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Serendipitous Legal Protections: Preemption Continued- 1 -

0.1 Publication and Preemption: the role of "indirectness"

The First Circuit in DeCosta II recognized something rarely focused on, but of great importance-- namely, the following question: assuming there are applicable federal policies of nonprotection, do those policies forbid only direct state attempts to restrain copying, or do they also forbid any state law which has as one of its effects a restraint on copying?

If the policy against protection is strong enough (and the DeCosta II court suggested SEARS/COMPCO in its "unglossed" state DID present such a strong antiprotection policy), even indirect protections would be preempted. The SEARS/COMPCO set of opinions addressed indirect restraints on copying: recall, in COMPCO, the restraint re copying the lighting fixture was based on consumer confusion re source. The ct implied that all a state could do was require labelling, and, (if I remember), that if some residual confusion was left after labelling, the confusion would have to be put up with as the price of preserving patent policy from significant erosion. Most of the attention given to the cases "eroding" SEARS/COMPCO have paid attention largely to only one issue: whether a policy against nonprotection should be inferred from Congressional silence. An equally important issue is this matter of "indirect" versus "direct" state regulation-- should any legal effect flow from the STATE's policies and forms of legal action, or does the inquiry look solely to real-world effect on the federal "goal" of freedom for certain federally nonprotected things.

This issue is linked to another, which I discussed yesterday: (see ar619dec and ar617-65, both on disk 18) the S Ct seems to have no goal of "forcing" private things into the public domain, though it does have a goal of keeping things which are factually "public" and about which the feds say "no protection" from being protected by the states. Thus, the S CT fairly recently cited Brandeis with approval that ideas and facts become "free as air for common use" after "voluntary communication to others", without any cavil about the notion that the communication which triggers nonprotection must be "voluntary". This suggests at least some willingness to let state policies (re privacy, or physical security, or maybe even

breach of contract and breach of confidence) remain intact, even if it means less ideas etc in circulation.

There may be a conflict between the SCT's willingness to let some state schemes of indirect protection go forward and others not. Maybe the resolution of the apparent conflict is that the SCT sees NO FEDL POLICY against the state protection of UNPUBLISHED or undisseminated works-- so that there is no real conflict when the indirect state protection keeps an unpublished or undisseminated work from circulation. This would tie in with my theory very well, for most of the "hard questions" (though not all: consider the public figure problem) arise only after dissemination. This also provides an "easy" solution to the LEAR case- others beside the contracting parties were affected by the availability & price of the crystal-growing process, so therefore the process was "disseminated" and "public" (a la public use within the patent statute- a similar concern) and contracts to restrain attacks on patentability might be preE. Note, however, that under this analysis, MOST trade secret contracts would be preE, and that is clearly NOT what BICRON said. Of course, KEWANEE v BICRON might be seen as merely saying, "whatever the problems of allowing secrecy in disseminated things, they're not very great", but it seems to me that conflicts still remain to be resolved even if I accept this notion I've just developed re published/unpublished works.

Note there are two kinds of reasons for disfavoring the preemption of state schemes of protection. One set of reasons has to do with the benefits of the state scheme which might be lost if it were preempted even in part- e.g., there might be harm to privacy, or the regularity of the laws' application might be undermined etc. This set of reasons might be seen as being concerned with the strength (and normative validity) of the state interest. The other set of reasons has to do with characteristics of the federal interest: strength, and purposes. Strength: If the federal goals are weak, or weakly effected by the state, it might be appropriate to leave the state alone. Purposes: If the federal purposes have to do with the dangers (like slippery slope) of a particular KIND of state action, then other KINDS of state action not sharing those dangers might be exempt from preE.

One might analyze the problem of "indirect" state protection in this way:

1. What does the federal policy look like? (Assume we're dealing with something potentially protectable under

federal law.)

1. Strength: The options are four (although usually perceived as only two)

    1. The federal policy takes NO POSITION on the states' ability to protect the thing. If federal policy takes no position, then under GOLDSTEIN it's probably not preempted. If in addition there's no conflict in practical effect, then under KEWANEE the lack of preemption looks even Clearer.

    2. The federal policy exhibits a Congressional decision that the thing should not be protected. If so, then two more inquiries need be made.

    3. The Congressional decision is that state protection deliberately aimed at intellectual-property purposes is preempted.

    4. The Congressional decision is that any state protection impacting on intellectual property distribution is preempted. (Of course, the lines between category 3 and category 4 could be stated in various other ways, and it may be that more subdivisions are needed.)

