ELIMINATING THE PREFERENTIAL TREATMENT OF FOREIGN WORKS UNDER UNITED STATES COPYRIGHT LAW: POSSIBLE IMPACTS OF THE COPYRIGHT REFORM BILL OF 1993

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Photographers who use numerous rolls of film each day as part of their profession must pay twenty dollars for each photo they seek to protect in Federal District Court.[1] A photographer who, on any given day, takes one hundred pictures is required to pay two thousand dollars to the Copyright Office in Washington, D.C. to have those photographs protected against copyright infringement under federal law.[2] At the same time, a photographer who takes photographs outside the United States need not register his works before bringing an infringement suit in United States Federal District Court.[3] Because of the prohibitive effects this filing fee has on

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1 17 U.S.C. § 708(a)(2) (1978). For works originating in the United States, "a copyright owner who has not registered his copyright has a valid cause of action against an infringer, but such an owner may not enforce his rights until registration has occurred." MICHAEL A. EPSTEIN & FRANK L. POLITANO, DRAFTING LICENSE AGREEMENTS 1-35 (1995).

2 *See* LEE WILSON, MAKING IT IN THE MUSIC BUSINESS 37-38 (1995).

3 17 U.S.C. § 412 (amended 1988). A United States copyright owner may file a lawsuit "subsequent to registration for alleged infringements occurring prior to registration." EPSTEIN & POLITANO, *supra* note 1, at 1-36. However, under the 1976 Copyright Act, registration must occur *prior* to infringement in order for the copyright owner to be eligible for statutory damages and attorneys' fees. "Where infringement occurred prior to registration, only an injunction and actual damages may be obtained." *Id.* "With respect to published works, the 1976 Act provides a grace period so that attorneys' fees and statutory damages may be obtained even if the infringement occurred before registration, provided registration takes place within three months after the first publication of the work." *Id.*

In 1988, Congress passed the Berne Implementation Act which included an exception to the registration requirement for foreign copyright owners seeking to bring an infringement suit in United States Federal District Court. This Act went into effect on March 1, 1989, and has led to the disparate treatment of copyright owners depending upon where the copyrighted work was first published or created. Berne Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (*codified as amended at* 17 U.S.C. § 116(a) (1988)) [hereinafter Berne Implementation Act].

prolific creators of copyrightable works,[4] and the disparate treatment of domestic versus foreign creators, Congress is currently considering enactment of the Copyright Reform Bill of 1993.[5] This proposed legislation would dramatically alter the way copyrights are administered and adjudicated in the United States.[6]

I. Introduction

Awareness of the need for federal protection of creative works can be traced back to the United States Constitution.[7] As this nation began to take shape, the founders understood the need to promote the expression of creative ideas.[8] The founders were aware that, in order to encourage would-be authors and composers, they must be afforded protection of their work from piracy through some form of copyright legislation.[9]

But what exactly is a "copyright," and which creative works

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4 *See Copyright Reform Act of 1993: Hearing on H.R. 897 Before the Subcomm. on Intellectual Property & Judicial Administration of the House Judiciary Comm.*, 103d Cong., 1st Sess. 380 (1993) (testimony of Olan Mills II, Chief Executive Officer of Olan Mills Studios) [hereinafter *1993 Hearings*]. Olan Mills owns over 900 photography studios throughout the United States. According to Mr. Mills, their studios create over 700,000 copyrightable photographs per week. At a cost of $20.00 per photograph, advanced registration would be an enormous burden. Specifically, under the current copyright law it would cost Olan Mills Studios approximately $14,000,000 per week to register all of their photography. As a result, Olan Mills does not register any of their photographs with the Copyright Office unless they are planning to take legal action against an infringer. *Id.*

5 Telephone Interview with William F. Patry, Assistant Counsel, House Subcommittee on Intellectual Property and Judicial Administration (Nov. 11, 1994). The Copyright Reform Act was first introduced in both houses of Congress on February 16, 1993 by House Copyright Subcommittee Chairman William Hughes (D-NJ) and Senate Copyright Subcommittee Head Dennis DeConcini (D-AZ) as H.R. 897 and S. 373. *Id.* The House and Senate versions of the bill were, in fact, identical. *Id.*

6 H.R. 897, 103d Cong., 1st Sess. (1993) [hereinafter H.R. 897].

7 U.S. CONST. art. I, § 8, cl. 8. This clause states that "Congress shall have the power . . . [t]o 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." *Id.*

8 *See* H.R. REP. No. 103-388, 103d Cong., 1st Sess. 8 (1993). The report discusses the fact that, as far back as 1790, the United States Congress has used this constitutional authority to enact copyright legislation. *Id.*

9 *Id.* The problem with early copyright legislation in the United States was the number of formalities which had to be followed carefully to have one's work protected. If these rules were not strictly adhered to, the copyright owner lost all protection under the law. *Id.*

qualify for federal copyright protection?[10] While most individuals in society are familiar with the concept of protecting one's creative work from infringement, the requirements and scope of copyright protection are decidedly less clear. What comes to mind initially is the preservation of creative works by authors, composers, painters, and sculptors. Today's copyright laws, however, extend well beyond these classic creative art forms.[11]

Modern day copyright ownership gives the creator an intangible property right[12] in an original work.[13] Under United States

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10 According to § 102 of the Copyright Act:

> Copyright protection subsists . . . in 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. Works of authorship include the following categories:
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> (1) literary works;
> (2) musical works, including any accompanying words;
> (3) dramatic works, including any accompanying music;
> (4) pantomimes and choreographic works;
> (5) pictorial, graphic, and sculptural works;
> (6) motion pictures and other audiovisual works; and
> (7) sound recordings.

17 U.S.C. § 102(a) (1978).

11 ROBERT B. CHICKERING & SUSAN HARTMAN, HOW TO REGISTER A COPYRIGHT AND PROTECT YOUR CREATIVE WORK vii (1987). As the authors point out, "[a]rchitects, scientists, engineers, computer programmers, educators, lawyers, students, entertainers, business owners, advertising agents, graphic artists, game designers, and a myriad of others regularly create works that are protected by copyright." *Id.* As technology continues to expand exponentially vis-à-vis CD-ROM, the Internet, and other forms of interactive media, the need for equitable copyright protection is ever present. *Id.*

12 DONALD S. PASSMAN, ALL YOU NEED TO KNOW ABOUT THE MUSIC BUSINESS 207 (1994). Copyright expert Donald Passman frequently refers to copyright ownership as a "limited duration monopoly" in his highly-successful book on the inner workings of the music industry. *Id.*

13 *See* CHICKERING & HARTMAN, *supra* note 11, at 1. This concept of copyright protection as a "series of exclusive, personal-property rights granted for a limited period of time to the author of an original work" can best be understood by comparing it to other forms of personal property. *Id.* For example, if "A" purchased a set of letters written by [John Lennon] and later claimed that he thereby acquired the right to make copies of the letters in [book] form, "A" could be restrained from doing so under copyright infringement principles. *See* SIDNEY SHEMEL & M. WILLIAM KRASILOVSKY, THIS BUSINESS OF MUSIC 133 (1990). The purchaser acquired only the physical property rights (i.e., the letters themselves), not the underlying right to make copies of those letters. *See* 17 U.S.C. § 202 (1978) (The Copyright Act sets forth five rights granted to a copyright owner, including the right to make duplicate copies of the work). Similarly, the purchaser of a Whitney Houston cassette owns only that version of the music which is contained therein. It is, however, copyright infringement for

law, the moment a creative idea is fixed in some tangible medium, a copyright is created in that work.[14] By way of example, a lyricist formulating ideas for a song receives no federal copyright protection.[15] As soon as he puts pen to paper, however, he has achieved federal copyright protection in that song.[16] The copyright law affords its owner several exclusive rights, including the right to: (1) reproduce the work;[17] (2) distribute copies of the work;[18] (3) per-

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the purchaser to make home duplicates of the cassette. The right to reproduce the work is one of the five enumerated rights granted under United States copyright law. *Id.*

14 17 U.S.C. § 101 (1978). Under the Copyright Act of 1976, a work is "fixed" in a tangible medium of expression when "its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." *Id.* The definition notes further that "[a] work consisting of sounds, images, or both, that are being transmitted, is 'fixed' for purposes of this title if a fixation of the work is being made simultaneously with its transmission." *Id.*

15 *Id.* § 102(b). Copyright protection does not "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." *Id.* An idea *must* be fixed in some tangible form before the creator receives any copyright protection. *See* Copyright Act, *supra* note 14 and accompanying text, for a discussion of what constitutes a "tangible form."

16 *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 133 (illustrating the difference between an idea and an original expression of that idea; e.g., *Jaws* is a copyrightable expression of the idea of shark terror, which in and of itself is not subject to protection). *Id.*

17 PASSMAN, *supra* note 12, at 208-09. In keeping with the lyricist example, this means that the song cannot be recorded, published into sheet music, put into a movie, or otherwise copied by a third party without the creator's consent. *Id.* at 208. The creator's copyrights are, of course, freely transferable and divisible rights. 17 U.S.C. § 201(d) (1978). Thus, a musician may grant to a music publisher only the right to reproduce and distribute their sheet music, or assign all his rights as a work made for hire. *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 145. A "work made for hire" is one that is created at the request or commission of another, whereby the author loses all right, title, and interest in his or her own work. *See* PASSMAN, *supra* note 12, at 288. Works are often "made for hire" in the computer industry, where programmers create a software package which is copyrighted in the name of their employer. Under the 1976 Act, a work is made for hire if

> (1) it is created by an employee within the scope of his employment (e.g., computer programmer), or
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> (2) it is not created by an employee but is: (a) specially ordered or commissioned; (b) by written agreement; and (c) created for use in a motion picture, a collective work, a translation, a compilation, etc.

