U.S. Copyright Law Casebook

{in development}

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This part:

Story Arc 3

Copyright Rights: Patterns, Categories, and Limits

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Story Arc 3

Copyright Rights: Patterns, Categories, and Limits

A. Introduction, Key Concepts

A.1. What's the question? What's the topic?

In this part of the casebook we'll continue to explore the question of what constitutes copyright-protectable subject matter (i.e., "copyrightability"). And for that, the next order of business is to look at how copyrightability questions tend to work in particular repeating situations and within certain categories of works. For example: fictional characters, clothing, and software.

But in addition to copyrightability, we'll start exploring infringement analysis. At some point, it becomes impossible to make more headway with copyrightability without also engaging with infringement analysis.

Why? Well, any given work will, as a practical matter, include both protectable elements and unprotectable elements. And a plaintiff can only base a copyright claim on the defendant's copying of the protectable (i.e., copyrightable) aspects of the plaintiff's copyrighted work. Because of that, copyrightability directly plugs into the infringement question.

Thus, the cases coming up will illuminate copyright law both with regard to what the plaintiff has that's validly copyrightable and whether the defendant has infringed upon that by substantially appropriating from it. Put differently, this upcoming swath of cases will fill out your understanding of copyright validity and the infringement concept of substantial appropriation (aka "substantial similarity," "wrongful copying"). And we'll be learning about

how these things work in the context of particular – but important and recurring – fact patterns.

Immediately below you'll find a four-element breakdown of a prima facie claim for copyright infringement. Using the four-element typology, the upcoming swath of cases concerns element (1) and element (4), and these cases will concern these elements (1) and (4) in specific regard to certain recurring fact patterns and categories of works.

So it's time to start talking about infringement analysis.

A.2. Prima facie case for infringement

Four-element breakdown

Different courts and commentators have different lists of the elements of copyright infringement. Often they list just two elements. But breaking down a prima facie case for copyright infringement into four elements may be of more service to students and detail-minded lawyers because it makes for a more thorough and fine-grained checklist. So here's a four-element prima facie case for the regular sort of copyright infringement claim, i.e., a claim based on the reproduction right in 17 U.S.C. § 106(1)):

(1) **validity** – there is a work subject to copyright,

(2) **ownership** – the copyright is owned by the plaintiff,

(3) **actual copying** – the defendant in fact copied from the work (in addition to "actual copying," this is sometimes called "copying in fact" – but frequently courts call this "substantial similarity"),

(4) **substantial appropriation** – the defendant copied or appropriated enough of the copyrighted work so as to qualify as infringement (this is sometimes called "unlawful appropriation," "copying in law," or "wrongful copying" – but frequently courts call this element, as they do the previous element, "substantial similarity")

Now, unfortunately, there's a number of ways in which this gets confusing. If you read elements (3) and (4) carefully, you've already spotted one point of confusion: Both of these elements tend to be called "substantial similarity." Also, elements (1) and (2) can get mushed together.

There will be plenty of time to wade into additional levels of confusion later. For now, keep this four-element prima-facie breakdown in mind as you encounter the next set of cases.

Some heads-up notes on copyright infringement

{adapted and expanding from IP Surveyor: Copyright, by EEJ}

Here are a few notes on copyright infringement to help you think about it holistically and in context.

Less of a right, more of an entitlement

As is generally true with "intellectual property rights," owning a copyright really doesn't give you the affirmative "right" to do anything. In that sense, it is strange and potentially misleading to refer to copyright as a "right."

The "right of free speech" in the United States is a straightforward "right" in the classic sense. The right of free speech under the First Amendment is "a moral or legal entitlement to have or obtain something or to act in a certain way," which is how my laptop's dictionary defines "right." With the free-speech right, I can speak my mind, and the government can't stop me. Procedurally, that most readily manifests as a defense that would be used by a litigation defendant.

But copyright is not a "right" like that. It's really a privilege or an entitlement to bring actions in court against others to stop them from doing things in the future and to get a court-ordered award of money from them for things they already did.

Now, perhaps you are saying: Hey! You can use the free-speech right to sue the government.

Okay. That's true. If the city government refuses to give you a parade permit on the basis of viewpoint discrimination, for instance, then you could sue the city. And you could characterize this as a lawsuit "to stop" the city from refusing to issue you a parade permit. But then what's really going on is that you are trying to stop the city from stopping you having a parade. It's sort of a double negative. Two stops add up to a go. The right of free speech is, in its most essential aspect, an affirmative right for you to do things without interference.

But a copyright is not such a right. Having a copyright to a monologue, for instance, does not actually entitle you to publish it or publicly perform it.

Let's say you write a monologue that starts off: "Thanks for coming, everyone but there's an emergency. There's a fire! Please exit now! Fire! I'm not joking around! It started in the dressing room and some curtains just ignited. Run! Run people! There's no smoke because you know that big fan they have

to make people's hair blow around so they look fabulous? I just turned that on to push the smoke into the alley so you won't asphyxiate. But I couldn't find a fire extinguisher. See all that fabric covering the walls? They got that for real cheap because it isn't flame resistant. I'm serious people! You're gunna die!!"

If you wrote that, and it was your original work of authorship, then you'd have a copyright on it.

But you didn't. Actually, I did. So let's continue this example with me.

I have a copyright on that monologue.

Be jealous.

As a matter of copyright law, there is no doctrine to bar me from having a copyright on that monologue. For instance, there's no morality exception or criminal-intent exception to copyrightability. Federal law vests the copyright with me, and even some kind of state statute providing for forfeiture of property obtained for the purpose of committing a criminal act would not undo my copyright.

But the fact that I have the copyright provides does not, for instance, provide me with any kind of affirmative right – a performance right, for instance.

I have the same affirmative rights to perform the monologue, as the copyright owner, as I would if the monologue were in the public domain because it had been published in 1870.

Suppose I perform the monologue and thereby start a panic. A state could have a law criminalizing attempted or successful causing of a panic in a crowded public place. (I wouldn't be surprised if they indeed do.) They could prosecute me for that. The First Amendment won't bail me out. Everyone knows there's the old fire-in-a-crowded-theater exception to the First Amendment. See *Schenck v. United States*, 249 U.S. 47, 52 (1919) ("The most stringent protection of free speech would not protect a man in falsely shouting fire in a theatre and causing a panic." Holmes, J.).

And my copyright. It's not a right to perform my copyrighted work. So it would be useless to me at my trial.

The case of *Mitchell Bros. Film Group v. Cinema Adult Theater*, 604 F.2d 852 (5th Cir. 1979), involved obscene films. Obscenity, as you may know, is not protected by the First Amendment. *Roth v. United States*, 354 U.S. 476, 492 (1957).

But copyright law doesn't care if your work is obscene. The *Mitchell Bros.* court refused to hold that these obscene films were uncopyrightable, explaining that "the statutory language 'all the writings of an author' is facially all inclusive, within itself admitting of no exceptions." *Mitchell Bros*, 604 F.2d at 854.

Copyright, thus, is really best understood an entitlement to sue people. And it is helpful, as a student, to think about it that way.

An entitlement for what?

Given that copyright is entitlement, an entitlement to sue people, then what is it that you are entitled to sue them for?

The answer is *infringement.*

But infringement suggests that there's something being infringed. So infringement of what, exactly?

Well, your "rights." In the language of copyright law, you can sue someone for infringement when they have exercised one of the "exclusive rights" provided to you under copyright law – including to make copies of the copyrighted work, to publicly perform it, and some other things.

But again, even though the statute phrases these things as your "rights," the statute really doesn't give you the affirmative right to do any of these things.

In the phrase "exclusive rights," the more illuminating word to focus on is "exclusive." It means you have the power to exclude others. What the statute is really saying is that if someone else does something that's within your "exclusive rights," you can bring an infringement action against them. To *exclude* them.

Your "exclusive rights"

Now this is important: There are several different "exclusive rights" within copyright that can form the basis for an infringement action.

The archetypal exclusive right is the *reproduction right*. (See 17 U.S.C. § 106(1).)

Some pages ago, copyright infringement was broken down in to four elements: (1) validity, (2) ownership, (3) actual copying, and (4) substantial appropriation. That four-element structure is for an action based on the reproduction right.

That there would be an exclusive right to reproduce the copyrighted work makes a lot of sense. That's the "copy" in "copyright." If someone reproduces your copyrighted work, they are—subject to various limitations and exceptions—infringing on your copyright.

But you don't have to copy to infringe a copyright. There are other exclusive rights. The public performance right is an important one. There's a distribution right that comes up sometimes. Others are more of a special-use kind of thing, like the relatively recent "digital audio transmission" right.

Getting into more detail on those is a topic for elsewhere in this book. But when embarking on a study of a number of cases talking about infringement of the reproduction right, it's good to keep in mind that there's more out there, lurking on the periphery.

A.3. Summary/overview/roadmap

The remainder of this "Story Arc 3" portion of the casebook will go through the following:

Next up is Part B, "Enter the Plot: 'Abstractions,' 'Scènes à Faire,' and Fictional Characters and Universes." Here we'll get into the world of movies, plays, and books, and we'll look at how copyright treats plots and characters. But the concepts developed here have a broader importance. They aren't limited in application to the literary and dramatic industries. That's why these cases and concepts are explored first—before moving on to the cases concerning software and useful articles. As you will see, the courts have taken the language and doctrine developed for fiction, film, and theatre, and they have used that vocabulary and those teachings when resolving cases far beyond the realm of bookstores and theaters.

Part C involves computer software. Here we'll see the turning-point battles that ended up drawing the lines on the map that have, ever since, defined the liability landscape for Silicon Valley. These cases confronted the questions: *In what circumstances copyright will wield a heavy hand in the software industry? And in what circumstances will copyright take a hands-off approach, letting silicon-sector companies have the freedom to copy so as to compete and to improve on one another's products?* A fair warning: This is a challenging area that will definitely get your brain cells shifted into high gear.

Then in Part D we will get into "useful articles" and see how copyright can be applied to things like lamps and clothing. Actually, clothing will be the primary factual context here. Another warning is due here. The clothing cases

– specifically the cases on cheerleading uniforms and giant banana costumes – while looking fun from a distance, are some of the most intellectually challenging and befuddling copyright cases in existence. Sad to say it, these cases might make the software cases seem easy in retrospect.

It's a lot. But after you've been through all that, if you've really dug in, you'll emerge on the other side brimming with whip-smart and wise copyright counsel for all kinds of clients in all kinds of situations.

B. Enter the Plot: "Abstractions," "Scènes à Faire," and Fictional Characters and Universes

B.1. Lead-in

This section B concerns how courts have dealt with copyright infringement claims centered around plots and characters found in plays, movies, and books. But the usefulness and importance of the material here goes well beyond that context.

First up, this section introduces some key concepts courts use in analyzing copyrightability and infringement: "abstractions" analysis and the concept of "scènes à faire."

After that is one of the granddaddy copyright cases of all time: *Nichols v .Universal Pictures* (2d Cir. 1930). Written by none other than Judge Learned Hand, *Nichols* continues to be one of the most cited copyright cases, including with regard to the notions of abstractions, scènes à faire, and the idea/expression dichotomy.

After that, we'll give *Nichols* concepts a workout with cases in which modern trial courts confront challenging factual terrain involving fictional characters and universes. In *Lone Wolf McQuade v. CBS* (S.D.N.Y. 1997), parties square off over whether there's an exclusive right to a production in which Chuck Norris plays a Texas Ranger who wears jeans and uses martial arts on the job. Then, in *MGM v. American Honda Motor* (C.D. Cal. 1995), entities who claim to own the James Bond franchise sue an car company for a television commercial whose suave, tuxedo-wearing star is just a bit too good at defeating evil villains with his sporty compact automobile.

B.2. Non-literal copying and infringement

B.2.a. Explaining literal vs. nonliteral copying

The reproduction right – providing for infringement liability for copying – is the flagship cause of action in copyright law. It's the claim at the center of the field.

At one time in copyright law, there was something of a question as to whether copying required literally or exactly reproducing the copyrighted

work. An example of such literal copying would be, for a literary work, copying it word for word. Or for an illustration, an example would be making a photocopy or using tracing paper to replicate the same lines and curves.

The alternative is what courts and commentators label as "nonliteral" copying. This is where there's no word-for-word or note-for-note transcribing, no tracing, no xeroxing. Suppose for example you take a 400 page novel written in French and then you make an English language version in which you condense it down to 300 pages. That would be nonliteral copying.

Today the law is clear – and it has been for around 100 years – that nonliteral copying can constitute infringement.

But how much do you have to nonliterally copy for infringement liability? That's a good question.

B.2.b. Example: Die Hard

Let's say I decided to "copy" the 1988 movie *Die Hard* by writing a screenplay that has a list of things I wrote down while watching the film. (And I don't think anything here will spoil the movie if you haven't seen it.) Here's the list:

> (1) a hero protagonist who is a police officer, a detective, (2) from a gritty Eastern U.S. city; (3) a setting and circumstance for the plot whereby the hero protagonist visits a city in Southern California; (4) some culture-clash created in the juxtaposition of the gentler West Coast culture and the hero protagonist's Back East roughness; (5) an exquisitely well-dressed villain who (6) speaks with a British accent, (7) flaunts how well-cultured he is, and (8) taunts the hero protagonist as being out of his depth, (9) a "buddy" supporting character who becomes close friends with the hero protagonist and provides comic relief, (10) this buddy supporting character being from the California city's police department and (11) a different race than the hero protagonist; (12) an antagonizing character that is the buddy character's superior in the California city police department and who dislikes the hero protagonist and wants him to stop involving himself in the West Coast city's police matter; (13) a tremendous amount of gunfire; (14) a scene in which the hero protagonist finds himself stranded amid a huge amount of broken glass; and (15) motivation for the villain involving theft of money in the form of negotiable bearer bonds.

Would that be enough for infringement liability?

This is the sort of question dealt with in the upcoming three cases: *Nichols v. Universal Pictures*, *Lone Wolf McQuade v. CBS*, and *MGM v. American Honda*.

Nonliteral similarity is a thorny issue, but as far as the above example goes – whether that list of 15 things, if copied, would be enough for copyright infringement – the answer seems clear. No. Those similarities are not enough – meaning that just copying that much is not enough appropriation to create infringement liability. At least I think that has to be the answer. Because every one of those 15 aspects of the 1988 film *Die Hard* is also an aspect of the 1984 film *Beverly Hills Cop.* And if you've seen both films, I think you'd agree that it just seems extremely wrong to say that *Die Hard* could have infringed *Beverly Hills Cop* (or vice versa). No one, I think, would see one as a copy, or even a "ripoff," of the other. And yet – those 15 points of commonality do seem, when added together, to be rather a lot.

Suffice it to say, this is one of the things about copyright law that makes plenty of room for some real lawyering in a dispute.

B.3. Abstractions Analysis (the "Abstractions Test")

In the case of *Nichols v. Universal Pictures* (2d Cir. 1930), Judge Learned Hand considered a claim of nonliteral infringement brought by the author of a play against the producer of a motion picture. The case is important for a lot of reasons, but among them is Hand's way of comparing the plaintiff's work and the defendant's allegedly infringing movie.

Here's the famous passage in which waxed juridically about the hazy liminality between unprotectable ideas and protectable expression:

> "[W]hen the plagiarist does not take out a block in situ, but an abstract of the whole, decision is more troublesome. Upon any work,˜ a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the {work} is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the {author} could prevent the use of his "ideas," to which, apart from their expression, his property is never extended."

Nichols, 45 F.2d at 121.

Courts and commentators call this the "abstractions test." But it's not really much of a test, not if you think that something worth the name "test" ought to, when applied, produce an answer.

Legal scholar Marshall Leaffer, while using the term "abstractions test," has a good way of putting it in his UNDERSTANDING COPYRIGHT LAW treatise when he characterizes it as "a useful conceptualization."

Perhaps the label "analytical tool" is better than "test."

But whether it's a test or tool, there arises this question: What is it supposed to be good for? In other words: If it's a test, what is it a test of? Or if it's better characterized as an analytical tool, what is it meant to analyze?

Different courts and commentators tend to offer two different answers.

One answer is that it's a test or tool for helping to determine issues of copyrightability. Along these lines, using Hand's abstractions analysis helps one think about what separates uncopyrightable ideas from copyrightable expression. The other answer is that it's a test (or tool) for determining whether there is infringement, because it illuminates whether there is substantial nonliteral similarity.

Sometimes the two answers come from the same court. In *Computer Associates v. Altai,* 982 F.2d 693 (2d Cir. 1992), in a single paragraph, the court calls the abstractions test a "theoretic framework for analyzing substantial similarity" for infringement and a "test for separating idea from expression."

Suffice it to say that issues of copyrightability and infringement get mixed together.

But either way – for determining what of the plaintiff's work is copyrightable or for determining whether the defendant took enough so as to constitute infringement – the abstracts test (or tool) will not give you the answer.

To take the copyrightability question, it seems clear that Hand never intended for his abstractions concept to provide an answer as to what is copyrightable expression and what isn't. Rather, Hand seems to have meant it as a way of clearing one's head and understanding the nature of the idea/expression dichotomy and why it presents a great difficulty for courts. The very next sentence, after the above blockquote, illustrates exactly that. As to the location of the "point" in the "series of abstractions" where protectable

expression ends and unprotectable ideas begin, Hand says: "Nobody has ever been able to fix that boundary, and nobody ever can."

To take the infringement question of substantial similarity, it seems clear there as well that using Hand's abstractions analysis does not produce an answer either. Professor Leaffer explains:

> "{I}t does not clearly indicate where on the continuum an undue amount of plaintiff's expression has been taken. Perhaps all that can be said is that there comes a point where defendant's use of the general theme combines with similarities in details, scenes, sequence of events, characterization, and interplay of characters to constitute infringement."

Marshall Leaffer, UNDERSTANDING COPYRIGHT LAW (4th ed. 2005) at 415.

At the end of the day, whether the abstractions test is a tool or a test, and whether it's about the idea/expression distinction or about gauging similarity for infringement, the idea of focusing on the specific and then abstracting out to the general remains a powerful one. The invitation to metaphorically zoom in and zoom out has influenced copyright lawyering and jurisprudence for about a century and will undoubtedly continue to do so into the future.

B.4. Scènes à Faire

There's a really useful phrase in copyright law: ***scènes à faire***. It's a term, well recognized in the caselaw, that stands for a subtle and nuanced concept. For lawyers representing copyright-infringement defendants, it's a very handy shortcut: Just invoking the three words can put a big, thorny, potent argument in the plaintiff's way.

"Scènes à faire" is from French for "scenes to do" – really meaning something like "scenes that must be done." Whether singular (scène à faire) or plural (scènes à faire), it's typically pronounced "sen ah fair."

It rhymes with "when a bear."

Since at least 1945, courts have been using the label scènes à faire to designate certain aspects of a work as unprotectable because they are conventional things that are usually included. Thus, things that are scènes à faire are needed by other authors for making their own copyrightable works. As essential building blocks, they are too important to be encumbered and restricted by copyright themselves.

Legal scholar Zahr K. Said writes that scènes à faire doctrine is a way in which copyright law acknowledges that some things are a matter of "creative indispensability." She explains:

> "At a high level in copyright law, scènes à faire are elements in an author's work that may be indispensable, expected, standard, formulaic, or commonplace, such that permitting any monopoly in them would be harmful to copyright's other stakeholders, such as audiences, other authors, intermediaries, and the public domain."

Zahr K. Said, *Grounding the Scènes à Faire Doctrine,* 61 Houston Law Review 349 (2023)

So, in other words:

- When there's a bomb to defuse, it simply must have a counting-down display with red LEDs.
- If there's a librarian, they will be wearing glasses. (A librarian with contact lenses? It simply isn't done.)
- And if two friends get lost in nature and happen upon a tranquil stream or river, they'll end up finding a canoe or boat, or else they'll make a raft. And then they'll end up floating down that stream. Peacefully – but only for a while. Inevitably, those folks are going to go over a waterfall. They simply have to. (What kind of maliciousness would compel a screenwriter to do otherwise??)

Now, remember how we said "scènes à faire" rhymes with "when a bear"?

Well, that would be as in:

- When a bear encounters honey, it can't help itself but to eat it.

Honey being irresistible to bears? That right there: That's scène à faire.

Now the doctrine of scènes à faire came on the scene in cases talking about literary works and films. But, as Professor Said points out – in the same article cited above – the label "scènes à faire" has gone on to be employed by courts in all kinds of contexts:

> "It now applies to software, greeting cards, etiquette manuals, music, television, visual arts, and architecture, among others, signaling the doctrine's utility as a scoping mechanism across different kinds of subject matter. Whatever its origins in fictional works, the scènes à faire doctrine now plays an important role in the adjudication of functional works as well. Indeed, the scènes à faire doctrine has been

> cited hundreds of times in the eight decades since its introduction, including in all U.S. Circuit Courts. In sum, the doctrine is both widely applied and continuing to develop."

So in the cases ahead, be on the lookout for not only the phrase scènes à faire, but also the concept – even where that label isn't used. More to the point, look for places where the scènes à faire concept and label could help a defendant make a cogent argument about the limits of the rights that come with the plaintiff's copyright.

In case you are thinking that scène à faire seems similar to the abstractions test, you're not alone. See, e.g., Marshall Leaffer, UNDERSTANDING COPYRIGHT LAW (4th ed. 2005) at 415 ("Closely related to the abstractions test is the *scène à faire* doctrine.")

B.5. Case: Nichols v. Universal Pictures (2d. Cir. 1930)

Pre-reading notes

Nichols v. Universal Pictures is one of the giants of copyright caselaw. Though a circuit court case, it has a level of importance that eclipses even many Supreme Court cases on copyright. It has been cited hundreds of times by courts, including twice by the Supreme Court.

Part of the reverence for *Nichols* is likely due to it being the writing of one of the most famous judges of all time – Judge Learned Hand. And if you narrow the pool to federal judges who never served as a Supreme Court justice, Learned Hand is unquestionably the GOAT. On the other hand, it's hard to separate cause and effect, because *Nichols* is among the cases that have contributed to Learned Hand's enduring stature.

And, by the way, the reason to keep saying "Learned Hand"? Well, his full name was Billings Learned Hand, but he went by his middle and last name. And saying just "Hand" could be ambiguous, because Learned Hand was one of two Judge Hands on the *Nichols* three-judge panel. The other is his first cousin: Judge Augustus Noble Hand.

Here, playwright Anne Nichols authored "Abie's Irish Rose," a play about a Jewish family with a son who falls in love with the daughter of an Irish Catholic family. They secretly marry. The Jewish father wants his son to marry a Jew. The Irish Catholic father wants his daughter to marry an Irish Catholic. The fathers are mutually antagonistic and hostile. Then the marriage produces

a grandchild for the angry parents. Eventually there's a happy ending where everyone gets along. The play was a Broadway hit.

Then Universal Pictures came out with "The Cohens and The Kellys." (Can you see where this is heading?) There's a Jewish family and Irish family who regard each other with animosity. One kid is Jewish, one Irish. (This time the son is Irish and the daughter is Jewish.) They secretly marry. Then the marriage produces a grandchild for the angry parents. Eventually there's a happy ending where everyone gets along.

While the play and movie feature the foregoing plot points and character outlines, there is a lot that is different between "Abie's Irish Rose" and "The Cohens and The Kellys." And when the case gets before the Second Circuit Court of Appeals, the movie studio wins.

But happily, while a cert petition is pending, the playwright and the president of Universal Pictures fall in love and secretly marry! Umm – no. Sorry. That part – that didn't happen. That was a joke.

At any rate: What does *Nichols* contribute to copyright law?

Many, many things.

First of all, *Nichols* is considered a landmark with regard to the question of whether there can be copyright infringement for something less than exact copying – "literal appropriation," Learned Hand calls it. Universal Pictures did not type up a transcript of the play and then insert the words from the transcript into their film script. That would have been literal copying. Instead, Universal here is accused of non-literal copying – taking copyrightable expression (here alleged to be plot points and character traits) though not literally taking a string of ordered words. *Nichols* strongly answers that nonliteral similarity can, indeed, create copyright infringement liability.

But, as we said, Universal Pictures won. And that leads to the biggest thing the case stands for, which is the course it charted for how to do the analysis in a non-literal copying case.

There are many things *Nichols* teaches about how to do this analysis. For one, *Nichols* teaches that the court must pay attention to the idea/expression distinction in the infringement analysis – leaving in the copyrightable expression, but leaving out the uncopyrightable ideas. Then, in explaining how that can be done, *Nichols* teaches that courts should consider varying levels of "abstraction" in characterizing the copyrighted work.

Another helpful aspect of the case is its forthrightness in acknowledging that nonliteral copying presents issues that are difficult to resolve. In refusing to pretend otherwise – in not acting as if such hard things are simple – Learned Hand may have done copyright jurisprudence a great favor.

The case also is transparent in engaging with the underlying policy concerns of copyright, and showing how these concerns can and should help inform, in a very practical way, the infringement and copyrightability analysis. Such policy concerns include ensuring that a copyright on a work doesn't hinder future creators by constituting a monopoly on things like subgenres, character types, and other building blocks of storytelling.

Finally, it must be said that the case is a muscular display of Learned Hand's vocabulary, with $10 parent-impressers like "inveigled," "obbligato," and "hobbledehoy." And that's not a joke. Read on.

Text

Nichols v. Universal Pictures

U.S. Court of Appeals for the Second Circuit
45 F.2d 119 (2d Cir. 1930)

ANNE NICHOLS v. UNIVERSAL PICTURES CORPORATION et al. November 10, 1930. Before LEARNED HAND, SWAN, and AUGUSTUS N. HAND, Circuit Judges.

Circuit Judge LEARNED HAND:

The plaintiff is the author of a play, "Abie's Irish Rose," which it may be assumed was properly copyrighted˜. The defendant produced publicly a motion picture play, "The Cohens and The Kellys," which the plaintiff alleges was taken from it. As we think the defendant's play too unlike the plaintiff's to be an infringement, we may assume, arguendo, that in some details the defendant used the plaintiff's play, as will subsequently appear, though we do not so decide. It therefore becomes necessary to give an outline of the two plays.

"Abie's Irish Rose" presents a Jewish family living in prosperous circumstances in New York. The father, a widower, is in business as a merchant, in which his son and only child helps him. The boy has philandered with young women, who to his father's great disgust have always been Gentiles, for he is obsessed with a passion that his daughter-in-law shall

be an orthodox Jewess. When the play opens the son, who has been courting a young Irish Catholic girl, has already married her secretly before a Protestant minister, and is concerned to soften the blow for his father, by securing a favorable impression of his bride, while concealing her faith and race. To accomplish this he introduces her to his father at his home as a Jewess, and lets it appear that he is interested in her, though he conceals the marriage. The girl somewhat reluctantly falls in with the plan; the father takes the bait, becomes infatuated with the girl, concludes that they must marry, and assumes that of course they will, if he so decides. He calls in a rabbi, and prepares for the wedding according to the Jewish rite.

Meanwhile the girl's father, also a widower, who lives in California, and is as intense in his own religious antagonism as the Jew, has been called to New York, supposing that his daughter is to marry an Irishman and a Catholic. Accompanied by a priest, he arrives at the house at the moment when the marriage is being celebrated, but too late to prevent it, and the two fathers, each infuriated by the proposed union of his child to a heretic, fall into unseemly and grotesque antics. The priest and the rabbi become friendly, exchange trite sentiments about religion, and agree that the match is good. Apparently out of abundant caution, the priest celebrates the marriage for a third time, while the girl's father is inveigled away. The second act closes with each father, still outraged, seeking to find some way by which the union, thus trebly insured, may be dissolved.

The last act takes place about a year later, the young couple having meanwhile been abjured by each father, and left to their own resources. They have had twins, a boy and a girl, but their fathers know no more than that a child has been born. At Christmas each, led by his craving to see his grandchild, goes separately to the young folks' home, where they encounter each other, each laden with gifts, one for a boy, the other for a girl. After some slapstick comedy, depending upon the insistence of each that he is right about the sex of the grandchild, they become reconciled when they learn the truth, and that each child is to bear the given name of a grandparent. The curtain falls as the fathers are exchanging amenities, and the Jew giving evidence of an abatement in the strictness of his orthodoxy.

"The Cohens and The Kellys" presents two families, Jewish and Irish, living side by side in the poorer quarters of New York in a state of perpetual enmity. The wives in both cases are still living, and share in the mutual animosity, as do two small sons, and even the respective dogs. The Jews have a daughter, the Irish a son; the Jewish father is in the clothing business; the Irishman is a policeman. The children are in love with each other, and secretly marry, apparently after the play opens. The Jew, being in great financial straits, learns from a lawyer that he has fallen heir to a large fortune from a great-aunt, and moves into a great house, fitted luxuriously. Here he and his family live in vulgar ostentation, and here the Irish boy seeks out his Jewish bride, and is chased away by the angry father. The Jew then abuses the Irishman over the telephone, and both become hysterically excited. The extremity of his feelings makes the Jew sick, so that he must go to Florida for a rest, just before which the daughter discloses her marriage to her mother.

