
# First Sale Doctrine

**Copyright**
**Eric E. Johnson**
**ericejohnson.com**



1

## First sale doctrine goes with the distribution right

- § 106(3) provides the exclusive right to distribute copies or phonorecords by sale or other transfer of ownership by rental, lease, or lending
- § 109(a) provides that notwithstanding §106(3), the owner of a lawfully made copy or phonorecord is entitled to sell or otherwise dispose of their copy/phonorecord without permission of the copyright owner

2

## First sale doctrine: What's obvious

- If you buy a copy of a book, record, movie on DVD, etc., you can give it away, sell it, set it on fire, etc.

3

## First sale doctrine: Questions

*(issues courts were forced to confront)*

- Can you lend or rent your copy/phonorecord?
- Can you sell a copy/phonorecord that was given out for free for promotional reasons?
  - And what if it's labelled "**Promotional Copy: Not Authorized for Sale.**"?
  - And what if it says "**Promotional copy: Property of** *[name of media/content company]*"?
- Can you import a copy/phonorecord from overseas and then sell it here?
  - What if it is labelled "**Not Authorized for Sale in the United States**"?
- Can you razorblade a page out of a large-format art book and shellack it to a ceramic tile and then sell that?

4

## First sale doctrine: Questions

*(issues courts were forced to confront)*

- **Can you import a copy/phonorecord from overseas and then sell it here?**
  - What if it is labelled "**Not Authorized for Sale in the United States**"?

**Yes.**

**Kirtsaeng v. John Wiley & Sons, Inc. (U.S. 2013)**

*(FYI: Non-counterfeit merchandise imported from overseas where it's authorized for cheaper distribution is sometimes called "grey market goods.")*

5

## First sale doctrine: Questions

*(issues courts were forced to confront)*

- **Can you sell a copy/phonorecord that was given out for free for promotional reasons?**
  - And what if it's labeled "**Promotional Copy: Not Authorized for Sale.**"?
  - And what if it says "**Promotional copy: Property of** *[name of media/content company]*"?

**Yes.**

**UMG Recordings, Inc. v. Augusto (9th Cir. 2011)**

6

## First sale doctrine: Questions

*(issues courts were forced to confront)*

- **Can you lend or rent your copy/phonorecord?**

**Yes**

***but …***

- You cannot rent copies of **software** or **phonorecords** (i.e., record albums) for direct or indirect commercial advantage.
- There are various details and provisos.

7

## First sale doctrine: Questions

*(issues courts were forced to confront)*

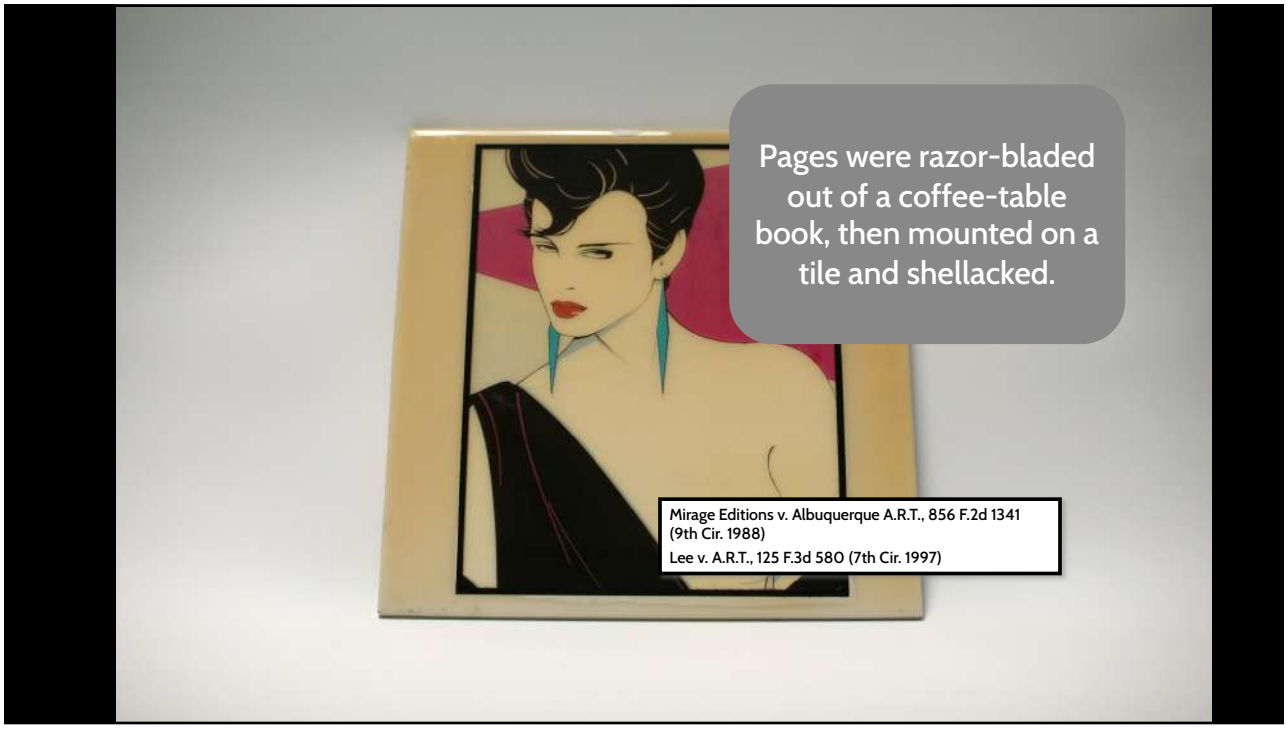
- **Can you razorblade a page out of a large-format art book and shellack it to a ceramic tile and then sell that?**

