1847 to 1960, under section 7 of the old law. The white columns show, for five-year periods, the number of cases, derived from Lexis, that use the phrase "derivative works" in conjunction with "copyright". The first one was in 1965. The white and black column, 1960-75, is a composite of USCA and Lexis. The last column still has more than a year to go. The two measures, USCA and Lexis, are of course not the same, but they are indicative.

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[8] Goldstein, *Derivative Rights and Derivative Works in Copyright*, 30 J. COPYRIGHT SOC'Y 209, 224 (1983).

[9] *Id.* at 227–32.

[10] 17 U.S.C. § 103 (1982). Certain cases and practices in the field of musical arrangements typify this concern. *See* B. KAPLAN & R. BROWN, CASES ON COPYRIGHT 224–56 (1978) (access to public domain folk music).

[11] *See infra* app. Table I. These numbers are not adjusted to reflect an increase in population, in litigation generally, or in copyright litigation in particular. They are, therefore, only illustrative of a crude trend.

After all this portentous introduction, do not be alarmed. I shall, if fact, address only two lines of recent cases. In the second part, those that deal with claims of rights *in* derivative works, stemming from *G. Ricordi & Co. v. Paramount Pictures, Inc.*.[12] In the first part, three cases: *L. Batlin & Son, Inc. v. Snyder*,[13] *Durham Industries, Inc. v. Tomy Corp.*[14] and *Gracen v. Bradford Exchange*,[15] which attempt to define or redefine what it takes to legitimate a derivative copyright.

II. Obtaining a Derivative Copyright

L. Batlin & Son v. Snyder is the most important of this trilogy, I think, because it was decided by the Second Circuit, *en banc*, to be sure with a substantial dissent.[16] In a dispute between two vendors of plastic mechanical banks copied from the familiar public domain figure of Uncle Sam, the court found no "substantial variation" between the public domain figure and the version which Batlin had copied. Judge Oakes' opinion, while reciting the usual platitudes about how modest the copyright requirement of "originality" is, actually raises that requirement a notch or two.

Durham Industries, Inc. v. Tomy Corp. is also about tawdry toys (though I realize they are important to those who make a living from them). Both vendors in *Durham* were Disney licensees, so that we do not have the public domain background of the Uncle Sam case. Judge Meskill, who wrote for the dissenters in the Uncle Sam case,[17] writes for the court in the Disney case. He holds part of his dissenting ground by maintaining that the Tomy figures have no originality and are, therefore, not copyrightable. The significant element, to me, is a passage where he points out the impediments created when one licensee harasses another.[18] Durham, like Batlin, was impelled to bring a declaratory judgment action to subdue its pugnacious competitor. If Durham had not succeeded, derivative replicas of the familiar Disney figures (in this case windup toys) would, in order to avoid infringement charges, have to deviate from the originals, and would thus be unsaleable! "Thus it is clear," Judge Meskill concluded, "that the originality requirement imposed by the Constitution and the Copy-

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[12] 189 F.2d 469 (2d Cir. 1951).
[13] 536 F.2d 486 (2d Cir. 1976).
[14] 630 F.2d 905 (2d Cir. 1980).
[15] 698 F.2d 300 (7th Cir. 1983).
[16] *Batlin*, 536 F.2d at 492.
[17] *Id.*
[18] *Durham*, 630 F.2d at 910–11.

right Act has particular significance in the case of derivative works based on copyrighted preexisting works."[19]

The redoubtable Judge Posner, in *Gracen v. Bradford Exchange*,[20] picked up the ball and ran with it. But it is just possible that he ran in the wrong direction. The case was given summary judgment in the district court,[21] with the familiar result that one has some unsatisfied curiosity about the facts, which in any case are off-beat. Let me recall them to you. Miss Gracen's employer, Bradford, licensed by MGM to produce "collectors' plates" with scenes from The Wizard of Oz, ran a contest for the best painting of Judy Garland as Dorothy. Miss Gracen, an amateur artist, won. A falling-out about contract terms arose and Bradford hired another one of the contestants who worked from Miss Gracen's painting. Miss Gracen sued for copyright infringement and oddly joined MGM as a defendant. This led to a nasty shock, because the trial court held that Miss Gracen had no authority to make or exhibit her painting, and awarded damages against her on a counterclaim. There are musty agency problems here of apparent authority, but they are not for us. The main point is that the Seventh Circuit, via Judge Posner, concluded that even if Miss Gracen was authorized to make the painting, she was not entitled to a copyright. "[E]specially as applied to derivative works," he said, "the concept of originality in copyright law has as one would expect a legal rather than aesthetic function—to prevent overlapping claims."[22] It must, he continued, "assure a sufficiently gross difference between the underlying and the derivative work to avoid entangling subsequent artists depicting the underlying work in copyright problems."[23]

The court found no such difference in this case. Three exhibits in the case, two of them publicity shots of Judy Garland (Miss Gracen did not work from a single source), the other her realization, vividly illustrate that the court meant the difference to be quite considerable.[24]

The announced goal here, which is to let other artists represent the original work without getting entangled, sounds commendable; and I for one was initially pleased with the decision. But after I submitted it to a higher court, as an examination question, I was

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[19] *Id.* at 911.

[20] 698 F.2d 300 (7th Cir. 1983).

[21] *Gracen*, 698 F.2d at 302.

[22] *Id.* at 304.

[23] *Id.* at 305.

[24] One of the MGM photographs and the Gracen painting are illustrated in the case. *Id.* at 306–07.

shaken to find that an overwhelming majority of my students rejected the Posner position. They said it went beyond the precedents, and the statute; that it put too much power in the judges. As one student expressed it, "[I]n the name of artistic freedom, Judge Posner is clearly erecting a barrier to artistic freedom"—that is, by denying the benefits of copyright to people who think they have created something.

If I am persuaded that Judge Posner went too far,—and I am—why do I commend *Batlin* and *Durham*, the Uncle Sam and Mickey Mouse cases? I do because they bear down—a little—on claims of copyright in mass-produced essentially mechanical variations in objects that stand on the fringe of copyright anyway. Miss Gracen may not have been a gifted painter, but she was a flesh-and-blood person who made a portrait. Although intended for use on multi-copy plates, it never got there. In another direction, how do we distinguish between Batlin-like objects and the mezzotints that were the subject of our lodestar case on questions of originality, Judge Frank's magisterial 1951 opinion in *Alfred Bell & Co. v. Catalda Fine Arts*?[25] We note that there, putting aside some overblown dicta,[26] what the decision actually rewarded was "a tedious process requiring skill and patience."[27] Similarly, we can recognize the admitted talents of the copyist who produced a faithful replica of Rodin's *Hand of God*.[28]

Now these distinctions do involve line-drawing; but it is not line-drawing that says this is art and this is not art. We can be faithful to Justice Holmes in *Bleistein v. Donaldson Lithographing Co.*,[29] and recognize copyright in circus advertisements. But when we are dealing with the creation of rights in avowedly derivative works, it is proper to require a certain distance—a "substantial variation" as the *Batlin* court put it[30]—between the derived work and its antecedent. This is especially so when the derived work approaches the status of a useful article.