On his return the Jew finds that his daughter has borne a child; at first he suspects the lawyer, but eventually learns the truth and is overcome with anger at such a low alliance. Meanwhile, the Irish family who have been forbidden to see the grandchild, go to the Jew's house, and after a violent scene between the two fathers in which the Jew disowns his daughter, who decides to go back with her husband, the Irishman takes her back with her baby to his own poor lodgings. The lawyer, who had hoped to marry the Jew's daughter, seeing his plan foiled, tells the Jew that his fortune really belongs to the Irishman, who was also related to the dead woman, but offers to conceal his knowledge, if the Jew will share the loot. This the Jew repudiates, and, leaving the astonished lawyer, walks through the rain to his enemy's house to surrender the property. He arrives in great dejection, tells the truth, and abjectly turns to leave. A reconciliation ensues, the Irishman agreeing to share with him equally. The Jew shows some interest in his grandchild, though this is at most a minor motive in the reconciliation, and the curtain falls while the two are in their cups, the Jew insisting that in the firm name for the business, which they are to carry on jointly, his name shall stand first.

It is of course essential to any protection of literary property˜ that the right cannot be limited literally to the text, else a plagiarist would escape by

immaterial variations. That has never been the law, but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large, so that, as was recently well said by a distinguished judge, the decisions cannot help much in a new case. Fendler v. Morosco, 253 N.Y. 281, 292. When plays are concerned, the plagiarist may excise a separate scene; or he may appropriate part of the dialogue. Then the question is whether the part so taken is "substantial," and therefore not a "fair use" of the copyrighted work; it is the same question as arises in the case of any other copyrighted work. But when the plagiarist does not take out a block in situ, but an abstract of the whole, decision is more troublesome. Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his "ideas," to which, apart from their expression, his property is never extended. Holmes v. Hurst, 174 U.S. 82, 86; Guthrie v. Curlett, 36 F.(2d) 694 (C.C.A. 2). Nobody has ever been able to fix that boundary, and nobody ever can. In some cases the question has been treated as though it were analogous to lifting a portion out of the copyrighted work (Rees v. Melville, MacGillivray's Copyright Cases [1911-1916], 168); but the analogy is not a good one, because, though the skeleton is a part of the body, it pervades and supports the whole. In such cases we are rather concerned with the line between expression and what is expressed. As respects plays, the controversy chiefly centers upon the characters and sequence of incident, these being the substance.

We˜ do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. Nor need we hold that the same may not be true as to the characters, quite independently of the "plot" proper, though, as far as we know, such a case has never arisen. If Twelfth Night were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress. These would be

no more than Shakespeare's "ideas" in the play, as little capable of monopoly as Einstein's Doctrine of Relativity, or Darwin's theory of the Origin of Species. It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly.

In the two plays at bar we think both as to incident and character, the defendant took no more – assuming that it took anything at all – than the law allowed. The stories are quite different. One is of a religious zealot who insists upon his child's marrying no one outside his faith; opposed by another who is in this respect just like him, and is his foil. Their difference in race is merely an obbligato to the main theme, religion. They sink their differences through grandparental pride and affection. In the other, zealotry is wholly absent; religion does not even appear. It is true that the parents are hostile to each other in part because they differ in race; but the marriage of their son to a Jew does not apparently offend the Irish family at all, and it exacerbates the existing animosity of the Jew, principally because he has become rich, when he learns it. They are reconciled through the honesty of the Jew and the generosity of the Irishman; the grandchild has nothing whatever to do with it. The only matter common to the two is a quarrel between a Jewish and an Irish father, the marriage of their children, the birth of grandchildren and a reconciliation.

If the defendant took so much from the plaintiff, it may well have been because her amazing success seemed to prove that this was a subject of enduring popularity. Even so, granting that the plaintiff's play was wholly original, and assuming that novelty is not essential to a copyright, there is no monopoly in such a background. Though the plaintiff discovered the vein, she could not keep it to herself; so defined, the theme was too generalized an abstraction from what she wrote. It was only a part of her "ideas."

Nor does she fare better as to her characters. It is indeed scarcely credible that she should not have been aware of those stock figures, the low comedy Jew and Irishman. The defendant has not taken from her more than their prototypes have contained for many decades. If so, obviously so to generalize her copyright, would allow her to cover what was not original with her. But we need not hold this as matter of fact, much as we might be justified. Even

though we take it that she devised her figures out of her brain de novo, still the defendant was within its rights.

There are but four characters common to both plays, the lovers and the fathers. The lovers are so faintly indicated as to be no more than stage properties. They are loving and fertile; that is really all that can be said of them, and anyone else is quite within his rights if he puts loving and fertile lovers in a play of his own, wherever he gets the cue. The plaintiff's Jew is quite unlike the defendant's. His obsession is his religion, on which depends such racial animosity as he has. He is affectionate, warm and patriarchal. None of these fit the defendant's Jew, who shows affection for his daughter only once, and who has none but the most superficial interest in his grandchild. He is tricky, ostentatious and vulgar, only by misfortune redeemed into honesty. Both are grotesque, extravagant and quarrelsome; both are fond of display; but these common qualities make up only a small part of their simple pictures, no more than any one might lift if he chose. The Irish fathers are even more unlike; the plaintiff's a mere symbol for religious fanaticism and patriarchal pride, scarcely a character at all. Neither quality appears in the defendant's, for while he goes to get his grandchild, it is rather out of a truculent determination not to be forbidden, than from pride in his progeny. For the rest he is only a grotesque hobbledehoy, used for low comedy of the most conventional sort, which any one might borrow, if he chanced not to know the exemplar.

The defendant argues that the case is controlled by my decision in Fisher v. Dillingham (D.C.) 298 F. 145. Neither my brothers nor I wish to throw doubt upon the doctrine of that case, but it is not applicable here. We assume that the plaintiff's play is altogether original, even to an extent that in fact it is hard to believe. We assume further that, so far as it has been anticipated by earlier plays of which she knew nothing, that fact is immaterial. Still, as we have already said, her copyright did not cover everything that might be drawn from her play; its content went to some extent into the public domain. We have to decide how much, and while we are as aware as any one that the line, whereever it is drawn, will seem arbitrary, that is no excuse for not drawing it; it is a question such as courts must answer in nearly all cases. Whatever may be the difficulties a priori, we have no question on which side of the line

this case falls. A comedy based upon conflicts between Irish and Jews, into which the marriage of their children enters, is no more susceptible of copyright than the outline of Romeo and Juliet.

The plaintiff has prepared an elaborate analysis of the two plays, showing a "quadrangle" of the common characters, in which each is represented by the emotions which he discovers. She presents the resulting parallelism as proof of infringement, but the adjectives employed are so general as to be quite useless. Take for example the attribute of "love" ascribed to both Jews. The plaintiff has depicted her father as deeply attached to his son, who is his hope and joy; not so, the defendant, whose father's conduct is throughout not actuated by any affection for his daughter, and who is merely once overcome for the moment by her distress when he has violently dismissed her lover. "Anger" covers emotions aroused by quite different occasions in each case; so do "anxiety," "despondency" and "disgust." It is unnecessary to go through the catalogue for emotions are too much colored by their causes to be a test when used so broadly. This is not the proper approach to a solution; it must be more ingenuous, more like that of a spectator, who would rely upon the complex of his impressions of each character.

We cannot approve the length of the record, which was due chiefly to the use of expert witnesses. Argument is argument whether in the box or at the bar, and its proper place is the last. The testimony of an expert upon such issues, especially his cross-examination, greatly extends the trial and contributes nothing which cannot be better heard after the evidence is all submitted. It ought not to be allowed at all; and while its admission is not a ground for reversal, it cumbers the case and tends to confusion, for the more the court is led into the intricacies of dramatic craftsmanship, the less likely it is to stand upon the firmer, if more naive, ground of its considered impressions upon its own perusal. We hope that in this class of cases such evidence may in the future be entirely excluded, and the case confined to the actual issues; that is, whether the copyrighted work was original, and whether the defendant copied it, so far as the supposed infringement is identical.˜

Decree affirmed.

Post-script: Broadway and Hollywood

Here's some speculation about what may have driven some of the expectations on the plaintiff's side in *Nichols v. Universal.*

At least in the more modern era, it's common Hollywood practice for film producers to buy the film rights to movies and plays and then, once they do, change everything.

The success of a book or play often drives the initial sale. But then, with the limitless creative discretion the transactional documents provide the buyers of film rights, a succession of screenwriters, producers, studio executives, and the director will combine their labors into an iterative, frenzied futzing, fueled by a tremendous sense of knowing what's best, resulting in a movie that may retain only the faintest imprints of what was purchased. Maybe a few character names, a title, or maybe not even that.

If Hollywood's production practice and dealings with writers were in the 1920s anything like they are today, it's not hard to see why Anne Nichols felt she had been sorely deprived of credit and cash – no matter the differences – when "The Cohens and the Kellys" came out in 1926.

Assume Hollywood got the idea from her play. And assume does then as it does now: pay authors for what, in the end, is nothing more than an idea with a track record of success with audiences. Little wonder Nichols sued.

Fwiw, Hollywood did end up making an "Abie's Irish Rose" movie, just two years later in 1928. Anne Nichols got a huge credit on the poster. And "Abie's Irish Rose" was remade in 1946, this time with a screenplay Nichols penned herself.

B.6. Fictional Characters and Universes

Copyright infringement claims over a fictional characters or fictional universe – as opposed to an infringement claim over a particular motion picture or book – pose some thorny problems. Battles have been waged along these lines for decades, yet there continues to be a great deal of uncertainty about the law in this area.

Example: Nothing Lasts Forever

The following may provide a point of contrast for the above hypothetical concerning copying the movie *Die Hard*, the above case of *Nichols*, the discussion following *Nichols* about authors being paid for film rights, and the

Lone Wolf McQuade and *MGM v. Honda* cases that come along further below.

The movie *Die Hard* was based on a book, *Nothing Lasts Forever* by Roderick Thorp. If you read the book and watch the movie, you'd have to conclude they are two totally different works.

The book is grim and disconsolate while the film is thrilling and emotively soaring. The book's characters, including the protagonist and villain antagonist are fairly described as bitter and sadistic, bordering on misanthropic. The movie's characters, including the protagonist and villain antagonist, are colorful and, at moments, joyful.

In the movie, at least two characters are strongly transformed by the events of the story in positive, life-changing ways. In the book, the main characters seem to stay the same from beginning to end; that is, the characters' character is static.

And yet, if you read the book, there's no question that the movie's screenplay was made from it. A huge number of character names are identical. And a number of unique, quirky occurrences in the book are duplicated in the movie.

It's clear that *Die Hard*'s screenwriters, Jeb Stuart and Steven E. de Souza, treated the book like a vehicle they bought, which they then stripped down and rebuilt into something completely different. Yet they retained various parts they found to still be in working order and convenient to keep since they fit into the new contraption they were making. If it were an automobile that you'd sold them, you might say, "That's definitely my passenger seat. And that's the same speedometer. And I recognize that left headlight right-rear quarter panel. I can tell they turned the roof rack into whatever that is over there. But whatever it is now is not my old vehicle."

The Hollywood industry culture, and the commonness of deals and development arcs like *Nothing Lasts Forever* and *Die Hard,* no doubt play into the web of expectations and motivations that drive lawsuits and copyright infringement accusations. The law affects the entertainment industry's deal and development culture, but that culture pushes back on the law. The cases of *Lone Wolf McQuade v. CBS* and *MGM v. American Honda,* below, are evidence of the law and industry's relationship of two-way influence.

B.7. Case: Lone Wolf McQuade v. CBS (S.D.N.Y. 1997)

In 1983, Orion Pictures released the film *Lone Wolf McQuade* starring Chuck Norris. In the movie, Norris plays J.J. McQuade, a Texas Ranger skilled in martial arts who drives a 4x4 off-road vehicle. In 1993, the CBS debuted the television series *Walker, Texas Ranger.* Norris plays Cordell Walker, a Texas Ranger skilled in martial arts who drives a 4x4 off-road vehicle.

Orion Pictures and right-holding entity Lone Wolf McQuade Associates sued CBS, Norris, and Norris's production company Top Kick Productions for copyright infringement. In the district court, the defendants moved for summary judgment. (And plaintiffs cross-moved.) The court's ruling and opinion are the case reproduced here. The court held the plaintiffs' claims survived summary judgment. Whether the TV show was "substantially similar" to the movie so as to constitute infringement, the court said, presented genuine issues of disputed fact.

In 1983, when *Lone Wolf McQuade* hit theaters, Norris wasn't the megastar he would become. At the time, movie critic Roger Ebert described Norris as having "been around for several years, in a series of karate and kung fu movies that were almost always better than average – but not a lot better than average." But Ebert had admiration for Norris, calling him an "energetic, likable star."

Seemingly prophetic of *Walker, Texas Ranger* and the ensuing lawsuit, Ebert wrote in his 1983 review of *Lone Wolf McQuade*:

> "What Norris was really looking for in all those pictures, I guess, was the right character. Like Eastwood's Man With No Name, he needed a personality that would fit, that would contain his kung fu skills and allow him ways of expression not limited to flying fists and deadly elbows. That's what he's found in 'Lone Wolf McQuade.'˜ Norris plays J. J. McQuade, a renegade modern-day Texas Ranger who works alone, likes to work with machine-guns, deals out justice on the spot, and hardly ever says much of anything.˜ If the movie does well at the box office (and if word-of-mouth works, it will), it could be the beginning of a series for Norris."

Attribution and editing notes

Paragraphing may differ from the original. As usual: Various footnotes and cites – particularly uninteresting ones, such as to docket filings – have been

omitted without indication. The superscript tilde ~ signals a deletion. And the superscript pilcrow ¶ means an inserted paragraph break.

Text

Lone Wolf McQuade v. CBS

United States
961 F.Supp. 587 (S.D.N.Y. 1997)

JOHN G. KOELTL, District Judge:

This is an action by the plaintiff, Lone Wolf McQuade Associates ("McQuade Associates"), arising out of rights held by the plaintiff relating to the 1983 motion picture "Lone Wolf McQuade." The central issue in this case is whether the popular television series "Walker, Texas Ranger" violates the plaintiff's rights in the movie "Lone Wolf McQuade."

{T}he plaintiff brought suit against defendant CBS, Inc. ("CBS") alleging that "Walker, Texas Ranger" violates its rights relating to "Lone Wolf McQuade" pursuant to the Copyright Act of 1976~.

{Orion Pictures Corporation later joined as a plaintiff. And two additional defendants were added: Top Kick Productions, Inc. and Chuck Norris. The same claims were alleged against all defendants.

In addition to copyright infringement – but not considered here – all defendants were also sued for a trademark-infringement-type claim under Section 43(a) of the Lanham Act, as well as a claim under New York state unfair competition and misappropriation law.}

I.

~Summary judgment may not be granted unless "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P. 56(c); *see also Celotex Corp. v. Catrett*, 477 U.S. 317 (1986); *Gallo v. Prudential Residential Servs. Ltd. Partnership*, 22 F.3d 1219, 1223 (2d Cir. 1994). "The trial court's task at the summary judgment motion stage of the litigation is carefully limited to discerning whether there are genuine issues of material fact to be tried, not to deciding them. Its duty,

in short, is confined at this point to issue-finding; it does not extend to issue-resolution." *Id.*, 22 F.3d at 1224.˜

II.

There is no genuine dispute with respect to the following material facts. Pursuant to an agreement dated May 11, 1982 (the "1818 Agreement"), 1818 Productions, Inc. ("1818 Productions") transferred, sold, and assigned to Orion certain rights and interests with respect the motion picture "Lone Wolf McQuade."¶

Produced and released in 1983, "Lone Wolf McQuade" is an action-packed movie starring Chuck Norris as J.J. McQuade, a Texas Ranger who uses martial arts. The main plot of "Lone Wolf McQuade" involves a group of evil drug dealers who hijack an army convoy in order to obtain a huge supply of ammunition and high-power weapons. J.J. McQuade ultimately chases the villains to Mexico where they are holding his daughter hostage and defeats them in a final battle with a combination of bullets, grenades, and martial arts.

In an agreement dated March 22, 1983 (the "Purchase Agreement"), Orion conveyed to McQuade Associates "all right, title and interest in and to all copyrights in the Film" but expressly did not convey and reserved various rights including "any interest whatsoever in and to ... any television series rights, so-called television 'special' rights, remake or sequel rights, or any other ancillary rights and/or allied rights ...."¶

In the early 1990s, Orion discussed with CBS the possibility of a movie-of-the-week and television series based on "Lone Wolf McQuade," but an agreement never was reached regarding the proposal.

In or about 1993, CBS first broadcast "Walker: Texas Ranger, One Riot, One Ranger," a made-for-television movie starring Chuck Norris as Cordell Walker, a Texas Ranger who uses martial arts. The two main plots of the television movie involve a fifteen year old rape victim who is being stalked by her attackers and a paramilitary-type gang that plots to rob four banks simultaneously. Cordell Walker ultimately uses martial arts to capture the stalkers, and a combination of shotgun blasts and martial arts to defeat the bank robbers.¶

The broadcast of the television movie was followed by a weekly television series entitled "Walker, Texas Ranger." In the television series, Cordell Walker continues to fight crime with a combination of guns and martial arts and the help of an assistant district attorney and a young minority partner.

III.

The defendants first argue that summary judgment on the plaintiff's copyright claims is appropriate in this case because "Lone Wolf McQuade" and "Walker, Texas Ranger" are not substantially similar in their protectable expression. To succeed on a copyright infringement claim, a plaintiff with a valid copyright must prove that: (1) the plaintiff's work was actually copied by the defendant; and (2) the copying is illegal because there is a substantial similarity between the protectable material in the plaintiff's work and the defendant's work. *See, e.g., Fisher-Price, Inc. v. Well-Made Toy Mfg. Corp.*, 25 F.3d 119, 122-23 (2d Cir. 1994). For the purpose of their motion, the defendants concede actual copying and do not dispute the validity of the copyright for "Lone Wolf McQuade."

In most cases, the test for substantial similarity is the ordinary observer test, which requires a determination whether the average lay observer would find that the defendant appropriated the alleged copy from the copyrighted work. *See Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996, 1002 (2d Cir. 1995). However, when a work contains both protectable and unprotectable elements, a court should apply the more discerning ordinary observer test by attempting to eliminate the unprotectable elements from consideration and comparing only the protectable elements for substantial similarity. *See Knitwaves*, 71 F.3d at 1002. As explained by the Court of Appeals for the Second Circuit:

> The plaintiff must show that the defendant appropriated the plaintiff's particular means of expressing an idea, not merely that he expressed the same idea. The means of expression are the 'artistic' aspects of a work; the 'mechanical' or 'utilitarian' features are not protectible.... We focus on whether an ordinary lay observer would overlook the dissimilarities between the artistic (protectible) aspects of the two works and

> would conclude that one was copied from the other. Where, as here, we compare products that have both protectible and unprotectible elements, we must exclude comparison of the unprotectible elements from our application of the ordinary observer test.

Fisher-Price, 25 F.3d at 123 (citations omitted).

But the more discerning ordinary observer test still takes into account the work's "'total concept and feel.'" *Knitwaves*, 71 F.3d at 1003. The more discerning ordinary observer test does not stand for the broad proposition

> that, in comparing designs for copyright infringement, we are required to dissect [the two works] into their separate components, and compare only those elements which are in themselves copyrightable.... If we took this argument to its logical conclusion, we might have to decide that "there can be no originality in a painting because all colors of paint have been used somewhere in the past."

Knitwaves, 71 F.3d at 1003; *see also M. H. Segan Ltd. Partnership v. Hasbro, Inc.*, 924 F. Supp. 512, 521 (S.D.N.Y. 1996) ("Through *Knitwaves*, the Second Circuit has recently reconfirmed that the more discerning ordinary observer test is not an invitation to dissect a work into its constituent elements or features. The works as a whole must be compared to each other."). The author's original contributions are protectable including "the original way in which the author has 'selected, coordinated, and arranged' the elements of his or her work." *Knitwaves*, 71 F.3d at 1004 (quoting *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 358 (1991)).

A.

The defendants argue that "Lone Wolf McQuade" and "Walker, Texas Ranger" are not substantially similar as a matter of law because any similarities between the two works and the two main characters themselves involve only non-protectable elements. Although they do not dispute that the plaintiff's copyright in "Lone Wolf McQuade" extends to the character J.J. McQuade, the defendants contend that the similarities between J.J. McQuade and Cordell Walker simply reflect general themes, scenes a faire, and basic stock elements that can be found in many action adventure heros

and are not protectable. *See Walker v. Time Life Films, Inc.*, 784 F.2d 44, 50 (2d Cir.); *Williams v. Crichton*, 84 F.3d 581, 587 (2d Cir. 1996); *Warner Bros. Inc. v. American Broadcasting Cos., Inc.*, 654 F.2d 204, 208 (2d Cir. 1981). In finding that the motion picture "Fort Apache: The Bronx" did not infringe on the book "Fort Apache," the Court of Appeals discounted numerous similarities based on the general experiences of police battling the hostile environment in the 41st Precinct in the Bronx:

> These similarities therefore are unprotectible as "scenes a faire," that is, scenes that necessarily result from the choice of a setting or situation. Neither does copyright protection extend to copyright of "stock" themes commonly linked to a particular genre. Foot chases and the morale problems of policemen, not to mention the familiar figure of the Irish cop, are venerable and often-recurring themes of police fiction. As such, they are not copyrightable except to the extent they are given unique – and therefore protectible – expression in an original creation.

Walker, 784 F.2d at 50 (citation omitted).

The allegedly unprotectable similarities between J.J. McQuade and Cordell Walker include the following: both are mavericks who fight injustice, resist cooperation with the authorities and their direct superiors, and behave unconventionally; both are Texas Rangers; both use martial arts; both wear jeans and a casual shirt, with or without a vest, with an attached shield; both drive 4 X 4 off-road vehicles with lights on the roof; both have a partner of a minority ethnic group; and both are reluctant about taking on a young or inexperienced partner. The defendants support their argument with numerous clips of other action-packed adventures from the Lone Ranger with his faithful sidekick Tonto to more recent footage of Chuck Norris and other modern heroes battling villains with martial arts.

However, the plaintiff correctly argues that this Court should not engage in a detailed dissection of the character traits of J.J. McQuade and Cordell Walker. In *Warner Bros. Inc. v. American Broadcasting Cos., Inc.*, 720 F.2d 231 (2d Cir. 1983), the Court of Appeals rejected the

> defendants' mode of analysis whereby every skill the two characters share is dismissed as an idea rather than a protected form of expression. That approach risks elimination of any copyright protection for a character, unless the allegedly infringing character looks and behaves exactly like the original. A character is an aggregation of the particular talents and traits his creator selected for him. That each one may be an idea does not diminish the expressive aspect of the combination. But just as similarity cannot be rejected by isolating as an idea each characteristic the characters have in common, it cannot be found when the total perception of all the ideas as expressed in each character is fundamentally different.

Id. at 243. Instead, the Court should determine "the total concept and feel" of the two characters and "the total concept and feel, theme, characters, plot, sequence, pace and setting" of the two works. *Williams*, 84 F.3d at 588. The *Warner Bros.* court instructed:

> Ultimately, care must be taken to draw the elusive distinction between a substantially similar character that infringes a copyrighted character despite slight differences in appearance, behavior, or traits, and a somewhat similar though non-infringing character whose appearance, behavior, or traits, and especially their combination, significantly differ from those of a copyrighted character, even though the second character is reminiscent of the first one. Stirring one's memory of a copyrighted character is not the same as appearing to be substantially similar to that character, and only the latter is infringement.

Warner Bros., 720 F.2d at 242.

The plaintiff also contends that the character J.J. McQuade could also be considered a non-factual compilation of carefully selected character traits that constitutes a creative act protected by copyright. *See Feist Publications v. Rural Telephone Serv. Co., Inc.*, 499 U.S. 340, 356-59 (1991); *Knitwaves*, 71 F.3d at 1003-04.

Whether J.J. McQuade is treated as a copyrightable character with an aggregation of particular talents and traits or a copyrightable non-factual

compilation, the result is the same. A review of "Lone Wolf McQuade," "Walker: Texas Ranger, One Riot, One Ranger," and the series "Walker, Texas Ranger" confirms that there are numerous characteristics that are common to both J.J. McQuade and Cordell Walker that contribute to an overall perception of the characters and the works as similar.¶

These similarities include the two characters' approaches to law enforcement, style, fighting technique, characteristic behavior, and methods of operation as modern-day Texas Rangers, their portrayal by Chuck Norris, their attitudes toward authority and rules, and their style of attire and choice of vehicle.¶

Viewing these works, a reasonable jury could conclude that an ordinary lay observer would view the characters J.J. McQuade and Cordell Walker and the works at issue as substantially similar. A reasonable jury could conclude that the total combination of all the traits of Cordell Walker are substantially similar to those of J.J. McQuade and not simply reminiscent of that character. *See M.H. Segan*, 924 F. Supp. at 521 (finding summary judgment inappropriate on the issue of substantial similarity between two toys, Big Frank and Frankenstuff).

B.

The defendants also assert that the differences between "Lone Wolf McQuade" and "Walker, Texas Ranger" are so profound that no reasonable juror could find that the total concept and feel of the works are substantially similar. The defendants argue that the differences overwhelm the similarities between the two characters. The defendants argue that J.J. McQuade and Cordell Walker are wholly dissimilar characters with different backgrounds, personalities, temperaments, attitudes, life experiences, family situations, living situations, and alliances; that their partners have completely different personalities and roles; that their relationships with their partners are different; that they dress differently and drive different off-road vehicles; that the works have a different tone and mood; and that the works seek to teach different messages regarding social consciousness, tolerance for differences, and the legal system.

A review of the works establishes that the alleged differences are in fact exaggerated. Whether, for example, J.J. McQuade typically wears dirty jeans and Cordell Walker generally wears clean jeans (except when he goes out into the field and battles in the dirt), and whether J.J. McQuade drives a mud splattered white Dodge Ram while Cordell Walker drives a clean blue or gray pick up truck, are unlikely to detract from the substantial similarity of the characters. Similarly, the defendants can only argue that J.J. McQuade, as opposed to Cordell Walker, is not humorous, tender, or light-hearted by ignoring the scenes in which J.J. McQuade exhibits those characteristics and then ignoring the scenes in which Cordell Walker exhibits some of his more brutal martial arts.

In any event, as the Court of Appeals has instructed,

> Dissimilarity between some aspects of the works will not automatically relieve the infringer of liability, for "no copier may defend the act of plagiarism by pointing out how much of the copy he has not pirated." It is only when the similarities between the protected elements of plaintiff's work and the allegedly infringing work are of "small import quantitatively or qualitatively" that the defendant will be found innocent of infringement.

Williams, 84 F.3d at 588 (citation omitted). A review of the characters and the works in their entirety confirms that the similarities between the works explained above are not of such "small import quantitatively or qualitatively" that this Court should hold as a matter of law that no reasonable trier of fact could find the works substantially similar.

Accordingly, because there are disputed issues of material fact regarding whether "Lone Wolf McQuade" and "Walker, Texas Ranger" are substantially similar, the plaintiff's copyright claims cannot be dismissed on this basis.˜

VI.

The plaintiff also invites the Court to search the record and determine that the plaintiff is entitled to summary judgment as a matter of law on its copyright infringement claim because no reasonable juror could fail to conclude that "Lone Wolf McQuade" and "Walker, Texas Ranger" are

substantially similar.˜ {A}lthough there are definite similarities between the two works, whether these similarities rise to the level of substantial similarity is a disputed issue of material fact that cannot be resolved upon this motion. Accordingly, the plaintiff's motion for summary judgment on its copyright claim is denied.˜

SO ORDERED.

B.8. Case: MGM v. American Honda (C.D. Cal. 1995)

Pre-reading notes

Thinking of thickets on district dockets

This next case is a real tangled knot. It's a trial court case, and reading it you can really see how appellate judges could be said to have an easier job than trial court judges. On the top appeals court, of course, U.S. Supreme Court judges have nearly complete control over their docket. Accordingly, they generally take on only those legal questions they choose to. Federal circuit judges also have it pretty good. They don't have the cherry-picking superpower of certiorari, but by the time cases bubble up to the circuit, the issues are usually substantially narrowed. Also, truth be told, circuit panels have a lot of means at their disposal for dodging things they find to be inconveniently complex.

Not so the federal district court judges. On the district court bench, judges often come to work to discover that what's been deposited on their docket is a thicket of interrelated motions involving overlapping and potentially inconsistent legal theories that are intertwined with intensely complicated, yet-to-be-tried facts. This next case, *MGM v. American Honda*, is a great example of that.

Given such a mess, the judge may then be forced to navigate all the legal questions in a factual context that is far removed from usable precedent. Even if you'd agree that the U.S. Supreme Court has done a solid job of articulating the bounds of copyrightability – the idea/expression distinction, and so on – as a trial court judge, it's easy to find yourself in situations where the application of that caselaw seems almost hopeless. And *MGM v. American Honda*, is arguably a great example of that, too.