**Let's see …**

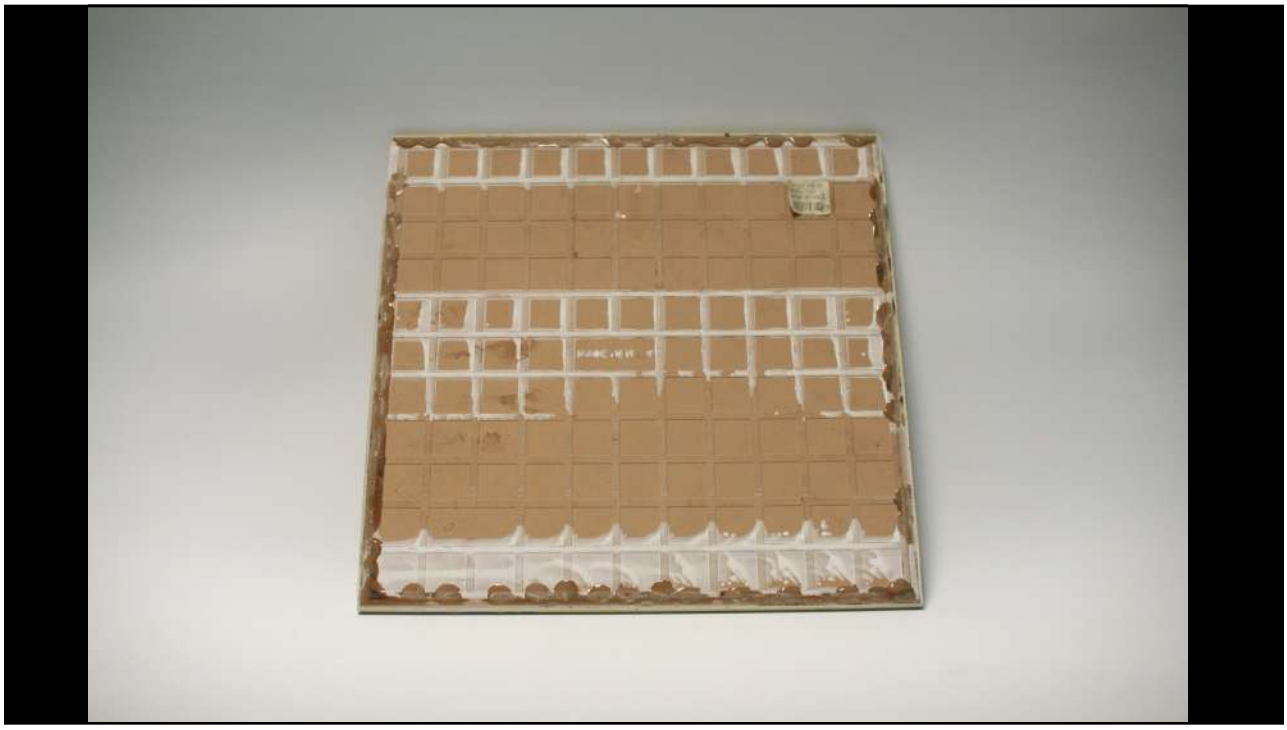
8


Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

9


Pages were razor-bladed out of a coffee-table book, then mounted on a tile and shellacked.
Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