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[25] 191 F.2d 99 (2d Cir.1951). The plaintiff made and copyrighted mezzotint reproductions of old master paintings. Defendants photographed the mezzotints and copied them lithographically. The Court of Appeals held that it was sufficient that the mezzotints " 'originated' with those who make them." *Id.* at 104.

[26] *E.g.*, "A copyist's bad eyesight or defective musculature, or a shock caused by a clap of thunder, may yield sufficiently distinguishable variations. Having hit upon such a variation unintentionally, the 'author' may adopt it as his and copyright it." *Id.* at 105 (footnotes omitted).

[27] Alfred Bell & Co. v. Catalda Fine Arts, Inc., 74 F. Supp. 973, 975 (S.D.N.Y. 1947), *modified*, 191 F.2d 99 (2d Cir. 1951). *Accord* Kuddle Toy, Inc. v. Pussycat-Toy Co., 183 U.S.P.Q. (BNA) 642, 658 (E.D.N.Y. 1974).

[28] *See* Alva Studios, Inc. v. Winninger, 177 F. Supp. 265 (S.D.N.Y. 1959) (copyright valid).

[29] 188 U.S. 239 (1903).

[30] *Batlin*, 536 F.2d at 490.

Useful articles are not copyrightable, with respect to their useful attributes,[31] Uncle Sam banks and windup Mickey Mice are essentially toys; and it has been held that toys are not useful objects,[32] a conclusion that I find difficult to understand; they are useful as toys. We got into this quicksand in the aftermath of *Mazer v. Stein*[33] while wandering from Balinese maidens to chimpanzees to model airplanes which were all called "works of art." There anarchy *was* loosed upon the world.[34]

Let me clarify my complaint by going back to the statute. We know that it recognizes derivative works as copyright subject-matter in section 103.[35] Section 106,[36] without any later limitations, creates the exclusive right "to prepare derivative works"—a curious verb, prepare, with a cryptic legislative history;[37] and we have already noted that the definition of derivative works is expansive.

I would argue, that when derivative works take any of the forms specified in section 102[38]—literary, dramatic, musical, and so on, they should not be permitted to escape the limits on those forms. I think this is especially so when derivative works approach "pictorial, graphic, or sculptural works." The statute then takes great pains to keep copyright away from useful articles. It does so in the definition of "pictorial, graphic, and sculptural" works. There, we are told that

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[31] *See infra* text accompanying note 39.

[32] Gay Toys, Inc. v. Buddy L Corp., 703 F.2d 970 (6th Cir. 1983) (model airplane).

[33] 347 U.S. 201 (1954).

[34] *See* Note, *Copyright Protection for Mass-Produced, Commercial Products: A Review of the Developments Following Mazer v. Stein*, 38 U. CHI. L. REV. 807 (1971). I must concede that a classification of toys as useful objects becomes blurred as one moves from mechanical models to dolls and stuffed animals, which after all, are a form of sculpture. Can one distinguish between "played with" and "looked at"? Not at all clearly. Still, that is the kind of problem that the copyright statute has to wrestle with in section 113 and in the definition of "pictorial, graphic, and sculptural works" in section 101, in the absence of a separate design protection statute. *Compare* Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707 (1983) *with* Reichman, *Design Protection after the Copyright Act of 1976: A Comparative View of the Emerging Interim Models*, 31 J. COPYRIGHT SOC'Y 267 (1984).

[35] 17 U.S.C. § 103 (1982).

[36] *Id.* § 106 (1982).

[37] HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., THE SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS, COPYRIGHT LAW REVISION, pt. 6, at 17 (Comm. Print 1965), *reprinted in* 4 OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY 351 (1976), declares that this language makes the preparation of a derivative work an infringement even if it is not fixed—as distinct from the protection in section 106(1) of copies and reproductions, which do have to be fixed. This interpretation further appears in the authoritative House Report, H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 62, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5675–76. It would be surprising if it had any practical application.

[38] 17 U.S.C. § 102 (1982).

copyright is not available for the "mechanical or utilitarian aspects" of applied art.[39] The policy is so strong that protected elements of design have to be separable from utilitarian aspects—you must be able, as it were, to peel them off.[40] This leads to the reproach that the law is not neutral as to aesthetics—it is positively anti-aesthetic in its unwillingness, for example, to recognize the inseparability of form from function in much of modern design. This is a reproach that must be endured.[41]

I can not go further into the bramble bush of design and useful articles. Professor Goldstein, if I read him correctly, would let derivative works go where they will, in the interest of stimulating investment.[42] If a drawing of a dress is copyrightable, then why not the dress?

Why not? Because of the statute, and because, even on Goldstein's economic grounds, there is no reason to think that we need more investment in the apparel industries. Matthew Nimetz demonstrated this in a Burkan paper 16 years ago.[43]

I do agree with Goldstein that we are creating a likelihood of confusion by invoking copyrights where we should use trademarks, especially in the merchandising of derivative works.[44] An egregious example of a trademark case gone wrong comes to hand in a Texas case concerning *E.T.*[45] The defendant, who blithely testified that he never applies for licenses because they cost too much, manufactured

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[39] *Id.* § 101 (1982).

[40] *See* Esquire, Inc. v. Ringer, 591 F.2d 796 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 908, *reh'g denied*, 441 U.S. 917 (1979). *Cf.* Kieselstein-Cord v. Accessories By Pearl, Inc., 632 F.2d 989 (2d Cir. 1980).

[41] *See* Kieselstein-Cord v. Accessories By Pearl, Inc., 632 F.2d at 994 (Weinstein, J., dissenting).

[42] Goldstein, *supra* note 8, at 230.

[43] Nimetz, *Design Protection*, 15 COPYRIGHT L. SYM. (ASCAP) 79 (1976). Professor Goldstein, in correspondence, says that I have misread him:

> All that I tried to suggest in my analysis of *Jack Adelman* [Jack Adelman, Inc. v. Sonner's & Gordon, Inc., 21 U.S.P.Q. (BNA) 218 (S.D.N.Y. 1934)] was that I would let derivative works go where the logic and the design of the Act would take them, entirely apart from the very difficult question of investment effects. I really have a hard time determining whether we need more or less investment in the apparel industries and would prefer to treat the issue from a viewpoint of economic indifference—allowing the general logic of the Act to control until someone can rigorously demonstrate that we have too much or too little investment in this form of subject matter.

