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Fair Use: Threat or Threatened?

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Thank you for inviting me to address the Symposium. It is an honor to participate in the exchange of such interesting and informed views, and to be back at Case.

The original title for my talk had been *Warring Frameworks for Fair Use*. I had intended to discuss two interpretations of market failure analysis, and to suggest how resolving the conflict between those warring frameworks might resolve a variety of fair use issues.

But then it struck me that this might not be what you, a group made up of both generalists and specialists, would most want in a luncheon address. Current debate sparks with claims that the fair use doctrine is dangerous to the values it supposedly protects, or that the doctrine is dead. Therefore, if I spent my time on the internal details of fair use, you might object that I was teaching you to embroider on the fabric of a burning curtain.

So let us defer discussing those details. My time today might be most fruitfully spent asking if fair use is a doctrine that indeed endangers its own goals—and if it is not, exploring whether the doctrine itself is endangered. In the course of my discussion, I will touch on the fate of *Universal City Studios v. Sony*,[1] and will try to cast a bit of

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She thanks Bob Bone, Jane Ginsburg, Jessica Litman, Mike Meurer and Leo Raskind for helpful comments. She also thanks her research assistants, particularly Brandon Ress, BU 2005, and David Segraves, BU 2006.

[1] Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984).

light—albeit a light tinged with irony—on *Grokster*[2] and today's debates on secondary liability.

Let me begin with the question, "How might fair use pose a danger to its own goals?" Fair use is a liberty right. Like the right of self-defense in the common law, it provides a shield against government-imposed liability or punishment. Fair use aims, among other things, to assist citizens in deploying copyrighted works as part of their own expressive activities. In particular, it gives freedoms that the market may be unable to give,[3] or freedoms for which the market is a normatively inappropriate rationing institution.[4] How could a freedom-granting doctrine interfere with liberty?

Two possibilities present themselves. First, the presence of fair use might enable Congress to enact broader swaths of exclusivity than it might otherwise adopt. Second, the existence of fair use might enable judges to validate Congressional schemes that they might otherwise strike down, and might confuse judges into giving short shrift to defendants' expressive claims that do not take classic fair-use forms. Thus, claims that the doctrine is dangerous could have both a legislative and a judicial dimension.

In the legislative domain, conceivably fair use is a false promise that keeps the public from demanding, or Congress from providing, limits on copyright. Perhaps without fair use, the populace would more vigorously demand a secure free space for ideas, facts and other public domain material,[5] or a broad set of exemptions or compulsory licenses that in their specificity might be more capable of resisting "chilling effect" than fair use itself. Fair use indeed has weaknesses. Its case-by-case nature can frustrate desires for predictability, and while winning a case on fair use grounds can give the defendant an award of attorneys' fees,[6] such a result is not guaranteed. Moreover, all Circuits might not agree that a charge of criminal copyright in-

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[2] MGM Studios, Inc. v. Grokster, 125 S. Ct. 686 (2004) (granting certiorari).

[3] *See* Lydia Pallas Loren, *Redefining the Market Failure Approach to Fair Use in an Era of Copyright Permission Systems*, 5 J. INTEL. PROP. L. 1 (1997); Wendy J. Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and its Predecessors*, 82 COLUM. L. REV. 1600 (1982). As both articles emphasize, the market fails to facilitate socially desirable uses in many circumstances, not limited to occasions where transaction costs block any market at all from forming.

[4] *See, e.g.*, Wendy J. Gordon, *Excuse and Justification in the Law of Fair Use: Transaction Costs Have Always Been Only Part of the Story*, 13 J. COPYRIGHT SOC'Y 149 (2003).

[5] *See* Jessica Litman, *Copyright as Information Policy*, 55 LAW & CONTEMP. PROBS. 185, 205 (1992) (criticizing "common wisdom" that might persuade the public to tolerate unwise copyright expansion, including the notion that "[w]e do not have to worry about the use of copyright to impede the dissemination of ideas and information, it is said, because fair use is there to privilege such uses").

[6] *See, e.g.*, Compaq Computer Corp. v. Ergonome Inc., 387 F.3d 403 (5th Cir. 2004).

fringement can be defeated by defendants who possess a good faith belief that their behavior constituted fair use.[7] In these and other ways, fair use is less powerful than one might hope.

Further, one does see hints in Congressional debates that reliance on the supposed power of fair use sometimes hides the urgency of otherwise exigent policy pressures. Matthew Sag goes so far as to speculate that it is the existence of fair use that "enabled" the broadening of copyright in the 1976 Copyright Act.[8]

On the judicial front, the danger that fair use purportedly poses is also linked to the notion that the fair use doctrine distracts attention. However, the argument about how judges are dangerously distracted is subtly different from the argument about how Congress is distracted, because the judicial claim does not rest on the notion of false promise. Instead, it rests on the notion of a false distinction: that the fair use doctrine is encouraging judges to draw a false line between socially desirable speech on the one hand, and exact copying on the other.