17 U.S.C. § 101 (1978).

18 PASSMAN, *supra* note 12, at 208-09. This is a separate and distinct concept from the right to reproduce the work. An illustration of this would be a book publisher who hires a manufacturer to duplicate their books. This manufacturer acquires the right to *reproduce* the book, but not the right to *distribute* the copies. *Id.*

form the work publicly;[19] (4) display the work publicly;[20] and (5) make a derivative work.[21] All of the aforementioned enumerated rights vest immediately in the creators of the copyright, irrespective of whether or not they have filed a copyright registration with the United States Copyright Office.[22]

Despite the numerous rights granted to copyright owners who do not register their work with the United States Copyright Office, there are several advantages to filing such a registration.[23] It is the distinction between these enumerated rights and to whom they are granted which forms the basis for this note. First, the legislative history of copyright protection will be explored, beginning with the first international Berne Convention of 1886[24] through the pas-

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19 *Id.* In the context of music, this grants the copyright owner the right to control the playing of this song on the radio, on television, in movies, or anywhere else music is heard publicly. This holds true "whether the performance is by live musicians or a DJ playing . . . records." *Id.*

20 17 U.S.C. § 101 (1978). This right is of particular importance to painters or sculptors because it gives them the right to decide whether or not to have their works displayed in certain museums, art galleries, etc. *Id.*

21 *Id.* The Copyright Act defines "derivative work" as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." *Id.* In the music industry, an example is a parody lyric set to a well-known song. *See* PASSMAN, *supra* note 12, at 209. Musician Al Yankovic has fashioned a career through the creation of derivative works, such as "Eat It" (a parody of Michael Jackson's "Beat It"). *Id.*

22 *See* 17 U.S.C. § 408(a) (1978). Registration is not a precondition to copyright protection. As will be discussed *infra*, however, this grant of copyright protection is at best limited and at worst illusory.

23 *See id.* §§ 410-412. Registration with the Copyright Office offers four benefits to the copyright owner:

> (1) It entitles the owner to bring an infringement suit in federal court against any person who copies, distributes, performs or otherwise uses the work without the owner's consent.
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> (2) Registration is a prerequisite to recovering statutory damages and attorneys' fees in an infringement action.
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> (3) Copyright registration certificate serves as *prima facie* evidence of the validity of the copyright.
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> (4) It reduces the likelihood of others innocently infringing upon the creative work.

CHICKERING & HARTMAN, *supra* note 11, at 7-8. The goal of the Copyright Reform Bill of 1993 is to eliminate the current requirement that an owner register his copyright as a prerequisite to bringing an infringement suit and seeking statutory damages. H.R. 897, 103d Cong., 1st Sess., 9 (1993).

24 Convention Concerning the Creation of an International Union for the Protec-

sage of the Berne Implementation Act of 1988.[25] The method by which the United States copyright protection has been allocated among domestic and foreign creators/owners will also be explored. Next, the changes proposed by the authors of the new Copyright Reform Bill will be discussed. Finally, the possible positive and negative effects of the bill on United States copyright law will be analyzed.

II. Historical Background

A. *1800s Copyright Legislation and The Berne Convention*

In order to discern the reasoning behind and the need for the Copyright Reform Bill of 1993 (hereinafter H.B. 897), it is necessary to consider the development of copyright law, both internationally and within the United States. In 1886, the United States was invited to participate in the first international convention on copyright protection.[26] Having no comprehensive domestic or international copyright policy, the United States declined the invitation.[27] This 1886 agreement, commonly known as the Berne

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tion of Literary and Artistic Works, Sept. 9, 1886, *revised in* 1908, 1928, 1948, 1967, 1971 [hereinafter Berne 1886].

25 *See generally* Berne Implementation Act, *supra* note 3. This was an act to amend title 17, United States Code, to implement the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris, France on July 24, 1971, and for other purposes. *Id.*

26 *See* Leonard D. DuBoff et al., *Out of UNESCO and into Berne: Has United States Participation in the Berne Convention for International Copyright Protection Become Essential?*, 4 CARDOZO ARTS & ENT. L.J. 203, 204 (1985). In 1883, participants in a conference at Berne, Switzerland began to consider the possibility of international copyright protection. The International Literary and Artistic Association forged a draft treaty which the government of Switzerland "agreed to circulate to all 'civilized countries.'" *Id.* In 1884 and 1885, preparatory intergovernmental meetings took place. *Id.* On September 9, 1886, the Berne Convention was signed, becoming "the first multilateral copyright treaty in history." *Id.*

27 DuBoff, *supra* note 26, at 207. The United States Secretary of State declined the invitation because the issue of international copyright protection, then under consideration by Congress, was not certain to receive congressional approval. In 1891, five years after Berne 1886's passage, Congress finally extended United States copyright protection to foreign citizens. *See* Act of March 3, 1891, ch. 565, § 13, 26 Stat. 825 (1891). The Act extended provisions of the copyright laws of the United States to citizens and subjects of a foreign state or nation, so long as that state or nation granted United States citizens the identical benefits it granted its own citizens. Additionally, if that foreign state or nation was a party to an international agreement providing for reciprocity in the granting of copyright protection, the United States could, at its option, become a party to such an agreement. *Id.*

Convention (hereinafter Berne 1886), became the first multilateral copyright treaty in history.[28] Initially ratified by ten European nations, the Berne 1886 treaty quickly became the foremost means of international copyright protection.[29]

B. *Early 1900s Copyright Legislation*

Shortly after the ratification of the Berne 1886 treaty, the United States Congress considered becoming a signatory nation, but failed to take any action.[30] Instead, in 1909 the United States enacted its first comprehensive copyright legislation.[31] The 1909 Act encompassed prior versions of copyright legislation and in-

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[28] *See* DuBoff, *supra* note 26, at 204. This convention took its name from Berne, Switzerland, where the conference was first held. *Id.*

[29] *Id.* Prior to the enactment of the Berne Implementation Act of 1988 (whereby the United States became a Berne signatory), the United States, Russia, and China were the only industrialized nations that were not signatories to the Berne treaty. *See id.* at 204. The list of Berne member nations included: Argentina, Australia, Austria, Bahamas, Barbados, Belgium, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Central African Republic, Chad, Chile, Congo, Costa Rica, Cyprus, Czechoslovakia, Denmark, Egypt, Fiji, Finland, France, Gabon, Germany, Greece, Guinea, Hungary, Iceland, India, Ireland, Israel, Italy, Ivory Coast, Japan, Lebanon, Libya, Liechtenstein, Luxembourg, Madagascar, Mali, Malta, Mauritania, Mexico, Monaco, Morocco, the Netherlands, New Zealand, Niger, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Rwanda, Senegal, South Africa, Spain, Sri Lanka, Surinam, Sweden, Switzerland, Thailand, Togo, Tunisia, Turkey, United Kingdom, Uruguay, Venezuela, Yugoslavia, Zaire, and Zimbabwe. *Id.*

[30] *Id.* One element working against the United States' adherence to Berne 1886 was its recognition of "national treatment" of copyright protection. *See* Berne 1886, *supra* note 24, at Art. 6bis. In other words, member nations were required to grant the same degree of protection to foreign works as they granted to domestic works. *Id.* The United States was understandably reluctant to agree to such protection because, at that time, America was heavily engaged in the pirating of British works. *See* MELVIN B. NIMMER, NIMMER ON COPYRIGHT § 17.04(D) (1985).

[31] Copyright Act of 1909, ch. 320, 35 Stat. 1075 (1909) (*codified as amended at* 17 U.S.C. §§ 101-810 (1978)) [hereinafter Copyright Act of 1909]. The 1909 Act encompassed the rigid formalities and manufacturing clause of prior copyright legislation. *Id.* § 20. There were specific requirements as to where the notice of copyright must be placed. For example, in the case of a periodical, the notice had to appear either on "the title page or on the first page of text of each separate number or under the title heading." *Id.* In the case of a book, the copyright notice had to be placed on the title page or the page immediately following the title page. Additionally, under the "manufacturing clause," subject to certain exceptions, any printed book or periodical in the English language had to be printed from typeset made in the United States, or by a lithographic or photoengraving process wholly performed in the United States. Moreover, the printing of the text and binding of such books had to be performed in the United States. *Id.* § 16 n.29. Such formalities remained part of United States copyright law until the next major revision in 1976. *See* 17 U.S.C. §§ 101-810 (1978).

cluded protection against the unauthorized copying of certain printed material, as well as the right of mechanical reproduction.[32] As the industrial revolution continued, however, U.S. authors remained unable to fully exploit burgeoning foreign markets out of the legitimate fear that other nations would not protect their works.[33] Because the United States had not joined Berne 1886, foreign nations were not bound by international treaty to afford copyright protection to American works.[34]

Any hopes of the United States becoming a signatory to Berne 1886 were dashed when the 1928 Rome Revision of the treaty granted a moral right to authors.[35] The United States has tradi-

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[32] Copyright Act of 1909, *supra* note 31, at § 15; SHEMEL & KRASILOVSKY, *supra* note 13, at 134. "Mechanical reproduction" refers to the right of the creator to allow others to mechanically reproduce their work. For example, an author would grant a mechanical license to their publisher to make multiple copies of their book. The term "mechanical royalties" is used throughout the music industry to refer to royalties payable by record companies to the copyright owners (artist and/or songwriter) for records they mass produce for retail sale. *See* PASSMAN, *supra* note 12, at 210-11.

[33] *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 134-35. There was a bona fide concern that American authors were not given sufficient copyright protection abroad due to the fact that the United States had not joined the Berne Convention. *Id.*

[34] *See* DuBoff, *supra* note 26, at 207. Foreign creators and publishers were able to pirate American works without significant concern over possible repercussions. Without becoming a signatory, United States authors were unable to bring infringement proceedings against foreign pirates. *Id.*

[35] *See* Berne 1886, *supra* note 24, at Art. 6bis. Berne 1886 defines moral rights as follows:

> (1) Independently of the author's economic rights and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation, or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his or her honor or reputation.
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> (2) The rights granted to the author in accordance with the preceding paragraph shall, after his or her death, be maintained, at least until the expiration of the economic rights, and shall be exercisable by the persons or institutions authorized by the legislation of the country where protection is claimed . . . .

Id.; see also MELVIN B. NIMMER & DAVID NIMMER, 2 NIMMER ON COPYRIGHT 8-278.1 (1994) which states as follows:

> Moral Rights may be generally summarized as including the following author's rights: to be known as the author of his work; to prevent others from being named as the author of his work; to prevent others from falsely attributing to him the authorship of work which he has not in fact written; to prevent others from making deforming changes in his work; to withdraw a published work from distribution if it no longer represents the views of the author; and to prevent others from using the work or the author's name in such a way as to reflect on his professional standing.

tionally only recognized the economic rights of the creator, i.e., the right to prevent others from gaining monetarily from their protected work, and thus refused to extend this to include moral rights.[36] Yet, several commentators have argued that the United States offered redress akin to moral rights protection through contract, trademark, unfair competition, libel, and defamation actions.[37] Nevertheless, American authors would have to wait until the conclusion of World War II before the United States would enter into its first international copyright convention.[38]

Congress' reluctance to amend the copyright law to conform to the worldwide Berne 1886 treaty undoubtedly led to the movement for the United States to negotiate its own Universal Convention in 1952.[39] While the United States became a signatory to

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Id.