The case, the secret agent, the outcome – and what it

means

In this case, the Honda car company – or at least its U.S. based subsidiary, American Honda Motor Co., Inc. – is accused in this case of creating a television commercial that infringed the copyright on James Bond films.

James Bond is a fictional British secret agent who habitually dresses in black-tie as he foils absurd and ridiculously well-resourced villains. Irresistible to women and ludicrously lucky in all situations, James Bond is smart and stylish with a gun, but he doesn't use it as much as you'd think he would. This is workable because James Bond's enemies reliably avoid killing him in any straightforward manner at any of innumerable opportunities. So, despite his shoulder-holstered pistol and considerable marksmanship abilities, James Bond tends to defeat his enemies and their incredibly plentiful henchmen with dazzling high-tech niche-use gadgets provided by the British intelligence service. These gadgets – often existing as built-in features of luxury menswear accessories or speedy, compact-sized vehicles – unfailingly come in handy yet never prove to be worth using twice.

The commercial in question was for the Honda Del Sol, a sporty compact car with a removable roof panel. The commercial's suave and heroic Del Sol driver, dressed in a tuxedo, uses the Del Sol's features to defeat an unknown villainous organization dedicated to using wildly extravagant means of attacking the driver and his stylish and attractive female companion.

The tongue-in-cheek ad – special-effects-filled and big-budget for a commercial – unquestionably calls to mind the secret agent protagonist of the James Bond films. But infringement must require more than calling to mind someone's copyrighted work. Right? Yet how much more isn't clear. And this case points up the dangers of guessing wrong.

Here, the plaintiffs' win a preliminary injunction against Honda requiring the car company to cease airing and showing their lavishly produced ad.

For many cases, include a case such as this, the plaintiff's success in obtaining a preliminary injunction often marks the litigation's end. For many reasons, defendants and their counsel may figure it's highly unlikely they'll get a different result after a trial on the merits. It's the same judge, after all. And typically that judge has already worked through and made rulings on key issues of law in deciding the preliminary injunction application. But even worse, a trial on the merits could be years away. And for something like a television commercial featuring the current model-year product, there may be no point in fighting on.

Character problems

Here, Honda was not really alleged to have copied a particular James Bond film. Rather, the allegation is that Honda copied James Bond.

What would it mean to have a copyright on James Bond? James Bond is a character, not a film or a screenplay, not a copyrighted "work." Certainly James Bond is portrayed and expressed and fleshed-out across myriad James Bond films. Can we skip some difficulties by saying that as long as those films are copyrighted, it doesn't matter?

Hmmm. Good idea. But consider that at the time this lawsuit was fought, the rights in the James Bond books and films were not tidily kept within the ownership of a single entity. Novelist Ian Fleming, who created James Bond and employed him in several books and stories, did various deals for adaptations. So as this lawsuit entered the courthouse, the copyrights to different James Bond films were owned by different entities.

What does that do to the theory that there can be a copyright on a character? The district court judge had to deal with that in this litigation.

Fun and funky: The Honda Del Sol

The automobile in question is the Honda Del Sol – Spanish for "Of the Sun." Based on Honda's wildly successful Civic model, the Del Sol debuted in 1992. A MotorTrend lookback described it as a "budget roadster" that was "fun and funky" and "quirky" with a "slick-shifting" five-speed manual transmission and a "high-winding VTEC engine."

The car's most notable feature – and the aspect most central to the problem-causing commercial – was the "targa top." A targa is a kind of convertible that allows you to drive with the sun on your face and the wind in your hair, but with concessions to practicality and safety. The original, traditional convertible design has a soft-top roof that collapsibly folds down into a compartment behind the seats – leaving just the windshield projecting above the level of the hood and dashboard. The targa, by contrast, has a hard roof, but the roof section spanning the front row is removable. That leaves the windshield, the rear window, and a roll-bar structure in place for more safety on sunny summer days. And when closed up, the hard-top helps make for warmer winters.

The Del Sol was discontinued after 1998, but it retains a healthy resale market and a fan base whose forum comments include: "It's a very fun car to drive!"; "a great little car"; "most fun I have ever had in a car"; "you get a lot of

compliments"; "totally the funnest car I owned." "Extremely fun car and taking the top off when the weather is good is hard to beat."

One owner whose Del Sol has been undriveable for years raved: "Saving up to get it restored because I just can't give it up. I love it!"

Having that picture of the car in mind, it's easy to see what Honda and its ad people were thinking when they created the commercial at the heart of this litigation.

Attribution and editing notes

Footnotes and various citations and portions of citations removed without indication. Bold type re-set in roman type. Paragraphing may have been altered without indication.

Text

MGM v. American Honda Motor

United States District Court for the Central District of California
900 F. Supp. 1287 (C.D. Cal. 1995)

Metro-Goldwyn-Mayer, Inc., et al., Plaintiffs, v. American Honda Motor Co., Inc., et al., Defendants. *Counsel for plaintiffs* Metro-Goldwyn-Mayer, Inc. *and* Danjaq Inc: Robert Grahame Barnes, Alan L Friel, Kaye Scholer Fierman Hays & Handler, Los Angeles, Calif., and Pierce O'Donnell, O'Donnell Reeves & Shaeffer, Los Angeles, Calif. *Counsel for defendants* American Honda Motor Co., Inc. *and* Rubin Postaer & Associates: Amy D Hogue, Julie Duffy, Pillsbury Madison & Sutro, Los Angeles, Calif. Order Re: (1) Motion for Preliminary Injunction; (2) Motion for Summary Judgment

David V. Kenyon, United States District Judge:

Based on the papers submitted and the brief arguments presented at the March 13, 1995 hearing, the Court GRANTS Plaintiffs' motion for a preliminary injunction and DENIES Defendants' motion for summary judgment for the reasons set forth below. Plaintiffs are ORDERED to post a bond in the amount of $ 6,000,000 for this preliminary injunction to issue.

The Court ORDERS that Defendants, their agents, employees, representatives, and all others purporting to work, or working, on their behalf, be, and by this order are, enjoined from continuing to infringe on Plaintiffs' copyrighted works by displaying or exhibiting in any manner, or

causing to be displayed or exhibited in any manner, the Honda del Sol commercial which is the subject of this action, in any medium, including network or cable television or movie theaters.

I. Introduction

This case arises out of Plaintiffs Metro-Goldwyn-Mayer's and Danjaq's claim that Defendants American Honda Motor Co. and its advertising agency Rubin Postaer and Associates, violated Plaintiffs' "copyrights to sixteen James Bond films and the exclusive intellectual property rights to the James Bond character and the James Bond films" through Defendants' recent commercial for its Honda del Sol automobile.

Premiering last October 1994, Defendants' "Escape" commercial features a young, well-dressed couple in a Honda del Sol being chased by a high-tech helicopter. A grotesque villain with metal-encased arms jumps out of the helicopter onto the car's roof, threatening harm. With a flirtatious turn to his companion, the male driver deftly releases the Honda's detachable roof (which Defendants claim is the main feature allegedly highlighted by the commercial), sending the villain into space and effecting the couple's speedy get-away.

> [2] Defense counsel argued at the hearing that the villain's arms were normal and merely gloved. The Court's review of the commercial indicates that at the very least, the gloves contained some sort of metal in them as indicated by the scraping and clanging sounds made by the villain as he tries to get into, and hold onto, the Honda's roof.

Plaintiffs move to enjoin Defendants' commercial pending a final trial on the merits, and Defendants move for summary judgment.

II. Factual Background

In 1992, Honda's advertising agency Rubin Postaer came up with a new concept to sell the Honda del Sol convertible with its detachable rooftop. For what was to become the commercial at issue, Rubin Postaer vice-president Gary Yoshida claims that he was initially inspired by the climax scene in "Aliens," wherein the alien is ejected from a spaceship still clinging onto the spacecraft's door. From there, Yoshida and coworker Robert Coburn began

working on the storyboards for the "Escape" commercial. As the concept evolved into the helicopter chase scene, it acquired various project names, one of which was "James Bob," which Yoshida understood to be a play on words for James Bond. In addition, David Spyra, Honda's National Advertising Manager, testified the same way, gingerly agreeing that he understood "James Bob to be a pun on the name James Bond."

While the commercial was initially approved by Honda in May 1992, it was put on hold because of financing difficulties. Actual production for the commercial did not begin until after July 8, 1994, when Honda reapproved the concept. Defendants claim that, after the initial May 1992 approval, they abandoned the "James Bob" concept, whiting out "James" from the title on the commercial's storyboards because of the implied reference to "James Bond." However, Plaintiffs dispute this assertion, pointing to the fact that when casting began on the project in the summer of 1994, the casting director specifically sent requests to talent agencies for "James Bond"-type actors and actresses to star in what conceptually could be "the next James Bond film."[3]

> [3] Defendants respond that this decision was solely the casting director's, and that the director was actually instructed to look for "The Avengers"-type actors. This assertion is belied by the fact that: (1) even if this is true, Defendant Rubin Postaer must have had knowledge about this because they were in charge of the overall project; (2) Plaintiffs' "Avengers" experts, Brian Clemens and David Rogers, state in their declarations that the Honda characters bear no resemblance to the "Avengers" but closely mimic "James Bond"; and (3) during his deposition, Yoshida kept on referring to the Honda protagonist as "James," which suggests that Rubin Postaer never really abandoned the concept.

With the assistance of the same special effects team that worked on Arnold Schwarzenegger's "True Lies," Defendants proceeded to create a sixty- and thirty-second version of the Honda del Sol commercial at issue: a fast-paced helicopter chase scene featuring a suave hero and an attractive heroine, as well as a menacing and grotesque villain.

The commercial first aired on October 24, 1994, but was apparently still not cleared for major network airing as late as December 21, 1994. Plaintiffs first viewed the film during the weekend of December 17 and 18, 1994; they demanded that Defendants pull the commercial off the air on December 22; Defendants refused on December 23; and Plaintiffs filed this action on December 30, 1994. After a brief telephone conference with this Court on January 4, 1995, the Court allowed Plaintiffs to conduct expedited discovery in this matter.

On January 15, 1995, in an effort to accommodate Plaintiffs' demands without purportedly conceding liability, Defendants changed their commercial by: (1) altering the protagonists' accents from British to American; and (2) by changing the music to make it less like the horn-driven James Bond theme. This version of the commercial was shown during the Superbowl, allegedly the most widely viewed TV event of the year.

Plaintiffs filed the instant motion for preliminary injunction on January 23, 1995, and Defendants filed their summary judgment motion on February 21, 1995.

III. Legal Analysis

A. Plaintiffs' Preliminary Injunction Motion

1. The Preliminary Injunction Standard

In the Ninth Circuit, "[a] preliminary injunction may be granted if the moving party shows either (1) a combination of probable success on the merits and the possibility of irreparable harm, or (2) the existence of serious questions going to the merits, the balance of hardships tipping sharply in its favor, and at least a fair chance of success on the merits." *Senate of State of California v. Mosbacher,* 968 F.2d 974, 977 (9th Cir. 1992). In essence, this test requires looking at two key elements in deciding whether an injunction should issue: the relative *merits* of the claim, and the relative *harms* to be suffered by the parties.

2. Merits Of Plaintiff's Copyright Infringement Claim

The required showing of likelihood of success on the merits is examined in the context of injuries to the parties and the public, and is not reducible to

a mathematical formula. *See, e.g., Dataphase Systems, Inc. v. C L Systems, Inc.,* 640 F.2d 109, 113 (8th Cir. 1981) (rejecting idea that "likelihood" requires moving party to show better than 50-50 chance of prevailing on merits). To satisfy the "merits" prong of the preliminary injunction standard, Plaintiffs must show a "reasonable probability," at one end of the spectrum, or "fair chance," on the other, of success on the merits. Of course, a lesser showing of probability of success requires a greater showing of harm, and vice-versa.

A claim for copyright infringement requires that the plaintiff prove (1) its ownership of the copyright in a particular work, and (2) the defendant's copying of a substantial, legally protectable portion of such work. "An author can claim to 'own' only an original manner of expressing ideas or an original arrangement of facts." *Cooling Systems and Flexibles, Inc. v. Stuart Radiator, Inc.,* 777 F.2d 485, 491 (9th Cir. 1985). The plaintiff need only show that the defendant copied the protectable portion of its work to establish a prima facie case of infringement.

a. Plaintiffs' Ownership Of The Copyrights

Plaintiffs claim that the Honda commercial: (1) "infringes Plaintiffs' copyrights in the James Bond films by intentionally copying numerous specific scenes from the *films;*" and (2) "independently infringes Plaintiffs' copyright in the *James Bond character as expressed and delineated in those films."*

Neither side disputes that Plaintiffs own registered copyrights to each of the sixteen films which Plaintiffs claim "define and delineate the James Bond character." However, Defendants argue that because Plaintiffs have not shown that they own the copyright to the James Bond character in particular, Plaintiffs cannot prevail. *Defendants' Opposition Memo re: Preliminary Injunction Motion,* at 22 (citing *Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, Inc.,* 216 F.2d 945, 949-50 (9th Cir. 1954), *cert. denied,* 348 U.S. 971 (1955) (evidence at bar suggesting that assignment from author to plaintiffs did not include copyrights to author's characters) [the *Sam Spade* case]). Specifically, Defendants claim that James Bond has appeared in two films in which Plaintiffs hold no copyright – "Casino Royale" and "Never Say Never Again" – and therefore, Plaintiffs cannot have exclusive rights to the James Bond character.

It appears that Defendants misconstrue Plaintiffs' claim. First, Plaintiffs do not allege that Defendants have violated Plaintiffs' copyright in the James Bond character itself, but rather in the James Bond character *as expressed and delineated in Plaintiffs' sixteen films.* To the extent that copyright law only protects original *expression,* not *ideas,* Plaintiffs' argument is that the James Bond character as developed in the sixteen films is the copyrighted work at issue, not the James Bond character generally. *See, e.g., Anderson v. Stallone,* 1989 U.S. Dist. LEXIS 11109, 11 U.S.P.Q.2D (BNA) 1161, 1989 WL 206431, *6 (C.D. Cal. 1989) (holding that Rocky characters as developed in three "Rocky" movies "constitute expression protected by copyright independent from the story in which they are contained"). Second, there is sufficient authority for the proposition that a plaintiff who holds copyrights in a film series acquires copyright protection as well for the expression of any significant characters portrayed therein. *See, e.g., New Line Cinema Corp. v. Bertlesman Music Group,* 693 F. Supp. 1517, 1521 n.5 (S.D.N.Y. 1988) ("Because New Line has valid copyrights in the Nightmare [on Elm Street film] series, it is clear that it has acquired copyright protection as well *for the character of Freddy.")* (emphasis added); *Warner Bros. Inc. v. American Broadcasting Cos.,* 720 F.2d 231, 235 (2d Cir. 1983) (same). And third, the *Sam Spade* case, 216 F.2d at 949-50, on which Defendants' rely, is distinguishable on its facts because *Sam Spade* dealt specifically with the transfer of rights from author to film producer rather than the copyrightability of a character as developed and expressed in a series of films.

Accordingly, Plaintiffs will likely satisfy the "ownership" prong of the test.˜

b. What Elements Of Plaintiffs' Work Are Protectable Under Copyright Law

Plaintiffs contend that Defendants' commercial infringes in two independent ways: (1) by reflecting specific scenes from the 16 films; and (2) by the male protagonist's possessing James Bond's unique character traits as developed in the films.

Defendants respond that Plaintiffs are simply trying to gain a monopoly over the "action/spy/police hero" genre which is contrary to the purposes of copyright law. Specifically, Defendants argue that the allegedly infringed elements identified by Plaintiffs are not protectable because: (1) the

helicopter chase scene in the Honda commercial is a common theme that naturally flows from most action genre films, and the woman and villain in the film are but stock characters that are not protectable; and (2) under the Ninth Circuit's *Sam Spade* decision, the James Bond character does not constitute the "story being told," but is rather an unprotected dramatic character.

(1) Whether Film Scenes Are Copyrightable

In their opening brief, Plaintiffs contend that each of their sixteen films contains distinctive scenes that together comprise the classic James Bond adventure: "a high-thrill chase of the ultra-cool British charmer and his beautiful and alarming sidekick by a grotesque villain in which the hero escapes through wit aided by high-tech gadgetry." Defendants argue that these elements are naturally found in any action film and are therefore unprotected "scenes-a-faire."[5]

> [5] Situations, incidents, or events that naturally flow from a common theme, or setting or basic plot premise are "scenes-a-faire." *See, e.g., Nichols v. Universal Pictures Corp.,* 45 F.2d 119, 121 (2d Cir. 1930), *cert. denied,* 282 U.S. 902, 75 L. Ed. 795, 51 S. Ct. 216 (1931); 3 M. & D. Nimmer, *Nimmer on Copyright,* § 13.03[B][4], at 13-80-82 (1994) (discussing scenes-a-faire doctrine). In *Universal City Studios v. Film Ventures International, Inc.,* 543 F. Supp. 1134, 1141 (C.D. Cal. 1982), this Court granted a preliminary injunction to the copyright holders of "Jaws" finding that they were likely to prevail on the issue of intrinsic substantial similarity against the movie "Great White," another shark-attack film. In so doing, the Court rejected the defendants' characterization of the plaintiffs' expression of ideas as unprotectable scenes-a-faire: "The Court rejects Defendants' overly expansive view of that which falls within the unprotected sphere of general ideas and scenes a faire, and instead adopts Plaintiffs' characterization of that which constitutes the expression of ideas." *Id.* at 1141. It appears that in this case, as in *Universal,* Defendants are attempting to claim that all elements of the commercial are unprotected, and therefore, the commercial as a whole is non-

> infringing. This Court rejected this approach in *Universal,* and does so here as well.

Both sides provide expert testimony to support their claims that such scenes are distinctive or generic, and both sides question the qualifications – and hence, the testimony – of the others' experts.[6]

> [6] As discussed and agreed upon by the parties during the February 10, 1995 telephone status conference, the Court stated that it would not rule specifically on each of the myriad objections interposed by both parties, but would instead refer to the experts' declarations when helpful and admissible.

¶Indeed, there is a notable difference in the backgrounds of the parties' experts. Plaintiffs' impressive array of James Bond experts includes: (1) Lee Pfeiffer, a writer and James Bond expert whose 1992 book is entitled "The Incredible World of 007" – he has appeared on many radio and television programs as a James Bond expert; (2) Richard B. Jewell, a professor at the USC School of Cinema-Television who recently taught a course on James Bond films in the Spring of 1994; (3) Mark Cerulli, a writer/producer at HBO who has written articles and film reviews of many of the Bond films; (4) Drew Casper, a professor and film historian at the USC School of Cinema-Television; and (5) Irwin Coster, president of Coster Music Research Enterprises, Inc. Defendants' less-impressive expert list includes: (1) Arnold Margolin, a writer and producer, who considers himself to be "conversant with the genre to which James Bond and his films belong," because he has been a fan of Bond films since 1959 and has written several screenplays in the "spy film" genre; and (2) Hal Needham, a movie director responsible for the "Cannonball Run" and "Smokey and the Bandit" comedy film series.

Plaintiffs' experts describe in a fair amount of detail how James Bond films are the source of a genre rather than imitators of a broad "action/spy film" genre as Defendants contend. Specifically, film historian Casper explains how the James Bond films represented a fresh and novel approach because they "hybridized the spy thriller with the genres of adventure, comedy (particularly, social satire and slapstick), and fantasy. This amalgam ... was also a departure from the series' literary source, namely writer Ian

Fleming's novels." *Casper Decl.,* P 9. Casper also states: "I also believe that this distinct melange of genres, which was also seminal ... created a protagonist, antagonist, sexual consort, type of mission, type of exotic setting, type of mood, type of dialogue, type of music, etc. that was not there in the subtype of the spy thriller films of that ilk hitherto." *Id.,* P 11. In addition, Professor Jewell and Lee Pfeiffer describe the aforementioned elements in more detail and how these are in essence copied by the Honda commercial.[7]

> [7] In response, Defendants' expert Needham suggests that the three 1960s British television series "The Avengers," "The Saint," and "Danger Man" are precursors of the Bond films and that the Bond films copy from them. Furthermore, expert Margolin goes through an extrinsic test analysis of the differences between Plaintiffs' films and the Honda commercial.
>
> In rebuttal, Plaintiffs present the declarations of: (1) Brian Clemens, who produced many episodes of "The Avengers" and "Danger Man," as well as having worked on "The Saint"; and (2) David Rogers, a leading authority on "The Avengers" and Patrick McGoohan, the star of "Danger Man." Both experts state that no part of the Honda commercial resembles either the "The Avengers," "Danger Man," or "The Saint," and that the commercial is a copy of a James Bond film.

Based on Plaintiffs' experts' greater familiarity with the James Bond films, as well as a review of Plaintiffs' James Bond montage and defense expert Needham's video montage of the "action/spy" genre films, it is clear that James Bond films are unique in their expression of the spy thriller idea. A filmmaker could produce a helicopter chase scene in practically an indefinite number of ways, but only James Bond films bring the various elements Casper describes together in a unique and original way.

Thus, the Court believes that Plaintiffs will likely succeed on their claim that their expression of the action film sequences in the James Bond films is copyrightable as a matter of law.[8]

[8] Of course, these film sequences would be only "scenes-a-faire" without James Bond. It is Bond that makes a James Bond film as the following section bears out.

(2) Whether James Bond Character Is Copyrightable

The law in the Ninth Circuit is unclear as to when visually-depicted characters such as James Bond can be afforded copyright protection. In the landmark *Sam Spade* case, *Warner Bros.,* 216 F.2d at 950, the Ninth Circuit held that the *literary* character Sam Spade was not copyrightable because he did not constitute "the story being told." The court opined: "It is conceivable that the character really constitutes the story being told, but if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by the copyright." *Id.*

Two subsequent Ninth Circuit decisions have cast doubt on the continued viability of the *Sam Spade* holding as applied to graphic characters. In *Walt Disney Productions v. Air Pirates,* 581 F.2d 751, 755 (9th Cir. 1978), *cert. denied,* 439 U.S. 1132 (1979), the circuit panel held that several Disney comic book characters were protected by copyright. In acknowledging the *Sam Spade* opinion, the court reasoned that because "comic book characters ... are distinguishable from literary characters, the *[Sam Spade]* language does not preclude protection of Disney's characters." *Id.* The *Air Pirates* decision may be viewed as either: (1) following *Sam Spade* by implicitly holding that Disney's graphic characters constituted the story being told; or (2) applying a less stringent test for the protectability of graphic characters. *See Anderson* at *18 (identifying two views and citing 1 M. Nimmer, *The Law of Copyright,* § 2-12, at 2-176 (1988) (interpreting *Air Pirates* as limiting the "story being told" test to word portraits, not graphic depictions)). One rationale for adopting the second view is that, "as a practical matter, a graphically depicted character is much more likely than a literary character to be fleshed out in sufficient detail so as to warrant copyright protection." *Anderson* at *18. However, as one district court warned, "this fact does not warrant the creation of separate analytical paradigms for protection of characters in the two mediums." *Id*.

A second Ninth Circuit opinion issued in 1988 did little to clarify *Air Pirates*' impact on the *Sam Spade* test. In *Olson v. National Broadcasting Co.,*

855 F.2d 1446, 1451-52 n.6 (9th Cir. 1988), the court cited with approval the *Sam Spade* "story being told" test and declined to characterize this language as dicta. Later in the opinion, the court cited the *Air Pirates* decision along with Second Circuit precedent,[9] recognizing that "cases subsequent to [the *Sam Spade* decision] have allowed copyright protection for characters who are especially distinctive." *Id.* at 1452. *Olson* also noted that "copyright protection may be afforded to characters visually depicted in a television series or in a movie." *Id.* However, later in the opinion, the court distanced itself from the character delineation test applied by these other cases, referring to it as "the more lenient standard[] adopted elsewhere." *Id.*

> [9] The Second Circuit has adopted an alternate test for determining whether dramatic characters are protectable under copyright law. In the landmark case of Nichols, 45 F.2d at 121, the court held that copyright protection is granted to a character if it is developed with enough specificity so as to constitute protectable expression. This has been viewed to be a less stringent standard than Sam Spade's "story being told" test.

There have been no Ninth Circuit cases on the protectability of visually-depicted characters since *Olson,* and therefore, it behooves this Court to analyze James Bond's status under the *Sam* Spade/Olson/Ninth Circuit "story being told" test, as well as under the *Air Pirates/Second* Circuit "character delineation" test.

Predictably, Plaintiffs claim that under either test, James Bond's character as developed in the sixteen films is sufficiently unique and deserves copyright protection, just as Judge Keller ruled that Rocky and his cohorts were sufficiently unique. *See Anderson* at *20. Plaintiffs point to various character traits that are specific to Bond – i.e. his cold-bloodedness; his overt sexuality; his love of martinis "shaken, not stirred;" his marksmanship; his "license to kill" and use of guns; his physical strength; his sophistication – some of which, Plaintiffs' claim, appear in the Honda commercial's hero.

On the other hand, Defendants assert that, like Sam Spade, James Bond is not the "story being told," but instead "has changed enormously from film to film, from actor to actor, and from year to year." Moreover, Defendants contend that even if Bond's character is sufficiently delineated, there is so

little character development in the Honda commercial's hero that Plaintiffs cannot claim that Defendants copied more than the broader outlines of Bond's personality. *See, e.g., Smith v. Weinstein,* 578 F. Supp. 1297, 1303 (S.D.N.Y.), *aff'd,* 738 F.2d 419 (2d Cir. 1984) ("no character infringement claim can succeed unless plaintiff's original conception sufficiently developed the character, and defendants have copied this development and not merely the broader outlines").

Reviewing the evidence and arguments, the Court believes that James Bond is more like Rocky than Sam Spade – in essence, that James Bond is a copyrightable character under either the *Sam Spade* "story being told test" or the Second Circuit's "character delineation" test. Like Rocky, Sherlock Holmes, Tarzan, and Superman,[11] James Bond has certain character traits that have been developed over time through the sixteen films in which he appears.

> [11] *See Warner Bros. Inc. v. American Broadcasting Cos.,* 654 F.2d 204, 208-09 (2d Cir. 1981) (comparing Superman and the "Greatest American Hero" character and concluding that they are not substantially similar).

¶Contrary to Defendants' assertions, because many actors can play Bond is a testament to the fact that Bond is a unique character whose specific qualities remain constant despite the change in actors. *See* Pfeiffer and Lisa, *The Incredible World of 007,* at 8 ("[Despite the different actors who have played the part] James Bond is like an old reliable friend."). Indeed, audiences do not watch Tarzan, Superman, Sherlock Holmes, or James Bond for the story, they watch these films to see their heroes at work. A James Bond film without James Bond is *not* a James Bond film. Moreover, as discussed more specifically below, the Honda Man's character, from his appearance to his grace under pressure, is substantially similar to Plaintiffs' Bond.

Accordingly, the Court concludes that Plaintiffs will probably succeed on their claim that James Bond is a copyrightable character under either the "story being told" or the "character delineation" test.

c. Defendants' Alleged Infringement

After identifying the scope of Plaintiffs' copyrightable work, the Court must focus on whether Defendants copied Plaintiffs' work. Since direct evidence of actual copying is typically unavailable, the plaintiff may demonstrate copying circumstantially by showing: (1) that the defendant had *access* to the plaintiff's work, and (2) that the defendant's work is *substantially similar* to the plaintiff's. *Shaw v. Lindheim,* 919 F.2d 1353, 1356 (9th Cir. 1990).

(1) Access

To demonstrate access, the plaintiff must show that the defendant had "an opportunity to view or to copy plaintiff's work." *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.,* 562 F.2d 1157, 1172 (9th Cir. 1977).˜

Defendants raise access as an issue, arguing that the inventor of the Honda commercial, Gary Yoshida, states in his declaration that he has never watched more than a few minutes of any one James Bond film, and that he got the idea for the commercial from the climax scene in "Aliens."

The Court notes that: (1) Yoshida's admission that he has at least viewed portions of the James Bond films on television; (2) the "Honda man's" having been referred to as "James Bob"; and (3) the casting director's desire to cast "James Bond"-type actors and actresses, are factors sufficient to establish Defendants' access to Plaintiffs' work. Moreover, the sheer worldwide popularity and distribution of the Bond films allows the Court to indulge a presumption of access. *See, e.g., Warner Bros. Inc.,* 654 F.2d at 208 (holding that access to Superman character assumed based on character's worldwide popularity).

Thus, the Court concludes that Plaintiffs will probably succeed on their claim that Defendants had access to Plaintiffs' work.

(2) Substantial Similarity Test

The Ninth Circuit has established a two-part process for determining "substantial similarity" by applying both the "extrinsic" and "intrinsic" tests. *Krofft,* 562 F.2d at 1164-65. "The *[Krofft]* test permits a finding of

infringement only if a plaintiff proves *both* substantial similarity of general ideas under the 'extrinsic test' and substantial similarity of the protectable expression of those ideas under the 'intrinsic test.'" *Shaw,* 919 F.2d at 1356 (emphasis in original). This "idea-expression" dichotomy is particularly elusive to courts and the substantial similarity test necessarily involves decisions made on a case-by-case basis. *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.,* 274 F.2d 487, 489 (2d Cir. 1960) ("Obviously, no principle can be stated as to when an imitator has gone beyond the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be *ad hoc.")*.

