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This overview of copyrights in the United States is written by Gerald T. Bodner, Esq., a partner of the patent, trademark and copyright law firm of Bodner & O'Rourke, LLP, 425 Broadhollow Road, Suite 108, Melville, New York 11747, telephone (631) 249-7500, facsimile (631) 249-4508, website www.bodnerorourke.com. This document was prepared as a written supplement to an oral presentation on May 14, 2002 before the Suffolk County Bar Association. The information provided herein is in summary form by necessity and, therefore, should not be considered a complete, authoritative presentation of the topics and issues discussed. Responsibility for typographical and other errors found herein is expressly disclaimed, and this document should not be construed as, nor used as a substitute for, legal counsel.

Historical Background

The statutory copyright laws in the United States, as they stand today, evolved from England. When the printing press was introduced into England in the late 1400's, a new printing trade was created. As with all trades, a "guild" or union was formed to protect those in the printing trade. The guild included calligraphers, illuminators, book binders and book sellers. There really was no competition in England because the few people who owned printing presses belonged to the guild. The real competition was the importation of English language books from other countries.

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This guild, known as the Stationer's Company, was chartered by Queen Mary of England, who was Catholic. She wanted to prevent the spread of Protestantism in England. By having the Stationer's Company control all printing in England, the government, through this guild, could prevent heretical works from being published.

The power of the Stationer's Company was significantly diminished in the 1600's. The British Parliament limited the guild's exclusive right of publication to five (5) years, not in perpetuity as it had been.

Then came the Statute of Anne in 1710, which gave "authors or their assigns" the sole right of publication of new works for fourteen (14) years, and if the author was still living at the end of fourteen years, a right of renewal for another fourteen years. The copyright laws in England formed the basis for copyright protection in the newly independent American colonies.

Constitutional Basis

In Europe, each country had a different language and each had its own copyright laws. In the newly independent colonies, everyone spoke the same language and read the same books. Accordingly, a federal copyright law, applied uniformly to all thirteen colonies/states, would be more appropriate than individual state copyright laws.

Article 1, Section 8, Clause 8 of the United States Constitution states: "The Congress shall have Power....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;"

Although not specifically mentioned in the Constitution, copyrights "promote" the… "useful Arts by securing for limited Times to Authors" … "the exclusive Right to their respective Writings", and similarly, patents promote the progress of science by securing for limited times to inventors the exclusive right to their discoveries.

The first federal copyright statute was enacted on May 31, 1790. This statute required formalities in order to perfect one's copyright in the work. Copyright protection was granted for fourteen years if the title of the work was recorded in the Clerk's office of the District Court where the author resided, the recording of the title was published in a newspaper for four weeks, and a copy of the work was deposited with the Secretary of State within six months after publication. The author had the exclusive right to print, reprint, publish and sell the work. There was no "work made for hire", where the author's employer owns the copyright.

In 1802, the statute was revised to require copyright owners to include a copyright notice. In 1819, the exclusive jurisdiction over copyright matters was granted to the federal courts. The copyright laws were revamped several times in order to keep up with new technology and to address problems which arose as the United States grew economically. These include the Copyright Act of 1909 and our current statute, as amended, the Copyright Act of 1976. The 1976 Act is codified in Title 17 of the United States Code.

Copyright Protects Expressions of Ideas

A copyright will protect the expression of an idea, but not the underlying idea. The "expression of an idea" is the work which is authored in a tangible form, such as a book, drawing, sculpture, etc., which conveys the thought or idea. For example, an artist may create a painting of a scene, such as a sunset over the lobster boats in Sag Harbor, and he may obtain copyright protection for his painting. But another artist may set up his easel right next to the first and paint that same scene and obtain copyright protection for his painting. The "expression of an idea" is the original work (i.e., the painting) made by the artist which is protected by copyright; the scene (i.e., the sunset) is not protectable. The second artist would not be infringing the first artist's painting because he did not "copy" the first artist's painting - the second artist made his own, original work of the same scene.