Letter from Paul Goldstein to Ralph S. Brown (Dec. 5, 1983).

[44] Goldstein, *supra* note 8, at 227.

[45] Universal City Studios, Inc. v. Kamar Indus., Inc., 217 U.S.P.Q. (BNA) 1162 (S.D. Tex. 1982).

mugs that said "I love E.T.," and "E.T. phone home." We have a set of memorandum findings of fact and law that should never have seen print, because it is too clear that they meticulously parrot every theory the plaintiff's lawyers could think of—statutory trademark, common-law trademark, Lanham Act section 43(a), misappropriation, and copyright. Yes, copyright. That is absurd. Now I must allow that if the mug-maker had embossed his product with the lightning-bug lineaments of E.T., that could infringe a copyright. But do the initials "E.T." copy the character E.T.? The court so held.[46] As for the captions, there is no occasion at all to recognize copyright in phrases and slogans, especially when, standing alone, they are commonplace. For that matter, "phone home" is a basic idea of *E.T.*, is it not?

That invocation, perhaps over-simplified, of the fundamental divide between unprotectable idea and protectable expression, leads me to the last of the comments I want to make on this half of our subject. Some kinds of derivative works that claim copyright stem from a work of exposition—how to do it. Expository expressions are certainly protected, but the plan or system that they are trying to express is not. One example is the limited protection given to legal forms. The classic example is the mysterious bookkeeping system in *Baker v. Selden*,[47] which Goldstein suggests should be "viewed as a threshold decision on derivative rights."[48] That vigorous Supreme Court decision of 1879, though outmoded in some of its examples, drew a firm line between exposition and substance that survives despite upstart attacks by some academics. I merely want to point out, smugly, that it is now embedded in the statute, right up front in section 102(b):

> In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.[49]

Could a statement be more emphatic? Can there be any doubt that it extends to every kind of work? Yet it seems to be suffering from benign neglect. Even if, as the influential House Committee Report states, it neither "enlarges or contracts the scope of copyright protection under

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[46] *Id.* at 1166.
[47] 101 U.S. 99 (1879).
[48] Goldstein, *supra* note 8, at 230.
[49] 17 U.S.C. § 102(b) (1982).

the present law,"[50] *Baker v. Selden* was and is very much the foundation of that law.

To sum up thus far: The proliferation of derivative works is not ground for dismay; their variety and profitability indeed enhance the attractions of authorship.

But, first, it is reasonable for courts faced with squabbles between competitors in crowded markets, to set perceptible thresholds of originality for derivative products that are mass-produced and mass-merchandised, especially when the base work is in the public domain, or is a well-known work that is widely licensed. That threshold can take account of the skill and effort reflected in the derivative work. "Trivial variations" should not impede the competitive production of other variations.

Second, derivative works cannot escape certain basic boundaries of copyright, especially one that seeks "to draw as clear a line as possible between copyrightable works of applied art and uncopyrighted works of industrial design."[51] In addition, they must respect still another boundary that leaves ideas, systems, methods of operation, and so on in the public domain, unless they qualify for patent protection.

Third, copyright should not be distorted to protect interests in names, symbols, undeveloped characters and other popular magnets that can seek protection by way of well-established headings of unfair competition, chiefly trademark and misrepresentation.

III. Rights in Derivative Works

We now turn to the rights of makers of derivative works, and of the public. Movie-makers provide most of the problems, because they seem to have been extraordinarily careless about renewing their copyrights, if we can so infer from a run of cases in the last few years.[52] (I ask, parenthetically, what is there about the industry that permits such indifference? Is it a fixation on the next blockbuster, a contempt for its past? I wish somebody could explain this.) When the makers have failed to renew and have accordingly lost copyright, and when

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[50] H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 57, *reprinted in* 1976 U.S. Code Cong. & Ad. News 5659, 5670-71.

[51] *Id.* at 55.

[52] *See, e.g.*, Rohauer v. Killiam Shows, Inc., 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977); Russell v. Price, 612 F.2d 1123 (9th Cir. 1979), *cert. denied*, 446 U.S. 952 (1980); *Classic Film Museum, Inc. v. Warner Bros., Inc.*, 597 F.2d 13 (1st Cir. 1979).

the films have turned out to have continuing artistic or commercial vitality, an urgent problem has surfaced: What if the film was derived from an underlying literary or dramatic work in which copyright still subsists? On the one hand, if the copyright in the film was not renewed, or if its total term has expired,[53] the work should be in the public domain. The public's privilege to exhibit and to see it should be asserted. On the other hand, the owner of the underlying work has rights too. Does not the making of new prints, and any public performance of the film, reproduce or perform the underlying work?

This issue has been generalized, and elevated to a high level of controversy. In this corner, the defender of the primacy of the underlying work, and accordingly of the subordination of the derivative work. Let us hear it for Professor Nimmer and his trusty seconds![54] In that corner, the contenders for old movie fans everywhere, who see new property rights in derivative works. Whom shall we designate as *the* challenger? I would choose Professor Jaszi,[55] who also has able seconds such as Professors Ellingson and Nevins.[56] But I will not bewilder you with the blow-by-blow confusion as the contestants belabor each other. I will, lifting Judge Woolsey's phrase in the Letty Lynton case, take a "more Olympian viewpoint",[57] and just as the

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[53] Works published before January 1, 1978, have a first term of 28 years, renewable for 28 years under the old law, 17 U.S.C. § 24 (Supp. 1964), *amended by* 17 U.S.C. §§ 302-305(1982), but the renewal term is extended to 47 years under the 1976 Act section 304, thus providing a total term of 75 years. Seventy-five years is also the duration of a work made for hire, under section 302(c), a category into which all corporately produced movies would fall. But if the underlying work has a natural author, its copyright duration will be the life of the author plus 50 years. 17 U.S.C. § 302(a). So, if the author survives for more than 25 years after the derivative work is made, copyright in the underlying work will still subsist when the derivative work's expires.

Example: an author born in 1965 publishes a novel in 1990. A movie based on the novel appears in 1995. The copyright in the movie will expire in 2070. But if the author dies in 2050 (aged 85), the copyright in the novel will last till 2100.

So the problems created under the old law, by failure to renew a derivative work, can still arise; one should live so long.

[54] 1 M. NIMMER, NIMMER ON COPYRIGHT § 3.07 (1983); Stoll, *Derivative Copyright and the 1909 Act—New Clarity or Confusion?* 44 BROOKLYN L. REV. 905 (1978); Comment, *Derivative Copyright Proprietor May Continue to Exhibit Derivative Work Notwithstanding Termination of License to Use Underlying Copyrighted Work Employed by the Derivative Work—Rohauer v. Killiam Shows, Inc.*, 11 SUFFOLK U. L. REV. 1374 (1977).