(a) Extrinsic Test

The "extrinsic" test compares specific, objective criteria of two works on the basis of an analytic dissection of the following elements of each work – plot, theme, dialogue, mood, setting, pace, characters, and sequence of events. *Shaw,* 919 F.2d at 1359. Evidence is usually supplied by expert testimony comparing the works at issue. Because the extrinsic test relies on objective analytical criteria, "this question may often be decided as a matter of law." *Krofft,* 562 F.2d at 1164.

Here, both Plaintiffs' and Defendants' experts go through specific analyses of the similarities in ideas between the James Bond films and the Honda commercial. Plaintiffs contend that the commercial illegally copies specific protected portions of the James Bond films and the James Bond character itself. Defendants claim that the commercial depicts a generic action scene with a generic hero, all of which is not protected by copyright. Alternatively, Defendants argue that they did not copy a substantial portion of any one James Bond work to be liable for infringement as a matter of law.

Viewing Plaintiffs' and Defendants' videotapes and examining the experts' statements, Plaintiffs will likely prevail on this issue because there is substantial similarity between the specific protected elements of the James Bond films and the Honda commercial: (1) the *theme, plot, and sequence* both involve the idea of a handsome hero who, along with a beautiful woman, lead a grotesque villain on a high-speed chase, the male appears calm and unruffled, there are hints of romance between the male and female, and the protagonists escape with the aid of intelligence and gadgetry; (2) the *settings* both involve the idea of a high-speed chase with the villain in hot

pursuit; (3) the *mood and pace* of both works are fast-paced and involve hi-tech effects, with loud, exciting horn music in the background;[12] (4) both the James Bond and Honda commercial *dialogues* are laced with dry wit and subtle humor; (5) the *characters* of Bond and the Honda man are very similar in the way they look and act – both heros are young, tuxedo-clad, British-looking men with beautiful women in tow and grotesque villains close at hand; moreover, both men exude uncanny calm under pressure, exhibit a dry sense of humor and wit, and are attracted to, and are attractive to, their female companions.

> [12] In *Shaw,* the Ninth Circuit noted, in comparing two *screenplays,* that the fact that both works were "fast-paced, have ominous and cynical moods . . . , and are set in large cities," did not weigh heavily in the panel's analysis because "these similarities are common to any action adventure series." 919 F.2d at 1363. Nonetheless, this situation in the case at bar is different because the mood, setting, and pace of Plaintiffs' and Defendants' works can be visually compared, as opposed to merely compared in the abstract.

In addition, several specific aspects of the Honda commercial appear to have been lifted from the James Bond films:

(1) In "The Spy Who Loved Me," James Bond is in a white sports car, a beautiful woman passenger at his side, driving away down a deserted road from some almost deadly adventure, when he is suddenly attacked by a chasing helicopter whose bullets he narrowly avoids by skillfully weaving the car down the road at high speed. At the beginning of the Honda commercial, the Honda man turns to his companion and says, "That wasn't so bad"; to which the woman replies, "Well, I wouldn't congratulate yourself quite yet" – implying that they had just escaped some prior danger. Suddenly, a helicopter appears from out of nowhere and the adventure begins.

(2) In "Dr. No.," the villain has metal hands. In the Honda commercial, the villain uses his metal-encased hands to cling onto the roof of the car after he jumps onto it.

(3) In "Goldfinger," Bond's sports car has a roof which Bond can cause to detach with the flick of a lever. In the Honda commercial, the Honda del Sol has a detachable roof which the Honda man uses to eject the villain.

(4) In "Moonraker," the villainous henchman, Jaws, sporting a broad grin revealing metallic teeth and wearing a pair of oversized goggles, jumps out of an airplane. In the Honda commercial, the villain, wearing similar goggles and revealing metallic teeth, jumps out of a helicopter.

(5) In "The Spy Who Loved Me," Jaws assaults a vehicle in which Bond and his female sidekick are trying to make their escape. In the Honda commercial, the villain jumps onto the roof of the Honda del Sol and scrapes at the roof, attempting to hold on and possibly get inside the vehicle.

(6) In "You Only Live Twice," a chasing helicopter drops a magnetic line down to snag a speeding car. In the Honda commercial, the villain is dropped down to the moving car and is suspended from the helicopter by a cable.[13]

> [13] Plaintiffs identify a seventh similarity that is less compelling, but nonetheless interesting: In "Diamonds Are Forever," Sean Connery, playing James Bond, wears a toupee to cover his, by then, balding pate, a fact widely reported in the media and repeated in the Bond literature. In the Honda commercial, once the car's roof flies off flinging the villain into the air, the woman remarks, "Don't you just love the wind through your hair?," to which the man replies, "What I have left."

In sum, the extrinsic ideas that are inherent parts of the James Bond films appear to be substantially similar to those in the Honda commercial.[14]

> [14] Contrary to Defendants' implications, as a matter of law, the fact that the commercial is not a full-length movie does not preclude a finding of copyright infringement. *See, e.g., New Line Cinema,* 693 F. Supp. at 1526-27 (comparing music video to film series); *Krofft,* 562 F.2d at 1161-62 (comparing TV series to commercials).

(b) Intrinsic Test

The "intrinsic" test asks whether the "total concept and feel" of the two works is also substantially similar. *Litchfield v. Spielberg,* 736 F.2d 1352, 1357 (9th Cir. 1984), *cert. denied,* 470 U.S. 1052 (1985). This is a subjective test that requires a determination of whether the ordinary reasonable audience could recognize the Defendants' commercial as a picturization of Plaintiffs' copyrighted work. *See Berkic v. Crichton,* 761 F.2d 1289, 1292 (9th Cir.), *cert. denied,* 474 U.S. 826 (1985).

Because this is a subjective determination, the comparison during the intrinsic test is left for the trier of fact. This would involve showing the Honda commercial to the members of the jury so that they may compare the same with the sixteen Bond films at issue. Viewing the evidence, it appears likely that the average viewer would immediately think of James Bond when viewing the Honda commercial, even with the subtle changes in accent and music.

As in this Court's *Jaws* opinion, *Universal,* 543 F. Supp. at 1141, the Court finds that Defendants' attempt to characterize all of the alleged similarities between the works as scenes-a-faire to be unavailing. There are many ways to express a helicopter chase scene, but only Plaintiffs' Bond films would do it the way the Honda commercial did with these very similar characters, music, pace, and mood.[15] Plaintiffs are therefore likely to prevail on the "intrinsic test."

> [15] During the hearing, defense counsel pointed out several differences – the fact that the "Honda man" was blonder than Bond, the fact that the commercial was more "sepia" in tone than the Bond films, etc. – that appear to this Court to be largely immaterial differences that would not be immediately apparent to the average viewer.

(3) Independent Creation

˜Defendants claim that their commercial was independently created, as evidenced from the Yoshida declaration stating that he was inspired not by James Bond, but by "Aliens."˜ Defendants' evidence is neither very strong nor credible; it is highly unlikely that Defendants will be able to show that

they created their commercial separate and apart from the James Bond concept. Accordingly, Plaintiffs should prevail on this issue.

(4) The Fair Use Doctrine

Finally, as a separate defense to copyright infringement, Defendants claim that their use of Plaintiffs' work is protected under the fair use doctrine˜.˜ Plaintiffs will likely succeed on this issue and Defendants will be unable to show fair use or parody.

3. Balance Of Relative Harms

{T}he Court notes that Plaintiffs have shown they have been specifically harmed by the continued airing of Defendants' commercial in two ways: (1) prolonged lost licensing revenue (purportedly in the millions of dollars); and (2) dilution of the copyrights' long-term value. The latter is especially true given Plaintiffs' own deal with BMW for a special movie tie-in in conjunction with Plaintiffs' release of the first James Bond movie in six years, "Goldeneye" – a fact undisputed by Defendants. Indeed, the Court can very well imagine that a majority of the public, upon viewing the Honda commercial and a future BMW ad, would come to the conclusion that James Bond was endorsing two automobile companies. Such a scenario would drastically decrease the long-term value of Plaintiffs' James Bond franchise.˜

{The} Court's conclusion {is} that the injunction should issue based on its finding that Plaintiffs are likely to prevail on their copyright claim.˜

IT IS SO ORDERED.

C. Computers, Code, and Software

C.1. Lead-in

It is hard to understate the importance of computer technology to the world we live in. Wake up! I know: That first sentence was so trite and boring it is easy to ignore. There's no point in explaining to you the importance of computer technology to the world we inhabit. You *know* how important it is. So take a moment to ponder that, then continue on.

There are two sides to the computer industry. There's the design and manufacturing of physical devices – the "hardware" – e.g., microprocessor chips, mobile devices, network routers, hard drives, fiberoptic cables.

Then there's the design and creation of the intangible stuff that goes on and into that hardware.

If you think about it, all those hardware things – phones, laptops, desktops, CPUs, GPUs, motherboards, server farms, ports, and bazillions of miles of cabling – all of it, despite its mass, volume, expensiveness, and impressiveness – it's all empty. Every last one of those chattels – sturdy or delicate, massive or tiny, pretty or ugly – every bit of it is just a paperweight unless it's pumped full of two things: electricity and code.

For electricity, ask your energy law, environmental law, and oil and gas law professors.

For code, you're in the right place.

"Code"? That's got a particular cyber-noir of the 90s feel. What about "software"? Does anyone use that word anymore? Some people don't think they use software because they use the "cloud" – but that's just someone else's computer with someone else's software. People don't say "programs" much these days either. It's "apps" or "functionality" or "platforms" or "solutions." People don't even say "computer industry" anymore. Instead it's just "tech" – which is kind of arrogant and kind of unhelpful if you think about it.

For present purposes, let's agree on saying "computers," "programs," and "software" because those words, at the very least, worked in the 1990s. And the caselaw we'll be reading is from the 1990s.

Whatever it is, it is what it is because the United States of America made it that way. That's not patriotic fervor, it's just being real. They say Silicon Valley

has an economy bigger than all but a relative handful of countries. And that's not counting the tech sector of Seattle or Boston.

The United States isn't more than 50% of the world's tech economy, but it's reasonable to say that the United States has provided more than 50% of the influence – the innovation and the direction-setting – for where we are now.

Fair's fair, so it must be said that many extremely important people in the history of computer technology are from outside the United States – Tim Berners-Lee, Linus Torvalds, Hiroshi Yamauchi, and Alan Turing to name a few. On the other hand: Berners-Lee moved here. Linus Torvalds naturalized here. Hiroshi Yamauchi lived here and bought the Seattle Mariners. And Alan Turing got his Ph.D. here and, if he'd stayed, I'd like to think we would have treated him better than England did.

Now when it comes to copyright law – what's copyrightable and what's not, what's infringing and what's not – the United States has long had a heavily dominating influence on the rest of the world.

When you put tech and copyright together, it's not unreasonable to say U.S. copyright caselaw on software decided the future. Two cases are preeminent: *Computer Associates v. Altai* (2d Cir. 1992) and *Lotus v. Borland* (1st Cir. 1995). Both cases involved claims of nonliteral copyright infringement on software. But these cases handed a powerful victory to the defendants – the accused infringers, the "copyists."

The effect of *Altai* and *Lotus* – along with other cases of the time that also sided with defendants – was to greatly lessen legal risk and establish freedom to operate for upstarts and entrants in computer software. The ensuing legal and business environment was hospitable to innovators taking on incumbents. Tech firms then had no choice other than to move fast.

C.2. Case: Computer Associates v. Altai (2d Cir. 1992)

Pre-reading notes

The next case, *Computer Associates v. Altai,* 982 F.2d 693 (2d Cir. 1992) marked a turning point in how courts treated claims of nonliteral copyright infringement in software.

Important to understanding the *Altai* case is a case that preceded it: *Whelan Associates v. Jaslow Dental Laboratory,* 797 F.2d 1222 (3d Cir. 1986). *Whelan* created a legal precedent that was strongly favorable to plaintiffs –

and market incumbents – in software copyright cases. The *Whelan* case had many critics.

For a symposium held in the thick of it in 1994, legal scholars Pamela Samuelson, Randall Davis, Mitchell D. Kapor, and J.H. Reichman wrote:

> *"Whelan*˜ is the clearest example of a decision in which the prospect of underprotection led a court to construe the scope of copyright protection for programs very expansively. Relying on evidence indicating that the design of software was the most creative, costly, and valuable of its aspects and that design needed protection if software developers were to have sufficient incentives to invest in innovative designs, {the *Whelan*} court decided that everything about a program, except its general purpose or function, was protectable 'expression.'˜ If, however, there were only one or very few ways to perform a function, the court would consider 'idea' and 'expression' to be 'merged' and no copyright protection would be available for the merged expression.
>
> "In attempting to save the software industry from underprotection, the *Whelan* court inadvertently thrust it into overprotection{.}"

Pamela Samuelson, Randall Davis, Mitchell D. Kapor, & J.H. Reichman, *A Manifesto Concerning The Legal Protection Of Computer Programs*, 94 COLUM. L. REV. 2308, 2357-2359 (1994) (footnotes omitted).

According to Professor Samuelson and her co-authors, *Computer Associates v. Altai* "turned the tide" against *Whelan*'s extremely accommodating approach to copyright infringement claims for software.

> "The court in *Altai* recognized that programs were utilitarian works, and under traditional principles of copyright case law such as those reflected in *Baker v. Selden* and the statutory exclusion of processes and systems under section 102(b), programs – like other utilitarian works – should enjoy, at most, a narrow scope of copyright protection."

Id. at 2359-2360.

In a later article, Professor Samuelson identified a number of reasons *Altai* was so important: (1) It taught that because computer programs are utilitarian in their most essential nature, copyright must be careful not to cover functional aspects. (2) It showed the problems of *Whelan*'s approach that treated all choices in structure, sequence, and organization of programs as copyrightable expression. (3) It leveraged *Feist v. Rural Telephone* (U.S. 1991)

to reject the sweat-of-the-brow rationale for heavy protection used by *Whelan*. (4) It taught that copyright needs to recognize the fact that software design choices are often constrained in many ways, including by concerns for hardware- and software compatibility; thus, copyright protection should not extend to such needful aspects. And (5), *Altai* provided future courts with a test that avoided the problems it had identified and also offered nuance lacking in the tests advanced by *Whelan* and other previous cases. See Pamela Samuelson, *Functionality and Expression in Computer Programs: Refining the Tests for Software Copyright Infringement*, 31 BERKELEY TECH. L.J. 1215, 1224 (2016).

Text

Computer Associates v. Altai

U.S. Court of Appeals for the Second Circuit
982 F.2d 693 (2d Cir. 1992)

COMPUTER ASSOCIATES INTERNATIONAL, INC., Plaintiff-Appellant-Cross-Appellee, v. ALTAI, INC., Defendant-Appellee-Cross-Appellant. January 9, 1992, Argued ; December 17, 1992, Filed. Before ALTIMARI, MAHONEY and WALKER, Circuit Judges. Judge Altimari concurs in part and dissents in part in a separate opinion.

WALKER, Circuit Judge:

{T}he copyright law seeks to establish a delicate equilibrium. On the one hand, it affords protection to authors as an incentive to create, and, on the other, it must appropriately limit the extent of that protection so as to avoid the effects of monopolistic stagnation. In applying the federal act to new types of cases, courts must always keep this symmetry in mind. *Id.*

Among other things, this case deals with the challenging question of whether and to what extent the "non-literal" aspects of a computer program, that is, those aspects that are not reduced to written code, are protected by copyright.˜

This appeal comes to us from the United States District Court for the Eastern District of New York, the Honorable George C. Pratt, *Circuit Judge,* sitting by designation.˜ With respect to CA's second claim for copyright infringement, Judge Pratt found that Altai's OSCAR 3.5 program was not

substantially similar to a portion of CA-SCHEDULER called ADAPTER, and thus denied relief.˜ CA appealed˜.

Because we are in full agreement with Judge Pratt's decision and in substantial agreement with his careful reasoning regarding CA's copyright infringement claim, we affirm the district court's judgment on that issue.˜

BACKGROUND˜

I. COMPUTER PROGRAM DESIGN

Certain elementary facts concerning the nature of computer programs are vital to the following discussion. The Copyright Act defines a computer program as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101. In writing these directions, the programmer works "from the general to the specific." *Whelan Assoc., Inc. v. Jaslow Dental Lab., Inc.,* 797 F.2d 1222, 1229 (3d Cir. 1986). *See generally* Steven R. Englund, Note, *Idea, Process, or Protected Expression?: Determining the Scope of Copyright Protection of the Structure of Computer Programs,* 88 MICH. L. REV. 866, 867-73 (1990) (hereinafter "Englund"); Peter S. Menell, *An Analysis of the Scope of Copyright Protection for Application Programs,* 41 STAN. L. REV. 1045, 1051-57 (1989) (hereinafter "Menell"); Mark T. Kretschmer, Note, *Copyright Protection For Software Architecture: Just Say No!,* 1988 COLUM. BUS. L. REV. 823, 824-27 (1988) (hereinafter "Kretschmer"); Peter G. Spivack, Comment, Does Form Follow Function? The Idea/Expression Dichotomy In Copyright Protection of Computer Software, 35 U.C.L.A. L. REV. 723, 729-31 (1988) (hereinafter "Spivack").

The first step in this procedure is to identify a program's ultimate function or purpose.˜ Once this goal has been achieved, a programmer breaks down or "decomposes" the program's ultimate function into "simpler constituent problems or 'subtasks,'" which are also known as subroutines or modules. In the context of a business ledger program, a module or subroutine might be responsible for the task of updating a list of outstanding accounts receivable. Sometimes, depending upon the complexity of its task, a subroutine may be broken down further into sub-subroutines.

Having sufficiently decomposed the program's ultimate function into its component elements, a programmer will then arrange the subroutines or modules into what are known as organizational or flow charts.˜.

In order to accomplish these intra-program interactions, a programmer must carefully design each module's parameter list. A parameter list˜ is "the information sent to and received from a subroutine." The term "parameter list" refers to the form in which information is passed between modules˜.

"The functions of the modules in a program together with each module's relationships to other modules constitute the 'structure' of the program."˜ In fashioning the structure, a programmer will normally attempt to maximize the program's speed, efficiency, as well as simplicity for user operation, while taking into consideration certain externalities such as the memory constraints of the computer upon which the program will be run. "This stage of program design often requires the most time and investment."

Once each necessary module has been identified, designed, and its relationship to the other modules has been laid out conceptually, the resulting program structure must be embodied in a written language that the computer can read. This process is called "coding," and requires two steps. First, the programmer must transpose the program's structural blue-print into a source code. This step has been described as "comparable to the novelist fleshing out the broad outline of his plot by crafting from words and sentences the paragraphs that convey the ideas." The source code may be written in any one of several computer languages, such as COBAL, FORTRAN, BASIC, EDL, etc.˜. Once the source code has been completed, the second step is to translate or "compile" it into object code. Object code is the binary language comprised of zeros and ones through which the computer directly receives its instructions.

After the coding is finished, the programmer will run the program on the computer in order to find and correct any logical and syntactical errors. This is known as "debugging" and, once done, the program is complete.

II. FACTS

CA is a Delaware corporation, with its principal place of business in Garden City, New York. Altai is a Texas corporation, doing business

primarily in Arlington, Texas. Both companies are in the computer software industry – designing, developing and marketing various types of computer programs.

The subject of this litigation originates with one of CA's marketed programs entitled CA-SCHEDULER. CA-SCHEDULER is a job scheduling program designed for IBM mainframe computers. Its primary functions are straightforward: to create a schedule specifying when the computer should run various tasks, and then to control the computer as it executes the schedule. CA-SCHEDULER contains a sub-program entitled ADAPTER, also developed by CA. ADAPTER is not an independently marketed product of CA; it is a wholly integrated component of CA-SCHEDULER and has no capacity for independent use.

Nevertheless, ADAPTER plays an extremely important role. It is an "operating system compatibility component," which means, roughly speaking, it serves as a translator. An "operating system" is itself a program that manages the resources of the computer, allocating those resources to other programs as needed. The IBM System 370 family of computers, for which CA-SCHEDULER was created, is, depending upon the computer's size, designed to contain one of three operating systems: DOS/VSE, MVS, or CMS. As the district court noted, the general rule is that "a program written for one operating system, e.g., DOS/VSE, will not, without modification, run under another operating system such as MVS." *Computer Assocs.,* 775 F. Supp. at 550. ADAPTER's function is to translate the language of a given program into the particular language that the computer's own operating system can understand.

The district court succinctly outlined the manner in which ADAPTER works within the context of the larger program. In order to enable CA-SCHEDULER to function on different operating systems, CA divided the CA-SCHEDULER into two components:

> – a first component that contains only the task-specific portions of the program, independent of all operating system issues, and
>
> – a second component that contains all the interconnections between the first component and the operating system.

> In a program constructed in this way, whenever the first, task-specific, component needs to ask the operating system for some resource through a "system call", it calls the second component instead of calling the operating system directly.
>
> The second component serves as an "interface" or "compatibility component" between the task-specific portion of the program and the operating system. It receives the request from the first component and translates it into the appropriate system call that will be recognized by whatever operating system is installed on the computer, *e.g.,* DOS/VSE, MVS, or CMS. Since the first, task-specific component calls the adapter component rather than the operating system, the first component need not be customized to use any specific operating system. The second, interface, component insures that all the system calls are performed properly for the particular operating system in use.

Id. at 551. ADAPTER serves as the second, "common system interface" component referred to above.

A program like ADAPTER, which allows a computer user to change or use multiple operating systems while maintaining the same software, is highly desirable. It saves the user the costs, both in time and money, that otherwise would be expended in purchasing new programs, modifying existing systems to run them, and gaining familiarity with their operation. The benefits run both ways. The increased compatibility afforded by an ADAPTER-like component, and its resulting popularity among consumers, makes whatever software in which it is incorporated significantly more marketable.

Starting in 1982, Altai began marketing its own job scheduling program entitled ZEKE. The original version of ZEKE was designed for use in conjunction with a VSE operating system. By late 1983, in response to customer demand, Altai decided to rewrite ZEKE so that it could be run in conjunction with an MVS operating system.

At that time, James P. Williams ("Williams"), then an employee of Altai and now its President, approached Claude F. Arney, III ("Arney"), a

computer programmer who worked for CA. Williams and Arney were longstanding friends, and had in fact been co-workers at CA for some time before Williams left CA to work for Altai's predecessor. Williams wanted to recruit Arney to assist Altai in designing an MVS version of ZEKE.

At the time he first spoke with Arney, Williams was aware of both the CA-SCHEDULER and ADAPTER programs. However, Williams was not involved in their development and had never seen the codes of either program. When he asked Arney to come work for Altai, Williams did not know that ADAPTER was a component of CA-SCHEDULER.

Arney, on the other hand, was intimately familiar with various aspects of ADAPTER. While working for CA, he helped improve the VSE version of ADAPTER, and was permitted to take home a copy of ADAPTER'S source code. This apparently developed into an irresistible habit, for when Arney left CA to work for Altai in January, 1984, he took with him copies of the source code for both the VSE and MVS versions of ADAPTER. He did this in knowing violation of the CA employee agreements that he had signed.

Once at Altai, Arney and Williams discussed design possibilities for adapting ZEKE to run on MVS operating systems. Williams, who had created the VSE version of ZEKE, thought that approximately 30% of his original program would have to be modified in order to accommodate MVS. Arney persuaded Williams that the best way to make the needed modifications was to introduce a "common system interface" component into ZEKE. He did not tell Williams that his idea stemmed from his familiarity with ADAPTER. They decided to name this new component-program OSCAR.

Arney went to work creating OSCAR at Altai's offices using the ADAPTER source code. The district court accepted Williams' testimony that no one at Altai, with the exception of Arney, affirmatively knew that Arney had the ADAPTER code, or that he was using it to create OSCAR/VSE. However, during this time period, Williams' office was adjacent to Arney's. Williams testified that he and Arney "conversed quite frequently" while Arney was "investigating the source code of ZEKE" and that Arney was in his office "a number of times daily, asking questions." In

three months, Arney successfully completed the OSCAR/VSE project. In an additional month he developed an OSCAR/MVS version. When the dust finally settled, Arney had copied approximately 30% of OSCAR's code from CA's ADAPTER program.

The first generation of OSCAR programs was known as OSCAR 3.4. From 1985 to August 1988, Altai used OSCAR 3.4 in its ZEKE product, as well as in programs entitled ZACK and ZEBB. In late July 1988, CA first learned that Altai may have appropriated parts of ADAPTER. After confirming its suspicions, CA secured copyrights on its 2.1 and 7.0 versions of CA-SCHEDULER. CA then brought this copyright and trade secret misappropriation action against Altai.

Apparently, it was upon receipt of the summons and complaint that Altai first learned that Arney had copied much of the OSCAR code from ADAPTER. After Arney confirmed to Williams that CA's accusations of copying were true, Williams immediately set out to survey the damage. Without ever looking at the ADAPTER code himself, Williams learned from Arney exactly which sections of code Arney had taken from ADAPTER.

Upon advice of counsel, Williams initiated OSCAR's rewrite. The project's goal was to save as much of OSCAR 3.4 as legitimately could be used, and to excise those portions which had been copied from ADAPTER. Arney was entirely excluded from the process, and his copy of the ADAPTER code was locked away. Williams put eight other programmers on the project, none of whom had been involved in any way in the development of OSCAR 3.4. Williams provided the programmers with a description of the ZEKE operating system services so that they could rewrite the appropriate code. The rewrite project took about six months to complete and was finished in mid-November 1989. The resulting program was entitled OSCAR 3.5.

From that point on, Altai shipped only OSCAR 3.5 to its new customers. Altai also shipped OSCAR 3.5 as a "free upgrade" to all customers that had previously purchased OSCAR 3.4. While Altai and Williams acted responsibly to correct Arney's literal copying of the ADAPTER program, copyright infringement had occurred.

˜Judge Pratt conducted a six day trial from March 28 through April 6, 1990. He entered judgment on August 12, 1991, and this appeal followed.

DISCUSSION

˜Altai has conceded liability for the copying of ADAPTER into OSCAR 3.4 and raises no challenge to the award of $ 364,444 in damages on that score. Thus, we address˜ the district court's ruling˜ that˜ Altai was not liable for copyright infringement in developing OSCAR 3.5˜.

˜CA contends that the district court applied an erroneous method for determining whether there exists substantial similarity between computer programs, and thus, erred in determining that OSCAR 3.5 did not infringe the copyrights held on the different versions of its CA-SCHEDULER program. CA asserts that the test applied by the district court failed to account sufficiently for a computer program's non-literal elements.˜

I. COPYRIGHT INFRINGEMENT

In any suit for copyright infringement, the plaintiff must establish its ownership of a valid copyright, and that the defendant copied the copyrighted work.˜

For the purpose of analysis, the district court assumed that Altai had access to the ADAPTER code when creating OSCAR 3.5. Thus, in determining whether Altai had unlawfully copied protected aspects of CA's ADAPTER, the district court narrowed its focus of inquiry to ascertaining whether Altai's OSCAR 3.5 was substantially similar to ADAPTER. Because we approve Judge Pratt's conclusions regarding substantial similarity, our analysis will proceed along the same assumption.

As a general matter, and to varying degrees, copyright protection extends beyond a literary work's strictly textual form to its non-literal components. As we have said, "it is of course essential to any protection of literary property ... that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations." *Nichols v. Universal Pictures Co.,* 45 F.2d 119, 121 (2d Cir. 1930) (L. Hand, J.). Thus, where "the fundamental essence or structure of one work is duplicated in another," 3 Nimmer, § 13.03[A][1], at 13-24, courts have found copyright infringement. *See, e.g., Horgan v. Macmillan,* 789 F.2d 157, 162 (2d Cir. 1986) (recognizing that a book of

photographs might infringe ballet choreography)˜;˜ *Stewart v. Abend,* 495 U.S. 207, 238 (1990) (recognizing that motion picture may infringe copyright in book by using its "unique setting, characters, plot, and sequence of events"). This black letter proposition is the springboard for our discussion.

A. Copyright Protection for the Non-literal Elements of Computer Programs

It is now well settled that the literal elements of computer programs, i.e., their source and object codes, are the subject of copyright protection.˜

In this case, the hotly contested issues surround OSCAR 3.5. As recounted above, OSCAR 3.5 is the product of Altai's carefully orchestrated rewrite of OSCAR 3.4. After the purge, none of the ADAPTER source code remained in the 3.5 version; thus, Altai made sure that the literal elements of its revamped OSCAR program were no longer substantially similar to the literal elements of CA's ADAPTER.

According to CA, the district court erroneously concluded that Altai's OSCAR 3.5 was not substantially similar to its own ADAPTER program. CA argues that this occurred because the district court "committed legal error in analyzing [its] claims of copyright infringement by failing to find that copyright protects expression contained in the non-literal elements of computer software." We disagree.