36 NIMMER & NIMMER, *supra* note 35, at 8-278.2 to 8-279. This emphasis on economic rights can be traced to the United States Constitution which granted Congress the right "[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." U.S. CONST. art. I, § 8, cl. 8.

37 *See United States Adherence to the Berne Convention: Hearing Before the Subcommittee on Patents, Copyrights and Trademarks of the Senate Committee on the Judiciary*, 99th Cong., 1st & 2d Sess. 94 (1985-86) [hereinafter *1985 Hearings*]. Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, explains that rights similar to moral rights are available under non-copyright state statutes, judicial decisions, federal trademark law, contracts between authors and publishers, and causes of action such as libel, invasion of privacy, misappropriation, and Lanham Act violations. *Id.* at 169. John M. Kernochan, Nash Professor of Law at Columbia University, states that despite conflicting United States state law, the Lanham Act may provide for moral rights. *Id.*

38 *See* DuBoff, *supra* note 26, at 206. Commentators had argued that American authors who wished to obtain international copyright protection under the Berne Convention were able to do so by using the so-called "back door to Berne." *Id.* at 205. The Berne treaty recognizes copyrights granted by a signatory nation, as well as any works which are published in a signatory nation. *See* Berne 1886, *supra* note 24, at Art. 6bis. Therefore, by having their work simultaneously copyrighted or published in a signatory nation, United States authors were afforded the full protection of Berne Convention works. DuBoff, *supra* note 26, at 205-06. In practice, this "back door" possibility was limited in its availability to only those authors who were aware of and could afford such arduous procedures.

39 Universal Copyright Convention, Sept. 6, 1952, 6 U.S.T. 2732, T.I.A.S. No. 3324, 753 U.N.T.S. 368, *reprinted in* MELVIN NIMMER, NIMMER ON COPYRIGHT app. 24 (1985), *amended by* Universal Copyright Convention, July 24, 1971, 25 U.S.T. 1341, T.I.A.S. No. 7868. Unlike Berne, the Universal Convention nations did not ascribe to the concept of a moral right to copyright ownership. Also, the Universal Convention afforded the copyright owner the protection of the country in which the copyright was formally obtained, but did not define that protection. In contrast, Berne had virtually done

several other international conventions of narrower scope, the Universal Convention remained the nation's primary means of international copyright protection.[40] Over time, American patience with the Universal Convention waned,[41] and the United States once again toyed with the prospect of joining the rest of the world in the 1886 Berne treaty.[42]

C. *Modern Legislation and the Copyright Act of 1976*

In 1976, Congress passed the most comprehensive copyright legislation in United States history.[43] The Copyright Act of 1976, as

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away with all formalities and clearly defined the extent of protection. *See generally* Berne 1886, *supra* note 24, at Art. 6bis.

40 *See* NIMMER, *supra* note 39, at app. 28. While the Universal Convention provided its broadest basis for international copyright protection, the United States was also a party to two other multilateral copyright conventions. *Id.* First, the United States entered into the PanAm Copyright Convention of 1910. Pan American Convention (Buenos Aires), Aug. 11, 1910, 38 Stat. 1785, T.S. No. 593, 155 L.N.T.S. 179, *reprinted in* 4 NIMMER ON COPYRIGHT, *supra* note 39, at app. 28. Due to successful music industry lobbying, the United States signed the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms in 1971. Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, opened for signature Oct. 29, 1971, 24 U.S.T. 309, T.I.A.S. No. 7808, 866 U.N.T.S. 67, *reprinted in* 4 NIMMER ON COPYRIGHT, *supra* note 39, at app. 29.

41 *See* DuBoff, *supra* note 26, at 207. The Universal Convention was administered through the United Nations Educational, Scientific, and Cultural Organization [hereinafter UNESCO]. As this administering body became increasingly politicized in the eyes of the United States Government, Congress began to consider unilateral withdrawal. When Secretary of State George Schultz announced the United States' intention to withdraw from UNESCO in December 1983, attention was once again on international copyright protection. *Id.; see also* Bernard Gwertzman, *U.S., In Quitting UNESCO, Affirms Backing for U.N.*, N.Y. TIMES, Dec. 30, 1983, at A1, A4.

42 *See* DuBoff, *supra* note 26, at 208. Specifically, this intention to withdraw from UNESCO renewed interest in the possibility of United States' adherence to the Berne Convention, because UNESCO serves as the Secretariat for the Universal Convention. *Id.* at 207-08.

43 17 U.S.C. §§ 101-810 (1978). Enacted on October 19, 1976, the new copyright act did not take effect until January 1, 1978. The process of enactment actually began in 1955 when the Copyright Office, with the authorization of Congress, requested that studies be prepared outlining the ways in which the 1909 Act needed revision. *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 134. Thirty-four studies were completed detailing the problems with the then current copyright laws and offering possible revisions. Following these studies, Congress spent years reviewing drafts and conducting hearings before the final enactment of a revision statute in 1976. Interest group concerns over the possible effects on cable television and jukebox performance fees, and performers' rights in sound recordings, were especially difficult to resolve. *Id.*

amended, replaced the 1909 version and created a unified system of federal statutory copyright protection, which protection remains in full effect today.[44] Prior to the Copyright Act of 1976, there was a dual system of copyright protection in the United States that included common law copyright for unpublished works[45] and statutory copyright for published works.[46] Among its most significant innovations, the 1976 Act adopted a unified system of federal statutory copyright which radically altered the duration of copyright protection and eliminated certain copyright formalities.[47] These

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[44] The following represents the chronology of amendments since enactment in 1976:

1) Act of November 6, 1978, (Pub. Law 95-598), *amending* § 201.
2) Act of December 12, 1980, (Pub. Law 96-517), *amending* §§ 101 and 117.
3) Act of May 24, 1982, (Pub. Law 97-180), *amending* § 506.
4) Act of July 13, 1982, (Pub. Law 97-215), *amending* § 601.
5) Act of October 25, 1982, (Pub. Law 97-366), *amending* §§ 110 and 708.
6) Act of October 4, 1984, (Pub. Law 98-450), *amending* §§ 109 and 115.
7) Act of August 27, 1986, (Pub. Law 99-397), *amending* §§ 111 and 801.
8) Act of October 31, 1988, (Pub. Law 100-568), *amending* §§ 101, 116, 205, 301, 401-08, 411, 501, 504, 801, 804, *and adding* § 116A [known as the Berne Implementation Act of 1988].
9) Act of November 16, 1988, (Pub. Law 100-667), *amending* §§ 109, 111, 501, 801, and 804, *and adding* § 119.

SHEMEL & KRASILOVSKY, *supra* note 13, at app. A n.1.

[45] *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 135-36. Common law copyright protects ideas that are not "fixed" in a tangible medium and therefore do not qualify for federal copyright protection. *Id.* at 135. This common law copyright would apply, for example, to a musical composition which was improvised and not written, unrecorded speeches, etc. Creators seeking common law copyright protection are required to look to state, rather than federal, law for protection. Also, common law protection is perpetual and not limited to a term of years, thereby further differentiating it from statutory protection. *Id.* at 136; *see generally* Bart Lazar, *Mere Reception in Public Under the Copyright Act of 1976: Exempt or Extinct?*, 1 ALB. L.J. SCI. & TECH. 97 (1991).

[46] 17 U.S.C. § 101-810 (1978). For purposes of the 1976 Act, "publication" is defined as

> the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

Id. § 101.

[47] *See id.* The 1976 Act was divided into eight chapters. The first discusses the subject matter and scope of copyright protection and defines several terms of art. *See id.* §§ 101-118. Chapter two addresses ownership of copyrights and the methods of transfer. *See id.* §§ 201-205. In chapter three, the duration of copyright ownership

changes, discussed in the sections that follow, were made in an effort to update American copyright law and bring the United States closer to Berne treaty adoption.[48] It is, in fact, this desired adherence to Berne principles which ultimately led to the introduction of the Copyright Reform Bill of 1993.[49]

1. Subject Matter and Scope of Copyright

Chapter One of the 1976 Act sets forth the parameters of copyright protection.[50] In particular, the chapter defines the type of works that qualify for protection,[51] explicitly enumerates the rights granted to a copyright owner,[52] and sets forth certain limitations.[53] One specific limitation was Congress' unwillingness to abolish the compulsory license requirement.[54] Under the 1976

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was changed to conform to international specifications. *See id.* §§ 301-305. Chapters four and five discuss notice, deposit and registration requirements, and remedies for infringement. *See* 17 U.S.C. §§ 401-510. The manufacturing requirement is addressed in chapter six. *See id.* §§ 601-603. Finally, in chapters seven and eight, the responsibilities of the copyright office and copyright royalty tribunal are enumerated. *See id.* §§ 701-810.

48 *See* DuBoff, *supra* note 26, at 209 n.40. As DuBoff notes, "before the 1976 revision of the Copyright Act, a book or periodical in the English language was required to be manufactured in the United States in order to receive full copyright protection; failure to comply could have resulted in complete loss of protection." *Id.*

49 *See generally* Berne Implementation Act, *supra* note 3. The 1976 Act retained the registration requirement for *all* copyright owners before an infringement suit could be brought in United States federal district court. 17 U.S.C. § 411(a) (1978). In order to become a member of the Berne Convention, this registration requirement was amended in 1988 to apply only to domestic authors. *See* H.R. 897, *supra* note 6, at 9. The result is a two-tiered system whereby foreign copyright owners need not register their works with the Copyright Office prior to bringing an infringement suit. American copyright proprietors, however, must continue to register in order to obtain this protection. 17 U.S.C. §§ 411-412 (1978). The Copyright Reform Bill of 1993 would remedy this discrimination by removing the registration requirement for United States copyright owners. *See* H.R. 897, *supra* note 6, at 12-13.

50 *See* 17 U.S.C. §101-118 (1978).

51 *See id.* § 102; *see also supra* note 10 for an enumerated list of the types of works protected under the Copyright Act.