[55] *See* Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights and the Public Interest*, 28 UCLA L. REV. 715 (1981).

[56] *See* Ellingson, *The Copyright Exception for Derivative Works and the Scope of Utilization*, 56 IND. L.J. 1 (1980); Nevins, *The Doctrine of Copyright Ambush: Limitations on the Free Use of Public Domain Derivative Works*, 25 ST. LOUIS U.L.J. 58 (1981).

[57] Sheldon v. Metro-Goldwyn Pictures Corp., 7 F. Supp. 837, 842 (S.D.N.Y. 1934), *rev'd*, 81 F.2d 49 (2d Cir.), *cert. denied*, 298 U.S.669 (1936).

Olympian gods intervened in duels upon the dusty plains of Troy, so will I try to determine several outcomes; never mind that I am in real life a mere mortal.

Let us first give some attention to the cases. The starting-point is *Ricordi & Co. v. Paramount Pictures, Inc.*,[58] the *Madam Butterfly* case, decided in 1951 by an exceptionally strong bench—Judges Learned Hand, Swan, and Frank. I know that the new property people reach back to *Edmonds v. Stern*,[59] of 1918. But I do not find there all that they do;[60] and in any event I do not give much weight even to the Second Circuit's decisions in the decade following the 1909 statute. With all respect, they were floundering in the heavy wake of a new statute, just as courts and commentators may be doing now.

Ricordi was a casebook classic. John Luther Long, a Philadelphia lawyer and a part-time writer, published a story in 1897.[61] The flamboyant David Belasco made a one-act play of it in 1900. These are both forgotten. Puccini and his lyricists, with licenses from Long and Belasco, gave us the immortal *Madame Butterfly* in 1904. The play did not claim statutory copyright until 1917; it was not renewed, and, therefore, it lost copyright in 1945. Copyright in the story, however, was renewed—Long, let us not forget, *was* a Philadelphia lawyer—and accordingly still subsisted at the time of the litigation.

Paramount had been diligent in acquiring movie rights from both Long and Belasco. Indeed, in one of his often intriguing 351 footnotes, Professor Jaszi tells us that Paramount did make a movie of *Madame Butterfly* in 1915, starring Mary Pickford![62] Would not that be fun to see?

Ricordi, Puccini's publisher, launched this action to establish *its* movie rights. It learned what it should have expected: that, though it had a copyright in what Puccini had added to the story, notably the glorious music, it had no movie rights in the underlying story. Paramount and Ricordi both learned that whatever Belasco had added was in the public domain. So there was a standoff, not an unusual one: Paramount could make a movie, but not with Puccini's music, while Ricordi could not make a movie with Long's story imbedded in it.

What we all learned were two important things. First, that "[a] copyright renewal creates a new estate . . . clear of all rights, interests or licenses granted under the original copyright."[63] Even if Ri-

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[58] 189 F.2d 469 (2d Cir. 1951).
[59] 248 F. 897 (2d Cir. 1918).
[60] *See* Jaszi, *supra* note 55, at 760, 797.
[61] *See* M. CARNER, PUCCINI: A CRITICAL BIOGRAPHY 120 (1959).
[62] Jaszi, *supra* note 55, at 797 n. 291.
[63] *Ricordi*, 189 F.2d at 471.

cordi had acquired movie rights in Long's first term, it did not get them after he renewed. The separate integrity of the second term, under the 1909 law, has always seemed to be dictated by the statute itself, and in any event to have been affirmed by the Supreme Court, albeit by a shaky 5-4 decision, in the *Moonlight and Roses* case of 1960.[64] Indeed, Long might have demanded a new license for the opera when he renewed in 1925. If he had died before then, whoever had the renewal right could have said, "New license, or no opera." (As we will see, Judge Friendly mussed up the clarity of this insight in the *Son of the Sheik* case.)[65]

We now learn the second lesson of *Ricordi*. Prodded by Paramount for clarification, the court agreed that it should not have said that after Belasco's copyright in his play was not renewed "the play was in the public demesne." Rather, it amended the opinion to read that when the copyright expired, "the *copyrightable new matter in the play* was property in the public demesne . . ."[66] Surely Long's underlying story did not lose its copyright when Belasco's play did. As a general proposition, this is unexceptionable. But it has led to much puzzlement.

The case that first tested the implications of *Ricordi*'s second lesson was *Grove Press Inc. v. Greenleaf Publishing Co.*,[67] a district court opinion which has had remarkable influence. An authorized English translation of Genet's *A Thief's Journal* did not attain United States copyright because of a supposed failure to comply with the *ad interim* provisions of our law for imported books in English, pending compliance with our regressive manufacturing clause.[68] This is not an appealing way for a work to enter the public domain; but there it was. When Grove published a revised translation, Greenleaf attempted to compete with the public domain version. Judge Bartels held that this was an infringing copy of the French original. He said that although the first translation "like any other derivative work . . . is separate and apart from the underlying work . . . a dedication to the public of the derivative work did not, without more, emancipate the pattern of the underlying work from its copyright."[69]

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[64] Miller Music Corp. v. Charles N. Daniel's, Inc., 362 U.S. 373 (1960).

[65] *See infra* text accompanying notes 85–90.

[66] *See* Nevins, *supra* note 56, at 66 (emphasis supplied).

[67] 247 F. Supp. 518 (E.D.N.Y. 1965).

[68] 17 U.S.C. § 16 (Supp. 1964), *repealed by* Copyright Revision Act of 1974, Pub. L. No. 94-553, 90 Stat. 2541.

[69] *Grove Press*, 247 F. Supp. at 525. This case, incidentally, is the second reported case to use the familiar phrase "derivative work." It follows six months after the first one, Nom Music, Inc. v. Kaslin, 343 F.2d 198, 200 (2d Cir. 1965).

It is clear from other passages in the opinion that Judge Bartels thought he had to face the question whether the unprotected publication of the translation in this country "destroyed the author's copyright protection in his literary composition."[70] For example, he read *Ricordi* as raising the same question, "the differentiation between dedicating the underlying work and the derivative work to the public."[71] There was nothing in that opinion about dedicating the underlying work to the public. The question was just what Belasco's failure to renew left open to the parties. It is worth emphasizing that these parties were not interested at all in printing or producing Belasco's play; they both wanted exclusive rights to make a motion picture.

Judge Bartels correctly quoted Nimmer's first edition, then fresh off the press, which stated, "[I]t would seem that any *authorized* publication of a derivative work must necessarily also constitute a publication of the basic work upon which it is based."[72] But it should have been clear, from the stated facts in the *Thief's Journal* case, that Genet's publisher had not authorized any publication of the first translation in the United States, and, assuredly, not the defendant's publication.