    Purposes: The "strength" can be measured in terms of the federal policies' purposes. If the reason for a policy against misappropriation law, for example, is the fear of "slippery slope" expansion of a misappropriation doctrine, then allowing state protection of trade names (not subject to slippery slope so easily[1]) to indirectly protect some of what might be called publicity rights, does no harm. But if there is a strong policy that public figures' names, faces and symbols of identity should be free for all use, then there would be a conflict between the worthy state policies furthered by trade name law (i.e., protection against consumer confusion) and the worthy federal policy of free use of such things. I don't think

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1. But see BOSTON HOCKEY.

any preE cases in the i/p area speak clearly to how one weighs such conflicts. (E.g., does any negative impact on phenomena favored by federal policy, however slight the impact, condemn the state regime, or does the negative effect on federal policies need to be substantial before the state regime is condemned?[2])

2. There is also a subject matter/ exclusive right distinction at work here.

    1. SUBJECT MATTER: Thus, limiting misapp to "identities" may provide security against slippery-slope problems. (And if this is the reason for the comparative success of R of P in the courts, rather than any substantive concern with protecting privacy or other personal interests ("identities" as outgrowths of personality), then extending R of P to other areas, such as merchandising marks, which contain their own "brakes" on slippery slopes, might be appropriate. If so, DeNicola examines the issue of whether r of p provides analogical support for merchandising marks on the wrong ground- the issue shouldn't be personal v corporate, but slippery v. nonslip surfaces.)

    2. EXCLUSIVE RIGHTS: state rights over "copying simpliciter" or over "benefits earned" may have bad effects because of the importance of imitation to healthy competition, and the interrelatedness of modern society. State attempts to give such rights may be preempted (as they would be under 301, at least when applied to cble subject matter within 102, 103). But states sometimes "inadvertently" protect copying, or the use of benefits generated by others' efforts, through laws which have separable justifications, and whose definition of prohibited acts have nothing in them relating to copying or unjust enrichment. Example: breaches of contract[3], breaches of confidence. When copying

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2. KEWANEE might help on this.

3. Breaches of contract are difficult, of course. Consider eg LEAR V ADKINS here.

etc is joined with other acts which have their own negative costs- such as breach of confidence (the trade secret cases)- then, it is true, allowing c of action might have impact on competition. But there are many times when breaching confidences etc might have good indirect effects- as with anything that's presumptively a "bad act", there may be times when it should be privileged. Part of what needs to be decided is what inquiry state courts make, and should make, when a bad act is done: should the bad act always be prohibited (rule utilitarianism), or should there also be set "privileges" or exceptions (rule util with rule-like exceptions) or should there in addition be a general defense of justification (act utilitarianism)? If the state court has a rule-utilitarian type approach[4], then for the feds to preempt it would require two steps: first, that the fed policy is so strong that the state's policy in favor of a rule approach here must give way to inquiry about acts' effects in particular cases, and second, that when acts further competition (or whatever) the bad act is justified. If the state court has an act-utilitarian type of approach, then presumably the federal interest needn't be quite as strong in order for the state law to be nullified, for the federal interest neatly plugs into a "justification" category for which the state law already has room.

3. In all this, it should be remembered that under the copyright act it's clear that c's of action whose essence is bad acts are probably OK, so long as the state court isn't defining an act which does no more than violate one of the 106 rights "bad" on that ground. I'm therefore struggling with an "ideal" preemption system-- in the real world the problems aren't quite so hard.

4. Remember Zacchini suggested that r of p, at least for unfixed works & unpublished performances, wasn't preempted.

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4. D Kennedy may have something like this in mind when he speaks about rules v standards.

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0.2 Re "indirect" protection in general, and impact on my analysis of
the NATION case

Remember that one reason for "pressure" to SIMPLICITER PROTECTION may be the presence of a series of "indirect" protections which, like all indirect protection, has gaps. From the point of view of the layperson, who has something he wants to protect which looks to him very much like what his pal has already gotten protection, there will be a feeling of unfairness if he's not treated like his pal. He goes to a lawyer (BA) to find out if he can be protected or not- he doesn't care what the theory is. This pressure shows up in trademark law: from the outside, the policy person easily sees the difference between copying which tends to confuse, and that which doesn't. To the extent the layperson can't see this, he sees only an inconsistency: the thing is sometimes protected, and sometimes not. When the importance of the doctrinal "excuse" for protection is in actuality small (eg there is a LITTLE copying of text in the NATION case, there is a LITTLE confusion in a copying of a merchandising mark), the sense of injustice may grow. When in the next case the basic facts are the same, except for the lack of the minimal excuse, the disappointed litigant is likely to call foul. Even if the slope HAS brakes, so that protection won't be given in the next case, dangers remain: litigants becoming disappointed with the judicial system, feeling aggrieved, loss of effectiveness in the legal system, etc (B Ackerman) (also Adelstein & Michelman moral costs.) Thus, viewing the NATION case from the Schauer vantage point of "what behavioral tendencies lead to slippery slopes", it may be a dangerous thing to let a case of insubstantial copying be given protection because of "labor" involed-- in the next case involving a lot of "labor" and no copying, there may be strong cries for protection, and much "moral cost" (Adelstein; Michelman) when protection isn't given.