Copyright versus Patents and Trademarks

The section above points out the major difference between the protection afforded by patents and copyrights, which is often misunderstood by many practitioners who do not specialize in intellectual property (i.e., patents, trademarks and copyrights). As mentioned above, a copyright protects the expression of an idea but not the underlying idea; a patent protects the underlying idea. For example, the source code or object code of a computer program is protectable by copyright, but the underlying methodology followed by the computer program is not. That methodology is protectable by patents. Moreover, only the non-functional, aesthetic, artistic features of a "creation", used broadly, are protectable by copyright; the utilitarian or functional

aspects of such a creation are not. Again, those functional features would ordinarily be protected by a patent. A practitioner who advises his client to forego patent protection for a new and useful lid for covering open soda cans, because of the expense involved to obtain a patent, and who instead advises his client to put a copyright notice on the lid to protect his invention (this is a true case) is misinforming his client. The copyright notice would have no effect and provide no protection for the client's lid, since the lid is utilitarian in nature and must be protected by a patent. These two forms of protection - patent and copyright - are distinct and serve different purposes, although there are some instances of overlap. For example, a copyright may protect a sculptured mantel for a fireplace, and the ornamental features of that fireplace may also be protected by a design patent (not a utility patent).

Many practitioners also confuse copyrights with trademarks. Very often, one will see the symbol "©" following a trademark, for example, WeightWatchers©, which is incorrect. The proper designation should be WeightWatchers®, the symbol "®" providing notice to the public that WeightWatchers is a federally registered trademark. Trademarks (and service marks) protect a term that you have selected to use with the goods you are producing or the services you are providing so that the consumer associates those products and services with you. A copyright, designated by the symbol "©", can never be used to protect a trademark or service mark. Again, there may be a slight overlap among the protections afforded by copyrights, patents and trademarks. A copyright may protect certain non-functional features of a creation, which features may also be protected by a design patent, as mentioned previously. But "trade dress" may

also protect those features if the public associates those features with the source of the goods, that is, the manufacturer.

What is Protectable by Copyright

17 U.S.C. §102 (of the codified Copyright Act of 1976) states that copyright protects "original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." This statute enumerates eight (8) categories of "works of authorship": literary works; musical works (including the words); dramatic works (including the music); pantomimes and choreographic works; pictorial, graphic and sculptural works; motion pictures and other audio/visual works; sound recordings; and architectural works. Examples of what are protectable include original writings, books, product catalogs, brochures, instruction manuals or sheets, art layout for product packaging, advertisements, architectural drawings, blueprint drawings, photographs, pictorial illustrations, color arrangements, video games, computer programs including source and object codes, sculptures and paintings, just to name a few.

The work must be original (it cannot be somebody else's), and there must be some small degree of creativity (the Copyright Office may refuse to register, on *de minimis* grounds, catch phrases, mottos, slogans, titles and geometric shapes).

What is not Protectable

17 U.S.C. §102 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." Thus, as stated earlier, the underlying idea embodied in the expression is not protectable by copyright, but may be protectable by a patent.

Also, the utilitarian, functional aspects of an industrial design (e.g., a desk lamp) are not protectable. The 1976 Copyright Act states that pictorial, graphic and sculptural works are protectable and include "works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned". 17 U.S.C. §101. Therefore, to copyright a desk lamp, for example, one must decide whether the shape of the lamp is dictated by function. If it is, the shape is not copyrightable.

Other examples of non-protectable subject matter include blank forms which are designed to record rather than convey information; titles, short phrases, mottos and the like; and government publications and other works (you may freely copy tax forms and instructions).

Copyright Notice - Form and Placement

A copyright notice should be used on published works, not on unpublished works (which are still protectable under the copyright statutes). The purpose of the notice is to

alert the public that you claim copyright in the work. The proper notice should include the symbol "©", the year of the work's first publication, and the name of the copyright owner, for example: © 1999 Hoffmann & Baron, LLP. 17 U.S.C. §401. The terminology "All Rights Reserved" is often used following the standard copyright notice to comply with the requirements in certain foreign countries.

Under the old 1909 Copyright Act and the unamended 1976 Copyright Act, failure to place proper copyright notice on the work could effectively forfeit the author's copyright in the work. The work would become part of the public domain, and anyone could freely copy it without recourse by the author. For many years, the United States has been harmonizing its laws with those of foreign countries, and it amended the 1976 Copyright Act on March 1, 1989 in accordance with the Berne Convention such that failure to include a copyright notice on the work will not dedicate the work to the public. This only applies to works created after the effective date of the Berne amendments (i.e., March 1, 1989). However, it is recommended that the proper copyright notice still be used on the work in order to rebut an argument that the infringement was "unintentional" (a copyist of a work having no copyright notice affixed to it can claim that he did not know the work was copyrighted, and this fact can help mitigate the damages).