I do not want to quibble about the nuances of a district court opinion, even an influential one, but mischief has followed it. While Nimmer's text still contains the quoted statement about the effect of an authorized publication, the heading of that section now reads: "The General Rule: Publication of a Derivative Work Constitutes Publication of the Basic Work."[73] However, I assert that there is no such general rule; and I can think of no reason why courts would not be alert to protect the underlying work from loss of its copyright, when by the act of another or by operation of law a derivative work came into the public domain.

Any fear that free use of the public domain derivative work would divest copyright in an underlying work should be allayed. When the movie cases came along, notably *Russell v. Price*,[74] the *Pygmalion* case, the Ninth Circuit did not raise that bugaboo. There, copyright in the 1938 film, starring Wendy Hiller and Leslie Howard, had not been renewed. But, you can be sure, George Bernard Shaw had renewed his copyright in the play—it doesn't expire until 1988—[75]

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[70] *Grove Press*, 247 F. Supp. at 524.
[71] *Id.* at 526.
[72] *Id.* at 525 (emphasis added).
[73] 1 M. NIMMER, *supra* note 54, § 4.12[A], at 4-57.
[74] 612 F.2d 1123 (9th Cir. 1979), *cert. denied*, 446 U.S. 952 (1980).

and his successors sued a would-be distributor. The court held flatly that "established doctrine prevents unauthorized copying or other infringing use of the underlying work or any part of that work contained in the derivative product so long as the underlying work itself remains copyrighted."[76] The court did not explicitly address the claims of the public domain, perhaps because the defendant vainly argued for a new property right in the derivative work.

The Second Circuit expressly agreed with the *Pygmalion* case in *Filmvideo Releasing Corp. v. Hastings*,[77] better known as the *Hopalong Cassidy* litigation. There, copyright had not been renewed on no fewer than 23 westerns; and they had ostensibly come into the public domain.[78] As the court viewed defendant's claims, defendant "contended . . . that it was entitled to make free and untrammeled use of the movie prints in all media."[79] (It is clear that the television late-night market was really in mind.) If that was the defendant's contention, then the court was only slightly exaggerating when it said that:

> The principal question on this appeal is whether a licensed, derivative, copyrighted work and the underlying copyrighted matter which it incorporates both fall into the public domain where the underlying copyright has been renewed but the derivative copyright has not. We agree with the Ninth Circuit, *Russell v. Price*, that the answer is "No".[80]

However, that was not the way *Russell v. Price*, the *Pygmalion* court put the question, and the *Hopalong Cassidy* court did not, I think, advance the analysis by observing that the proprietor of a derivative copyright "cannot release that which he does not own into the public domain."[81] Here we are, plagued again with the false notion that if the derivative work becomes available to the public, the underlying work must be pushed into the public domain. I would urge that in all these cases—Belasco's *Butterfly*, Genet's *Thief's Journal*, *Pygmalion*, and *Hopalong Cassidy*—the precise derivative work that is in the public domain can be copied and exhibited. But that does not diminish, let along divest, any other rights of the author or owner of

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[75] Jaszi, *supra* note 55, at 769 n. 158.

[76] *Russell*, 612 F.2d at 1128.

[77] 668 F.2d 91 (2d Cir. 1981).

[78] This case was confused by serious issues about whether all the films really were copies of Clarence Milford's cowboy novels. *See* Nevins, *supra* note 56, at 83.

[79] *Filmvideo*, 668 F.2d at 92.

[80] *Id.*

[81] *Id.* at 93.

the underlying work. No one may, without license, make another derivative work. I would further protect the underlying work by limiting the public domain uses to those the derivative grantee had. Thus, in *Hopalong Cassidy*, where the novelist had reserved television rights, I would say that the non-renewal did not open up television rights to the public. To the extent that the underlying author is still injured, she should sue the original movie-maker for breach of an implied covenant to keep the derivative work in copyright.[82]

This limited opening, I suggest, should resolve the seeming paradox that a work that has come into the public domain can still not be in the public domain. One could, however, live with paradoxes. What is more persuasive, it seems to me, are the arguments of Jaszi and Nevins that old films, not in copyright, should be available for critical and entertainment uses without having to negotiate with the owner of an underlying work—but not because of some "new property" theory as they propose.[83] Rather, I would insist that there is *no* property in these public domain works, because that is what it means to be in the public domain. Nonetheless, the property in the underlying works should be respected in that the holders of copyright in the underlying works should control, among other rights, the preparation of any other derivative works.

The policy arguments in favor of access to derivative works that are no longer in copyright are especially appealing on behalf of movies, because film-makers often transform and transcend the underlying work. However, the recognition of public domain status should not depend on the medium, nor on the extent of the transformation since that would entangle courts with qualitative judgments.

Can this position be reconciled with the cases discussed? Not entirely. One could say of the *Thief's Journal* case that a translation, unlike a film version, so parallels the original, that the original is so completely embedded in it, as to leave nothing for the public domain. But that is to belittle the art of translation.[84] Furthermore, one could diminish the *Hopalong Cassidy* precedent by arguing that the court properly kept the defendant from what it wanted in that case—

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[82] This remedy is also proposed by Jaszi, *supra* note 55, at 811. A farsighted draftsman would include an express covenant binding the movie-maker to renew, which could be backed up by a power of attorney authorizing the licensor to do so.

[83] *See* Jaszi, *supra* note 55; Nevins, *supra* note 56. Professor Ellingson also espouses the "new property" right. Ellingson, *supra* note 56. Professor Nevins and I came to very similar conclusions about what can be done with derivative works. Nevins, *supra* note 56, at 79–80.

[84] *But cf.* Nevins, *supra* note 56, at 80, arguing for continuing control over translations and thus reconciling the outcome in *Grove Press* with his (and my) positions.

television rights that the derivative licensee never had. The privilege of exhibiting the old movies (which is all that should be allowed) was not really at issue.

However, *Russell v. Price*, the *Pygmalion* case, still stands squarely in the way. It blocks exhibition of what should be a public domain film. All one can say is that the defendant there (and likewise in the *Hopalong Cassidy* case) misdirected the court's attention and caused the court to place misguided reliance on a faulty foundation, *Rohauer v. Killiam Shows, Inc.*[85] In this 1977 case, the author of a novel on which a Rudolph Valentino film, *The Son of the Sheik*, was based, had promised to assign the renewal term to the film-maker; but the author died before renewal time. Her only child renewed and, as one would have thought was her clear right under the old statute,[86] assigned movie and television rights in the novel to another. In the meantime, the film-maker renewed its copyright. There was no public domain issue in the case—it was a quarrel about who had the renewal rights. In a stunning display of his powers, Judge Friendly in writing for the court stood *Madame Butterfly* on her head, threw dust in everyone's eyes, and held that the film-maker's assignee was entitled to the renewal right. The outcome is perhaps defensible in that it anticipated the similar arrangement that was about to come into existence in the new Act. That compromised cousin of renewal rights, the right to terminate a grant, includes a massive exception in favor of the continued exploitation of a derivative work.[87] One could say that the Second Circuit, as it had done before,[88] was only trying to correct an anomaly that legislation also was about to correct.