52 *See* 17 U.S.C. § 106 (1978). Section 106 grants the copyright owner the exclusive right to authorize the reproduction of their work. When a copyright owner grants the right to reproduce their work, they are said to have granted a "mechanical license." *Id.* The phrase "mechanical license" dates back to the time when sound and images were reproduced mechanically. *See* PASSMAN, *supra* note 12, at 210.

53 *See* 17 U.S.C. §§ 107, 108, and 115 (1978).

54 See id. § 115. "A compulsory license includes the privilege of making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work. . . ." *Id.* § 115(a)(2). Com-

Act, for example, once a record has been recorded and distributed,[55] any person may record the songs upon their giving notice to the author and paying a set royalty on each record made.[56] Additionally, educators, librarians, and archivists are allowed to make copies under the 1976 Act without obtaining the copyright owner's permission.[57] Despite vehement protest from copyright owners and several commentators, the rights granted by the Copyright Act of 1976 carry with them explicit limitations in an effort to conform with the Berne Convention.[58]

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pulsory licenses apply exclusively to the reproduction of phonorecords. *Id.* § 115. Section 101 defines phonorecords as

> material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

17 U.S.C. § 101 (1978).

55 *See id.* § 115(c)(2). A record is deemed to be distributed if possession has been "voluntarily and permanently parted with." *Id.* Thus, if proper notice had been given, the moment a recording artist delivers the master tape of their performance to their record company, another party could re-record the same music that very day. *See* 17 U.S.C. § 115 (1978).

56 *See* 17 U.S.C. § 115 (1978). Section 115(b) requires the user to give notice to the copyright owner either 30 days before or within 30 days after making, and before distributing any phonorecords. *Id.* § 115(b)(1). Failure to serve notice forecloses the compulsory license and subjects the user to an action for infringement. *Id.* § 115(b)(2). If public records do not identify a copyright owner, then the user is required to file notice with the Copyright Office. *Id.* § 115(b)(1). Also, the user must pay royalties to the copyright owner. *Id.* § 115(c)(2). The current minimum statutory rate is $6.60 per song. *See* PASSMAN, *supra* note 12, at 212. These royalties must be paid to the copyright owner on a monthly basis unless agreed to otherwise by contract. *Id.* at 212-13.

57 *See* 17 U.S.C. §§ 107-08 (1978). The "fair use" provision allows others to make copies of a work without permission when it is "for purposes such as criticism, comment, news reporting, teaching or research." *Id.* § 107. Also, "it is not an infringement of copyright for a library or archives, or any of its employees acting within the scope of their employment, to reproduce no more than one copy or phonorecord of a work," provided that

> (1) such copy is not intended for commercial advantage;
> (2) the collections of the library or archive are open to the public; and
> (3) the reproduction or distribution of the work includes a notice of copyright.

Id. § 108(a).

58 *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 153. With respect to compulsory licenses, the Register of Copyrights has argued that

> [o]nce [the creator] exploits his right to record his music he is deprived of control over further recordings. He cannot control their quality nor

2. Copyright Ownership and Transfer

Ownership of a copyright and the ability to transfer such ownership is addressed in Chapter Two of the Copyright Act of 1976.[59] As in the 1909 Act, copyright ownership in a work protected by the 1976 Act vests initially in the author or authors of the work.[60] As a freely alienable right, the 1976 Act allows the author to transfer his copyright ownership or any of the exclusive rights comprised within a copyright.[61]

Copyright transfer may be made through a conveyance, will, intestate succession, or by operation of law.[62] This transfer of ownership includes an assignment, mortgage, exclusive license, and other conveyances.[63] The 1976 Act further specifies that any transfer of ownership, other than by operation of law, must be in writing and signed by the owner whose rights are being conveyed, or by his registered agent.[64] Thus, an oral agreement is insufficient to effectuate a copyright transfer under the 1976 Act.[65]

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can he select the persons who will make them. Others have commented that the compulsory license fee places an arbitrary ceiling on the per record royalty, unfairly limiting its market value.

Id. at 152-53.

59 17 U.S.C. §§ 201-05 (1978).

60 *See id.* § 201. In the case of joint authorship, each author becomes a co-owner in the work. This, of course, assumes the work was not "made for hire." *See supra* note 17 (for a definition and explanation of a work made for hire). In the case of a work made for hire, the employer or commissioner of the work is deemed the author under the 1976 Act and, unless the parties expressly agreed otherwise, owns all of the rights to the copyright. 17 U.S.C. § 201(b) (1978); *See generally* Anne Marie Hill, *The "Work Made For Hire" Definition In The Copyright Act of 1976: Conflict Over Specially Ordered or Commissioned Works*, 74 CORNELL L. REV. 559 (1989).

61 17 U.S.C. § 201(d)(1) (1978). Alienability of copyright dates back to the 1909 Act as amended, which allowed such transfer. *See supra* note 31 and accompanying text.

62 17 U.S.C. § 201(d)(1) (1978). All transfers, other than by will, are subject to termination. *Id.* § 203(a). For example, in the case of joint authorship, both authors must consent in order for the transfer to be valid. If a transfer is made by one co-author, the non-consenting author may have such transfer terminated. *Id.* § 203(a)(1).

63 *See id.* § 201(d) (explaining that ownership may be transferred "by any means of conveyance or by operation of law"). There is, however, no transfer of ownership in the issuance of a non-exclusive license. *See* SHEMEL & KRASILOVSKY, *supra* note 13, at 145.

64 17 U.S.C. § 204(a) (1978). A certificate of acknowledgment is not required for a valid transfer, but may be *prima facie* evidence of the execution of the transfer if signed by a notary public. *Id.* § 204(b).

65 *Id.*

3. Duration of Copyright

In order to conform United States law to that of the Berne Convention, revision was needed in the duration of copyright protection.[66] Prior to 1976, American laws granted copyright ownership for a period of twenty-eight years from the date of publication.[67] Also, under the 1909 Act, at the end of the first twenty-eight year period an author could renew his copyright for an additional twenty-eight years.[68] Thus, an author was entitled to a maximum of fifty-six years worth of statutory copyright protection before his work fell into the public domain.[69]

The Copyright Act of 1976 significantly increased the duration of copyright protection afforded to authors in order to equal that of the Berne Convention.[70] In general, copyright in a work created on or after January 1, 1978 (when the 1976 Act went into effect) exists from its creation and endures for the life of the author and for fifty years thereafter.[71] By conforming to the copyright duration established by the Berne member nations, the United States removed a significant impediment to its eventual inclusion into the

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66 H.R. REP. NO. 1476, 94th Cong., 2d Sess. 133 (1976) [hereinafter H.R. REP. NO. 1476]. The legislative history of the Copyright Act of 1976 singled out the "term of protection" as a major obstacle to eventual adherence to the Berne Convention. *Id.*

67 *See* Copyright Act of 1909, *supra* note 31, at § 24. Prior to the 1976 revision, copyright protection for non-published works was found only at common law. *Id.* The 1909 Act offered statutory protection only to published works. *Id.*

68 *Id.* Under the 1909 Act, an author who had transferred all of his copyright ownership (i.e., the entire 56 years) was automatically entitled to a reversion of the renewal term at death. Thus, if the author died before the initial 28-year term expired, his heirs received ownership for the renewal period. *See* PASSMAN, *supra* note 12, at 243.

69 PASSMAN, *supra* note 12, at 291. Belonging to the "public domain" is a term given to a work whose term of copyright protection has expired. CHICKERING & HARTMAN, *supra* note 11, at 183. For example, the song "America the Beautiful," while at one time protected by copyright law, has since fallen into the public domain. Thus, any person can perform it without having to obtain permission or pay any mechanical royalties. *Id.*

70 *See* 17 U.S.C. § 302(a) (1978). The Berne Convention has, virtually from its inception in 1886, granted copyright protection for the life of the author plus fifty years. *See* Berne 1886, *supra* note 24, at Art. 6bis.

71 17 U.S.C. § 302(a) (1978). In the case of anonymous works, pseudonymous works, and works made for hire, copyright protection extends for the lesser of a period of 75 years from the date of first publication or 100 years from its creation. *Id.* § 302(c).

international treaty.[72]

4. Copyright Notice, Deposit, and Registration

Several of the remaining road blocks to the United States becoming a signatory to the Berne Convention related specifically to copyright notice and registration.[73] In general, the Berne Convention nations sought to do away with any formality that acted as a prerequisite to copyright protection.[74] The concept was for protection to be a self-executing event, occurring the moment the author creates the work.[75]

In contrast, the U.S. Congress felt it necessary to maintain certain formalities for the benefit of copyright owners, the Library of Congress, and the federal court system.[76] The benefit Congress sought to protect vis-a-vis copyright owners was the notice requirement.[77] Accordingly, under the 1976 Act, all works that were publicly distributed required a notice displaying the copyright symbol,

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72 *See* H.R. REP. No. 1476, *supra* note 66, at 135. In fact, the Report of the House Judiciary Committee on the new copyright law stated as follows:

> The need to conform the duration of U.S. copyright to that prevalent throughout the rest of the world is increasingly pressing in order to provide certainty and simplicity in international business dealings. Even more important, a change in the basis of our copyright term would place the United States in the forefront of the international copyright community. Without this change, the possibility of future United States adherence to the Berne Copyright Union would evaporate, but with it would come a great and immediate improvement in our copyright relations. All of these benefits would accrue directly to American and foreign authors alike.

Id.

73 *See* DuBoff, *supra* note 26, at 209 n.40. Berne member nations did not require the formalities of either copyright notice or registration. *See* Berne 1886, *supra* note 24, at Art. 5(2).

74 *See* DuBoff, *supra* note 26, at 204. The American experience of copyright formalities dates back to the Copyright Act of 1909 which established rigid requirements of notice and manufacturing. *See* Copyright Act of 1909, *supra* note 31, at § 19.

75 *See* Berne 1886, *supra* note 26, at Art. 5(2). Despite its concessions toward Berne principles, Congress has expressly rejected the concept of "self-executing" copyright protection. Section two of the Berne Implementation Act of 1988 expressly declares that Berne obligations are not "self-executing," and accrue only upon implementing legislation. *See 1985 Hearings*, *supra* note 37, at 88.