The 1976 Copyright Act states that the copyright notice should be placed on copies of the works "in such manner and location as to give reasonable notice of the claim of copyright." 17 U.S.C. §401(c). The Copyright Office actually provides guidance as to what would be considered acceptable positions for the copyright notice

on the work. This is found in Title 37 of the Code of Federal Regulations, Section 201.20. For example, for books, the copyright notice may be placed on the title page or on either side of the front cover or the back cover. For computer programs, a proper copyright notice may be displayed on a printout of the source code or object code, or may be displayed on the user's terminal display. The notice may also be placed on the compact disc (CD) which carries the computer program. On motion pictures or other audio/visual works, copyright notice may be shown with or near the title or at the end of the work. For two dimensional pictorial and graphic works, a copyright notice may be affixed to the front or the back of the copies. These are only examples of proper placement; other placements are acceptable as long as they provide reasonable notice of the author's claim of copyright in the work.

Registration - Procedure and Benefit

Copyright attaches the moment the work is created and placed in a tangible form. The statutory rights provided by the 1976 Copyright Act apply immediately. The copyright owner has the exclusive right to make copies of the work, to prepare derivative works based on the copyrighted work, to sell or lease copies of the work, to perform the copyrighted work and to display it. 17 U.S.C. §106. The copyright notice affixed to the work puts the public on notice that the author claims copyright in the work. These rights exist whether or not registration of the copyright is sought.

There are distinct advantages to registering a copyright with the Copyright Office. First, registration of the copyright with the Copyright Office is a prerequisite to a copyright owner bringing suit for copyright infringement. 17 U.S.C. §411.

Second, the 1976 Copyright Act provides for statutory damages, because actual damages are often difficult to prove, and attorney's fees as a remedy for infringement. However, there can be no award of statutory damages or attorney's fees for any copyright infringement that occurred after the work was first published but before the date of its registration, unless such registration is made within three months after the first publication of the work. 17 U.S.C. §412. Thus, the copyright owner may be left with only injunctive relief if he has not, early on, registered his copyright.

Third, in an infringement action, the copyright owner carries the burden of proof of his ownership of a valid copyright. Registration of the copyright with the Copyright Office eliminates that burden, since a Certificate of Registration made before or within five (5) years of the first publication of the work will constitute *prima facie* evidence of the validity of the copyright and of the facts (such as ownership) stated in the certificate. 17 U.S.C. §410. The burden then shifts to the alleged infringer, who now must introduce evidence that the Certificate of Registration is invalid.

The procedure for registering a copyright with the Copyright Office is simple and inexpensive. Particular forms generated by the Copyright Office are used for particular works. For example, a Form TX is used for non-dramatic literary works, which include fiction, non-fiction, poetry, textbooks, catalogs, advertising material and computer programs. A Form VA is used for works of the visual arts, which include pictorial, graphic and sculptural works, such as photographs, prints and art reproductions, technical drawings, architectural plans and maps. These forms may be obtained from the Copyright Office. The form, when completed, constitutes the

application for registration of the copyright, and is forwarded to the Copyright Office with currently a $30.00 fee. For published works, two copies of the work are forwarded to the Copyright Office with the application. For unpublished works, one copy of the work is forwarded to the Copyright Office. The Copyright Office reviews the application for completeness and for compliance with the statutory requirements. It will then issue a Certificate of Registration, which is a photocopy of the application form bearing the seal of the Copyright Office, and the registration number and effective date of the registration. 17 U.S.C. §410.

Rights and Limitations

As mentioned previously, a copyright affords the owner the exclusive right to make copies of the work, prepare derivative works based on the copyrighted work, distribute copies by sale or other transfer of ownership, or by rental, lease or lending, perform the copyrighted work publicly and display the copyrighted work publicly. 17 U.S.C. §106. There are, however, certain limitations to these rights, which are set forth in 17 U.S.C. §§107-122. The most obvious, of course, is that the duration of a copyright is not forever. Under the current law, for most works created in 1978 or thereafter, the copyright exists for the life of the author and seventy (70) years after the author's death. For "works made for hire", where a company owns the copyright in the work, the term is ninety-five (95) years from the year of first publication or one hundred twenty (120) years from the year of its creation, whichever expires first.

There are also numerous limitations based on the type of work which is copyrighted (there are eight categories), and how the copyrighted work is being used.

Three types of uses of copyrighted work which are permitted include reproduction by libraries and archives, ephemeral and ancillary reproductions, and reproduction of musical recordings for non-commercial purposes.