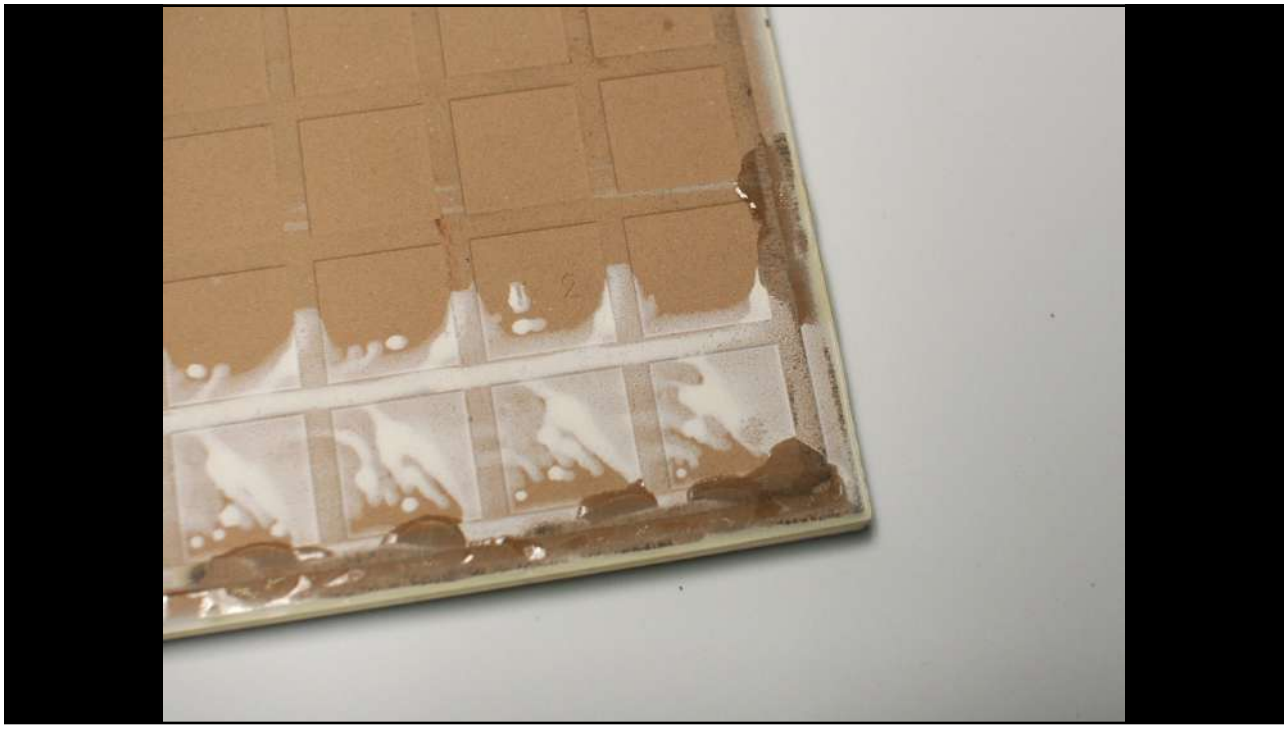
10



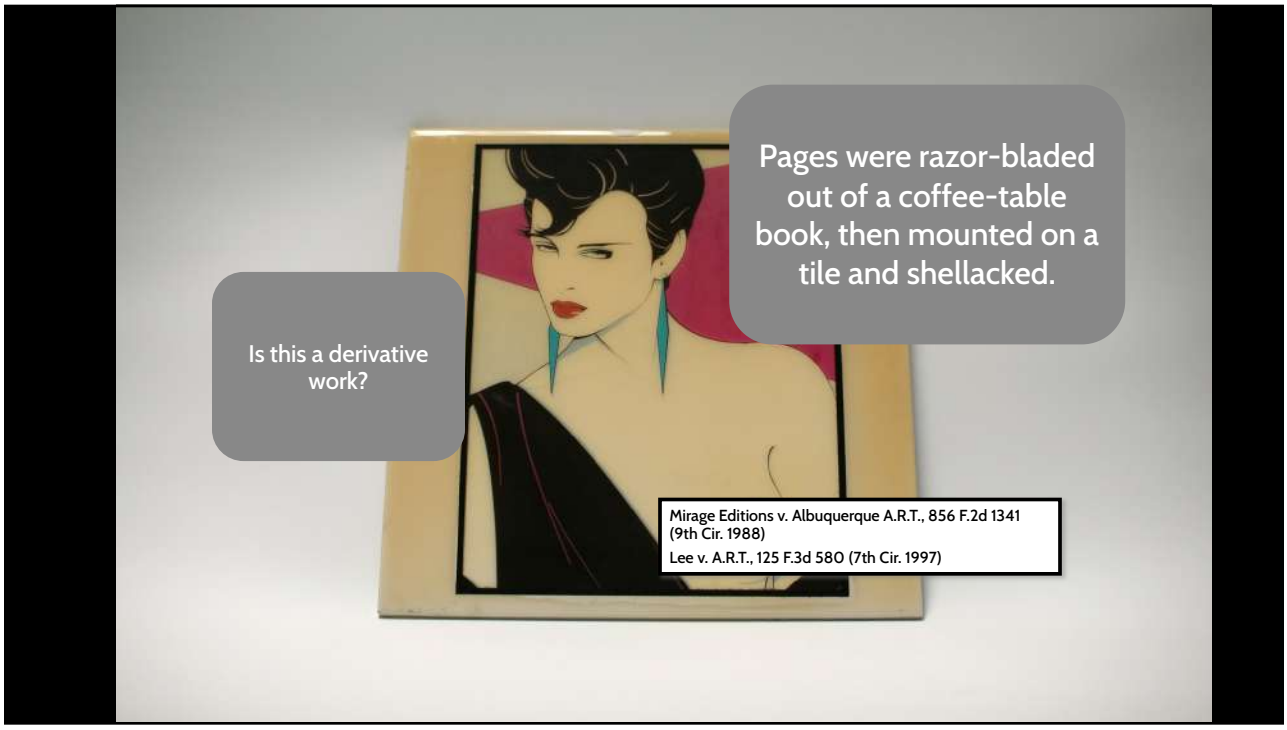
11

12

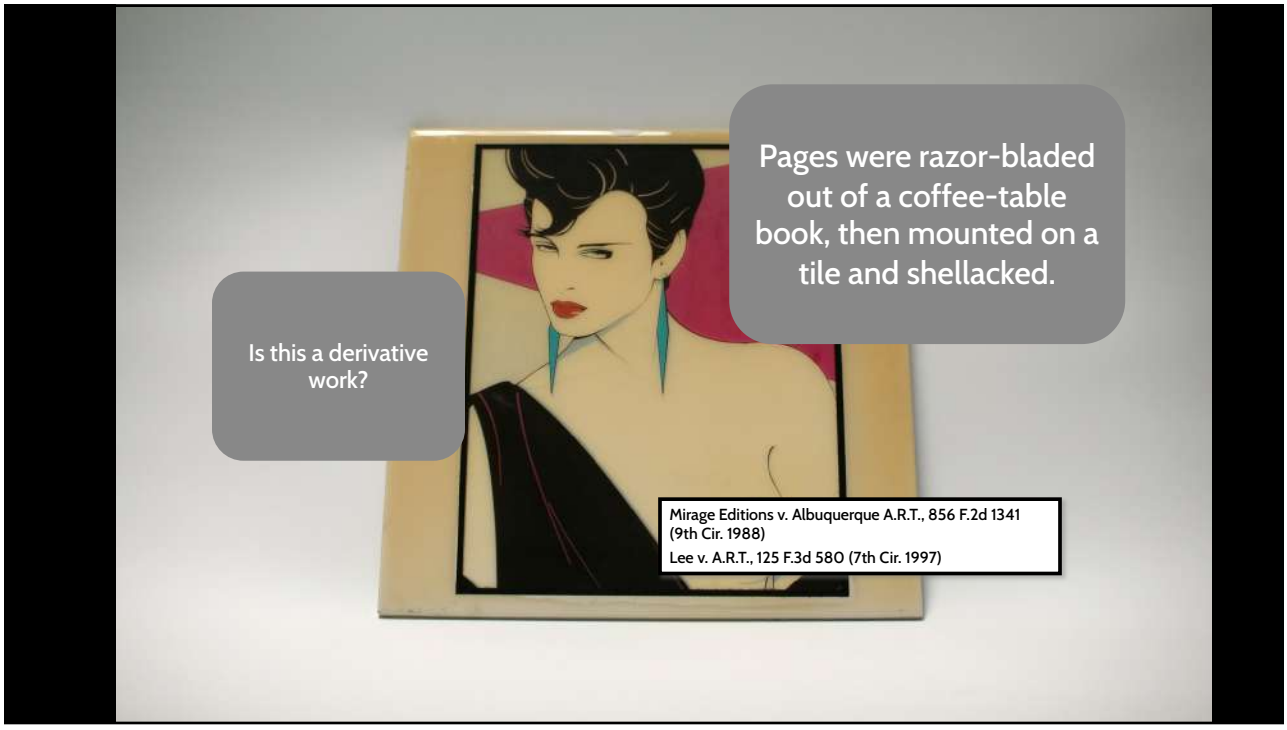
13



14


Pages were razor-bladed out of a coffee-table book, then mounted on a tile and shellacked.
Is this a derivative work?
Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