76 *See* H.R. REP. No. 1476, *supra* note 66, at 158. In reshaping United States copyright law to fit Berne principles, it became necessary to make copyright registration with the Copyright Office optional. *Id.*

77 *Id.* at 143. The logic behind the notice requirement was that there would be fewer cases of infringement if individuals were put on notice as to copyright ownership. *Id.*

the year of first publication, and the name of the copyright owner.[78]

By making registration a prerequisite to bringing an infringement action and to receiving statutory damages, the 1976 Act sought to protect the Library of Congress and lessen the burden on the federal court system.[79] Under Sections 411 and 412 of the 1976 Act, in order to bring an action for copyright infringement and be eligible for statutory damages, authors were required to register their works with the Copyright Office.[80] This prerequisite applied to both domestic and foreign authors, requiring them to deposit copies of the work along with a registration fee.[81] This deposit requirement served two functions: first, to verify that the work was deserving of copyright protection; and second, to allow the Library of Congress access to certain works for its archives.[82] Also, because registration was made permissive, Congress was concerned that deposits to the Copyright Office would decline severely unless certain incentives to registration were enacted.[83] Thus, the 1976 Act made an action for infringement contingent upon the registration of the work.[84]

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78 17 U.S.C. § 401 (1978). Under the Act, the notice "shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright." *Id.* § 401(c).

79 *See* H.R. REP. NO. 1476, *supra* note 66, at 151.

80 17 U.S.C. §§ 411-12 (1978). The Copyright Office's function is to screen out those works which are not given copyright protection and issue certificates to copyright owners who have registered copyrightable works. *See generally* Norbert F. Kugele, *How Much Does It Take?: Copyrightability As A Minimum Standard For Determining Joint Authorship*, 75 U. ILL. L. REV. 809 (1991).

81 17 U.S.C. § 411(a) (1978). In the case of a published work, the author is required to deposit copies along with a $20.00 registration fee. *Id.* § 408(b). For unpublished works, only one copy is required along with the fee. *Id.*

82 *See* Kugele, *supra* note 80, at 813. Under § 407 of the 1976 Act, the owner of a copyright or of the exclusive right of publication in a work published with notice of copyright in the United States is required to supply two copies of the work's "best edition." 17 U.S.C. § 407 (1978). This deposit does not fulfill the registration requirement, but is used exclusively for the archival purposes of the Library of Congress. *See 1993 Hearings, supra* note 4, at 178 (Testimony of James H. Billington, Librarian of Congress). In other words, the Library of Congress receives all published works and selects certain ones for entry into the Library. *Id.*

83 *See 1993 Hearings, supra* note 4, at 178. These same arguments were voiced by the Register of Copyrights and the Librarian of Congress during the House Judiciary Hearings held with respect to the Copyright Reform Bill of 1993. *Id.* The concern was that by removing the incentives to registration, copyright owners will no longer register their works. *Id.*

84 *See* 17 U.S.C. §§ 411-12 (1978). Under the 1976 Act, an author was given a three

It is this registration requirement, as amended by the Berne Implementation Act of 1988, which became the catalyst for the eventual introduction of the Copyright Reform Bill of 1993.[85]

5. Manufacturing Requirements and Importation

One remaining impediment to the United States' adherence to the Berne Convention was remedied by Chapter Six of the 1976 Copyright Act.[86] Under the manufacturing clause of the 1909 Copyright Act, subject to certain exceptions, any printed book or periodical in the English language had to be printed from typeset made in the United States in order for the work to receive copyright protection.[87] Thus, all foreign works brought into the United States could be copied freely, without regard to infringement.[88]

The 1976 Act gradually phased out this manufacturing requirement.[89] Accordingly, under Section 601 the manufacturing clause only applied to works imported or publicly distributed in the

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month grace period after initial publication/transmission within which to register his copyright before bringing an infringement action. Retroactive registration is acceptable, so long as it is accomplished within this three-month window. However, in order to obtain statutory damages and attorneys' fees, registration must occur prior to the infringement. *Id.; see also* SHEMEL & KRASILOVSKY, *supra* note 13, at 288.

85 *See* Berne Implementation Act, *supra* note 25, at § 9. The Berne Implementation Act of 1988 maintained the registration requirement *only* for non-Berne member nations. Thus, American authors were placed at a significant disadvantage since they were still required to register their copyright before being allowed to bring an infringement action. *Id.* The Copyright Reform Bill would remedy this discrimination by eliminating the registration requirement altogether. *See* H.R. 897, *supra* note 6, at § 6.

86 *See* 17 U.S.C. § 601. With the passage of the 1976 Act and the removal of the manufacturing clause, the only remaining obstacles to the United States signing the Berne treaty were the copyright notice and registration requirements of Section Four, Title 17. *See id.* §§ 401-12.

87 *See* Copyright Act of 1909, *supra* note 31, at § 17. Exceptions were made for imported works required by the United States Government. *Id.*

88 *Id.; see generally* Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857 (1987). As a consequence, foreign works, especially those of British origin, were not protected in the United States and, thus, were widely pirated in the 19th Century. *Id.*

89 17 U.S.C. § 601 (1978). Many interest groups, and specifically book publishers, were opposed to the manufacturing clause because they saw the clause as impeding their ability to compete in the global market. The clause prevented them from exploring less expensive markets for the manufacturing of their books. *See* H.R. REP. No. 1476, *supra* note 66, at 164-65.

United States prior to 1986.[90] On January 1, 1986, the manufacturing clause of Title 17 expired by its own terms, thereby removing yet another obstacle to United States' adherence to the Berne Convention.[91]

D. *The Berne Implementation Act of 1988*

While the 1976 Copyright Act achieved some success in ameliorating the harshness of copyright formalities, the United States remained in non-compliance with Berne Convention principles.[92] Specifically, the notice requirement remained mandatory, with failure to affix the proper notice and take prescribed curative steps still resulting in the loss of copyright protection.[93] The provision of the 1909 Act prohibiting the bringing of an infringement action unless a registration had been obtained from the Copyright Office

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90 17 U.S.C. § 601 (1978). The manufacturing clause did, however, make an exception for works where

(1) the author was not an American national or domiciliary;
(2) the United States Customs Service was presented with an import statement under seal of the Copyright Office;
(3) the work was necessary for educational purposes or for use by the government;
(4) the work is brought in for private use and not for gain;
(5) the work is for use by the disabled (e.g., braille copies);
(6) the importation is of less than two thousand copies of a work; and
(7) the copies were reproduced under a transfer agreement with a foreign author.

Id.

91 *Id.*

92 *Compare* 17 U.S.C. § 401 *with* Copyright Act of 1909, *supra* note 31, at § 10 (the Berne Convention had done away with all notice requirements pertaining to copyright ownership but the United States had not).

93 *See* 17 U.S.C. § 405 (1978). Under this Section, the omission of a copyright notice from copies or phonorecords publicly distributed did not invalidate copyright in a work, *only* if

(1) the notice is omitted from a relatively small number of copies (the Act does not set any quantitative limits as to what constitutes such a number);
(2) registration is made within five years of the work's publication without notice, and reasonable measures are taken to cure the omission; and
(3) notice has been omitted by a party (not including the author) authorized to distribute the work publicly.

Id. These criteria are very fact sensitive, and result in loss of protection if the omitting party does not fall under one of the three categories. In such a case, one who uses the work is deemed an "innocent infringer" and incurs no liability toward the author. An innocent infringer is one who copies a work "in reliance upon an authorized copy or phonorecord from which the copyright notice has been omitted." *Id.* § 405(b).

was maintained.[94] The manufacturing requirement, while being phased out, was not set to expire until 1986.[95] Moreover, the 1976 Act added a new Section 412 which prohibited the award of statutory damages and attorneys' fees unless proper registration had been filed prior to infringement.[96]

With intellectual property technology evolving and pressure from the business community mounting, Congress once again attempted to conform American copyright law to that of the Berne Convention.[97] In 1988, the United States overcame the final hurdle toward becoming a Berne signatory with the passage of the Berne Implementation Act.[98] In order to achieve this conformity, however, several changes were enacted regarding the notice and manufacturing requirements of the 1976 Act.[99]

1. Copyright Notice

Section Seven of the Berne Implementation Act amended the 1976 Copyright Act by making copyright notice permissive rather than mandatory.[100] Despite the fact that this amendment represented a significant departure from the rigidity of the 1909 Act, there was surprisingly little opposition to its enactment.[101] Thus,

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94 *See* Copyright Act of 1909, *supra* note 31, at § 101 et seq.

95 *See* 17 U.S.C. § 601 (1978). Thus, for the eight years following its effective date (i.e., January 1, 1978), the manufacturing requirement was in full force and effect. According to the legislative history of the 1976 Act, there had been limited discussion in shortening this "phase-out" but no action was taken. *See* H.R. REP. NO. 1476, *supra* note 66, at 5760.

96 *See id.* § 412. Statutory damages may be awarded in the case where actual damages cannot be proven. This remedy is of particular importance to small entrepreneurs who cannot afford the costs of commencing and maintaining an infringement action. *See 1993 Hearings, supra* note 4, at 151 (testimony of James S. Burger, Director, Government Law for Apple Computer, Inc., Chairman, Proprietary Rights Committee, Computer Business and Equipment Manufacturers Association (CBEMA)).

97 *See* H.R. REP. NO. 1476, *supra* note 66, at 135 (House Judiciary committee report discusses the pressing need for copyright uniformity in international business dealings).

98 *See generally* Berne Implementation Act, *supra* note 3.

99 *Id.* The Berne Implementation Act removed the notice requirement for all works, and repealed the registration requirement for Berne Convention authors. This repeal, however, did not apply to works created by American authors. Thus, a two-tiered system was established which significantly discriminated against American authors. *Id.* § 9.

100 *See* Berne Implementation Act, *supra* note 3, at § 7.

101 *See 1985 Hearings, supra* note 37, at 128 (Donald J. Quigg states that "preliminary discussions indicate that there would be no opposition in this area, [although] they

pursuant to the Berne Implementation Act, publication of a work *may* be accompanied by a notice of copyright, but such notice is no longer required for copyright protection.[102]

2. Registration Requirement

Significantly more controversial was the repeal of the registration requirement under the 1976 Act for Berne Convention works whose country of origin is not the United States.[103] Repeal of the registration requirement for Berne works (i.e., those works created in Berne treaty nations) cleared the way for the United States' long awaited participation in the Berne Convention.[104] Ironically, the United States' membership in the Berne Convention resulted in a discriminatory federal policy against American authors.[105]

Enactment of the Berne Implementation Act of 1988 led to a "two-tiered" federal system of copyright protection.[106] Under the

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may oppose making . . . notice . . . completely voluntary"]; *id.* at 160-61 (Irwin Karp objects to the present notice requirement); *id.* at 181-83 (John M. Kernochan believes that the notice requirement is unjustified).