But the analytic road it took in *Rohauer* seemed to offer aid and comfort to the proponents of a new property in derivative works; they rode down it to their doom in the public domain cases. The *Pygmalion* court, easily distinguishing *Rohauer*, said that it "express[ed] no opinion about the merits" of that case.[89] In *Hopalong Cassidy*, another panel of the Second Circuit in a kindly way referred to the "aberration" in *Rohauer* as "a minor one."[90]

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[85] 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

[86] *See supra* text accompanying notes 58–65.

[87] 17 U.S.C. §§ 203(b)(1), 304 (1982). *See* 2 M. NIMMER, *supra* note 54, § 9.07, at 9–88; Ellingson, *supra* note 56.

[88] *See, e.g.*, Goodis v. United Artists Television, Inc., 425 F.2d 397 (2d Cir. 1970) (notice in name of magazine publisher protects contributors, anticipating § 403(a)).

[89] *Russell*, 612 F.2d at 1126 n.10.

[90] *Filmvideo*, 668 F.2d at 93.

The commentators have been less kind.[91] Even Professor Jaszi, who appeared for the winner in *Rohauer*, which Judge Friendly said was "well briefed and argued"[92]—praise from Sir Henry is praise indeed!—concedes that there are "major objections"[93] to the opinion. I will not add to the bloodletting.

Nor need I say much about one other recent case that winds through this sequence, *Classic Film Museum, Inc. v. Warner Bros.*,[94] where the First Circuit in 1979 affirmed Judge Gignoux's "learned and succinct opinion" below.[95] Warner, having let the copyright on the 1937 production of *A Star is Born* lapse, now tried to assert its supposed common-law copyright in its script in order to prevent defendant from showing the film. Judge Gignoux said that the film was "dedicated in its entirety to the public use."[96] To hold otherwise, he said, "would frustrate the whole concept of limited monopoly in copyright law."[97] *A Star is Born* is as right as *Son of a Sheik* is wrong.

We have no way of knowing how many other public domain films may be blocked by persisting copyrights in underlying works. Eventually their copyrights too will expire. Looking ahead, the 1976 exemption that will permit the continued exploitation of a derivative work despite the exercise of grant termination ought to suffice to keep derivative works available. On grounds of incompetence, I will spare you any discussion of the angularities of grant termination.

Note that it is almost taken for granted that owners of the derivative and the underlying rights will not make deals at renewal time, if a deal is necessary, or that the Shaw estate will not offer a license at a price that will make it worth some entrepreneur's while to peddle *Pygmalion*. Deadlock is the feared outcome, and long deadlocks.

A contrary expectation, namely that rational parties will not stay deadlocked, is reflected in a line of cases that have dealt with the rights of existing licensees when new uses emerged that would diminish the old ones. The first of these, *Harper Bros. v. Klaw*,[98] in 1916, death with the effect on the exclusive licensee of dramatic rights to *Ben Hur* when a movie-maker came on the scene. Judge Hough's

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[91] *See, e.g.*, 1 M. NIMMER, *supra* note 54, § 3.07A; Mimms, *Reversion and Derivative Works Under the Copyright Acts of 1909 and 1976*, 25 N.Y.L. SCH. L. REV. 595 (1980).

[92] *Rohauer*, 551 F.2d at 485.

[93] Jaszi, *supra* note 55, at 777.

[94] 597 F.2d 13, 15 (1st Cir. 1979).

[95] Classic Film Museum, Inc. v. Warner Bros., 453 F. Supp. 852 (D. Me. 1978).

[96] *Id.* at 856.

[97] *Id.*

[98] 232 F. 609 (S.D.N.Y. 1916); *See* B. KAPLAN & R. BROWN, *supra* note 10, at 369–86.

solution was to invoke an implied covenant not to undercut the dramatic license. The publisher of the novel could not grant movie rights without the play producer's consent, and the play producer could not expand his license and make a movie. Somehow, the world still turned. But courts and commentators are often remote from the world. Possibly the avarice of authors does prevent us from seeing old movies.

There is another reason why the author of an underlying novel may want to get hold of the movie at renewal time. Maybe she hated it. Professor Nevins tells us that Clarence Mulford would complain bitterly of the ways he thought Hollywood was distorting his creation, *Hopalong Cassidy*. But all he got in reply was soothing words, and a box of cigars.[99] There are authors more famous than he who after one bitter experience turned their backs on Hollywood; Willa Cather, for one; J.D. Salinger, for another.[100] Let's face it, many movies are terrible.

Such authors, through their copyrights, are able to invoke the moral rights that the law otherwise grants so imperfectly. The author's interest in the integrity of his work, even if it is often dissolved by dollars, stands as an obstacle to other people's notions of how to exploit it. It also, we should note, gums up unvarnished economic analysis of copyright interests. Can economics measure something that, to the author, is priceless?

I have taken a pretty stern line about the extent of rights in derivative works, vis-à-vis the owner of the renewed term in the underlying work. I think *Rohauer* was an aberration, and not a minor one. Cranky as the old law was in its disposition of renewal rights, its outcomes had become fairly settled, and should be respected. If the new statute had swept away the whole jerry-built structure and had transmuted all existing terms to the new span of duration, I for one would have applauded. But it did not; and it seems over-activist for judges to try to convert old grants into the shape they would have *if* they had arisen under the new law.

"Stern" also describes my attitude toward the new property thesis. New property in what the derivative author has added, certainly; but not enough new property to create a forced license to copy the underlying work. Proponents of the moviemakers seize upon Justice Kaplan's observation that:

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[99] *See* Nevins, *supra* note 56, at 68.

[100] Fosburgh, *Why More Top Novelists Don't Go Hollywood*, N.Y. Times, Nov. 21, 1976, § 2 (Arts and Leisure), at 1, col. 1.