CA argues that, despite Altai's rewrite of the OSCAR code, the resulting program remained substantially similar to the *structure* of its ADAPTER program. As discussed above, a program's structure includes its nonliteral components such as general flow charts as well as the more specific organization of inter-modular relationships, parameter lists, and macros. In addition to these aspects, CA contends that OSCAR 3.5 is also substantially similar to ADAPTER with respect to the list of services that both ADAPTER and OSCAR obtain from their respective operating systems. We must decide whether and to what extent these elements of computer programs are protected by copyright law.˜

While computer programs are not specifically listed as part of the above statutory definition, the legislative history leaves no doubt that Congress intended them to be considered literary works.

The syllogism that follows from the foregoing premises is a powerful one: if the non-literal structures of literary works are protected by copyright; and if computer programs are literary works, as we are told by the legislature; then the non-literal structures of computer programs are protected by copyright. *See Whelan,* 797 F.2d at 1234 ("By analogy to other literary works, it would thus appear that the copyrights of computer programs can be infringed even absent copying of the literal elements of the program."). We have no reservation in joining the company of those courts that have already ascribed to this logic. However, that conclusion does not end our analysis. We must determine the scope of copyright protection that extends to a computer program's non-literal structure.˜

1) Idea vs. Expression Dichotomy

It is a fundamental principle of copyright law that a copyright does not protect an idea, but only the expression of the idea. *See Baker v. Selden,* 101 U.S. 99 (1879); *Mazer v. Stein,* 347 U.S. 201, 217 (1954). This axiom of common law has been incorporated into the governing statute. Section 102(b) of the Act provides:

> 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.

17 U.S.C. § 102(b). *See also House Report,* at 5670 ("Copyright does not preclude others from using ideas or information revealed by the author's work.").˜

Congress made no special exception for computer programs. To the contrary, the legislative history explicitly states that copyright protects computer programs only "to the extent that they incorporate authorship in programmer's expression of original ideas, as distinguished from the ideas themselves." *Id.* at 5667˜.˜

Drawing the line between idea and expression is a tricky business. Judge Learned Hand noted that "nobody has ever been able to fix that boundary, and nobody ever can." *Nichols,* 45 F.2d at 121. Thirty years later his

convictions remained firm. "Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression,'" Judge Hand concluded. "Decisions must therefore inevitably be *ad hoc." Peter Pan Fabrics, Inc. v. Martin Weiner Corp.,* 274 F.2d 487, 489 (2d Cir. 1960).

The essentially utilitarian nature of a computer program further complicates the task of distilling its idea from its expression. *See SAS Inst.,* 605 F. Supp. at 829; *cf.* Englund, at 893. In order to describe both computational processes and abstract ideas, its content "combines creative and technical expression." *See* Spivack, at 755. The variations of expression found in purely creative compositions, as opposed to those contained in utilitarian works, are not directed towards practical application. For example, a narration of Humpty Dumpty's demise, which would clearly be a creative composition, does not serve the same ends as, say, a recipe for scrambled eggs – which is a more process oriented text. Thus, compared to aesthetic works, computer programs hover even more closely to the elusive boundary line described in § 102(b).

The doctrinal starting point in analyses of utilitarian works, is the seminal case of *Baker v. Selden,* 101 U.S. 99 (1879). In *Baker,* the Supreme Court faced the question of "whether the exclusive property in a system of bookkeeping can be claimed, under the law of copyright, by means of a book in which that system is explained?" *Id.* at 101. Selden had copyrighted a book that expounded a particular method of bookkeeping. The book contained lined pages with headings intended to illustrate the manner in which the system operated. Baker's accounting publication included ledger sheets that employed "substantially the same ruled lines and headings. . . ." *Id.* Selden's testator sued Baker for copyright infringement on the theory that the ledger sheets were protected by Selden's copyright.

The Supreme Court found nothing copyrightable in Selden's bookkeeping system, and rejected his infringement claim regarding the ledger sheets. The Court held that:

> The fact that the art described in the book by illustrations of lines and figures which are reproduced in practice in the application of the art, makes no difference. Those illustrations

> are the mere language employed by the author to convey his ideas more clearly. Had he used words of description instead of diagrams (which merely stand in the place of words), there could not be the slightest doubt that others, applying the art to practical use, might lawfully draw the lines and diagrams which were in the author's mind, and which he thus described by words in his book.
>
> The copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them, so as to prevent an engineer from using them whenever occasion requires.

Id. at 103.

To the extent that an accounting text and a computer program are both "a set of statements or instructions ... to bring about a certain result," 17 U.S.C. § 101, they are roughly analogous. In the former case, the processes are ultimately conducted by human agency; in the latter, by electronic means. In either case, as already stated, the processes themselves are not protectable. But the holding in *Baker* goes farther. The Court concluded that those aspects of a work, which "must necessarily be used as incident to" the idea, system or process that the work describes, are also not copyrightable. 101 U.S. at 104. Selden's ledger sheets, therefore, enjoyed no copyright protection because they were "necessary incidents to" the system of accounting that he described. *Id.* at 103. From this reasoning, we conclude that those elements of a computer program that are necessarily incidental to its function are similarly unprotectable.

While *Baker v. Selden* provides a sound analytical foundation, it offers scant guidance on how to separate idea or process from expression, and moreover, on how to further distinguish protectable expression from that expression which "must necessarily be used as incident to" the work's underlying concept. In the context of computer programs, the Third Circuit's noted decision in *Whelan* has, thus far, been the most thoughtful attempt to accomplish these ends.

The court in *Whelan* faced substantially the same problem as is presented by this case. There, the defendant was accused of making off with the non-literal structure of the plaintiff's copyrighted dental lab management program, and employing it to create its own competitive version. In assessing whether there had been an infringement, the court had to determine which aspects of the programs involved were ideas, and which were expression. In separating the two, the court settled upon the following conceptual approach:

> The line between idea and expression may be drawn with reference to the end sought to be achieved by the work in question. In other words, *the purpose or function of a utilitarian work would be the work's idea, and everything that is not necessary to that purpose or function would be part of the expression of the idea.* ... Where there are various means of achieving the desired purpose, then the particular means chosen is not necessary to the purpose; hence, there is expression, not idea.

797 F.2d at 1236 (citations omitted). The "idea" of the program at issue in *Whelan* was identified by the court as simply "the efficient management of a dental laboratory." *Id.* at n.28.

So far, in the courts, the *Whelan* rule has received a mixed reception.˜ *Whelan* has fared even more poorly in the academic community, where its standard for distinguishing idea from expression has been widely criticized for being conceptually overbroad.˜ The leading commentator in the field has stated that, "the crucial flaw in *[Whelan's]* reasoning is that it assumes that only one 'idea,' in copyright law terms, underlies any computer program, and that once a separable idea can be identified, everything else must be expression." 3 Nimmer § 13.03[F], at 13-62.34. This criticism focuses not upon the program's ultimate purpose but upon the reality of its structural design. As we have already noted, a computer program's ultimate function or purpose is the composite result of interacting subroutines. Since each subroutine is itself a program, and thus, may be said to have its own "idea," *Whelan's* general formulation that a program's overall purpose equates with the program's idea is descriptively inadequate.

Accordingly, we think that Judge Pratt wisely declined to follow *Whelan˜*. Judge Pratt found that *Whelan's* synonymous use of the terms "structure, sequence, and organization," *see Whelan,* 797 F.2d at 1224 n.1, demonstrated a flawed understanding of a computer program's method of operation. Rightly, the district court found *Whelan's* rationale suspect because it is so closely tied to what can now be seen – with the passage of time – as the opinion's somewhat outdated appreciation of computer science.

2) Substantial Similarity Test for Computer Program Structure: Abstraction-Filtration-Comparison

We think that *Whelan's* approach to separating idea from expression in computer programs relies too heavily on metaphysical distinctions and does not place enough emphasis on practical considerations. *Cf. Apple Computer,* 714 F.2d at 1253 (rejecting certain commercial constraints on programming as a helpful means of distinguishing idea from expression because they did "not enter into the somewhat metaphysical issue of whether particular ideas and expressions have merged"). As the cases that we shall discuss demonstrate, a satisfactory answer to this problem cannot be reached by resorting, *a priori,* to philosophical first principals.

As discussed herein, we think that district courts would be well-advised to undertake a three-step procedure, based on the abstractions test utilized by the district court, in order to determine whether the non-literal elements of two or more computer programs are substantially similar. This approach breaks no new ground; rather, it draws on such familiar copyright doctrines as merger, *scenes a faire,* and public domain.˜

In ascertaining substantial similarity under this approach, a court would first break down the allegedly infringed program into its constituent structural parts. Then, by examining each of these parts for such things as incorporated ideas, expression that is necessarily incidental to those ideas, and elements that are taken from the public domain, a court would then be able to sift out all non-protectable material. Left with a kernel, or possibly kernels, of creative expression after following this process of elimination, the court's last step would be to compare this material with the structure of an allegedly infringing program. The result of this comparison will determine whether the protectable elements of the programs at issue are substantially

similar so as to warrant a finding of infringement. It will be helpful to elaborate a bit further.

Step One: Abstraction

As the district court appreciated, the theoretic framework for analyzing substantial similarity expounded by Learned Hand in the *Nichols* case is helpful in the present context. In *Nichols,* we enunciated what has now become known as the "abstractions" test for separating idea from expression:

> Upon any work ... a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the [work] is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the [author] could prevent the use of his "ideas," to which, apart from their expression, his property is never extended.

Nichols, 45 F.2d at 121.

While the abstractions test was originally applied in relation to literary works such as novels and plays, it is adaptable to computer programs. In contrast to the *Whelan* approach, the abstractions test "implicitly recognizes that any given work may consist of a mixture of numerous ideas and expressions." 3 Nimmer § 13.03[F] at 13-62.34-63.

As applied to computer programs, the abstractions test will comprise the first step in the examination for substantial similarity. Initially, in a manner that resembles reverse engineering on a theoretical plane, a court should dissect the allegedly copied program's structure and isolate each level of abstraction contained within it. This process begins with the code and ends with an articulation of the program's ultimate function. Along the way, it is necessary essentially to retrace and map each of the designer's steps – in the opposite order in which they were taken during the program's creation.

As an anatomical guide to this procedure, the following description is helpful:

> At the lowest level of abstraction, a computer program may be thought of in its entirety as a set of individual instructions organized into a hierarchy of modules. At a higher level of abstraction, the instructions in the lowest-level modules may be replaced conceptually by the functions of those modules. At progressively higher levels of abstraction, the functions of higher-level modules conceptually replace the implementations of those modules in terms of lower-level modules and instructions, until finally, one is left with nothing but the ultimate function of the program. ... A program has structure at every level of abstraction at which it is viewed. At low levels of abstraction, a program's structure may be quite complex; at the highest level it is trivial.

Englund, at 897-98. *Cf. Spivack,* at 774.

Step Two: Filtration

Once the program's abstraction levels have been discovered, the substantial similarity inquiry moves from the conceptual to the concrete. Professor Nimmer suggests, and we endorse, a "successive filtering method" for separating protectable expression from non-protectable material. This process entails examining the structural components at each level of abstraction to determine whether their particular inclusion at that level was "idea" or was dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself; or taken from the public domain and hence is nonprotectable expression.˜

Strictly speaking, this filtration serves "the purpose of defining the scope of plaintiff's copyright." *Brown Bag Software v. Symantec Corp.,* 960 F.2d 1465, 1475 (9th Cir. 1992).˜

(a) Elements Dictated by Efficiency

The portion of *Baker v. Selden,* discussed earlier, which denies copyright protection to expression necessarily incidental to the idea being expressed, appears to be the cornerstone for what has developed into the doctrine of merger. *See Morrissey v. Procter & Gamble Co.,* 379 F.2d 675, 678-79 (1st Cir. 1967) (relying on *Baker* for the proposition that expression embodying the rules of a sweepstakes contest was inseparable from the idea of the contest

itself, and therefore were not protectable by copyright). Under these circumstances, the expression is said to have "merged" with the idea itself. In order not to confer a monopoly of the idea upon the copyright owner, such expression should not be protected.

CONTU recognized the applicability of the merger doctrine to computer programs. In its report to Congress it stated that:

> Copyrighted language may be copied without infringing when there is but a limited number of ways to express a given idea. ... In the computer context, this means that when specific instructions, even though previously copyrighted, are the only and essential means of accomplishing a given task, their later use by another will not amount to infringement.

CONTU Report at 20. While this statement directly concerns only the application of merger to program code, that is, the textual aspect of the program, it reasonably suggests that the doctrine fits comfortably within the general context of computer programs.

Furthermore, when one considers the fact that programmers generally strive to create programs "that meet the user's needs in the most efficient manner," Menell, at 1052, the applicability of the merger doctrine to computer programs becomes compelling.˜ {T}he more efficient a set of modules are, the more closely they approximate the idea or process embodied in that particular aspect of the program's structure.

While, hypothetically, there might be a myriad of ways in which a programmer may effectuate certain functions within a program˜ efficiency concerns may so narrow the practical range of choice as to make only one or two forms of expression workable options.˜ It follows that in order to determine whether the merger doctrine precludes copyright protection to an aspect of a program's structure that is so oriented, a court must inquire "whether the use of *this particular set* of modules is necessary efficiently to implement that part of the program's process" being implemented. Englund, at 902. If the answer is yes, then the expression represented by the programmer's choice of a specific module or group of modules has merged with their underlying idea and is unprotected. *Id.* at 902-03.

Another justification for linking structural economy with the application of the merger doctrine stems from a program's essentially utilitarian nature and the competitive forces that exist in the software marketplace. Working in tandem, these factors give rise to a problem of proof which merger helps to eliminate.˜

{T}he fact that two programs contain the same efficient structure may as likely lead to an inference of independent creation as it does to one of copying. Thus, since evidence of similarly efficient structure is not particularly probative of copying, it should be disregarded in the overall substantial similarity analysis.˜

In *Manufacturers Technologies, Inc. v. Cams, Inc.,* 706 F. Supp. 984, 995-99 (D. Conn. 1989), the infringement claims stemmed from various alleged program similarities "as indicated in their screen displays." *Id.* at 990. Stressing efficiency concerns in the context of a merger analysis, the court determined that the program's method of allowing the user to navigate within the screen displays was not protectable˜.

The court also found that expression contained in various screen displays (in the form of alphabetical and numerical columns), was not the proper subject of copyright protection because it was "necessarily incident to the ideas" embodied in the displays.

We agree with the approach taken in these decisions, and conclude that application of the merger doctrine in this setting is an effective way to eliminate non-protectable expression contained in computer programs.

(b) Elements Dictated By External Factors

We have stated that where "it is virtually impossible to write about a particular historical era or fictional theme without employing certain 'stock' or standard literary devices," such expression is not copyrightable. *Hoehling v. Universal City Studios, Inc.,* 618 F.2d 972, 979 (2d Cir. 1980).˜ For example, the *Hoehling* case was an infringement suit stemming from several works on the Hindenberg disaster. There we concluded that similarities in representations of German beer halls, scenes depicting German greetings such as "Heil Hitler," or the singing of certain German songs would not lead to a finding of infringement because they were "'indispensable, or at least

standard, in the treatment of'" life in Nazi Germany. This is known as the *scenes a faire* doctrine, and like "merger," it has its analogous application to computer programs.

Professor Nimmer points out that "in many instances it is virtually impossible to write a program to perform particular functions in a specific computing environment without employing standard techniques." 3 Nimmer § 13.03[F][3], at 13-65. This is a result of the fact that a programmer's freedom of design choice is often circumscribed by extrinsic considerations such as (1) the mechanical specifications of the computer on which a particular program is intended to run; (2) compatibility requirements of other programs with which a program is designed to operate in conjunction; (3) computer manufacturers' design standards; (4) demands of the industry being serviced; and (5) widely accepted programming practices within the computer industry. *Id.* at 13-66-71.˜

In *Manufacturers Technologies,* the district court noted that the program's method of screen navigation "is influenced by the type of hardware that the software is designed to be used on." 706 F. Supp. at 995. Because, in part, "the functioning of the hardware package impacted and constrained the type of navigational tools used in plaintiff's screen displays," the court denied copyright protection to that aspect of the program.˜

Finally, the district court in *Q-Co Industries* rested its holding on what, perhaps, most closely approximates a traditional *scenes a faire* rationale.˜ This decision was ultimately based upon the court's finding that "the same modules would be an inherent part of any prompting program." 625 F. Supp. at 616.

Building upon this existing case law, we conclude that a court must also examine the structural content of an allegedly infringed program for elements that might have been dictated by external factors.

(c) Elements taken From the Public Domain

Closely related to the non-protectability of *scenes a faire,* is material found in the public domain. Such material is free for the taking and cannot be appropriated by a single author even though it is included in a copyrighted work.˜ Thus, a court must also filter out this material from the allegedly

infringed program before it makes the final inquiry in its substantial similarity analysis.

Step Three: Comparison

The third and final step of the test for substantial similarity that we believe appropriate for non-literal program components entails a comparison. Once a court has sifted out all elements of the allegedly infringed program which are "ideas" or are dictated by efficiency or external factors, or taken from the public domain, there may remain a core of protectable expression. In terms of a work's copyright value, this is the golden nugget. At this point, the court's substantial similarity inquiry focuses on whether the defendant copied any aspect of this protected expression, as well as an assessment of the copied portion's relative importance with respect to the plaintiff's overall program.

3) Policy Considerations

We are satisfied that the three step approach we have just outlined not only comports with, but advances the constitutional policies underlying the Copyright Act. Since any method that tries to distinguish idea from expression ultimately impacts on the scope of copyright protection afforded to a particular type of work, "the line [it draws] must be a pragmatic one, which also keeps in consideration 'the preservation of the balance between competition and protection. . . .'" *Apple Computer,* 714 F.2d at 1253 (citation omitted).

CA and some *amici* argue against the type of approach that we have set forth on the grounds that it will be a disincentive for future computer program research and development. At bottom, they claim that if programmers are not guaranteed broad copyright protection for their work, they will not invest the extensive time, energy and funds required to design and improve program structures. While they have a point, their argument cannot carry the day. The interest of the copyright law is not in simply conferring a monopoly on industrious persons, but in advancing the public welfare through rewarding artistic creativity, in a manner that permits the free use and development of non-protectable ideas and processes.

In this respect, our conclusion is informed by Justice Stewart's concise discussion of the principles that correctly govern the adaptation of the copyright law to new circumstances. In *Twentieth Century Music Corp. v. Aiken,* he wrote:

> The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: 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. ... When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of this basic purpose.

422 U.S. 151, 156 (1975) (citations and footnotes omitted).

Recently, the Supreme Court has emphatically reiterated that "the primary objective of copyright is not to reward the *labor* of authors. . . ." *Feist Publications, Inc. v. Rural Tel. Serv. Co.* (1991) (emphasis added). While the *Feist* decision deals primarily with the copyrightability of purely factual compilations, its underlying tenets apply to much of the work involved in computer programming. *Feist* put to rest the "sweat of the brow" doctrine in copyright law.˜

Feist teaches that substantial effort alone cannot confer copyright status on an otherwise uncopyrightable work.˜ Thus, *Feist* implicitly undercuts the *Whelan* rationale, "which allowed copyright protection beyond the literal computer code ... [in order to] provide the proper incentive for programmers by protecting their most valuable efforts. . . ." *Whelan,* 797 F.2d at 1237 (footnote omitted). We note that *Whelan* was decided prior to *Feist*˜.

Furthermore, we are unpersuaded that the test we approve today will lead to the dire consequences for the computer program industry that plaintiff and some amici predict. To the contrary, serious students of the

industry have been highly critical of the sweeping scope of copyright protection engendered by the *Whelan* rule, in that it "enables first comers to 'lock up' basic programming techniques as implemented in programs to perform particular tasks." Menell, at 1087; *see also* Spivack, at 765 *(Whelan* "results in an inhibition of creation by virtue of the copyright owner's quasi-monopoly power").

To be frank, the exact contours of copyright protection for non-literal program structure are not completely clear.˜ Indeed, it may well be that the Copyright Act serves as a relatively weak barrier against public access to the theoretical interstices behind a program's source and object codes.˜

Generally, we think that copyright registration – with its indiscriminating availability – is not ideally suited to deal with the highly dynamic technology of computer science. Thus far, many of the decisions in this area reflect the courts' attempt to fit the proverbial square peg in a round hole.˜

B. The District Court Decision

We turn now to our review of the district court's decision in this particular case.˜ The district court took the first step in the analysis set forth in this opinion when it separated the program by levels of abstraction. The district court stated:

> As applied to computer software programs, this abstractions test would progress in order of "increasing generality" from object code, to source code, to parameter lists, to services required, to general outline. In discussing the particular similarities, therefore, we shall focus on these levels.

Computer Assocs., 775 F. Supp. at 560. While the facts of a different case might require that a district court draw a more particularized blueprint of a program's overall structure, this description is a workable one for the case at hand.

Moving to the district court's evaluation of OSCAR 3.5's structural components, we agree with Judge Pratt's systematic exclusion of non-protectable expression. With respect to code, the district court observed that after the rewrite of OSCAR 3.4 to OSCAR 3.5, "there remained virtually no

lines of code that were identical to ADAPTER." *Id.* at 561. Accordingly, the court found that the code "presented no similarity at all." *Id.* at 562.

Next, Judge Pratt addressed the issue of similarity between the two programs' parameter lists and macros. He concluded that, viewing the conflicting evidence most favorably to CA, it demonstrated that "only a few of the lists and macros were similar to protected elements in ADAPTER; the others were either in the public domain or dictated by the functional demands of the program."˜ With respect to the few remaining parameter lists and macros, the district court could reasonably conclude that they did not warrant a finding of infringement given their relative contribution to the overall program.˜

The district court also found that the overlap exhibited between the list of services required for both ADAPTER and OSCAR 3.5 was˜ was dictated by the nature of other programs with which it was designed to interact and, thus, is not protected by copyright.

Finally, in his infringement analysis, Judge Pratt accorded no weight to the similarities between the two programs' organizational charts, "because [the charts were] so simple and obvious to anyone exposed to the operation of the programs." *Id.* CA argues that the district court's action in this regard "is not consistent with copyright law" – that "obvious" expression is protected, and that the district court erroneously failed to realize this. However, to say that elements of a work are "obvious," in the manner in which the district court used the word,˜ is but one formulation of the *scenes a faire* doctrine, which we have already endorsed as a means of weeding out unprotectable expression.˜

Since we accept Judge Pratt's factual conclusions and the results of his legal analysis, we affirm his dismissal of CA's copyright infringement claim based upon OSCAR 3.5.˜

C.3. Case: Lotus v. Borland (1st Cir. 1995)

Pre-reading notes

The next case, *Lotus v. Borland,* 49 F.3d 807 (1st Cir. 1995) saw the heavyweight Lotus software company, maker of the popular, market-

dominating spreadsheet program *Lotus 1-2-3,* bring a copyright infringement lawsuit against Borland's *Quattro*, a new spreadsheet competitor.

Borland was at that point a big, established software company, but it cultivated something of a maverick, anti-establishment reputation, including with its "No-Nonsense License." The licensing statement blessed one individual installing their software on multiple machines as long as they were using only one at a time, and reselling the software as along as the seller didn't keep a copy.

Borland entered the spreadsheet market with its *Quattro* program in 1989. To help win over customers from Lotus, Borland attempted to make it easy for longtime *Lotus 1-2-3* users to transition over to *Quattro.* To this end, Borland tried to make its program work similarly to *1-2-3* – with the same or similar menu hierarchies and other aspects user interaction. The idea was, if you had already learned how to use *1-2-3*, then you'd be able to navigate *Quattro* as well.

While *Computer Associates v. Altai* was concerned mostly with how software was built and structured from within, *Lotus v. Borland* is more focused on how the software interacts with the user.

The spreadsheet hegemon Lotus lost, and challenger Borland won.

If it had been the other way around, software makers who were the first to succeed in a market would have a strong ability to retain their market dominance even if they charged higher prices and offered a lousier product than competitors. One reason is what economists call "switching costs," which is related to what business people sometimes called "customer groove in." The idea is that if it is a pain to switch from one product to another – for instance, because doing so would require the customer to have to spend significant time and effort learning all over again how to use the product – then the market incumbent can get away with substantially higher prices and shoddier performance. The higher the switching costs, the more the incumbent can enjoy higher revenue in the form of what they charge customers and lower costs in the form of spending less money on product improvements and responsiveness to customers.

And it easily could have been the other way around. Lotus appealed and the U.S. Supreme Court granted cert. Justice John Paul Stevens recused himself, and the remaining eight justices split 4-4. That left the First Circuit's opinion as the last word on the matter, as the Supreme Court affirmed without any written opinions.

Lotus v. Borland blunted the ability of market incumbents to wield copyright against rivals offering a similar user experience in competing products. In doing so, *Lotus v. Borland* forced the software industry into the position of having to do much more fighting it out in the marketplace.

Text

Lotus v. Borland

United States Court of Appeals for the First Circuit
49 F.3d 807 (1st Cir. 1995)

Lotus Development Corporation, Plaintiff, Appellee, v. Borland International, Inc., Defendant, Appellant. No. 93-2214. Writ of certiorari granted, affirmed without opinion by an equally divided court: Lotus Dev. Corp. v. Borland Int'l, 515 U.S. 1191 (1995). Appeal from the District of Massachusetts, Hon. Robert E. Keeton, U.S. District Judge. Lotus Dev. Corp. v. Borland Int'l, 831 F. Supp. 223 (D. Mass., 1993) *Counsel:* Gary L. Reback, with whom Peter N. Detkin, Michael Barclay, Isabella E. Fu, Wilson Sonsini Goodrich & Rosati, Peter E. Gelhaar, Katherine L. Parks, and Donnelly Conroy & Gelhaar, were on brief for appellant. Henry B. Gutman, with whom Kerry L. Konrad, Joshua H. Epstein, Kimberly A. Caldwell, O'Sullivan Graev & Karabell, Thomas M. Lemberg, James C. Burling, and Hale and Dorr, were on brief for appellee. *Among other amici:* Herbert F. Schwartz, Vincent N. Palladino, Susan Progoff, Fish & Neave, William J. Cheeseman, and Foley Hoag & Eliot, were on brief for Computer and Business Equipment Manufacturers Association, amicus curiae. *Judges:* Before Torruella, Chief Judge, Boudin and Stahl, Circuit Judges.

STAHL, *Circuit Judge*:

Background

Lotus 1-2-3 is a spreadsheet program that enables users to perform accounting functions electronically on a computer. Users manipulate and control the program via a series of menu commands, such as "Copy," "Print," and "Quit." Users choose commands either by highlighting them on the screen or by typing their first letter. In all, Lotus 1-2-3 has 469 commands arranged into more than 50 menus and submenus.

Lotus 1-2-3, like many computer programs, allows users to write what are called "macros." By writing a macro, a user can designate a series of command choices with a single macro keystroke. Then, to execute that series of commands in multiple parts of the spreadsheet, rather than typing the whole series each time, the user only needs to type the single pre-programmed

macro keystroke, causing the program to recall and perform the designated series of commands automatically. Thus, Lotus 1-2-3 macros shorten the time needed to set up and operate the program.

Borland released its first Quattro program to the public in 1987, after Borland's engineers had labored over its development for nearly three years. Borland's objective was to develop a spreadsheet program far superior to existing programs, including Lotus 1-2-3. In Borland's words, "from the time of its initial release ... Quattro included enormous innovations over competing spreadsheet products."

The district court found, and Borland does not now contest, that Borland included in its Quattro and Quattro Pro version 1.0 programs "a *virtually identical* copy of the entire 1-2-3 menu tree." *Borland III*, 831 F. Supp. at 212 (emphasis in original). In so doing, Borland did not copy any of Lotus's underlying computer code; it copied only the words and structure of Lotus's menu command hierarchy. Borland included the Lotus menu command hierarchy in its programs to make them compatible with Lotus 1-2-3 so that spreadsheet users who were already familiar with Lotus 1-2-3 would be able to switch to the Borland programs without having to learn new commands or rewrite their Lotus macros.

In its Quattro and Quattro Pro version 1.0 programs, Borland achieved compatibility with Lotus 1-2-3 by offering its users an alternate user interface, the "Lotus Emulation Interface." By activating the Emulation Interface, Borland users would see the Lotus menu commands on their screens and could interact with Quattro or Quattro Pro as if using Lotus 1-2-3, albeit with a slightly different looking screen and with many Borland options not available on Lotus 1-2-3. In effect, Borland allowed users to choose how they wanted to communicate with Borland's spreadsheet programs: either by using menu commands designed by Borland, or by using the commands and command structure used in Lotus 1-2-3 augmented by Borland-added commands.

Lotus filed this action against Borland in the District of Massachusetts on July 2, 1990, four days after a district court {in a different litigation} held that the Lotus 1-2-3 "menu structure, taken as a whole – including the choice of command terms [and] the structure and order of those terms," was

protected expression covered by Lotus's copyrights. *Lotus Dev. Corp.* v. *Paperback Software Int'l*, 740 F. Supp. 37, 68, 70 (D. Mass. 1990) ("*Paperback*").