102 *See* Berne Implementation Act, *supra* note 3, at § 7. One benefit to the notice requirement, however, was that it deprived a defendant of an "innocent infringement" defense. Interview with Frank L. Politano, Intellectual Property Counsel, AT&T (Mar. 9, 1995). The notice requirement remained in effect for those works first published prior to March 1, 1989. Commentators agree that international use of copyright notice is so prevalent that elimination of the compulsory notice requirement will not spell the end of the practice. Telephone Interview with William F. Patry, Assistant Counsel, House Subcommittee on Intellectual Property and Judicial Administration (Nov. 11, 1994).

103 *See 1985 Hearings, supra* note 37, at 365 (August Steinhilber, representing the Educators' Ad Hoc Committee on Copyright Law, supports replacement of mandatory registration with procedural and remedial benefits); *id.* at 220 (Carol Risher, Director of Copyright Association of American Publishers, argues that incentives could "impair prompt, meaningful protection of U.S. work in other countries"); *id.* at 419 (Tad Crawford, Representative for the Graphic Artists Guild, the American Society of Magazine Photographers, and the Society of Illustrators, opposes the penalties involved for failure to register under even voluntary notice schemes); *id.* at 55 (Donald C. Curran, Acting Register of Copyrights, testifies that registration facilitates inclusion of materials in the Library of Congress).

104 *See generally* 17 U.S.C. § 101 (1978). With the repeal of the notice requirement, registration remained as the only formality preventing the "self-executing" principles of the Berne Convention. *Id.*

105 *See* H.R. 897, *supra* note 6, at 9 (noting that the Berne Implementation Act, in fact, created a "two-tier" federal system which favored foreign authors while placing undue burdens on American authors).

106 *Id.*; *see also 1993 Hearings, supra* note 4, at 120 (Steven J. Metalitz, Vice President and General Counsel, Information Industry Association, noting that the differing treatment represents an "unnecessary procedural hurdle to the enjoyment of full-

1988 Implementation Act, the requirement that registration be obtained before bringing an infringement action was repealed for works whose country of origin is a Berne Convention country other than the United States.[107] However, the registration requirement was retained for all other works, including those by American authors.[108] Therefore, under the 1988 Implementation Act, the door to the federal courts are open to foreign authors bringing infringement suits in the United States, while American authors must incur the prohibitive costs of registration before being granted this same right.[109]

The elimination of this "two-tiered" system is one of the two main objectives of the Copyright Reform Bill of 1993.[110] First, the bill would remove the registration requirement as a prerequisite to maintaining an infringement action for both foreign *and* domestic authors.[111] Also, the bill would no longer require registration as a precondition to receiving statutory damages and attorneys' fees.[112]

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fledged protection under the copyright law." He goes on to state that the "two-tiered" system "unfairly discriminates against U.S. copyright proprietors, and creates unnecessary confusion"). *Id.*

107 *See* Berne Implementation Act, *supra* note 3, at § 9. The reasoning behind the creation of the "two-tiered" system stemmed from the fear that the Library of Congress would be deprived of a valuable means of collecting American works for its archives. *See 1985 Hearings, supra* note 37, at 95.

108 *See* Berne Implementation Act, *supra* note 3, at § 9. While the registration requirement is procedural, this fact offers little protection in a case of copyright infringement. If the copyright owner is unable to enforce ownership in the federal courts because of prohibitive filing procedures, all copyright protection is lost. Also, this registration procedure requires the author to deposit copies (one for unpublished works and two for published works) with the Copyright Office and to remit a payment of $20.00 per work. In the case of a prolific creator (i.e., a photographer), this fee may be unduly burdensome. *See* 17 U.S.C. § 408(b) (1978) (as amended).

109 *See 1993 Hearings, supra* note 4, at 371 (testimony of Andrew Foster, Executive Director, Professional Photographers of America, Inc., discussing the burden placed on photographers who are required to remit copies of each of their photographs in order to receive copyright protection. Accordingly, most photographers do not register and are effectively foreclosed from bringing an infringement action in the federal court system). *Id.* If, however, registration is sought but denied, it is still possible for a copyright owner to bring suit in federal court. Interview with Frank L. Politano, Intellectual Property Counsel, AT&T (Mar. 9, 1995).

110 *See id.* at 175-78 (Rep. Hughes discussed the need to eliminate completely the registration requirement as a precondition to receiving full copyright protection).

111 *See* H.R. 897, *supra* note 6, at § 6.

112 *Id.* Under H.R. 897, Section 412 of Title 17 would be repealed, allowing courts to use their discretion in determining whether an award of statutory damages and attorneys' fees is appropriate. *Id.*

III. Legislative History

On February 16, 1993, House Subcommittee on Intellectual Property and Judicial Administration Chairman Hughes (D-New Jersey) and Representative Frank (D-Massachusetts) introduced the Copyright Reform Bill of 1993.[113] On that same day, Senate Copyright Subcommittee Chairman DeConcini (D-Arizona) and Senator Hatch (R-Utah) introduced the identical bill (S. 373) in the Senate.[114] Title I of the bill proposed reforms in the Copyright Office registration requirements and in the copyright deposit provisions.[115] Title II sought the establishment of arbitration panels to replace the Copyright Royalty Tribunal.[116]

Shortly after the bill's introduction, the House Subcommittee on Intellectual Property began to prepare for hearings on H.R. 897.[117] Hearings were held on March 3 and March 4, 1993.[118] On August 3, 1993, H.R. 897 was subdivided, and Title II was reintro-

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113 H.R. REP. NO. 103-388, *supra* note 8, at 7.

114 *See* 139 CONG. REC. S1617-18 (daily ed. Feb. 16, 1993). Sen. DeConcini retired from the Senate in November, 1994; therefore, any reintroduction of the Bill will likely come from Sen. Hatch, its co-sponsor. *Id.* at S1621.

115 H.R. REP. NO. 103-388, *supra* note 8, at 7; *see also* H.R. 897, *supra* note 6, at §§ 1-13. Title I of the bill amends § 411(a) and repeals § 412 of Title 17.

116 H.R. REP. NO. 103-288, *supra* note 8, at 7. The Copyright Royalty Tribunal was created as an independent federal agency to determine, review, and adjust certain royalty rates for use of copyrighted materials pursuant to compulsory licenses provided in the Copyright Act of 1976. Among its other responsibilities, the Copyright Royalty Tribunal establishes the minimum statutory rates for compulsory licenses granted in the music industry. *See supra* notes 54-56 and accompanying text. Title II, which is not addressed in detail, seeks to eliminate the Tribunal in favor of *ad hoc* committees which would be formed to address specific licensing issues, the advantage being cost savings to taxpayers. *See 1993 Hearings, supra* note 4, at 66 (testimony of Bruce D. Goodman, Commissioner, Copyright Royalty Tribunal in favor of his agency's elimination through H.R. 897).

117 *See* H.R. REP. NO. 103-388, *supra* note 8, at 7.

118 *Id.* Testimony was received from Cindy S. Daub, Commissioner, Copyright Royalty Tribunal; Edward J. Damich, Commissioner, Copyright Royalty Tribunal; Bruce D. Goodman, Commissioner, Copyright Royalty Tribunal; Steve Peters, Senior Corporate Counsel, Adobe Systems, Inc.; Steven J. Metalitz, Vice President and General Counsel, Information Industry Association; Robert Holleyman, Business Software Alliance; James S. Burger, Director, Government Law, Apple Computer, Inc.; Michael Cleary, American Bar Association; James H. Billington, Librarian of Congress; Ralph Oman, Register of Copyrights; Art Rogers, artist; Richard Weisgrau, Executive Director, American Society of Media Photographers; Andy Foster, Executive Director, Professional Photographers of America; Olan Mills II, Olan Mills Corporation; Paul Basista, Executive Director, Graphic Artists Guild; and Paul Warren, Chairman, Intellectual Property Committee, Newsletter Publishers Association. *Id.*

duced by Representatives Hughes and Frank as H.R. 2840.[119] After minor revisions in committee, H.R. 2840 (Title II) passed the House of Representatives on October 12, 1993.[120]

On November 4, 1993, the Subcommittee on Intellectual Property marked up H.R. 897 (Title I) with a single amendment.[121] The full Judiciary Committee reported favorably on the bill to the House on November 17, 1993.[122] On November 20, 1993, H.R. 897 passed the House of Representatives.[123] The bill was then referred to the Senate, where it is awaiting reintroduction by Senator Hatch in the first session of 1995.[124]

IV. Possible Impacts of the Copyright Reform Bill of 1993

If enacted, the Copyright Reform Bill would unilaterally reduce the administrative burdens connected with Copyright Office registration by repealing Sections 411 and 412 of Title 17, the Copyright Act.[125] This would eliminate the requirement to register as a precondition to maintaining an infringement action in federal court, thereby removing the anomaly between foreign and domestic authors created by the Berne Implementation Act.[126] More-

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119 *See* H.R. REP. NO. 103-388, *supra* note 8, at 7. The bill was subdivided in hopes of expediting its passage. Patry Interview, *supra* note 102.

120 H.R. REP. NO. 103-388, *supra* note 8, at 7. On August 5, 1993, the Subcommittee on Intellectual Property and Judicial Administration marked up H.R. 2840 and approved the amendment. *Id.*

121 *Id.* The amendment pertained to reforms in the Copyright Office registration procedures and "in the mandatory deposit requirement provisions for the benefit of the Library of Congress." *Id.*

122 *Id.* at 8.

123 *See* 139 CONG. REC. H10308, H10312 (daily ed. Nov. 20, 1993). The day of its passage, H.R. 897 was referred to the United States Senate. *See* 139 CONG. REC. S16717 (daily ed. Nov. 20, 1993).

124 *See* 139 CONG. REC. S17054 (daily ed. Nov. 23, 1993). William F. Patry indicated that it was probable that Senator Hatch would reintroduce H.R. 897 in the next congressional session. Patry Interview, *supra* note 102.