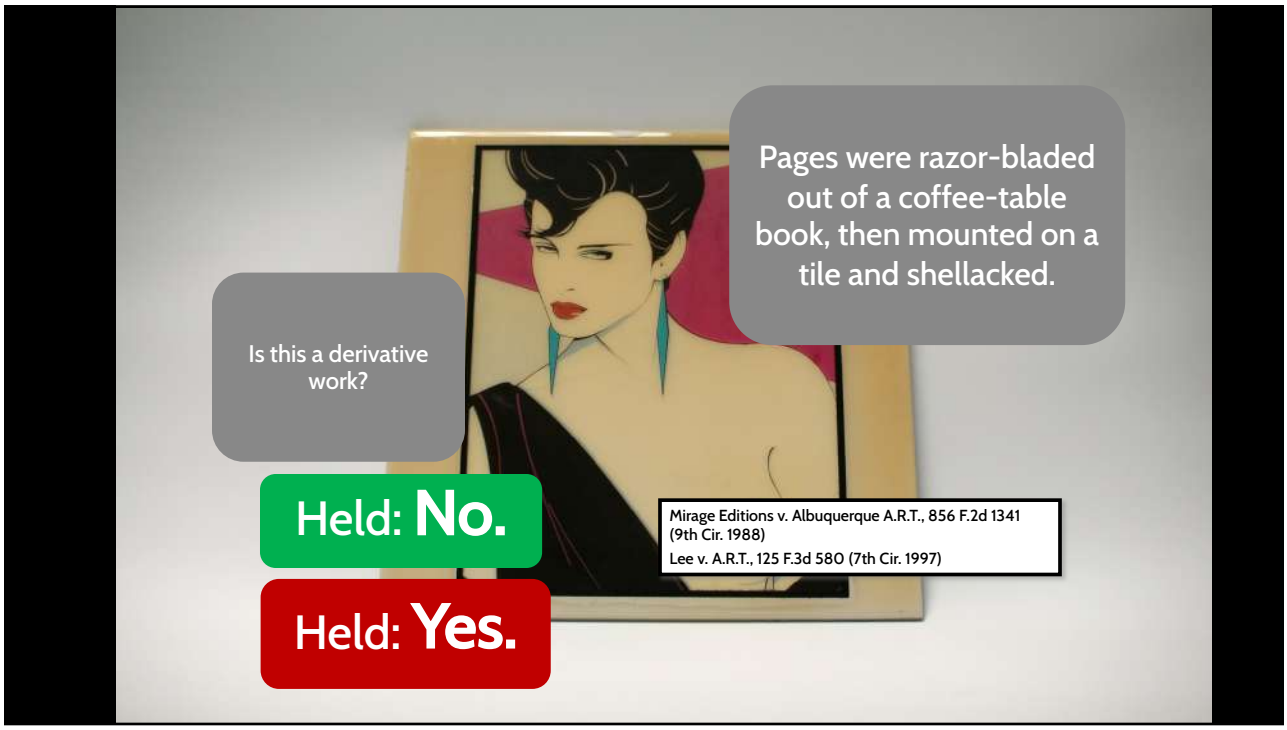
15


Pages were razor-bladed out of a coffee-table book, then mounted on a tile and shellacked.
Is this a derivative work?
Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

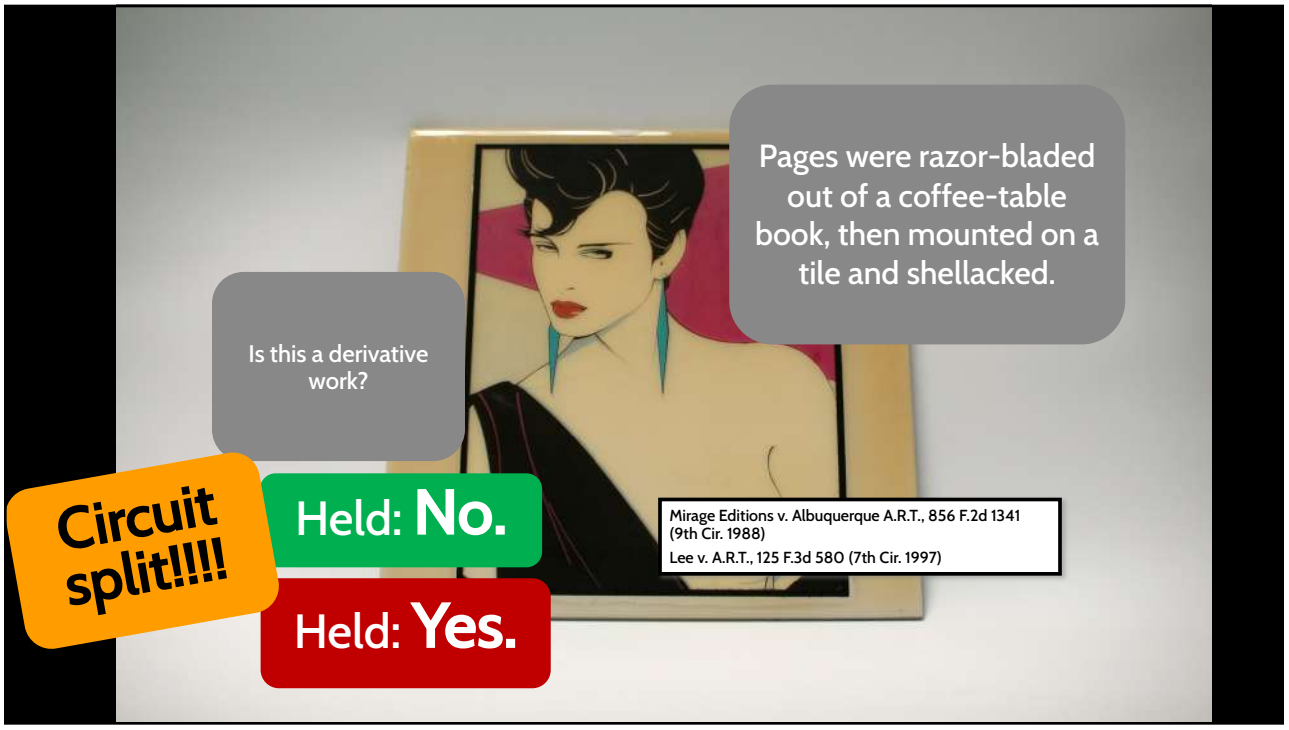
16


Pages were razor-bladed out of a coffee-table book, then mounted on a tile and shellacked.
Is this a derivative work?
Held: No.
Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