For example, the copyright owner is given the exclusive right to distribute copies of CD's and records of his music. However, this right is subject to a compulsory license (i.e., the copyright owner is forced to give this license) to others to make and distribute records and CD's of the work at a fixed royalty set by statute. Currently, the royalty is 2_ cents, or .5 cents per minute of playing time, whichever amount is larger, for each work on the record or CD. 17 U.S.C. §115.

For computer programs, the copyright owner's exclusive right to make and distribute copies of the program is limited by the right of the copy holder to make a copy or adaptation of the computer program for archival purposes, to guard against the destruction or damage of the copy by an electrical or mechanical failure of the user's computer (or local area network). This is a private right to protect the user's interests. 17 U.S.C. §117.

The copyright owner also has the right to distribute copies of the copyrighted work to the public by sale or other transfer of ownership. 17 U.S.C. §106. However, the "first sale" doctrine limits this right. Irrespective of the copyright owner's exclusive right to distribute the copies, the purchaser of the copy may sell or otherwise dispose of that copy. 17 U.S.C. §109.

The copyright owner has the right to perform his work in public. 17 U.S.C. §106. However, persons other than the copyright owner may perform the work in the course of a face-to-face teaching activity in a school classroom or auditorium, if those persons are instructors or pupils (e.g., your typical school play). 17 U.S.C. §110.

There are many other limitations and exclusions to a copyright owner's exclusive rights in his work, and reference should be made to the copyright statutes previously mentioned. The limitation of "fair use" will be discussed in detail under a separate heading.

Infringement, including Remedies

As mentioned previously, for copyright infringement, a copyright owner must initially show that he is the owner of a valid copyright, and further that there was an unauthorized copying of the copyrighted work which violates the exclusive rights of the copyright owner set forth in one or more of 17 U.S.C. §§106-121. 17 U.S.C. §501. For civil actions, the statute of limitations for copyright infringement is three (3) years from when the infringement occurred. For criminal proceedings, the statute of limitations is five (5) years. 17 U.S.C. §507.

It is very difficult to prove copyright infringement with direct evidence, for example, an admission of copying by the infringer. Accordingly, most cases turn on circumstantial evidence of copying by showing that the alleged infringer had access to the copyrighted work and by showing the similarities between the copyrighted work and the infringer's work, which similarities substantially could not have occurred without

copying. Access can be proven, again indirectly, by showing that the alleged infringer had a reasonable opportunity to copy the copyrighted work, such as through evidence that the work was sent to the alleged infringer or to his close friend or business associate, or by the copyright owner sending the copyrighted work directly to the alleged infringer through their business dealings. A comparison of the copyrighted work with the work of the accused infringer should prove that the accused work could have only been derived by copying rather than by independent creation.

Access to the copyrighted work and similarities between the works prove the act of copying. However, the next part of the test for infringement is to determine what is copied and whether the material that was copied is protected by copyright and not so *de minimus* as to not constitute an improper appropriation of the copyrighted material. In theory, one can copy a copyrighted work and appropriate such a small amount of that work that it does not constitute infringement. Also, in theory, the appropriation part of the test may be satisfied by the substantial similarity between the two works, but the alleged infringer's work may be proven to have been created independently (without copying) and, therefore, there is no copyright infringement.

Improper appropriation is proven first by showing that the protected expression of the idea, and not the unprotected idea, is found in the alleged infringer's work. The theme, moral or idea conveyed may be appropriated, but, generally, that is not protected by copyright. The second part of improper appropriation addresses the amount of the copyrighted work that was appropriated. Would an audience reviewing the alleged infringer's work consider it to be substantially similar to the copyrighted work?

Another way of looking at this "audience test" is to determine whether someone having read or heard the alleged infringer's work would or would not be interested in reading or seeing the copyrighted work (i.e., has the copyright owner lost his audience due to the infringer's work).

As mentioned previously, some of the remedies which are available if copyright infringement is found include injunctive relief (17 U.S.C. §502); impoundment or destruction of the infringing article (17 U.S.C. §503); and monetary relief in the form of either actual damages incurred by the copyright owner and profits of the infringer, which may be difficult to prove, or statutory damages in lieu of actual damages and profits (17 U.S.C. §504). Statutory damages are set at between a minimum of $750.00 to a maximum of $30,000.00 for all infringements involving any one work. For an infringer who had no reason to believe that his act constituted an infringement of any copyright, the Court may reduce the amount of statutory damages to not less than $200.00. For willful infringement, the Court in its discretion may increase the award of statutory damages to a sum of not more than $150,000.00. 17 U.S.C. §504.