Lotus and Borland filed cross motions for summary judgment˜. On July 31, 1992, the district court denied Borland's motion and granted Lotus's motion in part. The district court ruled that the Lotus menu command hierarchy was copyrightable expression because

> [a] very satisfactory spreadsheet menu tree can be constructed using different commands and a different command structure from those of Lotus 1-2-3. In fact, Borland has constructed just such an alternate tree for use in Quattro Pro's native mode. Even if one holds the arrangement of menu commands constant, it is possible to generate literally millions of satisfactory menu trees by varying the menu commands employed.

Borland II, 799 F. Supp. at 217. The district court demonstrated this by offering alternate command words for the ten commands that appear in Lotus's main menu. *Id.* For example, the district court stated that "the 'Quit' command could be named 'Exit' without any other modifications," and that "the 'Copy' command could be called 'Clone,' 'Ditto,' 'Duplicate,' 'Imitate,' 'Mimic,' 'Replicate,' and 'Reproduce,' among others." *Id.*¶

Because so many variations were possible, the district court concluded that the Lotus developers' choice and arrangement of command terms, reflected in the Lotus menu command hierarchy, constituted copyrightable expression.

In granting partial summary judgment to Lotus, the district court held that Borland had infringed Lotus's copyright in Lotus 1-2-3:

> As a matter of law, Borland's Quattro products infringe the Lotus 1-2-3 copyright because of (1) the extent of copying of the "menu commands" and "menu structure" that is not *genuinely* disputed in this case, (2) the extent to which the copied elements of the "menu commands" and "menu structure" contain expressive aspects separable from the functions of the "menu commands" and "menu structure,"

> and (3) the scope of those copied expressive aspects as an integral part of Lotus 1-2-3.

Borland II, 799 F. Supp. at 223 (emphasis in original).˜

Immediately following the district court's summary judgment decision, Borland removed the Lotus Emulation Interface from its products. Thereafter, Borland's spreadsheet programs no longer displayed the Lotus 1-2-3 menus to Borland users, and as a result Borland users could no longer communicate with Borland's programs as if they were using a more sophisticated version of Lotus 1-2-3.¶

Nonetheless, Borland's programs continued to be partially compatible with Lotus 1-2-3, for Borland retained what it called the "Key Reader" in its Quattro Pro programs. Once turned on, the Key Reader allowed Borland's programs to understand and perform some Lotus 1-2-3 macros. With the Key Reader on, the Borland programs used Quattro Pro menus for display, interaction, and macro execution˜. Accordingly, people who wrote or purchased macros to shorten the time needed to perform an operation in Lotus 1-2-3 could still use those macros in Borland's programs. The district court permitted Lotus to file a supplemental complaint alleging that the Key Reader infringed its copyright.

The parties agreed to try the remaining liability issues without a jury. The district court held two trials˜.

In its Phase I-trial decision, the district court found that "each of the Borland emulation interfaces contains a virtually identical copy of the 1-2-3 menu tree and that the 1-2-3 menu tree is capable of a wide variety of expression." *Borland III*, 831 F. Supp. at 218.˜

In its Phase II-trial decision, the district court found that Borland's Key Reader file included "a virtually identical copy of the Lotus menu tree structure˜."˜ The district court held that "the Lotus menu structure, organization, and first letters of the command names ... constitute part of the protectable expression found in [Lotus 1-2-3]." *Id.* at 233. Accordingly, the district court held that with its Key Reader, Borland had infringed Lotus's copyright.˜¶

The district court then entered a permanent injunction against Borland, *id.* at 245, from which Borland appeals.

This appeal concerns only Borland's copying of the Lotus menu command hierarchy into its Quattro programs and Borland's affirmative defenses to such copying.˜

II.

Discussion

On appeal, Borland does not dispute that it factually copied the words and arrangement of the Lotus menu command hierarchy. Rather, Borland argues that it "lawfully copied the unprotectable menus of Lotus 1-2-3." Borland contends that the Lotus menu command hierarchy is not copyrightable because it is a system, method of operation, process, or procedure foreclosed from protection by 17 U.S.C. § 102(b). Borland also raises a number of affirmative defenses.

A. Copyright Infringement Generally

˜In this appeal, we are faced only with whether the Lotus menu command hierarchy is copyrightable subject matter in the first instance, for Borland concedes that Lotus has a valid copyright in Lotus 1-2-3 as a whole and admits to factually copying the Lotus menu command hierarchy. As a result, this appeal is in a very different posture from most copyright-infringement cases, for copyright infringement generally turns on whether the defendant has copied protected expression as a factual matter. Because of this different posture, most copyright-infringement cases provide only limited help to us in deciding this appeal. This is true even with respect to those copyright-infringement cases that deal with computers and computer software.

B. Matter of First Impression

Whether a computer menu command hierarchy constitutes copyrightable subject matter is a matter of first impression in this court.˜ Thus we are navigating in uncharted waters.

Borland vigorously argues, however, that the Supreme Court charted our course more than 100 years ago when it decided *Baker* v. *Selden*, 101 U.S.

99 (1879). In *Baker* v. *Selden*, the Court held that Selden's copyright over the textbook in which he explained his new way to do accounting did not grant him a monopoly on the use of his accounting system. Borland argues:

> The facts of *Baker* v. *Selden*, and even the arguments advanced by the parties in that case, are identical to those in this case. The only difference is that the "user interface" of Selden's system was implemented by pen and paper rather than by computer.

To demonstrate that *Baker* v. *Selden* and this appeal both involve accounting systems, Borland even supplied this court with a video that, with special effects, shows Selden's paper forms "melting" into a computer screen and transforming into Lotus 1-2-3.

We do not think that *Baker* v. *Selden* is nearly as analogous to this appeal as Borland claims. Of course, Lotus 1-2-3 is a computer spreadsheet, and as such its grid of horizontal rows and vertical columns certainly resembles an accounting ledger or any other paper spreadsheet. Those grids, however, are not at issue in this appeal for, unlike Selden, Lotus does not claim to have a monopoly over its accounting system. Rather, this appeal involves Lotus's monopoly over the commands it uses to operate the computer. Accordingly, this appeal is not, as Borland contends, "identical" to *Baker* v. *Selden*.

C. Altai

Before we analyze whether the Lotus menu command hierarchy is a system, method of operation, process, or procedure, we first consider the applicability of the test the Second Circuit set forth in *Computer Assoc. Int'l, Inc.* v. *Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992). The Second Circuit designed its *Altai* test to deal with the fact that computer programs, copyrighted as "literary works," can be infringed by what is known as "nonliteral" copying, which is copying that is paraphrased or loosely paraphrased rather than word for word. *See id.* at 701 (citing nonliteral-copying cases); *see also* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.03[A][1] (1993). When faced with nonliteral-copying cases, courts must determine whether similarities are due merely to the fact that the two works share the same underlying idea or whether they instead indicate that the second author copied the first author's expression. The Second Circuit designed its *Altai* test to deal with this situation in the computer context, specifically with

whether one computer program copied nonliteral expression from another program's code.

The *Altai* test involves three steps: abstraction, filtration, and comparison. The abstraction step requires courts to "dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Altai*, 982 F.2d at 707. This step enables courts to identify the appropriate framework within which to separate protectable expression from unprotected ideas. Second, courts apply a "filtration" step in which they examine "the structural components at each level of abstraction to determine whether their particular inclusion at that level was 'idea' or was dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself; or taken from the public domain." *Id.* Finally, courts compare the protected elements of the infringed work (i.e., those that survived the filtration screening) to the corresponding elements of the allegedly infringing work to determine whether there was sufficient copying of protected material to constitute infringement. *Id.* at 710.

In the instant appeal, we are not confronted with alleged nonliteral copying of computer code. Rather, we are faced with Borland's deliberate, literal copying of the Lotus menu command hierarchy. Thus, we must determine not whether nonliteral copying occurred in some amorphous sense, but rather whether the literal copying of the Lotus menu command hierarchy constitutes copyright infringement.

While the *Altai* test may provide a useful framework for assessing the alleged nonliteral copying of computer code, we find it to be of little help in assessing whether the literal copying of a menu command hierarchy constitutes copyright infringement. In fact, we think that the *Altai* test in this context may actually be misleading because, in instructing courts to abstract the various levels, it seems to encourage them to find a base level that includes copyrightable subject matter that, if literally copied, would make the copier liable for copyright infringement. While that base (or literal) level would not be at issue in a nonliteral-copying case like *Altai*, it is precisely what is at issue in this appeal. We think that abstracting menu command hierarchies down to their individual word and menu levels and then filtering

idea from expression at that stage, as both the *Altai* and the district court tests require, obscures the more fundamental question of whether a menu command hierarchy can be copyrighted at all. The initial inquiry should not be whether individual components of a menu command hierarchy are expressive, but rather whether the menu command hierarchy as a whole can be copyrighted. *But see Gates Rubber Co.* v. *Bando Chem. Indus., Ltd.*, 9 F.3d 823 (10th Cir. 1993) (endorsing *Altai*'s abstraction-filtration-comparison test as a way of determining whether "menus and sorting criteria" are copyrightable).

D. The Lotus Menu Command Hierarchy: A "Method of Operation"

Borland argues that the Lotus menu command hierarchy is uncopyrightable because it is a system, method of operation, process, or procedure foreclosed from copyright protection by 17 U.S.C. § 102(b). Section 102(b) states: "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." Because we conclude that the Lotus menu command hierarchy is a method of operation, we do not consider whether it could also be a system, process, or procedure.

We think that "method of operation," as that term is used in § 102(b), refers to the means by which a person operates something, whether it be a car, a food processor, or a computer. Thus a text describing how to operate something would not extend copyright protection to the method of operation itself; other people would be free to employ that method and to describe it in their own words. Similarly, if a new method of operation is used rather than described, other people would still be free to employ or describe that method.

We hold that the Lotus menu command hierarchy is an uncopyrightable "method of operation." The Lotus menu command hierarchy provides the means by which users control and operate Lotus 1-2-3. If users wish to copy material, for example, they use the "Copy" command. If users wish to print material, they use the "Print" command. Users must use the command terms to tell the computer what to do. Without the menu command hierarchy,

users would not be able to access and control, or indeed make use of, Lotus 1-2-3's functional capabilities.

The Lotus menu command hierarchy does not merely explain and present Lotus 1-2-3's functional capabilities to the user; it also serves as the method by which the program is operated and controlled. The Lotus menu command hierarchy is different from the Lotus long prompts, for the long prompts are not necessary to the operation of the program; users could operate Lotus 1-2-3 even if there were no long prompts.[9]

> [9] As the Lotus long prompts are not before us on appeal, we take no position on their copyrightability, although we do note that a strong argument could be made that the brief explanations they provide "merge" with the underlying idea of explaining such functions. *See Morrissey* v. *Procter & Gamble Co.*, 379 F.2d 675, 678-79 (1st Cir. 1967) (when the possible ways to express an idea are limited, the expression "merges" with the idea and is therefore uncopyrightable; when merger occurs, identical copying is permitted).

The Lotus menu command hierarchy is also different from the Lotus screen displays, for users need not "use" any expressive aspects of the screen displays in order to operate Lotus 1-2-3; because the way the screens look has little bearing on how users control the program, the screen displays are not part of Lotus 1-2-3's "method of operation." The Lotus menu command hierarchy is also different from the underlying computer code, because while code is necessary for the program to work, its precise formulation is not. In other words, to offer the same capabilities as Lotus 1-2-3, Borland did not have to copy Lotus's underlying code (and indeed it did not); to allow users to operate its programs in substantially the same way, however, Borland had to copy the Lotus menu command hierarchy. Thus the Lotus 1-2-3 code is not a uncopyrightable "method of operation."

The district court held that the Lotus menu command hierarchy, with its specific choice and arrangement of command terms, constituted an "expression" of the "idea" of operating a computer program with commands arranged hierarchically into menus and submenus. *Borland II*, 799 F. Supp. at 216. Under the district court's reasoning, Lotus's decision to

employ hierarchically arranged command terms to operate its program could not foreclose its competitors from also employing hierarchically arranged command terms to operate their programs, but it did foreclose them from employing the specific command terms and arrangement that Lotus had used. In effect, the district court limited Lotus 1-2-3's "method of operation" to an abstraction.

Accepting the district court's finding that the Lotus developers made some expressive choices in choosing and arranging the Lotus command terms, we nonetheless hold that that expression is not copyrightable because it is part of Lotus 1-2-3's "method of operation." We do not think that "methods of operation" are limited to abstractions; rather, they are the means by which a user operates something. If specific words are essential to operating something, then they are part of a "method of operation" and, as such, are unprotectable. This is so whether they must be highlighted, typed in, or even spoken, as computer programs no doubt will soon be controlled by spoken words.

The fact that Lotus developers could have designed the Lotus menu command hierarchy differently is immaterial to the question of whether it is a "method of operation." In other words, our initial inquiry is not whether the Lotus menu command hierarchy incorporates any expression. Rather, our initial inquiry is whether the Lotus menu command hierarchy is a "method of operation." Concluding, as we do, that users operate Lotus 1-2-3 by using the Lotus menu command hierarchy, and that the entire Lotus menu command hierarchy is essential to operating Lotus 1-2-3, we do not inquire further whether that method of operation could have been designed differently. The "expressive" choices of what to name the command terms and how to arrange them do not magically change the uncopyrightable menu command hierarchy into copyrightable subject matter.

Our holding that "methods of operation" are not limited to mere abstractions is bolstered by *Baker* v. *Selden*. In *Baker*, the Supreme Court explained that

> the teachings of science and the rules and methods of useful art have their final end in application and use; and this application and use are what the public derive from the

> publication of a book which teaches them. ... The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent.

Baker v. *Selden*, 101 U.S. at 104-05. Lotus wrote its menu command hierarchy so that people could learn it and use it. Accordingly, it falls squarely within the prohibition on copyright protection established in *Baker* v. *Selden* and codified by Congress in § 102(b).

In many ways, the Lotus menu command hierarchy is like the buttons used to control, say, a video cassette recorder ("VCR"). A VCR is a machine that enables one to watch and record video tapes. Users operate VCRs by pressing a series of buttons that are typically labelled "Record, Play, Reverse, Fast Forward, Pause, Stop/Eject." That the buttons are arranged and labeled does not make them a "literary work," nor does it make them an "expression" of the abstract "method of operating" a VCR via a set of labeled buttons. Instead, the buttons are themselves the "method of operating" the VCR.

When a Lotus 1-2-3 user chooses a command, either by highlighting it on the screen or by typing its first letter, he or she effectively pushes a button. Highlighting the "Print" command on the screen, or typing the letter "P," is analogous to pressing a VCR button labeled "Play."

Just as one could not operate a buttonless VCR, it would be impossible to operate Lotus 1-2-3 without employing its menu command hierarchy. Thus the Lotus command terms are not equivalent to the labels on the VCR's buttons, but are instead equivalent to the buttons themselves. Unlike the labels on a VCR's buttons, which merely make operating a VCR easier by indicating the buttons' functions, the Lotus menu commands are essential to operating Lotus 1-2-3. Without the menu commands, there would be no way to "push" the Lotus buttons, as one could push unlabeled VCR buttons. While Lotus could probably have designed a user interface for which the command terms were mere labels, it did not do so here. Lotus 1-2-

3 depends for its operation on use of the precise command terms that make up the Lotus menu command hierarchy.

One might argue that the buttons for operating a VCR are not analogous to the commands for operating a computer program because VCRs are not copyrightable, whereas computer programs are. VCRs may not be copyrighted because they do not fit within any of the § 102(a) categories of copyrightable works; the closest they come is "sculptural work." Sculptural works, however, are subject to a "useful-article" exception whereby "the design of a useful article ... shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. § 101. A "useful article" is "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." *Id.* Whatever expression there may be in the arrangement of the parts of a VCR is not capable of existing separately from the VCR itself, so an ordinary VCR would not be copyrightable.

Computer programs, unlike VCRs, are copyrightable as "literary works." 17 U.S.C. § 102(a). Accordingly, one might argue, the "buttons" used to operate a computer program are not like the buttons used to operate a VCR, for they are not subject to a useful-article exception. The response, of course, is that the arrangement of buttons on a VCR would not be copyrightable even without a useful-article exception, because the buttons are an uncopyrightable "method of operation." Similarly, the "buttons" of a computer program are also an uncopyrightable "method of operation."

That the Lotus menu command hierarchy is a "method of operation" becomes clearer when one considers program compatibility. Under Lotus's theory, if a user uses several different programs, he or she must learn how to perform the same operation in a different way for each program used. For example, if the user wanted the computer to print material, then the user would have to learn not just one method of operating the computer such that it prints, but many different methods. We find this absurd. The fact that

there may be many different ways to operate a computer program, or even many different ways to operate a computer program using a set of hierarchically arranged command terms, does not make the actual method of operation chosen copyrightable; it still functions as a method for operating the computer and as such is uncopyrightable.

Consider also that users employ the Lotus menu command hierarchy in writing macros. Under the district court's holding, if the user wrote a macro to shorten the time needed to perform a certain operation in Lotus 1-2-3, the user would be unable to use that macro to shorten the time needed to perform that same operation in another program. Rather, the user would have to rewrite his or her macro using that other program's menu command hierarchy. This is despite the fact that the macro is clearly the user's own work product. We think that forcing the user to cause the computer to perform the same operation in a different way ignores Congress's direction in § 102(b) that "methods of operation" are not copyrightable. That programs can offer users the ability to write macros in many different ways does not change the fact that, once written, the macro allows the user to perform an operation automatically. As the Lotus menu command hierarchy serves as the basis for Lotus 1-2-3 macros, the Lotus menu command hierarchy is a "method of operation."

In holding that expression that is part of a "method of operation" cannot be copyrighted, we do not understand ourselves to go against the Supreme Court's holding in *Feist*. In *Feist*, the Court explained:

> The primary objective of copyright is not to reward the labor of authors, but to promote the Progress of Science and useful Arts. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work.

Feist, 499 U.S. at 349-50 (quotations and citations omitted). We do not think that the Court's statement that "copyright assures authors the right to their original expression" indicates that all expression is necessarily copyrightable; while original expression is necessary for copyright protection, we do not think that it is alone sufficient. Courts must still inquire whether original

expression falls within one of the categories foreclosed from copyright protection by § 102(b), such as being a "method of operation."

We also note that in most contexts, there is no need to "build" upon other people's expression, for the ideas conveyed by that expression can be conveyed by someone else without copying the first author's expression.[13]

> [13] When there are a limited number of ways to express an idea, however, the expression "merges" with the idea and becomes uncopyrightable. *Morrissey*, 379 F.2d at 678-79.

In the context of methods of operation, however, "building" requires the use of the precise method of operation already employed; otherwise, "building" would require dismantling, too. Original developers are not the only people entitled to build on the methods of operation they create; anyone can. Thus, Borland may build on the method of operation that Lotus designed and may use the Lotus menu command hierarchy in doing so.˜

The judgment of the district court is

Reversed.

D. After a Fashion: Useful Articles, Clothing

D.1. Lead-in

D.1.a. The need to draw lines

Here we look at copyright and useful articles – meaning physical objects that have some functionality to them.

This is an uncomfortable area for copyright. It is filled with tension. Copyright protects creative expression. And as a corollary, it's long been understood that copyright needs to not encumber inventions, functionality, systems, and other such things that are useful and needed. That is a central theme of the 1990s computer software cases of *Altai* and *Lotus v. Borland.* And it's a theme of the big Supreme Court cases of *Baker v. Selden* (1880) and *Feist v. Rural Telephone* (1991)

But omnipresent is the urge to decorate, to use creative expression to make useful things more aesthetically pleasing. Thus, it has always been

predestined that copyright law must be drawn into a daunting project of line-drawing.

D.1.b. The fabric rips

As far as copyrightability goes, copyright law hasn't changed much for a long, long time. *Baker v. Selden* from 1880 continues to be the underpinning. More detail and nuance has been added, but, for the most part, things have not been undone.

There have, of course, been some little turnabouts here and there. In prior pages in this casebook, *Computer Associates v. Altai* (2d Cir. 1992) reversed the course of the law set by *Whelan Associates v. Jaslow Dental Laboratory* (3d Cir. 1986) with regard to the extent of the copyrightability of software. But there were just six years between those cases, and anyone could see it was a new and evolving area. So whiplash injuries should have been few and far between. And then, of course, *Feist v. Rural Telephone* (U.S. 1991) undid a lot of lower court decisions on telephone directories. But you could argue that *Feist* was more about forcing back into line lower courts that had drifted away from SCOTUS precedent.

But there is one area in copyrightability that has undergone a massive change: copyright in utilitarian articles.

A lot of expectations were demolished with the U.S. Supreme Court's 2017 decision in *Star Athletica v. Varsity Brands*. What a lot of lawyers and lower courts thought they knew about the law was turned on its head by the case.

So as you enter this stretch, prepare to see a province of the caselaw that's newly emerged. It's an area like the dark gray, goopy-shaped edge of Hawai'i: The ground is still warm and the terrain isn't fully mapped.

D.2. Copyright on clothing

Clothes and copyright – a stretch

Back before 2017, if you'd asked lawyers and legal scholars, "Can clothing be copyrighted?" they likely would have said "No."

If they gave you a longer, more lawyerly, *it depends* type answer, then they might have added: "Well, you can have a copyright on something attached to or embedded in the clothing if it's basically a separate, expressive work on it's

own. A t-shirt with a graphic illustration silkscreened on to it – copyright definitely applies to that illustration. Patterned fabric? As long as the pattern isn't extremely simple, that would be covered by copyright too. If the pattern had illustrations or intricate scrollwork or something like that, for instance, that would definitely be covered. And I suppose if you attached a soft, plush sculpture – like a toy stuffed animal sewn on to the shoulder of a winter coat – copyright would apply to the sculpture. But copyright on just the clothing itself? No."

But since the 2017 U.S. Supreme Court case of *Star Athletica v. Varsity Brands*, you likely would get a different answer. A savvy lawyer might say: "It's complicated," and then try to distract you and duck away.

An attempt to skirt the law

The understanding that copyright would not work to protect clothing designs goes back a long way. Some measure of the how long-standing and entrenched the idea was comes from the case of *Fashion Originators' Guild of America v. FTC*, 312 U.S. 457 (1941). Precisely because, as they understood the law at the time, copyright would protect clothing designs, a great multitude of garment manufacturers got together and created an organization called the Fashion Originators Guild of America. The purpose of the guild was to uncover any instances of retailers selling what the guild considered to be knockoffs, and then punish that retailer through a group-wide boycott.

> The garment manufacturers claim to be creators of original and distinctive designs of fashionable clothes for women~. After these designs enter the channels of trade, other manufacturers systematically make and sell copies of them, the copies usually selling at prices lower than the garments copied. Petitioners call this practice of copying unethical and immoral, and give it the name of "style piracy." {T}hey admit that their "original creations" are neither copyrighted nor patented, and indeed assert that existing legislation affords them no protection against copyists~. Because of these alleged wrongs, petitioners~ combined among themselves to combat and, if possible, destroy all competition from the sale of garments which are copies of their "original creations."

Fashion Originators' Guild of America v. FTC, 312 U.S. 457 (1941)

The Federal Trade Commission took notice and told the fashion firms they weren't allowed to do that as it was a violation of federal antitrust law – a "combination ... in restraint of trade" as the Sherman Act of 1890 puts it.

When the FTC moved to take action against the group, the clothing makers pointed to their very woeful (their view) situation and asserted what was, essentially, a defense of righteousness. They argued the antitrust laws simply didn't apply because, as the Supreme Court summarized their contention, their actions "were reasonable and necessary to protect the manufacturer, laborer, retailer and consumer against the devastating evils growing from the pirating of original designs and had in fact benefited all four."

The Supreme Court in *Fashion Originators* was having none of it. The Court said not only had the enterprises created an unlawful combination in restraint of trade but that what they had created was "in reality an extra-governmental agency which prescribes rules for the regulation and restraint of interstate commerce and provides extrajudicial tribunals for determination and punishment of violations, and thus 'trenches upon the power of the national legislature and violates the statute.'"

Translation: Congress decided not to give you copyrights on your clothing. The idea that you can reverse Congress's choice on that matter – by forming a private IP-type system enforced through coercive group boycotts? Preposterous.

We can do it, yes we can!

Essentially the whole fashion industry conceded defeat on the issue of the copyrightability of clothing. Occasionally, over the years, fashion firms went to Capitol Hill to ask for the legislative creation of a new right. But these efforts went nowhere.

Meanwhile, in America, cheerleading, which started as a school activity, grew into a multi-mult-million-dollar industry. It is an industry that involves, at its core, certain values of perseverance, persistence, and optimism even in arguably hopeless circumstances. The following is a portion of the top vote getting chant or chear on Cheerleading.com at this time this part of this casebook was written:

> No giving up, we rise, we stand –
> Victory is in our hands!

Determination, submitted September 15, 2025.

So perhaps it is not surprising that where the one garment manufacturer came from who believed they could go, fight, win. No giving up, they rise, they stand. What's their name?

Varsity Brands.

D.3. Case: Star Athletica v. Varsity Brands (U.S. 2017)

Pre-reading notes

Here, Varsity Brands, a maker and seller of cheerleader uniforms, sued rival uniform maker Star Athletica for copyright infringement. Star Athletica's design of lines and blocks of color, Varsity claimed, infringed on Varsity's copyright. The district court in Western Tennessee rendered summary judgment for the defendant on the expected grounds, that cheerleading uniforms were utilitarian in nature, and the allegedly copyrighted design served the utilitarian function of signifying that the sewn-together pieces of fabric were, in fact, a cheerleader uniform.

The Sixth Circuit – who has accumulated a bit of a reputation for blazing some new trails in holding for plaintiffs in intellectual property cases – took the atypical path and reversed the trial court.

The Supreme Court took the cert petition, and upheld the copyright claim.

According to the Court's opinion, it has not changed copyright law in upholding the copyright claim for clothing designs. And, according to the dissent, the Court didn't change the law either, which is why they supposedly got the result wrong.

When you start reading, be gentle on yourself. If you find this case puzzling, and/or intensely challenging, you are not alone.

Star Athletica is the kind of case that, when you read it, may make your head hurt. But if you take a break and read it again more slowly, you may feel like you are understanding everything – only to get to the end and suddenly wonder if you understood anything at all. All the same can be said about the dissent. Yet befuddling or not, it's the law. So copyright lawyers must deal with it. And those lawyers must try to help lower court judges do the same.

Text

Star Athletica v. Varsity Brands

Supreme Court of the United States
580 U.S. 405 (2017)

Star Athletica, L.L.C., petitioner, v. Varsity Brands, Inc. No. 15-866. Argued October 31, 2016; decided March 22, 2017. Appealed from the Western District of Tennessee, on writ of certiorari to the 6th Circuit. Counsel arguing for Star Athletica, appellants: John J. Bursch. Counsel arguing for Varsity Brands, respondents: William M. Jay. Counsel arguing for the United States as amicus curiae: Eric J. Feigin. THOMAS, J., delivered the opinion of the Court, in which Roberts, C. J., and Alito, Sotomayor, and Kagan, JJ., joined. Ginsburg, J., filed an opinion concurring in the judgment. Breyer, J., filed a dissenting opinion, in which Kennedy, J., joined.

Justice Thomas delivered the opinion of the Court.

Congress has provided copyright protection for original works of art, but not for industrial designs. The line between art and industrial design, however, is often difficult to draw. This is particularly true when an industrial design incorporates artistic elements. Congress has afforded limited protection for these artistic elements by providing that "pictorial, graphic, or sculptural features" of the "design of a useful article" are eligible for copyright protection as artistic works if those features "can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. §101.

We granted certiorari to resolve widespread disagreement over the proper test for implementing §101's separate identification and independent-existence requirements. 578 U.S. 959 (2016). We hold that a feature incorporated into the design of a useful Article Is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work – either on its own or fixed in some other tangible medium of expression – if it were imagined separately from the useful Article Into which it is incorporated. Because that test is satisfied in this case, we affirm.

I

Respondents Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc., design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily "combinations, positionings, and arrangements of elements" that include "chevrons . . ., lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes." At issue in this case are Designs 299A, 299B, 074, 078, and 0815.

Petitioner Star Athletica, L. L. C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. The District Court entered summary judgment for petitioner on respondents' copyright claims on the ground that the designs did not qualify as protectable pictorial, graphic, or sculptural works. It reasoned that the designs served the useful, or "utilitarian," function of identifying the garments as "cheerleading uniforms" and therefore could not be "physically or conceptually" separated under §101 "from the utilitarian function" of the uniform.

The Court of Appeals for the Sixth Circuit reversed. In its view, the "graphic designs" were "separately identifiable" because the designs "and a blank cheerleading uniform can appear 'side by side' – one as a graphic design, and one as a cheerleading uniform." And it determined that the designs were "'capable of existing independently'" because they could be incorporated onto the surface of different types of garments, or hung on the wall and framed as art.