17


Pages were razor-bladed out of a coffee-table book, then mounted on a tile and shellacked.
Is this a derivative work?
Held: No.
Held: Yes.
Mirage Editions v. Albuquerque A.R.T., 856 F.2d 1341 (9th Cir. 1988)
Lee v. A.R.T., 125 F.3d 580 (7th Cir. 1997)

18




19


# International Copyright

**Copyright**
**Eric E. Johnson**
**ericejohnson.com**

Konomark
Most rights sharable

20

## General principles

- "territoriality"
- Procedural harmonization
- Substantive agreements
  - National treatment
  - Minima

21

## World Intellectual Property Organization (WIPO)

WIPO Building, Geneva

22

## World Intellectual Property Organization (WIPO)

WIPO Building, Geneva

© WIPO

23

## World Intellectual Property Organization (WIPO)

WIPO Building, Geneva

© WIPO

24

## World Intellectual Property Organization (WIPO)

WIPO Building, Geneva

© WIPO

25

## International aspects of copyright

- There is no "international copyright"
- The major treaty is the Berne Convention
- The Universal Copyright Convention was begun by the U.S. as an alternative to Berne. It has less stringent provisions. But the U.S. acceded to Berne in 1988, effective March 1, 1989.
- TRIPS, NAFTA, and other agreements also concern copyright to some degree.

26

## Minima under Berne

- Subject-matter:
  - "every production in the literary and artistic domain whatever may be the mode or form of its expression"
  - Includes architecture
  - Includes compilations and derivatives
  - Does not include "news of the day" or facts
- Moral rights
- Preclusion of formalities
- Minimum term of life + 50, 50 for anonymous
- Allows fair use and cover-version compulsory license limitations

27

## National treatment under Berne

- Must treat foreign authors no worse than domestic authors
- But can treat domestic authors at a disadvantage

28

## Delayed U.S. acceptance of Berne

- "Back-door to Berne" for U.S. authors
  - Simultaneous publication in the U.S. and Canada
  - (E.g., many old books recite simultaneous publication in the U.S. and Canada.)
- Changes to U.S. copyright law for joining:
  - Deletion of notice requirement
  - Deletion of registration requirement
- Not changed in 1989:
  - Moral rights (deemed covered by unfair competition law)
  - Architectural works
- Later changes in Berne's spirit
  - Architectural Works Copyright Protection Act of 1990
  - Visual Artists Rights Act of 1990 (moral rights)
  - Retroactive protection for foreign works then in the public domain in the U.S. (NAFTA, TRIPS), upheld in *Golan v. Holder* (U.S. 2012)

29


# State Law and Copyright Preemption

**Copyright**
**Eric E. Johnson**
ericejohnson.com

Konomark
Most rights sharable

30

## Preemption

- Copyright, as federal law, can and often does preempt state law.
- Copyright preemption can strike down statutes and caselaw where state legislatures or state courts attempt to create copyright-like protection.
- Copyright preemption is a surprisingly useful tool in ordinary litigation. A particular example is right of publicity claims. Copyright preemption is often used in right-of-publicity cases by defendants to defeat right of publicity claims – particularly where those claims are outside the norm or where the claim gets close to some copyright-industry-type business.

31


# Sui Generis Rights: Vessel Hulls and Mask Works

**Copyright**
Eric E. Johnson
ericejohnson.com



32

## Sui Generis Rights – Initial Observations (1/3)

- The default under the law is that you can copy others' ideas, innovations, expression, etc.
- This can be understood to be a basic principle of a free society, including ...
  - our free market economy, encouraging the entry of competitors to reduce prices and increase value to consumers
  - notions of freedom of expression (e.g., the "marketplace of ideas" concept for democracy — that good ideas catch on and drive out the bad ideas)

33

## Sui Generis Rights – Initial Observations (2/3)

- Nevertheless, individuals and firms recurrently complain that being copied is unfair or harmful.
- Sometimes courts stretch existing regimes to new subject matter — without precedent or even arguably at odds with doctrine/precedent, e.g.:
  - copyright allowed for computer programs (sets of machine-compliable/executable instructions): by way of deeming an amalgamation of code to be a "literary work"
  - utility patents allowed for cell lines that irreproducible without a living sample descendant cell. The statutory requirement that the patent's "written description" be sufficient to enable anyone to "make" the invention is judicially construed as fulfilled by making samples available for purchase via a cell bank
- But when courts reject subject matter from established rights regimes, would-be plaintiff sometimes find success in Congress.

34

## Sui Generis Rights – Initial Observations (3/3)

- But sometimes courts reject new sorts of subject matter, leaving would-be plaintiffs frustrated.
- When something doesn't fit within an established IP rights regime, would-be plaintiffs sometimes find success by going to Congress and lobbying for a bespoke legislative regime for bestowing monopoly rights.

35

## Some sui generis rights not created by Congress:

- Database rights
  - *Feist* was databases' Waterloo in the U.S.
  - There are database rights overseas
- Fashion design registration
  - Congress turned down the fashion industry again and again
  - Fashion design registration rights exist overseas
- Product design protection
  - State law prohibiting product copying was held preempted by federal law mid-century
  - *Sears, Roebuck & Co. v. Stiffel Co.* (U.S. 1964): "a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying."