125 *See 1993 Hearings*, *supra* note 4, at 370-71 (Andrew Foster, Executive Director, Professional Photographers of America, testified that the registration procedures are "very impractical and burdensome for them"). The typical photographer takes dozens of pictures each working day. It would be an impossible task to duplicate each photo and send it to the Copyright Office for registration. *Id.*

126 *See 1993 Hearings*, *supra* note 4, at 145 (Robert Holleyman, Senior Corporate Counsel, Adobe Systems, Inc., states that "[i]n addition to encouraging foreign governments to take an obstructive, 'minimalist' approach to eliminating cumbersome formalities, the existing law can unfairly prejudice U.S. copyright owners in asserting their rights at home").

over, the repeal of Section 412 would remove the current requirement that a work be registered before the infringement occurs in order to obtain the important remedy of statutory damages and attorneys' fees.[127]

For a clear understanding of the possible impacts associated with the aforementioned revisions, it becomes necessary to address the concerns of those directly impacted by the legislation, including: (1) the Library of Congress; (2) the Copyright Office; (3) the courts; and (4) the copyright owners.

1. *Effects on the Library of Congress*

According to the testimony of the Librarian of Congress, repealing Sections 411 and 412 would result in a severe depletion in the number of works the Library receives for possible submission into its archives.[128] Under the 1976 Act, the Library of Congress may require submission of published works, but has no direct means of obtaining unpublished works.[129] Currently, the Library selects unpublished works for its archives from those submitted to the Copyright Office for registration.[130] By eliminating these incentives to registration, it is argued that the Library of Congress' archives will suffer.[131]

In reality, much of the material deposited in conjunction with

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127 *See* Mason v. Montgomery Data, Inc., 967 F.2d 135 (5th Cir. 1992) (holding that a map maker who had only registered one of his 233 maps prior to the act of infringement was entitled only to statutory damages and attorneys' fees for that one work).

128 *See 1993 Hearings, supra* note 4, at 178 (Testimony of James H. Billington, Librarian of Congress, stating that approximately 25% of the works acquired for the Library's collection are obtained from copyright registration).

129 *See* 17 U.S.C. §§ 407-08. Section 407 requires an author to deposit two copies of all published works within three months of publication. This section is deemed a mandatory deposit and is entirely for the benefit of the Library of Congress, not for the benefit of the Copyright Office. In fact, failure to comply with the requirement of § 407 does not result in loss of copyright or any of the copyright owner's rights; administrative fines are the only sanction. *Id.* This requirement is not affected by H.R. 897.

130 *See 1993 Hearings, supra* note 4, at 185 (In his testimony, Billington states that "the Library relies on the copyright registration process to acquire unpublished materials. Unpublished works are those works which, by definition, are generally not available for purchase, by this or any other library"). *Id.*

131 *Id.* at 180. "To the extent that this legislation endangers the ability of the Library to collect copyrighted materials as thoroughly or as rapidly or as comprehensively across all information formats as it does today, we would wind up with a less usable, less comprehensive, and more costly record of the Nation's creativity and cultural heritage." *Id.* According to Ralph Oman, Register of Copyrights, in 1992 the

Section 411 is of no value to the Library's collections and is exempted from the mandatory deposit requirement.[132] Computer programs provide the best illustration of the difference between deposits made for registration and those made for Library acquisition.[133] The version of a computer program deposited for copyright registration purposes consists of only the first and last twenty-five pages of source code, with trade secrets blocked out.[134] Such a deposit serves no archival purpose given that the Library requires a program to be in machine-readable form.[135] Many of the works frequently submitted to the Copyright Office for registration are precisely those which have been exempted from Section 407's mandatory deposit requirement.[136] Portrait photography provides an example of a category of registered works which, although not explicitly exempted, are of little value to the Library.[137] In addition, since registration under Section 411 may be made at any time prior to bringing an action for infringement, the Library's stated goal of timeliness is not being achieved under the Copyright Act.[138] Thus, removal of the registration requirements of Sections 411 and

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Copyright Office received over 5,000 works through mandatory deposit and over 97,000 through copyright registration. *Id.* at 212.

132 37 C.F.R. § 202.19(c) (1993); *see also* 17 U.S.C. § 407(c) (which gives the Register of Copyrights the right to "exempt any categories of material from the deposit requirements of [the] section, or require deposit of only one copy or phonorecord with respect to any categories"). Section 407(c) states that "such regulation shall provide either for complete exemption from . . . this section, or for alternative [means] of deposit." *Id.*

133 *See* 17 U.S.C. § 407(a) which requires the deposit of

> (1) two copies of the best edition [of the work]; or
>
> (2) if the work is a sound recording, two complete phonorecords of the best edition, along with any printed matter published with such recording.

Id.

134 *See 1993 Hearings, supra* note 4, at 151 (James Burger from Apple Computers states that registration of computer programs is of no value to the Library since, in accordance with Copyright Office regulations, the application consists of only select portions of the program).

135 *See* 37 C.F.R. § 202.19(d)(vii)(1993). The concept of machine-readable form means that the software program could be installed into a computer. *Id.*

136 *See id.* § 202.19(c). The Library has exempted works it is certain will not be added to the Library, including computer programs which are not machine-readable. *Id.*

137 *See 1993 Hearings, supra* note 4, at 379-87 (testimony of Olan Mills stating that the market for portrait photography is limited to the individual or family being photographed and is of no value whatever to the Library of Congress).

138 *See* 17 U.S.C. § 411 (allowing the copyright owner the option to register at any time prior to the commencement of an action for infringement).

412 would have little overall impact on the legitimate objectives of the Library of Congress.[139]

2. *Effects on the Copyright Office*

According to the Register of Copyrights, the Copyright Reform Bill would remove incentives to registration, thereby permanently decreasing the number of works received by the Copyright Office.[140] The bill eliminates the requirement for American authors to seek registration before filing a copyright infringement suit.[141] The bill also does away with the principle incentive of early registration, i.e., the requirement that registration be filed *before* infringement occurs in order to be eligible for statutory damages and attorneys' fees.[142] The *prima facie* presumption of copyright validity offered by the certificate of registration would be the only remaining incentive to file with the Copyright Office.[143] Without proper incentives to register, it is argued that the Copyright Office will be unable to accomplish its public function of screening out

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139 *See 1993 Hearings, supra* note 4, at 123 (testimony of Steven J. Metalitz, Vice President and General Counsel, Information Industry Association, stating that the "Library has many other means at its disposal for preserving the breadth and depth of its collections," and therefore "[a]n author's ability to deter and punish a thief of intellectual property should not turn upon the author's alacrity in furnishing the Library of Congress with a free copy of the work").

140 *Id.* at 215. The Register uses the decline in the registration of foreign works to make his point:

> The amendment to § 411 has already changed the way foreign authors register and deposit with the Library. The receipt through registration of foreign works that the Library needs for its collections has dropped an estimated 30-40 percent since the United States joined the Berne International Copyright Convention. For example, the major French publishers' association, which had traditionally registered copyright claims for its members, ceased all original registrations since the spring of 1989; whereas in the year preceding (before we joined Berne), it registered 1,427 claims. This major loss of deposit copies forces the Library to purchase materials it would otherwise have acquired through registration, or suffer gaps in the collection of French works.

Id.

141 *See* H.R. 897, *supra* note 6, at § 6.

142 *Id.* The incentive to register early is that the author may otherwise forego the possibility of obtaining statutory damages and attorneys' fees in an infringement action. *See* Mason v. Montgomery Maps, Inc. 967 F.2d at 140.

143 *See 1993 Hearings, supra* note 4, at 209. The certificate of registration is *prima facie* evidence of copyright validity if registration is made within five years of publication. *See* 17 U.S.C. § 410(c).

works that are not subject to copyright protection.[144]

While the concerns expressed by the Register of Copyrights are valid, the Copyright Reform Bill adds alternative incentives to registration as a result of the repeal of Sections 411 and 412.[145] The bill provides for a new short form application to simplify the registration process.[146] Under the bill, greater deference is given to the copyrightability of an application, thereby liberalizing the Copyright Office standard.[147] Also, Section 408(c)(1) is amended to grant the Register of Copyrights the authority to promulgate alternative forms of deposit.[148] Finally, the bill expands group registration provisions to include all collective works published within a five-year period.[149] Taken collectively, these alternative inducements to registration provide ample incentives for the copyright owner to continue to register their works with the Copyright Office.

3. *Effects on the United States Court System*

There is conflicting testimony as to whether the repeal of Sec-

144 *See 1993 Hearings, supra* note 4, at 219 (stating that "[i]n the United States, copyrightability issues are initially addressed through" copyright registration). *Id.*

145 *See* H.R. REP. NO. 103-388, *supra* note 8, at 13-14 (other incentives include: (1) a short form application; (2) a more liberal examination standard; (3) alternative forms of deposit for copyright registration; (4) a formal appeals process for refusals to register a copyright claim; (5) provisions clarifying when pre-existing works have to be disclosed on the copyright application form in order to sharply limit the fraud on the Copyright Office defense; and (6) expansion of group registration provisions). *Id.*

146 *See* H.R. REP. NO. 102-388, *supra* note 8, at 14. The 1976 Act provided for one basic form of registration application. Under the proposed bill, a second, more simplified form of application will be available for published works created by a living author, provided that the work is neither anonymous nor made for hire. *Id.*

147 *Id.* at 17. There is growing concern that the Copyright Office has over-stepped the scope of its function in granting and refusing registration. The Copyright Reform Bill gives greater deference to the courts to determine whether or not a work qualifies for copyright protection. *See, e.g.*, Feist Publications, Inc. v. Rural Tel. Serv., 499 U.S. 340 (1990) (the Supreme Court noted that a determination of copyrightability rested with the courts rather than with the Copyright Office).

148 *See* H.R. 897, *supra* note 6, at § 3. This provision "authorize[s] the Register of Copyrights to identify cases where the purposes of examination, registration, and deposit under Section 408 can adequately be served by deposit of descriptive material only, or by a written obligation to deposit copies at a later date." H.R. REP. NO. 103-388, *supra* note 8, at 19.