Judge McKeague dissented. He would have held that, because "identifying the wearer as a cheerleader" is a utilitarian function of a cheerleading uniform and the surface designs were "integral to" achieving that function, the designs were inseparable from the uniforms.

II

The first element of a copyright-infringement claim is "ownership of a valid copyright." *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499

U.S. 340, 361 (1991). A valid copyright extends only to copyrightable subject matter. See 4 M. Nimmer & D. Nimmer, Copyright §13.01[A] (2010) (Nimmer). The Copyright Act of 1976 defines copyrightable subject matter as "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. §102(a).

"Works of authorship" include "pictorial, graphic, and sculptural works," §102(a)(5), which the statute defines to include "two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans," §101. And a work of authorship is "'fixed' in a tangible medium of expression when it[is] embodi[ed] in a" "material objec[t] ... from which the work can be perceived, reproduced, or otherwise communicated." *Ibid.* (definitions of "fixed" and "copies").

The Copyright Act also establishes a special rule for copyrighting a pictorial, graphic, or sculptural work incorporated into a "useful article," which is defined as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." *Ibid.* The statute does not protect useful articles as such. Rather, "the design of a useful article" is "considered a pictorial, graphical, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." *Ibid*.

Courts, the Copyright Office, and commentators have described the analysis undertaken to determine whether a feature can be separately identified from, and exist independently of, a useful article as "separability." In this case, our task is to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of respondents' cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms.˜

B

We must now decide when a feature incorporated into a useful article "can be identified separately from" and is "capable of existing independently of" "the utilitarian aspects" of the article. This is not a free-ranging search for the best copyright policy, but rather "depends solely on statutory interpretation." *Mazer* v. *Stein*, 347 U.S. 201, 214 (1954). "The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written." *Estate of Cowart* v. *Nicklos Drilling Co.*, 505 U.S. 469, 476 (1992). We thus begin and end our inquiry with the text, giving each word its "ordinary, contemporary, common meaning." We do not, however, limit this inquiry to the text of §101 in isolation. "[I]nterpretation of a phrase of uncertain reach is not confined to a single sentence when the text of the whole statute gives instruction as to its meaning." *Maracich* v. *Spears*, 570 U.S. 48, 65 (2013) . We thus "look to the provisions of the whole law" to determine §101's meaning.

1

The statute provides that a "pictorial, graphic, or sculptural featur[e]" incorporated into the "design of a useful article" is eligible for copyright protection if it (1) "can be identified separately from," and (2) is "capable of existing independently of, the utilitarian aspects of the article." §101. The first requirement – separate identification – is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities. See 2 Patry §3:146, at 3-474 to 3-475.

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. See 2 OED 88 (def. 5) (defining "[c]apable" of as "[h]aving the needful capacity, power, or fitness for"). In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in §101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or "[a]n article that is normally a part of a useful article" (which is itself considered a useful article). §101. Nor could someone claim a copyright in a useful article merely by creating a replica of that Article In some other medium – for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

2

The statute as a whole confirms our interpretation.˜

3

This interpretation is also consistent with the history of the Copyright Act. In *Mazer*, a case decided under the 1909 Copyright Act, the respondents copyrighted a statuette depicting a dancer. The statuette was intended for use as a lamp base, "with electric wiring, sockets and lamp shades attached." Copies of the statuette were sold both as lamp bases and separately as statuettes. The petitioners copied the statuette and sold lamps with the statuette as the base. They defended against the respondents' infringement suit by arguing that the respondents did not have a copyright in a statuette intended for use as a lamp base.

Two of *Mazer*'s holdings are relevant here. First, the Court held that the respondents owned a copyright in the statuette even though it was intended for use as a lamp base. In doing so, the Court approved the Copyright Office's regulation extending copyright protection to works of art that might also serve a useful purpose.

Second, the Court held that it was irrelevant to the copyright inquiry whether the statuette was initially created as a freestanding sculpture or as a lamp base. *Mazer* thus interpreted the 1909 Act consistently with the rule discussed above: If a design would have been copyrightable as a standalone pictorial, graphic, or sculptural work, it is copyrightable if created first as part of a useful article.

Shortly thereafter, the Copyright Office enacted a regulation implementing the holdings of *Mazer*. As amended, the regulation introduced the modern separability test to copyright law:

> "If the sole intrinsic function of an Article Is its utility, the fact that the Article Is unique and attractively shaped will not qualify it as a work of art. However, if the shape of a utilitarian Article Incorporates features, such as artistic sculpture, carving, or pictorial representation, which can be identified separately and are capable of existing independently as a work of art, such features will be eligible for registration." 37 CFR §202.10(c) (1960) (punctuation altered).

Congress essentially lifted the language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into §101 of the 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp.

C

In sum, a feature of the design of a useful Article Is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium – for example, on a painter's canvas – they would qualify as "two-dimensional ... works of ... art," §101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression – different types of clothing – without replicating the uniform. The decorations are therefore separable from the uniforms and eligible for copyright protection.[1]

> [1] We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, see

> *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499 U. S. 340, 358-359, 111 S. Ct. 1282, 113 L. Ed. 2d 358 (1991), or on whether any other prerequisite of a valid copyright has been satisfied.

The dissent argues that the designs are not separable because imaginatively removing them from the uniforms and placing them in some other medium of expression – a canvas, for example – would create "pictures of cheerleader uniforms." (opinion of Breyer, J.). Petitioner similarly argues that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform.

This is not a bar to copyright. Just as two-dimensional fine art corresponds to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. A fresco painted on a wall, ceiling panel, or dome would not lose copyright protection, for example, simply because it was designed to track the dimensions of the surface on which it was painted. Or consider, for example, a design etched or painted on the surface of a guitar. If that entire design is imaginatively removed from the guitar's surface and placed on an album cover, it would still resemble the shape of a guitar. But the image on the cover does not "replicate" the guitar as a useful article. Rather, the design is a two-dimensional work of art that corresponds to the shape of the useful article to which it was applied. The statute protects that work of art whether it is first drawn on the album cover and then applied to the guitar's surface, or vice versa.˜

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression – a uniform or otherwise.

D

Petitioner and the Government raise several objections to the approach we announce today. None is meritorious.

1

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. In other words, copyright extends only to "solely artistic" features of useful articles. According to petitioner, if a feature of a useful article "advance[s] the utility of the article," then it is categorically beyond the scope of copyright.˜

The Government raises a similar argument, although it reaches a different result. It suggests that the appropriate test is whether the useful article with the artistic feature removed would "remai[n] *similarly* useful." (emphasis added). In the view of the United States, however, a plain white cheerleading uniform is "similarly useful" to uniforms with respondents' designs.

The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own.

{W}e reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article˜.

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

2

Petitioner next argues that we should incorporate two "objective" components into our test to provide guidance to the lower courts: (1)

"whether the design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influence," and (2) whether "there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function{."}

We reject this argument because neither consideration is grounded in the text of the statute.¶

The first would require the decisionmaker to consider evidence of the creator's design methods, purposes, and reasons. The statute's text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed.

The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act. See *Bleistein* v. *Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits").

3

Finally, petitioner argues that allowing the surface decorations to qualify as a "work of authorship" is inconsistent with Congress' intent to entirely exclude industrial design from copyright.˜

We do not share petitioner's concern. As an initial matter, "[c]ongressional inaction lacks persuasive significance" in most circumstances. Moreover, we have long held that design patent and copyright are not mutually exclusive. See *Mazer*, 347 U.S., at 217. Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would undermine Congress' choice. In any event, as explained above, our test does not render the shape, cut, and

physical dimensions of the cheerleading uniforms eligible for copyright protection.

III

We hold that an artistic feature of the design of a useful Article Is eligible for copyright protection if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article. Because the designs on the surface of respondents' cheerleading uniforms in this case satisfy these requirements, the judgment of the Court of Appeals is affirmed.

It is so ordered.˜

Justice Breyer, with whom Justice Kennedy joins, dissenting.

I agree with much in the Court's opinion. But I do not agree that the designs that Varsity Brands, Inc., submitted to the Copyright Office are eligible for copyright protection. Even applying the majority's test, the designs *cannot* "be perceived as ... two- or three-dimensional work[s] of art separate from the useful article."

Look at the designs that Varsity submitted to the Copyright Office. You will see only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately "perceived" on paper or in the imagination, is a picture of, and thereby "replicate[s]," the underlying useful article of which they are a part. Hence the design features that Varsity seeks to protect are not "capable of existing independently o[f] the utilitarian aspects of the article." 17 U.S.C. §101.

I

The relevant statutory provision says that the "design of a useful article" is copyrightable "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." *Ibid*. But what, we must ask, do the words "identified

separately" mean? Just when is a design separate from the "utilitarian aspect of the [useful] article?" The most direct, helpful aspect of the Court's opinion answers this question by stating:

> "Nor could someone claim a copyright in a useful article merely by creating a replica of that Article In some other medium – for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it." *Ante,* at 7-8.

Exactly so. These words help explain the Court's statement that a copyrightable work of art must be "perceived as a two- or three-dimensional work of art separate from the useful article." *Ante,* at 1, 17. They help clarify the concept of separateness.

Consider, for example, the explanation that the House Report for the Copyright Act of 1976 provides. It says:

> "Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, *physically or conceptually*, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted ... ." H. R. Rep., at 55 (emphasis added).

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is "yes," then the design is eligible for copyright protection. Otherwise, it is not. The abstract nature of these questions makes them sound difficult to apply. But with the Court's words in mind, the difficulty tends to disappear.

An example will help. Imagine a lamp with a circular marble base, a vertical 10-inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, the Siamese cat is *physically separate*

from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp's construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes that formed the lamp bases at issue in *Mazer* v. *Stein*, 347 U.S. 201 (1954). But we can easily imagine the cat on its own, as did Congress when conceptualizing the ballet dancer. See H. R. Rep., at 55 (the statuette in *Mazer* was "incorporated into a product without losing its ability to exist independently as a work of art"). In doing so, we do not create a mental picture of a lamp (or, in the Court's words, a "replica" of the lamp), which is a useful article. We simply perceive the cat separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the lamp. Hence the cat is *conceptually separate* from the utilitarian article that is the lamp. The pair of lamps pictured at figures 1 and 2 in the appendix to this opinion illustrate this principle.

Case law, particularly case law that Congress and the Copyright Office have considered, reflects the same approach.˜

By way of contrast, Van Gogh's painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, *Bonazoli* v. *R.S.V.P. Int'l, Inc.*, 353 F. Supp. 2d 218, 226-227 (RI 2005); candleholders shaped like sailboats, *Design Ideas, Ltd.* v. *Yankee Candle Co.,* 889 F. Supp. 2d 1119, 1128 (CD Ill. 2012); and wire spokes on a wheel cover, *Norris Industries, Inc.* v. *International Tel. & Tel. Corp.*, 696 F.2d 918, 922-924 (CA11 1983).¶

None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from

the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheel covers of which they are a part. And spoons, candleholders, and wheel covers are useful objects, as are the old shoes depicted in Van Gogh's painting.¶

More importantly, one cannot easily imagine or otherwise conceptualize the design of the spoons or the candleholders or the shoes *without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes*. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

The upshot is that one could copyright the floral design on a soupspoon but one could not copyright the shape of the spoon itself, no matter how beautiful, artistic, or esthetically pleasing that shape might be: A picture of the shape of the spoon is also a picture of a spoon; the picture of a floral design is not.¶

II

To ask this kind of simple question – does the design picture the useful article? – will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a "two- or three-dimensional work of art." That is because virtually any industrial design can be thought of separately as a "work of art"~.

III

The conceptual approach that I have described reflects Congress' answer to a problem that is primarily practical and economic. Years ago Lord Macaulay drew attention to the problem when he described copyright in books as a "tax on readers for the purpose of giving a bounty to writers." 56 Parl. Deb. (3d Ser.) (1841) 341, 350. He called attention to the main benefit of copyright protection, which is to provide an incentive to produce copyrightable works and thereby "promote the Progress of Science and

useful Arts." U.S. Const., Art. I, §8, cl. 8. But Macaulay also made clear that copyright protection imposes costs. Those costs include the higher prices that can accompany the grant of a copyright monopoly. They also can include (for those wishing to display, sell, or perform a design, film, work of art, or piece of music, for example) the costs of discovering whether there are previous copyrights, of contacting copyright holders, and of securing permission to copy. Sometimes, as Thomas Jefferson wrote to James Madison, costs can outweigh "the benefit even of limited monopolies." And that is particularly true in light of the fact that Congress has extended the "limited Times" of protection from the "14 years" of Jefferson's day to potentially more than a century today.

The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright's statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry.˜

Congress' decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth.

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly $370 billion in annual spending and 1.8 million jobs That is why I believe it important to emphasize those parts of the Court's opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not "claim a copyright in a useful article

merely by creating a replica of that Article In some other medium," which "would not give rise to any rights in the useful article that inspired it."

IV

If we ask the "separateness" question correctly, the answer here is not difficult to find.˜ Can the design features in Varsity's pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along, via picture or design, the dresses of which they constitute a part?

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms.˜ I do not see how one could see them otherwise. Designs 299A and 299B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses.¶

Looking at all five of Varsity's pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority's invitation to "imaginatively remov[e]" the chevrons and stripes *as they are arranged* on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a "painter's canvas," that painting would be of a cheerleader's dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design – there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms.¶

Hence, each design is not physically separate, nor is it conceptually separate, from the useful Article It depicts, namely, a cheerleader's dress. They cannot be copyrighted.˜

I fear that, in looking past the three-dimensional design inherent in Varsity's claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not "claim a copyright in a useful article merely by creating a replica of that Article In some other medium," such as in a picture.˜

With respect, I dissent.˜

D.4. Case: Silvertop v. Kangaroo (3d Cir. 2019)

Pre-reading notes

This case, *Silvertop Associates (dba "Rasta Imposta") v. Kangaroo Manufacturing*, 931 F.3d 215 (3d Cir. 2019), shows a lower court working to apply *Star Athletica* in the context of full-body banana costumes.

The Silvertop company, whom the court refers to to as "Rasta," sold full-body banana costumes. They had a good relationship with a reseller, but that ended and the reseller started getting full-body banana costumes from another source, presumably on more favorable terms. Rasta/Silvertop sued for copyright infringement. The Third Circuit, applying *Star Athletica*, held for the copyright plaintiff Rasta/Silvertop.

If you disagree with the result, you may find yourself wishing, at the very least, the names were reversed in the caption (i.e., so that you could criticize the decision of the "*Kangaroo* court").

Attribution and editing notes

Various citations and portions thereof removed without indication. Second-reference citations were reformatted as first-reference citations where the first citation had been removed.

Text

Silvertop v. Kangaroo

United States Court of Appeals for the Third Circuit
931 F.3d 215 (3d Cir. 2019)

SILVERTOP ASSOCIATES INC., DBA Rasta Imposta v. KANGAROO MANUFACTURING INC., Appellant. No. 18-2266. On appeal from the United States District Court for the District of New Jersey. (D.C. No. 1-17-cv-07919). Counsel for plaintiffs-appellees: Alexis Arena (argued), Flaster Greenberg, Philadelphia, Pa.; Eric R. Clendening, Flaster Greenberg, Cherry Hill, NJ. Counsel for defendants-appellants: David A. Schrader (argued), Paykin Krieg & Adams, New York, NY, Attorney for Appellant. Before: CHAGARES, HARDIMAN, Circuit Judges, and GOLDBERG, District Judge of the United States District Court for the Eastern District of Pennsylvania, sitting by designation.

HARDIMAN, *Circuit Judge*.

This interlocutory appeal involves the validity of a copyright in a full-body banana costume. Appellant Kangaroo Manufacturing Inc. concedes that the banana costume it manufactures and sells is substantially similar to the banana costume created and sold by Appellee Rasta Imposta. Yet Kangaroo claims that Rasta cannot hold a valid copyright in such a costume's "pictorial, graphic, or sculptural features."¶

This dispute presents a matter of first impression for our Court and requires us to apply the Supreme Court's recent decision in *Star Athletica, L.L.C. v. Varsity Brands, Inc.* (2017). We hold that, in combination, the Rasta costume's non-utilitarian, sculptural features are copyrightable, so we will affirm the District Court's preliminary injunction.

I

This dispute stems from a business relationship that went bad. In 2010, Rasta obtained Copyright Registration No. VA 1-707-439 for its full-body banana costume. Two years later, Rasta began working with a company called Yagoozon, Inc., which purchased and resold thousands of Rasta's banana costumes. Yagoozon's founder, Justin Ligeri, also founded Kangaroo and at all relevant times was aware of Rasta's copyright registration in the banana costume. After the business relationship between Rasta and Yagoozon ended, Rasta's CEO, Robert Berman, discovered Kangaroo selling a costume that resembled his company's without a license.

Rasta sued Kangaroo for copyright infringement, trade dress infringement, and unfair competition. After settlement discussions were unsuccessful, Rasta moved for a preliminary injunction and Kangaroo responded by moving to dismiss. The District Court granted the motion for a preliminary injunction and explained its reasons for doing so in a thorough opinion. *See Silvertop Assocs., Inc. v. Kangaroo Mfg., Inc.*, 319 F. Supp. 3d 754 (D.N.J. 2018). It also dismissed the unfair competition count. Kangaroo appealed˜.

II

˜We review the District Court's conclusions of law de novo and its ultimate decision to grant the preliminary injunction for abuse of discretion.˜

III

Kangaroo claims the injunction should not have issued because Rasta is not likely to succeed on the merits of its copyright infringement claim. According to Kangaroo, Rasta does not hold a valid copyright in its banana costume. Whether Rasta's copyright is valid is a question of law, which makes our review plenary. And we must remain "cognizant of the Supreme Court's teaching that copyrights protect only expressions of ideas and not ideas themselves."

We begin by analyzing whether non-utilitarian, sculptural features of the costume are copyrightable by determining whether those features can be identified separately from its utilitarian features and are capable of existing independently from its utilitarian features. *See* 17 U.S.C. § 101; *Star Athletica*, 137 S.Ct. at 1008. We then consider whether the merger and *scenes a faire* doctrines render the costume ineligible for copyright protection. We conclude that the District Court did not err when it held that Rasta is reasonably likely to prove ownership of a valid copyright.

A

"A valid copyright extends only to copyrightable subject matter." *Star Athletica*, 137 S.Ct. at 1008. Copyrightable subject matter means "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. § 102(a). Originality is a very low bar, requiring "only a minimal amount of creativity." *Kay Berry, Inc. v. Taylor Gifts, Inc.*, 421 F.3d 199, 207 (3d Cir. 2005).˜

˜A useful article's design feature "is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium." *Star Athletica* at 1012. So we ask two questions: (1) can the artistic feature of the useful article's design "be perceived as a two- or three-dimensional work of art separate from the useful article[?]" and (2)

would the feature "qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article[?]" *Id.* at 1016.

The first requirement "is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities." *Id.* at 1010.

The second requirement, which is "ordinarily more difficult to satisfy," requires "that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article." *Id.* ("In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in § 101 once it is imagined apart from the useful article."). And that separate feature "cannot itself be a useful article or 'an article that is normally a part of a useful article' (which is itself considered a useful article)." *Id.* We do not focus on "any aspects of the useful article that remain after the imaginary extraction." *Id.* at 1013. Nor does the work's marketability or artistic merit bear on our analysis. *See id.* at 1015. Thus, the two-part inquiry effectively turns on whether the separately imagined features are still intrinsically useful.

We have explained that we do not analyze each feature in isolation; instead, a "specific *combination* of elements" that gives a sculpture "its unique look" could be eligible for copyright protection. *Kay Berry*, 421 F.3d at 209 (emphasis added). Those combined features may include "texture, color, size, and shape," among others, and it "means nothing that these elements may not be individually entitled to protection." *Id.* at 207; *see also Star Athletica*, 137 S.Ct. at 1012 (analyzing the uniform designs' "arrangement of colors, shapes, stripes, and chevrons" together, not individually).

The Supreme Court in *Star Athletica* found the two-dimensional design patterns on cheerleader uniforms eligible for copyright protection. *Id.* The uniform's utilitarian "shape, cut, and dimensions" were *not* copyrightable, but "the two-dimensional work of art fixed in the tangible medium of the uniform fabric" was. *Id.* at 1013. Imagining those designs apart from the

uniform did not necessarily replicate the useful article even though the designs still looked like uniforms. *See id.* at 1012.˜

B

Having articulated the legal principles that govern our analysis, we turn to the particular facts of this case.¶

To begin with, Rasta's banana costume is a "useful article."[4]

> [4] We have noted that "a costume . . . may serve, aside from its appearance, to clothe the wearer." *Masquerade Novelty*, 912 F.2d at 670. *Star Athletica* addressed cheerleader uniforms as useful articles. 137 S. Ct. at 1010. And Rasta concedes its costume is a useful article.

The artistic features of the costume, in combination, prove both separable and capable of independent existence as a copyrightable work: a sculpture.¶

Those sculptural features include the banana's combination of colors, lines, shape, and length. They do not include the cutout holes for the wearer's arms, legs, and face; the holes' dimensions; or the holes' locations on the costume, because those features are utilitarian.[5] Although more difficult to imagine separately from the costume's "non-appearance related utility" (*i.e.*, wearability) than many works, *Masquerade Novelty, Inc. v. Unique Indus.*, 912 F.2d 663, 669 (3d Cir. 1990), one can still imagine the banana apart from the costume as an original sculpture. That sculpted banana, once split from the costume, is not intrinsically utilitarian and does not merely replicate the costume, so it may be copyrighted.

> [5] The District Court correctly found "that the cutout holes are not, per se, a feature eligible for copyright" because they "perform a solely utilitarian function." *Silvertop*, 319 F. Supp. 3d at 764. It went on, however, to list "the location of the head and arm cutouts which dictate how the costume drapes on and protrudes from a wearer (as opposed to the mere existence of the cutout holes)" among the copyrightable features. *Id.* at 765. We disagree with that portion of the District Court's analysis because we must imagine the banana apart from the useful (*i.e.*, wearable) article. Rasta has not identified any artistic aspect to

> the holes' dimensions or locations except in relation to the wearer. The cutout holes' dimensions and locations on the costume are intrinsically useful (perhaps even necessary) to make the costume wearable like the "shape, cut, and dimensions" of the cheerleader uniforms in *Star Athletica*, so they cannot be copyrighted. 137 S. Ct. at 1012.

Kangaroo responds that we must inspect each feature individually, find each one too unoriginal or too utilitarian in isolation for copyright, and decline to protect the whole. But *Kay Berry* forecloses this divide-and-conquer approach by training our focus on the combination of design elements in a work. *See* 421 F.3d at 209-10 (focusing on "the specific combination of elements [] employed to give [a work] its unique look"). And the *Star Athletica* Court did not cherry-pick the uniform designs' colors, shapes, or lines; it too evaluated their combination. 137 S.Ct. at 1012 (focusing on "the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms"). Thus, the separately imagined banana – the sum of its non-utilitarian parts – is copyrightable.

Kangaroo also contends the banana is unoriginal because its designers based the design on a natural banana. They ask us to hold that depictions of natural objects in their natural condition can never be copyrighted. This argument seeks to raise the originality requirement's very low bar, which precedent forecloses for good reason. *See Kay Berry*, 421 F.3d at 207. A judge's own aesthetic judgments must play no role in copyright analysis. *See Star Athletica*, 137 S.Ct. at 1015. "Our inquiry is limited to how the article and feature[s] are perceived, not how or why they were designed." *Id.* The cases Kangaroo cites in its brief confirm that whether natural objects are copyrightable depends on the circumstances. *Compare Satava v. Lowry*, 323 F.3d 805, 810 (9th Cir. 2003) (holding that a sculpture of a jellyfish was not copyrightable), *with Coquico, Inc. v. Rodriguez-Miranda*, 562 F.3d 62, 69 (1st Cir. 2009) (holding that several elements of a plush toy depicting a tree frog were copyrightable). The essential question is whether the depiction of the natural object has a minimal level of creativity. Rasta's banana meets those requirements.

In furtherance of its argument that costumes depicting items found in nature can never be copyrighted, Kangaroo relies on *Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452 (2d Cir. 1989). *Whimsicality*˜ imagined the costumes peeled away from their wearers as deflated piles of fabric, leaving nothing recognizable or original to copyright. *Star Athletica* does not allow that approach in this appeal. The three-dimensional banana sculpture that separability analysis requires us to imagine is not a crumpled pile of fabric; it is a recognizable rendering of a banana. *See Star Athletica*, 137 S.Ct. at 1012 (requiring courts to imagine the separated work "on its own *or when fixed* in some other tangible medium" (emphasis added)).˜ Indeed, the Second Circuit focused its decision on Whimsicality's misrepresentation to the Copyright Office and did not even reach the question whether costumes are an exception to the general rule that clothing is not copyrightable. 891 F.2d at 455-56. In our view, the non-utilitarian, sculptural features of this costume are just such an exception.

We therefore hold that the banana costume's combination of colors, lines, shape, and length (*i.e.*, its artistic features) are both separable and capable of independent existence, and thus are copyrightable.

C

Lastly, Kangaroo invokes two copyright doctrines – merger and *scenes a faire* – to argue the banana costume is ineligible for protection. Both arguments address the same question: whether copyrighting the banana costume would effectively monopolize an underlying idea, either directly or through elements necessary to that idea's expression.

Because Congress has excluded "any idea, procedure, process, system, method of operation, concept, principle, or discovery" from copyright protection, 17 U.S.C. § 102(b), courts deny such protection when a work's underlying idea can effectively be expressed in only one way. Courts term this rare occurrence "merger," and find it only when "there are no or few other ways of expressing a particular idea." *Educ. Testing Servs. v. Katzman*, 793 F.2d 533, 539 (3d Cir. 1986) (quoting *Apple Comput., Inc. v. Franklin Comput. Corp.*, 714 F.2d 1240, 1253 (3d Cir. 1983). And if copyrighting a design feature would effectively monopolize an underlying idea, procedure, process, etc., then the merger doctrine exists to deny that protection. *See Kay*

Berry, 421 F.3d at 209. Notably, merger "is most applicable where the idea and the expression are of items found in nature, or are found commonly in everyday life." *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 36 (1st Cir. 2001). But if copyright does not foreclose "other methods of expressing [an] idea ... as a practical matter, then there is no merger." *Educ. Testing Servs.*, 793 F.2d at 539 (quoting *Apple Comput.*, 714 F.2d at 1253).

Here, copyrighting Rasta's banana costume would not effectively monopolize the underlying idea because there are many other ways to make a costume resemble a banana. Indeed, Rasta provided over 20 non-infringing examples. As the District Court observed, one can easily distinguish those examples from Rasta's costume based on the shape, curvature, tips, tips' color, overall color, length, width, lining, texture, and material. *See Silvertop Assocs.*, 319 F. Supp. 3d at 768. We agree and hold the merger doctrine does not apply here.

Courts also exclude *scenes a faire* from copyright protection, which include elements "standard, stock, or common to a particular topic or that necessarily follow from a common theme or setting." The doctrine covers "those elements of a work that necessarily result[] from external factors inherent in the subject matter of the work." As with merger, the *scenes a faire* doctrine seeks to curb copyright's potential to allow monopolizing an underlying idea – via features that are so common or necessary to that idea's expression that copyrighting them effectively copyrights the idea itself. *E.g., Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366, 1374-75 (10th Cir. 1997) (citing foot chases as a *scene a faire* of police fiction).

Here too, copyrighting the banana costume's non-utilitarian features in combination would not threaten such monopolization. Kangaroo points to no specific feature that *necessarily* results from the costume's subject matter (a banana). Although a banana costume is likely to be yellow, it could be any shade of yellow – or green or brown for that matter. Although a banana costume is likely to be curved, it need not be – let alone in any particular manner. And although a banana costume is likely to have ends that resemble a natural banana's, those tips need not look like Rasta's black tips (in color, shape, or size). Again, the record includes over 20 examples of banana

costumes that Rasta concedes would be non-infringing. The *scenes a faire* doctrine does not apply here either.˜

Because Rasta established a reasonable likelihood that it could prove entitlement to protection for the veritable fruits of its intellectual labor, we will affirm.

E. Troubles with Trolls and Architecture

E.1. Lead-in

In 1990, Congress added "architectural works" to the copyright statute's list of categories of works that were copyrightable.

As with clothing and software, architectural works necessarily created questions of how to allow copyright for expression but keep copyright away from functional, utilitarian configurations and conformations. With 1990's statutory change, there could be no doubt that building designs were within the sphere of copyrightable subject matter. But looking at the cases that have arisen since then, courts have some real concerns about copyright for architecture.

If you have read, prior to this, the fictional character/universe cases, the software cases, and the clothing cases, you may have found them interesting to compare, as groups, to one another. One takeaway is that courts have shown an appetite for taking the doctrines and analytical concepts from the fictional character/universe cases and applying them in other categories of cases. Another takeaway, which you need not agree with, but which is a reasonable view to have, is that the courts seem to treat the categories of fictional characters/universes, software, and clothing quite differently. That is to say, treat them differently as in show different levels of amenability or skepticism toward claims of plaintiffs.