36

## *But courts are sliding over toward plaintiffs …*

- Database rights
  - Courts have increasingly embraced claims of protection of data under trade secret theories and terms-of-service/contract theories
- Fashion design registration
  - *Star Athletica* (U.S. 2017) has substantially opened up copyright for clothing designs
- Product design protection
  - Since the 1990s, lower courts have greatly loosened the constraints on trademark law so as to allow its use to stop copying of products, and trademark law has become a very potent means of stopping product copying
  - And in recent decades lower courts have loosened the constraints on design patents and design patents have become a very potent means of stopping product copying

37

## Some sui generis rights created by Congress:

- Plant Patents
- Plant Variety Protection
- Mask Work Protection
- Vessel Hull Protection

38

## Some sui generis rights created by Congress:

these go with Patent Law

- Plant Patents
- Plant Variety Protection
- Mask Work Protection
- Vessel Hull Protection

39

## Some sui generis rights created by Congress:

- Plant Patents
- Plant Variety Protection
- Mask Work Protection
- Vessel Hull Protection

these go with Copyright

40

## Mask Work Protection

- Protects original mask works for making semiconductor chips. (A mask work is a two- or three-dimensional layout of an integrated circuit on a semiconductor chip.)
- Source of law: Semiconductor Chip Protection Act (1984), 17 U.S.C. § 901 – § 914
- Duration: 10 years
- Registration/administration through the U.S. Copyright Office (Library of Congress)
- Unlike copyright, a mask work must be registered before protection begins.

41

Type of Work: Mask Work

Registration Number / Date:
MW0000019263 / 2011-06-14

Title: Mask work as contained ADC12D500A.

Description: 4 semiconductor chips in housings + col. composite plot.

Copyright Claimant:
Ⓜ National Semiconductor Corporation

Date of First Exploitation:
27May11

Basis of Claim: New Matter: mask work.

Other Title: ADC12D500A

Names: National Semiconductor Corporation

==========

42

# Vessel Hull Design Protection

- Protects vessel hulls (i.e., of boats and ships), plus superstructure, per later amendment
- It's a legislative response to the fact that after a fiberglass hull is made from a mold, the hull can be used to produce a new mold, allowing manufacture of copies.
- Source of law: Vessel Hull Design Protection Act (1998), 17 U.S.C. § § 1301-1332
- Duration: 10 years
- Must be registered with the Copyright Office for protection to commence.
- An application for registration must be filed no later than two years after the hull was exhibited or offered for sale to the public.

43

Form D-VH

44

[redacted]

Form D-VH
For Vessel Hull Design
UNITED STATES COPYRIGHT OFFICE

REGISTRATION NUMBER

DVH 0396

DATE OF REGISTRATION/PUBLICATION

| 10 | 08 | 08 |
|---|---|---|
| Month | Day | Year |

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED MORE SPACE, USE A SEPARATE CONTINUATION SHEET. (Form D-VH/CON)

**1 TITLE**

Please give the make and model of the vessel that embodies the design.

Scout 191 Bay Scout

**2 DESIGN**

(a) What is the type or style of the design for which registration is sought?

Bay Boat

(b) Provide a brief general statement setting forth the salient features of the design.

Hull form, deck configuration, and overall appearance.

Integrated Fiberglass Leaning Post/Baitwell.

The reverse shoebox hull to deck joint construction method.

☒ Check here if this is a **single** design.

☐ Check here if registering **more than** one design. Use Form D-VH/CON for additional designs.

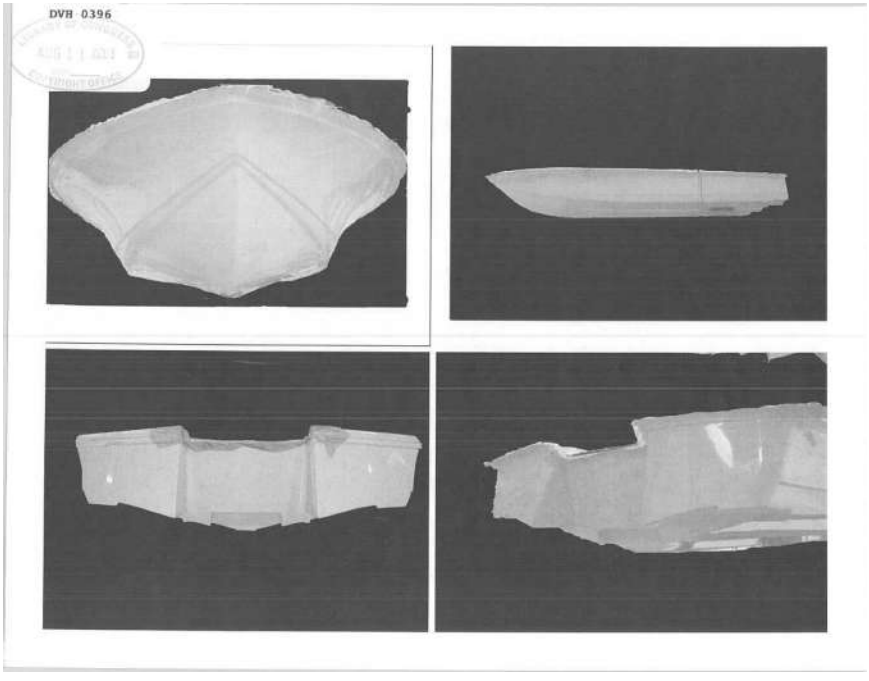
(c) If this design is derived from an earlier design, describe how that design has been revised, adapted, or rearranged.

**3 DESIGNER(S)**

Provide the name and address of the designer(s). The name of the employer may be given instead of the designer(s) if, (1) the design was made within the regular scope of employment of the designer(s) and (2) the individual authorship of the design is difficult or impossible to ascribe.

☐ Please check here if those conditions are satisfied and you are providing the employer's name.

45




46

Which of the following doctrines of intellectual property is not generally recognized in the United States?

(A) database rights
(B) vessel hull design rights
(C) design patents
(D) plant variety protection certificates
(E) mask work protection

47

Which of the following doctrines of intellectual property is not generally recognized in the United States?

(A) database rights
(B) vessel hull design rights
(C) design patents
(D) plant variety protection certificates
(E) mask work protection

48


# Small Claims Copyright Litigation

**Copyright**
**Eric E. Johnson**
**ericejohnson.com**



49

## CASE Act and the CCB (1/2)

- In 2020, Congress passed the Copyright Alternative in Small-Claims Enforcement Act of 2020 (the "CASE Act"). It established a small claims court for copyright infringement claims called the Copyright Claims Board (CCB).
- A plaintiff can use the CCB to pursue claims for a maximum of $15,000 in damages per infringement, with a total ceiling of $30,000 for the litigation. Injunctions are not available.
- A would-be defendant can bring what is essentially a DJ (declaratory judgment) action in the CCB to get a declaration of non-infringement.