> It is surely wrong to assume that what Hollywood is content to call a dramatization or screen treatment of a novel or play would necessarily be an infringing copy if not licensed.[101]

Some treatments would not infringe. Sometimes, as we know, the film-maker is really buying only the title and its pulling-power; what initially followed the title may be not at all the stuff of dream merchants. In other cases the law will, I think, apply to derivative works, as to any others, Learned Hand's hard-boiled precept that if "substantial parts were lifted[,] no plagiarist can excuse the wrong by showing how much of his work he did not pirate."[102]

IV. Remedies

Still, I have concessions to offer. As the last part of this essay, I would like to make a few observations about adjusting remedies with respect to derivative works. Procedure, substance, remedies—why do our eyes glaze over when remedies are mentioned? Perhaps because they come at the end—of a trial, of a text, of a lecture. Yet considerable subtlety of outcomes can be achieved by flexibility of remedies, especially by tempering injunctions to the perceived equities of a situation. When you have flatout reproduction of a work, even in another medium, an injunction should follow as a matter of course. When ambiguities arise, not so fast.

Here I am in such extensive agreement with Professor Goldstein that I will do little more than paraphrase his suggestions.[103] First, injunctions, especially preliminary injunctions, should not be awarded so routinely. Now and then a district judge in this circuit will withhold a preliminary injunction, only to have the court of appeals give short shrift to the trial court's supposed discretion[104]—a discretion confirmed by section 502 of the new statute. As Alan Latman neatly summed up the situation:

> In copyright cases, such relief is often close to automatic; in patent cases, it is close to impossible; in trademarks, and unfair competition, it depends.[105]

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[101] B. Kaplan, An Unhurried View of Copyright 56 (1967).

[102] Sheldon v. Metro Goldwyn Pictures Corp., 81 F.2d 49, 56 (2d Cir.), *cert. denied*, 298 U.S. 669 (1936).

[103] Goldstein, *supra* note 8, at 236–39. Similar proposals are found in B. Kaplan, *supra* note 101, at 70–73.

[104] *See, e.g.*, Concord Fabrics, Inc. v. Marcus Bros. Textile Corp., 296 F. Supp. 736 (S.D.N.Y.) (preliminary injunction denied), *rev'd per curiam*, 409 F.2d 1315 (2d Cir. 1969).

[105] Latman, *Preliminary Injunctions in Patent, Trademark and Copyright Cases*, 60 Trademark Rep. 506 (1970).

I have never understood why this is so; but it is not too late to mend.

When the infringed work is only a part of a larger work, as would usually be true of a movie, the court should limit any award of profits to the portion that the plaintiff contributed. This is settled law. May it not then also consider whether a permanent injunction against further copying is appropriate? Even if an injunction is viewed as a matter almost of right, surely we have learned a lot in the civil rights decades about how injunctions can be shaped to fit the case.

One approach was heralded by Professor Calabresi and Mr. Melamed in their pioneering article, *One View of the Cathedral,*[106] and boldly applied in the Arizona nuisance case of *Spur v. Webb.*[107] There, the developer who had built up to defendant's smelly cattle-feeding lot was awarded an injunction; but he had to pay the lot operator's moving costs. Such an approach would give the injunction to the infringed author but require him to compensate the loser for her losses that were independent of the infringement. That would really create pressure to avoid deadlock and come to terms, would it not?

What about my incorruptible author who wants nothing to do with a derivative medium and whose rights have been invaded? Must such a plaintiff be required by an equity court to submit to an involuntary license? Surely not; but it would, I submit, be reasonable to require the author to satisfy the judge that she is indeed clinging to principles, not to the other party's checkbook.

The mere mention of involuntary licenses—and that is the outcome, even if the plaintiff gets carefully allocated damages, a conditional injunction, and nothing more—may cause many a heart in this room to skip a beat. I do not want to bring on any chest pains, and I quickly concede that the issue is not a laughing matter. I have read with care Register Ladd's eloquent lecture of last April.[108] But, as Professor Goldstein points out, we are not talking about statutory licenses that lie crudely on whole industries or segments of them.[109] Ours is a utopian prescription that we share for individual cases where there are equities on both sides.

What Paul Goldstein and I do not share is his confidence in the flexibility of state unfair competition law to take care of odd cases that

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[106] Calabresi & Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089, 1105–24 (1972).

[107] Spur Indus. Inc. v. Del E. Webb Dev. Co., 108 Ariz. 178, 494 P.2d 700 (1972).

[108] Ladd, *The Harm of the Concept of Harm in Copyright*, 30 J. COPYRIGHT SOC'Y 421 (1983).

[109] Goldstein, *supra* note 8, at 238 n. 94.

stretch copyright out of recognition.[110] My lack of confidence stems from the tendency of state law to take under its wing plaintiffs who want relief not just from unfair competition, but simply from competition.[111] The drafters of the 1976 copyright law tried to check these end-runs with a powerfully preemptive section 301. This is not the time to inquire how section 301 was weakened, and what its future is.[112]

But one is not encouraged when one notes the persistent sapping, especially by New York courts, of the foundations of preemption. Consider a recent appellate division decision upholding state court jurisdiction.[113] Plaintiff charged defendant, a competitor in licensing transparencies of art masterworks, with "misappropriating" some of its slides, with a view to selling reproduction rights. Sounds like a copyright claim, does it not? However, the court, dividing 3 to 2, said that "obtaining a copy for the purpose of copying is not necessarily copyright violation,"[114] so that this claim was not preempted. This is cause for sorrow, because the presiding justice who wrote for the majority surely yields to no one, in any court, in his grasp of copyright law.

A very able federal judge in this District writes as follows, in private correspondence (I have permission to quote him, with appropriate deletions.):

> One aspect of the subject that I think needs more stress is that Congress has permitted the states to legislate in ways that greatly extend protection. Ironically, the state statutes involved end up being construed primarily by federal courts, by way of pendent jurisdiction. While I strongly felt no protection should be afforded the [widgets] discussed in the enclosed opinion, for example, I felt compelled to give protection under state law. I have reached similar conclusions in other cases.[115]

It may be that federal judges can be more faithful to their convictions by a more vigorous application of preemptive doctrines, but that, as I said, is another subject.

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[110] *Id.* at 222–24.

[111] *See* Brown, *Product Simulation: A Right or a Wrong?*, 64 COLUM. L. REV. 1216 (1964).

[112] *See* Brown, *Unification: A Cheerful Requiem for Common Law Copyright*, 24 UCLA L. REV. 1070, 1089–1106 (1977).

[113] Editorial Photocolor Archives, Inc. v. Granger Collection, 94 A.D. 2d 347, 464 N.Y.S. 2d 506 (1st Dept. 1983).

[114] *Id.* at 350, 464 N.Y.S. 2d at 508.

[115] Letter from federal district court judge to Ralph S. Brown. *Cf.* Bi-Rite Enters., Inc. v. Button Master, 555 F. Supp. 1188, 1196 (S.D.N.Y. 1983) (court denied relief on Lanham Act claims, but recognized state law publicity right).