With regard to architecture, both of those things seem to carry forward. The doctrines and analytical tools of fictional character/universe cases are embraced for this new context. And, again, category seems to matter. For many architecture cases, courts have shown a notable lack of warmth toward plaintiffs' claims. That unaccomodativeness is indicated, in part, by courts' use of the word "troll" to describe the architectural copyright plaintiff.

E.2. Case: Design Basics v. Signature Construction (7th Cir. 2021)

Pre-reading notes

This case, *Design Basics v. Signature Construction*, 994 F.3d 879 (7th Cir. 2021), is one of many similar cases involving a so-called troll who has a portfolio of registered architectural works copyrights and uses them to sue builders of new homes. You can tell the plaintiff isn't going to get a slam dunk win when the court starts out by calling the plaintiff a "troll."

The term "troll" isn't defined by statute, and, at any rate, being one isn't illegal. What happened to *Hate the game not the player*? One could ask: What are trolls supposed to do? Stop making money by enforcing rights Congress gave them?

This cases is a muscular display of how a court can use the cases and concepts of copyright law to push back hard against a plaintiff they deem unworthy.

But the biggest lessons of this case aren't for judges, they're for lawyers. If you let it, *Design Basics* will hand you a blueprint – a blueprint you can copy – for designing a strategy for a client to "monetize" their "IP assets," as well as a blueprint you can use on behalf of defendants for bludgeoning unsympathetic plaintiffs with a cupboard of cudgels that you need only open up copyright caselaw to find.

Text

Design Basics v. Signature Construction

U.S. Court of Appeals for the Seventh Circuit
994 F.3d 879 (7th Cir. 2021)

DESIGN BASICS, LLC, and CARMICHAEL & DAME DESIGNS, INC., plaintiffs-appellants, v. SIGNATURE CONSTRUCTION, INC., et al., defendants-appellees. No. 19-2716. Argued January 22, 2020; decided April 23, 2021. Appeal from the U.S. District Court for the Central District of Illinois. No. 1:16-CV-1275 — Colin S. Bruce, Judge. Counsel for plaintiff-appellant: Paul E. Harold, Stephen M. Judge, John D. LaDue, Sean J. Quinn, SOUTHBANK LEGAL: LADUE CURRAN & KUEHN LLC, South Bend, IN; Dana Andrew LeJune, LAW OFFICE OF DANA LEJUNE, Houston, TX. Counsel for defendants-appellees SIGNATURE CONSTRUCTION, INC., SIGNATURE HOMEBUILDERS, LLC, SIGNATURE DEVELOPMENT OF PEORIA, INC.,

SIGNATURE HOMES OF BLOOMINGTON, LLC, IRONWOOD HOMES OF PEORIA, LLC: Anne L. Cowgur, TAFT STETTINIUS & HOLLISTER LLP, Indianapolis, IN.Before SYKES, Chief Judge, and WOOD and HAMILTON, Circuit Judges.

Sykes, Chief Judge:

Copyright law strikes a practical balance between the intellectual-property rights of authors and the public interest in preserving the free flow of ideas and information and encouraging creative expression, all in furtherance of the constitutional purpose to "promote the Progress of Science and useful Arts." U.S. CONST. art. 1, § 8, cl. 8; *see generally Google LLC v. Oracle Am., Inc.*, __ U.S. __, 141 S. Ct. 1183, 1195 (2021). Copyright trolls—opportunistic holders of registered copyrights whose business models center on litigation rather than creative expression—disrupt this balance by inhibiting future creativity with negligible societal benefit. "Like the proverbial troll under the bridge, these firms try to extract rents from market participants who must choose between the cost of settlement and the costs and risks of litigation." *Design Basics, LLC v. Lexington Homes, Inc.*, 858 F.3d 1093, 1097 (7th Cir. 2017).

Plaintiff Design Basics, LLC, is a copyright troll. *Id.* at 1096–97. The firm holds registered copyrights in thousands of floor plans for suburban, single-family tract homes, and its employees trawl the Internet in search of targets for strategic infringement suits of questionable merit. The goal is to secure "prompt settlements with defendants who would prefer to pay modest or nuisance settlements rather than be tied up in expensive litigation." *Id.* at 1097. As we explained in *Lexington Homes*, "[t]his business strategy is far removed from the goals of the Constitution's intellectual property clause." *Id.* Instead, it amounts to an "intellectual property shakedown." *Id.* at 1096.

This appeal involves yet another Design Basics infringement action, one of more than 100 such suits in the last decade or so. *Id.* at 1097. When Design Basics was last before this court in *Lexington Homes*, we were guided by two well-established copyright doctrines—*scènes à faire* and merger—that constrain the ability of infringement plaintiffs to claim expansive intellectual-property rights in a manner that impedes future creativity. Applying these doctrines, we held that Design Basics' copyright in its floor

plans is thin. *Id.* at 1101–05. The designs consist mainly of unprotectable stock elements—a few bedrooms, a kitchen, a great room, etc.—and much of their content is dictated by functional considerations and existing design conventions for affordable, suburban, single-family homes. When copyright in an architectural work is thin, only a "strikingly similar" work will give rise to a possible infringement claim. *Id.* at 1105. Applying this standard, we held that no reasonable jury could find for Design Basics and affirmed a summary judgment against it. *Id.*

This latest appeal meets the same fate. Design Basics sued Signature Construction, Inc., and related companies, accusing them of copying ten of its registered floor plans for suburban, single-family homes. The district court entered summary judgment for the defendants based largely on the reasoning of *Lexington Homes*.

Design Basics asks us to overrule *Lexington Homes*. We decline to do so. And we take this opportunity to restate and clarify the elements of a prima facie case of infringement, both as a general matter and more particularly in cases involving works of this type in which copyright protection is thin. For this category of claims, only extremely close copying is actionable as unlawful infringement. Put more precisely, this type of claim may move forward only if the plaintiff's copyrighted design and the allegedly infringing design are virtually identical. That standard is not satisfied here, so we affirm.

I. Background

We described Design Basics' business strategy in *Lexington Homes*; a brief summary will suffice for present purposes. Design Basics holds registered copyrights in thousands of floor plans for suburban, single-family homes. *Lexington Homes*, 858 F.3d at 1096. The plans are not technical construction drawings. Rather, they are basic schematic designs, largely conceptual in nature, and depict layouts for one- and two-story single-family homes that include the typical rooms: a kitchen, a dining area, a great room, a few bedrooms, bathrooms, a laundry area, a garage, stairs, assorted closets, etc.

More than a decade ago, Patrick Carmichael and Myles Sherman bought Design Basics "as an investment opportunity."^ *Id.* at 1096. Since then,

litigation proceeds have become "a principal revenue stream" for the firm. *Id.* at 1097. Indeed, Design Basics incentivizes its employees to search the Internet for litigation targets by paying a finder's fee—a percentage of net recovery—if they locate a prospective infringement defendant. This is the core of the firm's business model. *Id.*

The firm maintains an easily accessible website displaying 2,847 floor plans. It also regularly sends mass mailings of its designs to members of the National Association of Home Builders. Over the years the firm has sent millions of publications containing its floor plans to home builders. When it initiates litigation, it hopes—indeed, expects—to find these designs in the defendant's files.

This case has its genesis in that business model. In 2014 Paul Foresman, Director of Business Development at Design Basics, emailed Carmichael with the subject line: "A gift for you." Foresman told Carmichael that by using the Internet Archive's Wayback Machine, he discovered that a firm called "Signature Homes" may have copied some of Design Basics' home designs. Carmichael was initially confused because Design Basics was *already* asserting infringement claims against a firm by that name, but Foresman clarified that *this* Signature Homes—based in Illinois—was a different company. Pleased with Foresman's discovery, Carmichael wrote back: "Wow very nice gift my friend."

This infringement suit followed. In 2016 Design Basics sued Signature Construction and related companies,[^] alleging that they infringed ten of its floor plans. During discovery, Design Basics learned that Signature's files contained photocopies of four of its plans: "Ainsley," "2461 Shawnee," "2963 Columbus," and "9169 Kempton Court." The photocopies were found in Signature's files for homes labeled "Carlisle," "Lot 119 Lake Falls," "Lot 63 Sommer Place," and "Lot 309 Stonegate," respectively. The photocopy of Design Basics' 2461 Shawnee floor plan had red markings on it, indicating modifications to the plan. John Tanner, a draftsman at Signature, testified that he received the marked-up image from Steve Meid, a Signature partner, and understood that the markings were modifications that Meid wanted him to make.

At the end of lengthy discovery, Signature moved for summary judgment, relying heavily on our ruling against Design Basics in *Lexington Homes*. As we explained in that opinion, under the *scènes à faire* and merger doctrines, Design Basics' copyright protection in its floor plans is thin, *id.* at 1101–05, and therefore only a "strikingly similar" plan would give rise to an infringement claim, *id.* at 1105. Using this standard, we held that no reasonable jury could find infringement. *Id.* Along the way to this conclusion, we noted that Design Basics had not submitted expert testimony to support its claim, relying instead on a conclusory declaration from one of its draftsmen. *Id.* at 1104.

Design Basics tried to avoid that same criticism here by submitting an affidavit from a third-party expert in opposition to Signature's summary-judgment motion. The witness, Matthew McNicholas, is an architect and has served as an outside expert for Design Basics in at least 13 lawsuits. McNicholas asserted that Signature "unquestionably infringed" Design Basics' home plans.

To support that opinion, McNicholas produced a 103-page report. The first 30 pages cover his qualifications and explain his general views on architectural copyright law. Pages 32–85 are descriptions of the ten copyrighted floor plans at issue in this case. This section of his report contains narrative descriptions of the features of each Design Basics floor plan, but the descriptions are remarkably similar to one another. Indeed, some parts are almost word-for-word identical.

A few examples will illustrate. For the Design Basics floor plan called "The Linden," McNicholas wrote: "The idea behind the plan of The Linden focuses on creating a home for entertaining guests, and whose spaces are flexible enough to meet the needs of a broad range of potential homeowner[s]." One of the features he analyzed is the front door:

> From the perspective of a guest, the sheltered front door is a welcome area, not just with the covered stoop, but also composed with walls to either side of the entry, which shelter against wind and driving rain. This consideration for waiting guests reinforces the entertainment value of this design decision.

His description of the floor plan called "The Manning" is similarly generic: "The concept driving the plan of the Manning centers around creating a home focused on entertainment, but with enough flexibility to evolve into multiple solutions as the homeowner needs, while maximizing privacy." Again, McNicholas described the front door:

> From the perspective of a guest, the sheltered front door is a welcome area, not just with the covered stoop, but also arranged with the long wall of the Living Room as a shelter against driving wind and rain, while waiting for the door to open. This consideration for waiting guests reinforces the entertainment value of this design decision.

His analysis of "The Paterson" is likewise almost identical: "The idea behind the plan of The Paterson focuses on creating a home for entertaining guests, and whose spaces are flexible enough to meet the needs of a broad range of potential homeowner[s]." Regarding the front door, McNicholas wrote:

> From the perspective of a guest, the sheltered front door is not just a welcome area, but with walls to either side of the entry—which shelter against wind and driving rain—it is a considerate space. Further, the sidelight at the door allows for transparency between the interior and exterior, and this thoughtfulness for waiting guests reinforces the entertainment value of this design decision.

In short, the McNicholas report purports to separately analyze the distinguishing features of each of the copyrighted plans at issue here, but the descriptions are so ordinary and interchangeable as to be virtually meaningless.

The McNicholas report ends with a visual section containing side-by-side comparisons of the Signature floor plans and the Design Basics plans they are alleged to infringe. As the district judge described this section of the report, the expert "employed extensive color-filling" to depict parallel rooms in the copyrighted and accused plans in matching colors in an effort "to make the plans seem more similar." The judge rejected this technique as an attempt "to manipulate and enhance the appearance of similarity." To control for

this problem, the judge extracted the line drawings from the plans without the color-filling enhancements and confined his analysis accordingly.

Comparing the unenhanced drawings, the judge determined as a matter of law that no unlawful copying occurred. He noted multiple categories of dissimilarity between the copyrighted and accused plans:

Room dimensions are different. Some plans have more rooms than the plans they are alleged to infringe. Ceilings are of different heights, and/or are of different styles (i.e., cathedral versus flat versus tray). Exterior dimensions are different. Bathrooms are in different locations. Sinks, tubs, toilets, and showers are in different locations within bathrooms. Garages are of different sizes and/or are in a different orientation to the rest of the house.

Based on these observations and applying *Lexington Homes*, the judge had no difficulty concluding that Signature's plans "are dissimilar enough to avoid infringing the thin copyright" in the Design Basics plans. The judge entered final judgment for Signature, and Design Basics appealed.

II. Discussion

A. Proving Copyright Infringement

"Copyright and patents, the Constitution says, are to 'promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.' " *Google,* 141 S. Ct. at 1195 (quoting U.S. CONST. art. I, § 8, cl. 8). To that end, the Copyright Act, 17 U.S.C. §§ 101 *et seq.*, establishes the prerequisites for copyright and sets limits on its scope. *Google*, 141 S. Ct. at 1195–96 (explaining that Congress weighs "the advantages and disadvantages" of copyright protection and establishes "its boundaries and conditions, the existence of exceptions and exemptions, all by exercising its own constitutional power to write a copyright statute").

The basic prerequisites are these: "Copyright protection subsists ... in original works of authorship fixed in any tangible medium of expression ...." 17 U.S.C. § 102(a). "Originality is a constitutional requirement" arising by implication from the Constitution's reference to "authors" and "writings." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991). The threshold for originality is low: "Original, as

the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity." *Id.* at 345, 111 S.Ct. 1282 (citing 1 MELVILLE B. NIMMER AND DAVID NIMMER, NIMMER ON COPYRIGHT § 2.01[A], [B] (1990)).

The Act lists categories of works that qualify for copyright protection, including "literary works," "musical works," "dramatic works," and "pictorial, graphic, and sculptural works," among others. § 102(a)(1), (2), (3), (5). "Architectural plans" and "technical drawings" are included in the statutory definition of "pictorial, graphic, and sculptural works" and can be copyrighted in this category. § 101. Until 1990, however, architectural works were not included in § 102(a) as a stand-alone category of protected works. That left some uncertainty about the status of constructed designs—i.e., the buildings themselves—among other complexities in this corner of copyright law. 1 NIMMER ON COPYRIGHT § 2A.09[A] (Rev. ed. 2020); 2 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 3:101–3:107, Westlaw (database updated March 2021).

In 1990 Congress amended the Act to create a separate category of "architectural works" in the § 102(a) list, implementing our nation's obligations under the Berne Convention for the Protection of Literary and Artistic Works. *See* Architectural Works Copyright Protection Act, Pub. L. No. 101-650, §§ 701–706, 104 Stat. 5133 (1990) (codified at 17 U.S.C. § 102(a)(8)). The 1990 legislation added the following definition for the new statutory term "architectural work":

> An "architectural work" is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.

Id. § 702 (codified at 17 U.S.C. § 101).

Importantly, the Act limits the scope of copyright protection even for "works that the definitional provisions might otherwise include." *Google*, 141 S. Ct. at 1196. One prominent limitation captures the traditional

copyright principle known as the "idea/expression dichotomy"—the line that separates copyrightable expression from noncopyrightable ideas and facts. *Golan v. Holder*, 565 U.S. 302, 328, 132 S.Ct. 873, 181 L.Ed.2d 835 (2012). Section 102(b) codifies this principle: "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."

The Act creates a cause of action for infringement and provides as a general matter that "[a]nyone who violates any of the exclusive [statutory] rights of the copyright owner ... is an infringer." 17 U.S.C. § 501(a); *see also id.* § 501(b) (providing a cause of action). This generalization doesn't shed much light on what it takes to prove a claim, but the courts have developed and explained the plaintiff's burden of proof. The doctrine begins with this statement from the Supreme Court: "To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist*, 499 U.S. at 361, 111 S.Ct. 1282. This concise formulation obscures a good deal of complexity beneath the surface, but it provides a basic framework for the claim.

The first element—ownership of a valid copyright—is not contested here. Design Basics registered its floor plans with the United States Copyright Office, and Signature does not dispute its ownership or the validity of the copyrights. We therefore assume, as we did in *Lexington Homes*, "that Design Basics owns the plans and that the plans are entitled to some copyright protection, i.e., they were created independently and possess a modicum of creativity" to satisfy the minimal originality requirement. 858 F.3d at 1099.

This litigation turns on the second element, as many infringement cases do. At this step of the general framework, the plaintiff must prove that the defendant "cop[ied] ... constituent elements of the [copyrighted] work that are original." *Feist*, 499 U.S. at 361, 111 S.Ct. 1282. This element actually encompasses two distinct questions, although our caselaw hasn't always neatly separated them. The first question is whether, as a factual matter, the defendant copied the plaintiff's protected work (as opposed to

independently creating a similar work); the second question is whether the copying "went so far as to constitute an improper appropriation." *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 614 (7th Cir. 1982); *see also* 4 NIMMER ON COPYRIGHT § 13.01[B] (Rev. ed. 2020) (explaining the two components of the second element in the *Feist* framework).

The Ninth Circuit refers to these distinct subsidiary elements as "copying" and "unlawful appropriation." *Rentmeester v. Nike, Inc.*, 883 F.3d 1111, 1117 (9th Cir. 2018). The Second Circuit uses the terms "copying" and "wrongful copying." *Zalewski v. Cicero Builder Dev., Inc.,* 754 F.3d 95, 100 (2d Cir. 2014). Whatever the nomenclature, the point is to capture the important differences between the two.

In all infringement cases, the plaintiff must prove, as a factual matter, that the defendant *actually copied* his work. *Lexington Homes,* 858 F.3d at 1099. "Proof of copying by the defendant is necessary because independent creation is a complete defense to copyright infringement." *Rentmeester,* 883 F.3d at 1117. For "[n]o matter how similar the plaintiff's and the defendant's works are, if the defendant created his independently, without knowledge of or exposure to the plaintiff's work, the defendant is not liable for infringement." *Id.*

Importantly, proof of actual copying is necessary but not sufficient to establish liability for infringement. "Not all copying ... is copyright infringement," *Feist*, 499 U.S. at 361, 111 S.Ct. 1282, so the plaintiff must *also* prove that the defendant's copying was wrongful—i.e., that the defendant took enough of his protected expression (as opposed to unprotectable ideas, concepts, facts, etc.) to constitute unlawful appropriation of his expressive work. *Rentmeester*, 883 F.3d at 1117; *Zalewski*, 754 F.3d at 100–01.

The first of these subsidiary elements—let's call it "actual copying" or "copying in fact"—can be proved either directly or indirectly. Direct evidence is rare, so many cases turn on inferences to be drawn from circumstantial evidence. A circumstantial case of actual copying requires: (1) evidence that the defendant had access to the plaintiff's copyrighted work (enough to support a reasonable inference that the defendant had an

opportunity to copy); and (2) evidence of a substantial similarity between the plaintiff's work and the defendant's work (enough to support a reasonable inference that copying *in fact* occurred). *Lexington Homes*, 858 F.3d at 1099; *see also Rentmeester*, 883 F.3d at 1117; *Zalewski*, 754 F.3d at 100–01.

We have acknowledged the possibility that an accused work may bear such "an uncanny resemblance" to a copyrighted work that copying is "the only plausible explanation" for the similarity. *Lexington Homes*, 858 F.3d at 1100. In such a case, "further proof of access may not be required." *Id.* But the exception is "rare" and reserved for "unusual cases." *Id.* Ordinarily, "to prove a circumstantial case of copyright infringement, the plaintiff must separately prove both access and similarity." *Id.*

Confusion sometimes arises because the test for unlawful appropriation—a distinct inquiry—*also* looks for substantial similarity between the defendant's work and the plaintiff's work. As the Second Circuit has explained, "a close similarity between two works is often relevant to proving *both* actual copying and wrongful copying." *Zalewski*, 754 F.3d at 101 (emphasis added). Accordingly, the cases often use "the same term—'substantial similarity'—to describe both the degree of similarity relevant to proof of copying and the degree of similarity necessary to establish unlawful appropriation." *Rentmeester*, 883 F.3d at 1117. But "[t]he term means different things in those two contexts." *Id.*

The difference hinges on the distinction between the protected and unprotected elements in the plaintiff's work. *Id.*; *see also Zalewski*, 754 F.3d at 101. When used as a test for actual copying in a circumstantial case, the requirement of "substantial similarity" is not limited to the protected elements of the plaintiff's work. Similarities that relate to either the protected *or* unprotected elements of the plaintiff's work may be probative of actual copying; the inquiry simply looks for the kind and degree of similarity that "one would not expect to arise if the two works had been created independently." *Rentmeester,* 883 F.3d at 1117. Put somewhat differently, in a circumstantial case, the plaintiff has the burden to show that the two works are so similar that copying is a better explanation for the similarities than pure coincidence.

But "similarity that relates to *unprotected* elements is probative only of [actual] copying—not wrongful copying." *Zalewski*, 754 F.3d at 101 (emphasis added). *Wrongful* copying—unlawful appropriation—requires substantial similarities between the defendant's work and *protected elements* in the plaintiff's copyrighted work. *Rentmeester,* 883 F.3d at 1117. "When an original work contains many *un*protected elements, ... a close similarity between it and a copy may prove only copying, not wrongful copying." *Zalewski*, 754 F.3d at 101.

To preserve the distinction between these two concepts, we will follow the Second Circuit's lead and use the term "probative similarity" to refer to the degree of similarity necessary to support an inference of actual copying and the term "substantial similarity" to refer to the test for wrongful copying or unlawful appropriation. *Id.*

Our circuit, like most others, uses the "ordinary observer" test for unlawful appropriation: "whether the accused work is so similar to the plaintiff's work that an ordinary reasonable person would conclude that the defendant unlawfully appropriated the plaintiff's protect[a]ble expression by taking material of substance and value." *Wildlife Express Corp. v. Carol Wright Sales, Inc.*, 18 F.3d 502, 508–09 (7th Cir. 1994) (quoting *Atari*, 672 F.2d at 614).[^]

B. *Scènes à Faire* and Merger

In *Lexington Homes* we explained at length that under the *scènes à faire* and merger doctrines, Design Basics holds only thin copyright protection in its floor plans. Just a brief recap is needed here.

Standard elements in a genre—called *scènes à faire* in copyright law—get no copyright protection. [~]French for "scenes for action." *Scènes à faire*, BLACK'S LAW DICTIONARY (11th ed. 2019).[~] *Scènes à faire* are "so rudimentary, commonplace, standard, or unavoidable that they do not serve to distinguish one work within a class of works from another." *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003). If standard elements received copyright protection, then the creation of a single work in a genre would prevent others from contributing to that genre because the

copyright owner would have exclusive rights in all of the genre's basic elements.

We explained in *Lexington Homes* that Design Basics' floor plans largely consist of *scènes à faire*. 858 F.3d at 1102–03. Every plan has a kitchen, a great room or living room, a dining room, bedrooms, bathrooms, and so forth. The arrangements of the rooms are also largely *scènes à faire*. The kitchen is always close to the dining room; the bedrooms will usually be clumped together and near a bathroom; the door from the garage into the house usually leads to the kitchen rather than the great room or living room.

What accounts for these familiar arrangements? Convention in this genre, certainly, which brings this particular type of architectural work within the *scènes à faire* doctrine. ⁵Recall as well that under the definition of an architectural work, "individual standard features" are not protected. 17 U.S.C. § 101.⁷ But the arrangements are also dictated by functionality. The kitchen is near the dining room so that food can easily be moved between the two rooms. The bedrooms aren't near the front hall because guests don't venture into the bedrooms.

The functionality of the room arrangements is where the doctrine of merger comes in. Merger arises from § 102(b), which, as we've explained, codifies the idea–expression dichotomy and specifies that copyright never extends to an idea, procedure, principle, or concept. Copyright protects only expression; patent law is the proper instrument for protecting functionality. *See Eldred v. Ashcroft*, 537 U.S. 186, 217, 123 S.Ct. 769, 154 L.Ed.2d 683 (2003).

Merger doctrine prevents the use of copyright to protect an idea or procedure. If an idea or procedure can be expressed in only a few ways, it is easy to copyright every form in which the idea can be expressed, indirectly protecting the idea itself. 4 NIMMER ON COPYRIGHT § 13.03[B][3]; *see also Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678–79 (1st Cir. 1967). To guard against this kind of overprotection, when an idea can be expressed in only limited ways, courts say that the expression "merges" into the idea and cannot receive copyright protection. *Lexington Homes*, 858 F.3d at 1102. For example, the forms used to implement a particular method of accounting are an expression of the accounting method and cannot be

copyrighted. *Baker v. Selden*, 101 U.S. 99, 25 L.Ed. 841 (1879). The same is true for the rules of a sweepstakes competition: because there are a limited number of ways to explain the rules, the expression of the rules receives little, if any, copyright protection. *Morrissey*, 379 F.2d at 678–79.

Merger also applies to the Design Basics home plans. The functional requirements of living spaces dictate that particular rooms be placed close together. And the general concept of the affordable, multipurpose, suburban, single-family home also contributes to the design. This isn't to say that there is only *one* way to arrange the rooms in this home-design genre. But there are only a limited number of possible floor plans, and by creating more than 2,800 of these plans, Design Basics has attempted to occupy the entire field. We wondered in *Lexington Homes* if "there is any blueprint for a single-family home anywhere in the country that Design Basics could not match to one of its own designs." 858 F.3d at 1103. If Design Basics held any more than thin copyright protection in its floor plans, it would own nearly the entire field of suburban, single-family home design.

The McNicholas report reinforces our holding in *Lexington Homes* that the copyright in the Design Basics floor plans is thin. Although McNicholas set out to demonstrate the unique nature of the ten plans at issue here, his report demonstrates just the opposite. As we've explained, the report describes each floor plan in generic and often nearly identical language. The report shows that each floor plan uses the same design features to accomplish the same ends.

Accordingly, although Design Basics asks us to revisit our decision in *Lexington Homes*, we see no reason to do so.^ To the contrary, we reiterate our conclusion that Design Basics holds only thin copyright in its floor plans. *Id.* at 1101–02. And in this particular architectural genre in which copyright protection is thin, proving unlawful appropriation takes more than a substantial similarity between the plaintiff's work and the defendant's work. Instead, only a virtually identical plan infringes the plaintiff's copyrighted plan. *Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1013–14 (7th Cir. 2005).

C. Application

We can make short work of applying these principles to this record. Except for the 2461 Shawnee plan, Design Basics has no direct evidence of actual copying. For the remaining nine plans, it must rely on circumstantial proof of actual copying, which requires evidence of both access and probative similarity.

We can safely skip the issue of access. The district judge aptly observed that the Signature plans are dissimilar in material respects from the plans they are alleged to infringe. They have different room dimensions, ceiling heights and styles, and exterior dimensions. Some have a different number of rooms, and the garages are sometimes placed at different angles to the homes. These differences are enough as a matter of law to preclude an inference of actual copying.

For the same reason, even if we assume that actual copying occurred in the case of the 2461 Shawnee floor plan, no reasonable jury could find unlawful appropriation. Signature's Lot 119 Lake Falls floor plan is not virtually identical to the 2461 Shawnee. Though both designs depict a one-story ranch with a kitchen, breakfast room, great room, dining room, three bedrooms, and two bathrooms in the same general locations, *see* Appendix, the Signature plan is different from the 2461 Shawnee in some notable ways. It has greater square footage, and the room dimensions are subtly different. The ceilings have different heights, and the two homes have different aspect ratios. The 2461 Shawnee has a two-car garage and its walls are parallel to the home, while the Lot 119 Lake Falls plan features a three-car garage placed at an angle to the rest of the home. Although most of the rooms are located in the same relative positions, some are not: where the 2461 Shawnee plan places a bathroom, the Lot 119 Lake Falls plan has a walk-in closet.

In a field unconstrained by convention and functionality, the similarity of the overall layouts of the two floor plans would be noticeable. But suburban, single-family housing is a field with many standard elements and limited possibilities for creativity, so the Lot 119 Lake Falls plan must be virtually identical to the 2461 Shawnee to infringe Design Basics' thin copyright. Under this standard, Signature's plan is noninfringing as a matter of law.

Finally, we note for completeness that we find no flaw in the district judge's conclusion that Signature's plans are dissimilar enough to preclude liability even under ordinary substantial-similarity analysis. As we explained when discussing probative similarity, each Signature plan features different room dimensions, ceiling styles and heights, and exterior dimensions than the Design Basics plan it is alleged to infringe. The number and placement of rooms is sometimes different, as is the size and (in some cases) the location of the garage. Accordingly, the judge correctly concluded that the Signature plans are noninfringing under conventional substantial-similarity analysis; the plans are certainly not virtually identical to the Design Basics plans they are alleged to infringe. Summary judgment for Signature was proper.

AFFIRMED

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END OF PART 3
("Story Arc 3")
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