50

## CASE Act and the CCB (2/2)

- The CCB is voluntary. The CASE Act doesn't take away a claimant's option of filing an action in federal district court. And a defendant has 60 days after being served to serve an opt-out notice. That dismisses the CCB case on a non-prejudicial basis.
- There's a way for libraries and archives to preemptively opt-out of all CCB proceedings.
- In March 2022, the Copyright Office issued procedural rules.
- Is the CASE Act unconstitutional — violating Article III? There are are some reasons one could argue this. We'll have to see.

51


# Availability of Statutory Damages and Attorneys Fees

**Copyright**
Eric E. Johnson
ericejohnson.com



52

## 17 U.S.C. §412 provides

**In [infringement] action[s] under this title … no award of statutory damages or of attorney's fees, as provided by sections 504 and 505, shall be made for—**

**(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or**

**(2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.**

Note there are some provisions for pre-registration (particularly useful for the motion picture industry).

53


# Criminal Copyright

**Copyright**
**Eric E. Johnson**
**ericejohnson.com**



54

## When copyright infringement is criminal

- 17 U.S.C. §506 provides for criminal liability for "any person who willfully infringes a copyright" in any of the following three circumstances:
- "for purposes of commercial advantage or private financial gain"
  - "financial gain" is defined very broadly. Per §101: "The term 'financial gain' includes receipt, or expectation of receipt, of anything of value, including the receipt of other copyrighted works."
- "by the reproduction or distribution, including by electronic means, during any 180-day period, of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than $1,000"
- "by the distribution of a work being prepared for commercial distribution, by making it available on a computer network accessible to members of the public, if such person knew or should have known that the work was intended for commercial distribution"

55

## When copyright infringement is criminal

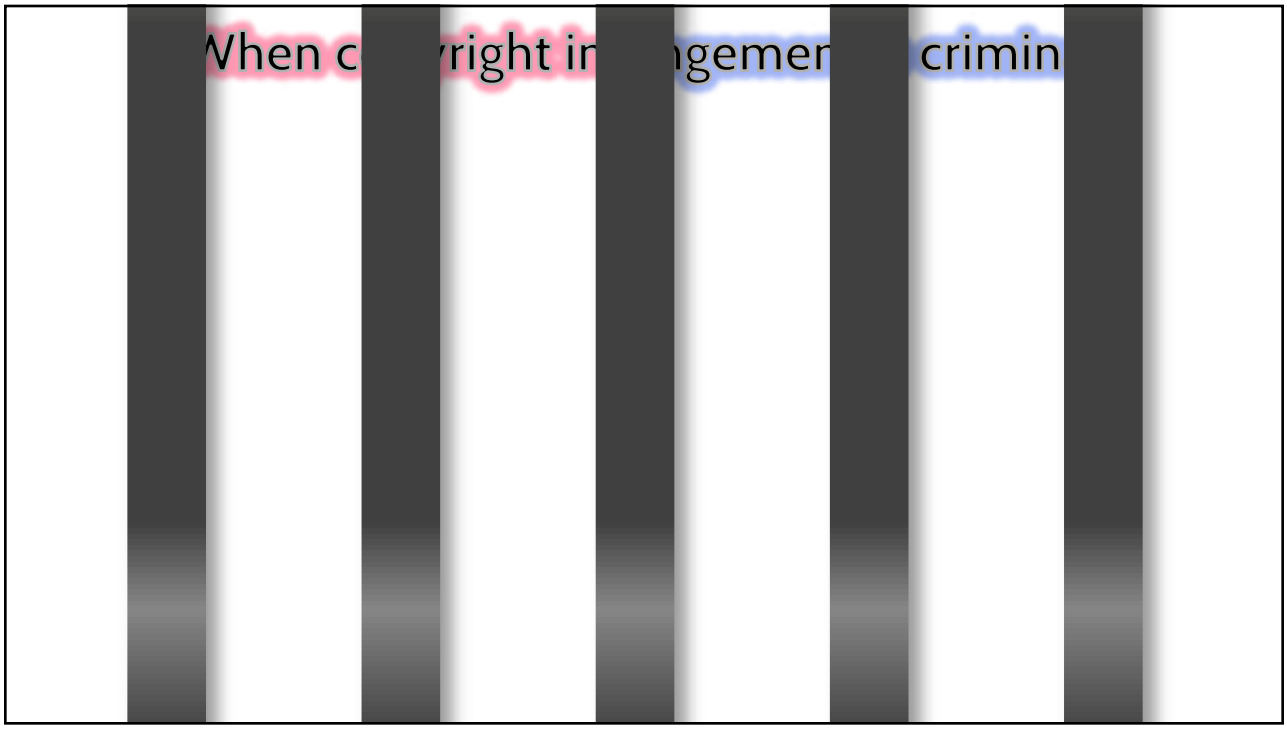
56

## When copyright infringement is criminal

57

## When copyright infringement is criminal

58




59

## When copyright infringement is criminal

- The original '76 Act provided only for misdemeanor liability.
- In 1982, Congress amended the law to classify as felonies some commercial-scale infringements of motion pictures and sound recordings felony criminal violations.
- In 1992, Congress amended the law again to make all criminal copyright matters under §506 felonies.
- There are also other provisions elsewhere in the statutory law for criminal liability in the copyright sphere, including with the DMCA (Digital Millenium Copyright Act).

60


# DMCA

**Copyright**
**Eric E. Johnson**
**ericejohnson.com**

Konomark
Most rights sharable

61

## Digital Millenium Copyright Act of 1998 (DMCA)

- Complex piece of legislation addressed to concerns of copyright owners that digital technologies would enable cheap, easy, and perfect-fidelity copying would cause substantial losses of revenue from selling copies.
- "Digital Millenium Copyright Act of 1998" P.L. 105-304, 112 Stat. 2860. More commonly known as "the DMCA"
- The DMCA is hugely consequential and shapes the online/digital world we have today.
- It followed on the Audio Home Recording Act of 1992. The AHRA broke new ground in copyright legislation by providing legal restraints against certain technology as such – without regard to what the technology was used for (i.e., pernicious copying, fair uses, or activities wholly unrelated to others' copyrighted works).
- The AHRA was enacted in anticipation of how digital audio tape DAT devices would harm record industry revenues. But DAT decks were a marketplace flop. And courts confirmed that the AHRA doesn't apply to general-purpose computers (i.e., your laptop, PC). So the AHRA turned out to be largely irrelevant.