149 *See* H.R. 897, *supra* note 6, at § 3. Under § 408(c)(2), title 17, the Register of Copyrights is authorized to establish by regulation group registration for individual contributions to periodicals, including newspapers, published by the same individual author within a 12-month period. H.R. 897 extends this period to five years. *Id.*

tions 411 and 412 would increase the number of copyright infringement suits, thereby further clogging the federal court system.[150] One argument asserted is that repealing Sections 411 and 412 will lead to a severe decline in registrations, thus effectively removing the Copyright Office's "pre-screening" of copyrightability.[151] Without this "pre-screening," it is feared that the courts will be required to judge the validity of each claim of copyright infringement.[152] Moreover, removing the precondition of registration will increase frivolous suits by making it increasingly difficult to prove which claimant owns the rights to a particular work.[153] Thus, some argue that the current system, with its prerequisites to maintaining an infringement action, provides for judicial efficiency in copyright litigation.[154]

The more compelling argument, however, is advanced by those in favor of the Copyright Reform Bill. They claim that repealing Sections 411 and 412 will actually result in fewer infringement suits.[155] Under the current system, infringers often go unpunished because they are aware that without the possibility of

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150 *See 1993 Hearings, supra* note 4, at 205 (Ralph Oman stating that the proposed legislation will increase the costs of copyright litigation); but *cf. id.* at 267 (Richard Weisgrau stating that the litigation costs will decrease because the parties have an increased incentive to settle due to the cost of maintaining a suit). *Id.*

151 *Id.* at 221-22. Under the current system, the Copyright Office screens all registration applications to determine whether the works are sufficiently original creations to warrant copyright protection. The Copyright Reform Bill would limit this function by referring such determinations to the courts. *Id.*

152 *See 1993 Hearings, supra* note 4, at 222. The Register of Copyrights states that without the pre-screening process performed by the Copyright Office to determine copyrightability

> our already over burdened federal judiciary would be required to make ad hoc decisions without the benefit of review by copyright specialists who make decisions on copyrightability everyday on the basis of their familiarity with the vast array of copyrightable expression. This [proposed] system would impose enormous costs in the long term because ad hoc litigation on the limits of the copyright law will not produce as uniform and consistent an approach.

Id.

153 *Id.* at 241-42 (discussing the possibility of an increase in the number of frivolous lawsuits if *prima facie* evidence of copyright ownership provided through registration is repealed).

154 *Id.*

155 *See id.* at 264. Weisgrau argues that by placing the infringed plaintiff on equal footing with an infringing defendant (i.e., by allowing them to bring the suit knowing that they may obtain statutory damages and attorneys' fees), H.R. 897 will encourage settlement of infringement actions rather than lead to litigation. *Id.*

obtaining statutory damages and attorneys' fees, the cost to the unregistered plaintiff of maintaining an infringement action is too high to justify commencing a suit.[156] The Copyright Reform Bill removes these restrictions, thus placing the infringed copyright owner in a better bargaining position.[157] Knowing that they will be penalized for their illegal activities, infringers will be more inclined to settle out of court rather than incur the costs of litigation.[158] Moreover, would-be infringers are put on notice that they will be held accountable for any illegal activity, thereby encouraging them to negotiate permission to use copyrighted works in advance.[159]

4. *Effects on American Copyright Owners*

While there exists debate over the Copyright Reform Bill's effects on other tangential institutions, there is little disagreement over the positive effect it would have on American copyright owners.[160] In fact, the Copyright Reform Bill would have its most sig-

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156 *See 1993 Hearings, supra* note 4, at 265. Weisgrau was told by one infringer, "[s]ue me, you will never recover enough money to make it worth your while." *Id.* Since photographers have simply too much copyrightable work to register it all, virtually all infringements on their work goes unpunished. *Id.* at 322-23 (Nancy Wiggins, an illustrator, billed a client $1,500 for their additional, unauthorized use of a design she had created. When she inquired about receiving the amount owed her, the infringer replied, "It's my goddamn piece of artwork and I can do what I like with it. You can go to hell." Since her work was not registered prior to the infringement, she decided that the cost of litigation was too high to enforce her rights.) *Id.* Thus, as these examples illustrate, the registration requirement has become a shield for infringers.

157 *Id.* at 279. It is clear that "[i]f the defendant knows that the plaintiff cannot recover his attorney's fees, there is often a strong incentive to drag out the litigation until the plaintiff's limited financial resources are exhausted, and he either gives up or settles for a nominal amount that may not even cover the legal expenses." *Id.*

158 *Id.* at 291. The proposed bill would "simply require infringers to face this prospect of a 'double-barreled' payment in every case in which infringement is proved by a copyright owner." *Id.* at 293.

159 *See 1993 Hearings, supra* note 4, at 320. David Lissy, photographer, argues that his "clients would be less inclined to run roughshod over photographers if faced with the possibility of paying damages and legal fees." *Id.*

160 *See* H.R. REP. NO. 103-388, *supra* note 8, at 9; *but see 1993 Hearings, supra* note 4, at 205. Oman notes that

> the bill could increase the power of the powerful. The U.S. Copyright Office's registration system generally, and section 411(a) specifically, are the best protection the small entrepreneur defendant has against a deep-pocket corporation that sues them. If you drop section 411(a), the corporation can sue the entrepreneur for infringement on a flimsy claim without risking a Copyright Office rejection, and often the entrepreneur will

nificant impact on prolific copyright owners who are unable to register the body of their creative work. Enactment of the bill would allow photographers, illustrators, designers, and a myriad of other copyright owners an effective means by which to enforce their copyrights for the first time.[161] For example, the Olan Mills Photography Studios throughout the United States creates over 700,000 copyrightable photographs per week.[162] Under the current law, Olan Mills would effectively have to remit copies of *each* photo, along with a registration fee of $14,000,000, to the Copyright Office to receive federal protection for these works.[163] Additionally, Adobe Systems, a computer software company, spent in excess of $400,000 over a three-year period to register their computer programs with the Copyright Office.[164]

The result of such a prohibitively expensive registration system is that many of these companies choose not to register their works.[165] In so doing, they are essentially forgoing the possibility of achieving any substantial remedy in the event of infringement, given that Section 412 prohibits unregistered plaintiffs from seeking statutory damages and attorneys' fees.[166] Clearly, such a system

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have no choice but to knuckle under rather than face expensive litigation in court.

Id. If, in fact, a large corporation did bring a frivolous infringement suit, the entrepreneur could look to § 412 (statutory damages and attorneys' fees) for protection. *Id.*

161 *See 1993 Hearings, supra* note 4, at 129-30 (Peters states that many computer software companies do not register any of their programs with the Copyright Office). *Id.*

162 *Id.* at 379-80. Olan Mills is one of America's largest portrait photography studios with over 900 studios throughout the United States. *Id.*

163 *See* WILSON *supra* note 2, at 37-38. To register a work with the Copyright Office an application must be completed and returned, along with two copies of the published work (only one copy of an unpublished work) and a $20.00 registration fee. *Id.*

164 *See 1993 Hearings, supra* note 4, at 129. According to Mr. Peters' testimony, Adobe systems spends several hundreds of thousands of dollars per year combating software piracy. Apparently, there is one pirated copy for each legal copy of software. *Id.* at 133. The Copyright Reform Bill would facilitate computer company efforts to enforce their copyrights by granting companies access to the court system. *Id.*

165 *See generally 1993 Hearings, supra* note 4, at 126-73. Three of the four computer association representatives at the House hearings stated that their company did not register their software programs because of the excessive costs involved. *Id.*

166 *Id.* Copyrights in the computer industry are particularly confusing because software programs are ever-evolving. Thus, if a company registers "BestWord 1.0" but the infringement occurs to a later version known as "BestWord 2.0," is the copyright protected? It is issues such as these that result in computer companies choosing not to register with the Copyright Office. *Id.*

places American companies competing in a global market at a tremendous disadvantage vis-à-vis their foreign competitors.[167]

The current copyright law also unduly limits the ability of individual creators to enforce the rights granted to them by the 1976 Copyright Act. In the case of a freelance photographer, copyright protection is illusory without a legitimate means of enforcement.[168] Often, a freelance photographer hired for an assignment never even sees the photographs he has taken.[169] Therefore, it is impossible for such photographers to comply with the registration procedure.[170] If infringement of one of these unregistered photographs occurs, he or she is unable to obtain statutory damages and attorneys' fees, and is thus left without an adequate remedy.[171]

Enactment of the Copyright Reform Bill of 1993 would, of course, alleviate these situations by granting all copyright owners an effective means of enforcement.[172] By repealing Section 411, the bill would eliminate the preferential treatment of foreign authors under United States Copyright law.[173] Moreover, by eliminating Section 412, all copyright owners will be afforded a substantive method of enforcing their rights.[174]

V. Conclusion

In the United States today, the phrase "copyright protection" has become an oxymoron. In order to join the Berne Convention, the United States was required to remove all formalities to copyright protection. Ironically, this was accomplished by placing the

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167 *Id.* at 130. According to Mr. Peters' testimony, passage of the Copyright Reform Bill would "help [the computer] industry play its role in creating new jobs and improving the U.S. economy by permitting software companies to take full advantage of the protection afforded by the Copyright Act." *Id.*

168 *See 1993 Hearings, supra* note 4, at 371.

169 *Id.* at 266. Weisgrau observes that photographers do not comply with the registration requirement because their occupation requires them to take the photographs and immediately deliver the roles of undeveloped film to their employer. *Id.*

170 *Id.*

171 *Id.* at 371. In his testimony, Mr. Foster notes that the amount in damages for any one infringement does not justify the costs associated with bringing an infringement suit. *Id.*

172 *See* H.R. REP. No. 103-388, *supra* note 8, at 11.

173 *Id.* at 10.

174 *See* H.R. REP. No. 1476, *supra* note 66, at 135. According to the legislative history of the 1976 Copyright Act, it was never the intention of the drafters to promulgate the system of illusory copyright protection as it has currently developed. *Id.*

formality burden squarely on the shoulders of the American creative community and industry.

In 1992, American copyright industries contributed approximately 190 billion dollars to the United States economy, representing 3.3 percent of our entire Gross National Product.[175] Yet, for most of these companies, the copyright protection they rely upon for survival in their industry is, at best, illusory. In order for the United States to remain competitive in these industries, substantive copyright reform is required.

The overriding purpose of the United States copyright system should be to encourage respect for intellectual property rights, and to provide effective enforcement of these rights when required. The Copyright Reform Bill of 1993 substantially furthers these objectives by eliminating all preconditions to copyright protection and ensuring a viable means by which to defend the product of one's creativity.

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175 *See 1993 Hearings, supra* note 4, at 220.