Also, the Court in its discretion may allow the recovery of full costs and reasonable attorneys' fees to the prevailing party (plaintiff or defendant) whether or not the infringement was willful. 17 U.S.C. §505.

Criminal sanctions are also available if the infringement was willful. A fine and/or imprisonment of up to five (5) years for a first offense and up to ten (10) years for a second or subsequent offense may be imposed. 17 U.S.C. §506; 18 U.S.C. §2319.

These criminal penalties were implemented to counter the effects of piracy on the copyright industries in the United States.

Fair Use

One of the most important and far reaching limitations on the exclusive rights of the copyright owner is what is referred to as "fair use". This limitation is set forth in 17 U.S.C. §107. Basically, if the purpose of the copying is for "criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship or research", it is not an infringement of copyright. 17 U.S.C. §107.

There are four (4) factors which are considered in determining whether a copying is a "fair use". These include: 1) the purpose and character of the use, including whether the use is of a commercial nature or is for non-profit educational purposes; 2) the nature of the copyrighted work (i.e., an entertaining work or a factual work; the type of work may make it more or less subject to a "fair use" defense); 3) the amount and substantiality of the portion copied; and 4) the effect of the use upon the market or the value of the copyrighted work. 17 U.S.C. §107. "Fair use" is considered an affirmative defense which must be proven by the alleged copyright infringer.

International Copyright Protection

Basically, there is no international copyright that covers the countries of the world. Like the United States, each country's copyright laws are not extraterritorial, but by various treaties entered into among the United States and other countries, each

country will treat foreigners as it does its own citizens. The treaties entered into among the various countries of the world set forth basic minimums of protection against copyright infringement, and many treaties do away with the formalities of registration and notice for works created in a member country. However, that is not to say that a member country may have stricter copyright laws for its nationals than for foreigners. In effect, foreign owners of copyrighted works created abroad may be treated better in the United States than U.S. citizens owning copyrighted works made here. Of course, the opposite is also true, where U.S. citizens may enjoy a benefit by relaxed requirements in member countries over foreign nationals.

The two most important treaties entered into among the United States and other countries are the Universal Copyright Convention and the Berne Convention. The Berne Convention, which became effective in the United States on March 1, 1989, basically provides that each member country agrees to a certain minimum level of copyright protection and to treat foreigners as they would their own with respect to copyright. The Berne Convention does away with the formalities of copyright notice, mandatory deposit of copies with the Copyright Office and registration as a prerequisite to filing an infringement suit (works created here by U.S. citizens must still comply with the deposit rule and the prerequisite registration). There are over 100 countries which are members of the Berne Union.

The Universal Copyright Convention was the most recognized treaty in the world prior to the Berne Convention. It became effective in the United States in 1955. Under the Universal Copyright Convention, a foreign copyright owner may claim copyright in

the United States for works which were published in member countries. Under the Universal Copyright Convention, foreign copyright owners may claim copyright in the United States and are exempt from certain formalities still imposed on U.S. citizens, such as the deposit requirements for registration. Nevertheless, they still had to include the copyright notice on the published work. Most of the signatory countries of the Universal Copyright Convention are now members of the Berne Union. The Berne Convention, with its higher standards for copyright protection but lower formalities, has essentially superseded the Universal Copyright Convention.

There are also a number of trade-related agreements between countries which enhance the copyright protection of foreign works. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), which is a result of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) and which was signed into law on December, 8, 1994, incorporates the Berne Convention provisions but also addresses certain selected issues not answered by the Berne provisions, such as computer programs and databases being protected as literary works and compilations, respectively. Also, TRIPs provides a public forum for member countries to complain about copyright violations and piracy, and this is the World Trade Organization.

Another agreement including copyright provisions is the North American Free Trade Agreement (NAFTA) among the United States, Mexico and Canada, whose terms were implemented in the United States on December 8, 1993. NAFTA addresses a number of intellectual property (i.e., patents, trademarks, copyrights, trade secrets) concerns among the three countries and provides for the protection and enforcement of

intellectual property rights for nationals of a member country. The United States, Mexico and Canada agreed to follow the provisions of the Berne Convention, and specifically required each country to extend copyright protection to computer programs and data compilations. Many of the NAFTA provisions also follow those of TRIPs, and also set forth certain standards for enforcing against acts of copyright infringement, including judicial procedures and court findings based on evidence.