I have strayed from derivative works to vent long-standing spleens. To return just for a moment to the theme of flexibility within the copyright system, I must say something about fair use. Where would we be without it? Consider this heavily derivative lecture. Fair use is my shield. To change the metaphor, it is a marvelous safety-valve to relieve the pressures of literal insistence on rights.

As you know, four "factors" are to be considered, according to the statute: the purpose of the use, the nature of the work, the substantiality of the taking, and—now I quote—"the effect of the use upon the potential market for or value of the copyrighted work."[116]

There is a movement afoot, it seems to me, to single out and exalt the fourth factor—the effect upon *potential* markets and values.[117] For many derivative works, potential markets are as unlimited as hucksters' imaginations. But it is not a seller's desire to monopolize markets that creates values. It is the law's readiness to exclude others that is decisive, and that readiness calls for a sensitive awareness of the scope of incentives that copyright is intended to evoke.

A recent student note in the *Harvard Law Review* makes the impertinent assertion that "copyright law can now be viewed as simply an anti-misappropriation scheme that protects the fruits of intellectual labor."[118]

No such thing. Let me cite an authority that arguably outweighs the *Harvard Law Review*, namely the Supreme Court of the United States.

> Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. The immediate effect of our copyright law is to secure a fair return for an author's creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.[119]

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[116] 17 U.S.C. § 107(4) (1982).

[117] These issues are ably examined in Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and its Predecessors*, 82 COLUM. L. REV. 1600 (1982). The Betamax case, at last decided, Sony Corp. of Am. v. Universal City Studios, Inc., 52 U.S.L.W. 4090 (U.S. Jan. 17, 1984), gives primacy to the nature of the use, whether commercial or non-commercial. It gives little guidance concerning derivative uses, which are usually commercial.

[118] Note, *Copyright Protection of Computer Program Object Code*, 96 HARV. L. REV. 1723, 1741 (1983).

[119] This passage, which has many counterparts, is from Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975).

On this elevated note, we may conclude. Copyright does serve the public interest. But it is a fragile thing. Technology has vastly extended its reach beyond the maps, charts, and books that were the sole subject-matter of our first statute of 1790. Technology can also destroy copyright because of the ease of evasion by cunning predators.

Yeats went on, in his *Second Coming*, to decry a time when

> The best lack all conviction, while the worst
> Are full of passionate intensity.[120]

Fortunately for copyright, the best, exemplified by people like Herman Finkelstein, do have convictions, and act on them. As for the worst, I leave them to your judgments; and I thank you for your attention.

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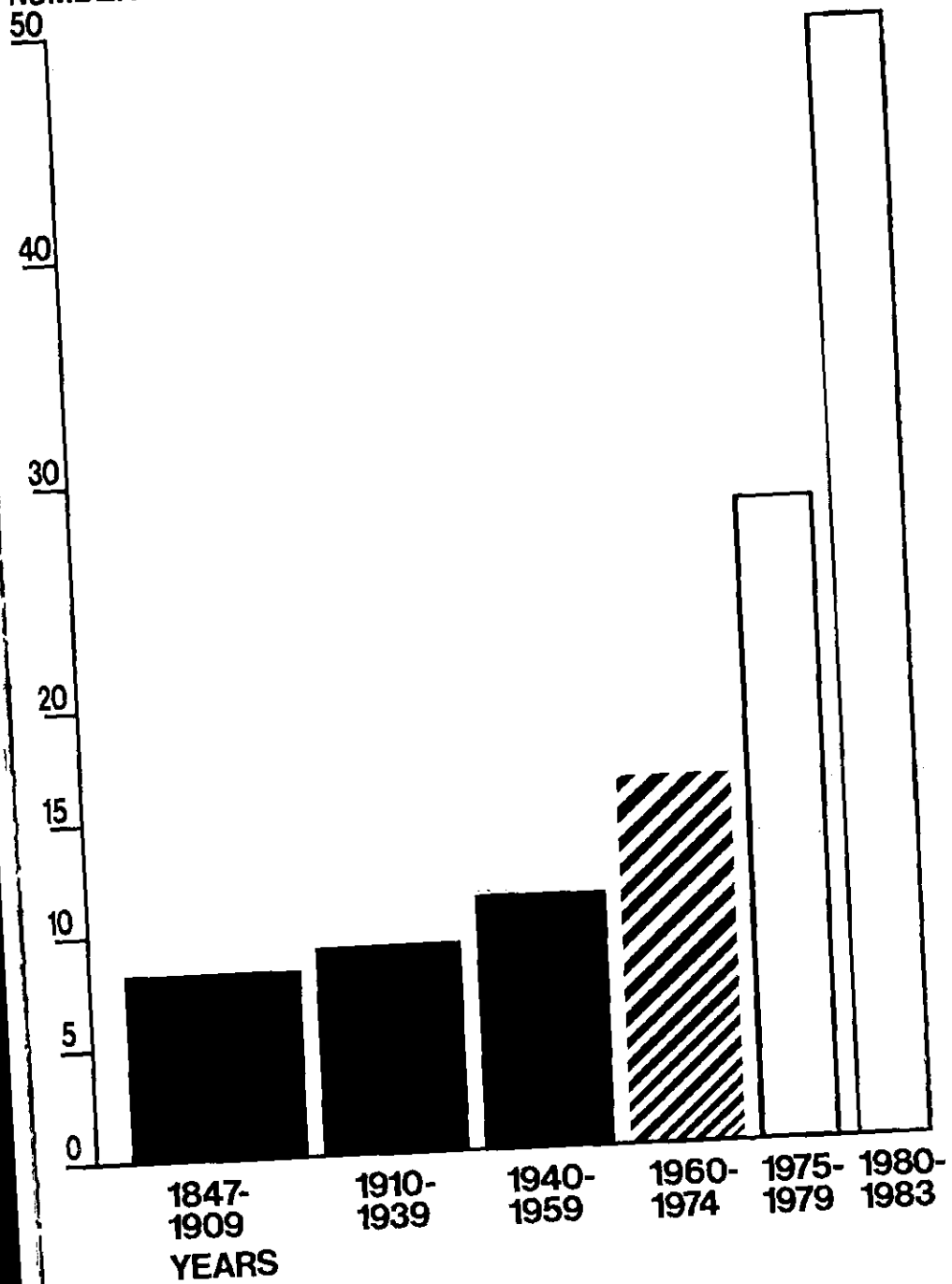
[120] W. B. YEATS, *supra* note 1.

TABLE 1


NUMBER OF CASES
50
40
30
20
15
10
5
0
1847-1909
1910-1939
1940-1959
1960-1974
1975-1979
1980-1983
YEARS