62

## DMCA provisions

- The DMCA is complicated, but there are two big parts that are important:
  - anticircumvention provisions
  - safe harbor for online services and notice-and-takedown regime

63

## DMCA anti-circumvention provisions

- Title I of the DMCA added Chapter 12 ("Copyright Protection and Management Systems") to Title 17 of the U.S. Code.
- "Anti-circumvention" refers to legal provisions preventing technological circumventions of technological measures introduced by copyright owners.
- What technological measures? Technological measures that provide some practical hurdle to a user's viewing or copying some content - such as a sound recording or motion picture.
- Terms used include "DRM" (digital rights management) and "TPM" (technological protection measures).
- Even if you don't know the terms and didn't know about the law, at some point in your life you have been inconvenienced by these things. E.g.:
  - Needing to drive three hours to hook up your grandma's television to display the gardening channel that she's legally allowed to watch and is paying for.
  - Grinding your teeth when, after an hour, your grandma says "I thought you kids knew technology."
  - Etc.

64

## DMCA anti-circumvention provisions

- DMCA Title I (Copyright statute's Chapter 12) implemented compliance with two recent WIPO treaties.
- Those WIPO treaties (which the U.S. had a large hand in) required signatory states to: (1) provide legal remedies against the circumvention of TPMs; (2) prohibit interfering with information about copyright ownership, licensing terms, etc. digitally embedded with distributed copies of copyrighted works.
- DMCA's Title I thus created new causes of action in 17 U.S.C. §1201:
- §1201(a)(1) prohibits circumventing a technological measure that effectively controls access to a copyright-protected work
- §1201(a)(2) and §1201(b): prohibits manufacturing, importing, offering to the public, providing, or otherwise trafficking in any technology, product, service, device, component, or part thereof, that is primarily designed or produced for the purpose of circumventing a technological measure controlling access to a copyrighted work or protecting a right of the copyright owner, provided that the technology/product/service/etc. has only limited commercially significant purposes/uses otherwise.

65

## DMCA anti-circumvention provisions

### Actions and remedies

- §1201(a)(1), §1201(a)(2), and §1201(b) are accompanied with means of civil enforcement with heavy remedies and criminal enforcement as a felony (up to five years imprisonment for first-time violators)

### Exceptions/defenses

- The §1201 has limited exceptions available, e.g.:
  - for non-profit libriaries, archives, educational institutions
  - for law enforcement and intelligence gathering
  - for reverse engineering
  - for encryption research
  - for security testing
  - for preventing children from accessing material their parents find objectionable
  - for defeating the collecting and disseminating of personally identifying information
- There is no general fair use exception, no exception aimed at commentary, criticism, parody, scholarship, etc.

66

## DMCA safe harbor provisions

- Title II of the DMCA concerns providing a safe harbor from copyright liability to online service providers
- The safe harbor applies not to direct actions of online service providers but rather to content that is uploaded by or transmitted via the actions of third-party users
- The safe harbor is enacted as §512 of Title 17 of the U.S. Code.
- §512 is analogous to §230 (of the Communications Decency Act of 1996) which provides a safe harbor to online service providers from tort liability (generally all liability except IP liability).
- But while §230 is very powerful for torts defendants, §512 isn't as deferential to defendants as §230.
- To benefit from the §512 safe harbor, online service providers must act upon takedown notices they receive – giving rise to the notice-and-takedown system

67


# Open Source and Open Access Licensing

**Copyright**
Eric E. Johnson
ericejohnson.com



68


69

Sharing licenses

- Open-source software licenses enforce sharing-forward of software and keeping code open for others to improve upon
- GPL license is primary example
- Android operating system is an example of open-source licensed software
- The term **"open source"** differs from **"open access"**:
- Open access is provides for free distribution, free copying – without authorization for alterations, derivatives.
- Open source permits changes, derivatives, updates, forking.
  - An open-source license may or may not be paired with an obligation running downstream to keep the work open (aka "share alike" or "share it forward" requirement, "copyleft")

70


## GPL

- GNU General Public License
- Allows anyone to use
- Allows anyone to make changes so long as they make the changed version available to the public
- Enforces sharing forward
- License behind Linux, Firefox, and much else, including much of the web's backend

71




## Creative Commons licenses

- In some ways similar to the GPL project, but for entertainment media
- Photographs, text, music, but not software code
- Includes license choices for open source and for mere open access.
  - Some licenses enforce sharing forward
- Available in different flavors for more sharing or less …

72

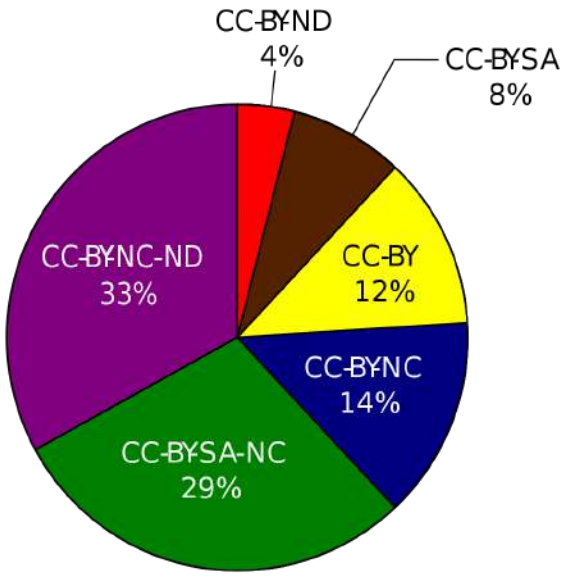
creative commons

- Attribution (BY)
- NonCommercial (NC)
- No Derivatives (ND)
- Share Alike (SA)

the attribution requirement is in all license versions

73

Creative Commons on Flickr (from many years ago)




74