One scholar I associate with that view is Rebecca Tushnet. She recently wrote a thoughtful and powerful essay subtitled *How Fair Use Doctrine Harms Free Speech and How Copying Serves It.*[9] She argues that during the last few decades, fair use has become so linked with the notion of "transformative use" that the doctrine has shut its doors to virtually any nontransformative copying.[10] Further, she argues, fair use is so tied up with free speech that when copyright courts

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[7] Thus, Lydia Loren writes that, "What several sources describe as the majority view holds that showing criminal willfulness requires proof of a 'voluntary, intentional violation of a known legal duty.' Yet even with this majority view, the cases discussing criminal willfulness are less than satisfactory in their analysis." Lydia Pallas Loren, *Digitization, Commodification, Criminalization: The Evolution of Criminal Copyright Infringement and the Importance of the the Willfulness Requirement*, 77 WASH. U. L.Q. 835, 877-78 (1999). One case that Professor Loren singles out as showing more thoughtful analysis is United States v. Moran, 757 F. Supp. 1046, 1048 (D. Neb. 1991) (acquitting defendant on the ground that he possessed an honest belief that his acts were fair use).

[8] Matthew Sag, *God in the Machine: A New Structural Analysis of Copyright's Fair Use Doctrine*, 11 MICH. TELECOMM. TECH. L. REV. (forthcoming 2005) *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=694004#PaperDownload. Thus, Professor Sag writes, "From its inception, the fair use doctrine has facilitated the expansion of copyright by providing a flexible limiting principle that defines the outer limits of the copyright owners' rights." *Id.* at 25 (footnote omitted). He notes, "One implication of fair use's structural role is that it advantages copyright owners as a class." *Id.* at 27. Note that Professor Sag is not hostile to fair use.

[9] Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535 (2004).

[10] Although Professor Tushnet acknowledges that cases exist where fair use treatment is awarded to defendants engaged in exact copying, she minimizes the importance of such precedent by noting that the courts involved often stretch to characterize the copying as transformative. *Id.* at 555-56.

indulge this purported disdain for nontransformational copying, it encourages a distortion of First Amendment doctrine as well.[11]

Professor Tushnet is right to praise nontransformative copying. Exact copying is a central mode of learning,[12] and often has crucial First Amendment importance. Consider, for example, the battles over children reciting the Pledge of Allegiance or reciting prayers in school; if these acts of mere repetition were not deeply expressive, people would not so passionately care about the outcomes.

So Professor Tushnet rightly emphasizes how important it can be for us all to speak others' words in addition to our own.[13] But she goes further: she is concerned that judges, like Justice Ginsburg in *Eldred*,[14] miss this importance when copyright is in front of them, because fair use somehow crosses their conceptual wires.[15]

These, then, are two potential claims about the dangers of fair use: 1) that fair use makes it harder to convince Congress that copyright needs more explicit limits, and 2) that fair use makes it harder to get judges to see free speech issues clearly. Are such dangers real? I'll respond in a moment. But first, let me describe a much more common claim, that fair use is dead.

The claim that fair use is dead tends to take two forms—a pair of competing epitaphs. One putative tombstone reads, "Here Lies Fair Use, Done in by the DMCA." The other tombstone says, "Killed by Contract."

First, what's meant by the claim that fair use is "Done in by the DMCA?" The DMCA, of course, is the Digital Millennium Copyright Act.[16] The DMCA makes it unlawful to bypass encryption that encases materials that are—even in small part—copyrighted.[17] The DMCA is usually seen as providing no exception for bypassing technological access controls to make a fair use.[18] Let me give an example of how this would work.

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[11] *Id.* at 548.

[12] "[I]f man has any 'natural' rights, not the least must be a right to imitate his fellows . . . Education, after all, proceeds from a kind of mimicry, and 'progress,' if it is not entirely an illusion, depends on generous indulgence of copying." BENJAMIN KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT at 2 (1967).

[13] Professor Tushnet rightly argues that "identification with another's words" can be "as valuable [and] authentic as disagreement." Tushnet, *supra* note 9, at 586.

[14] Eldred v. Ashcroft, 537 U.S. 186, 221 (2003).

[15] Note the second-class treatment that Justice Ginsburg's opinion in *Eldred* gives the free speech interests of people who make "other people's speeches." *Id.* (rejecting a First Amendment challenge to copyright term extension) *as discussed in* Tushnet, *supra* note 9, at 561-64.

[16] Pub. L. No. 105-304, 112 Stat. 2860 (codified as amended in scattered sections of 17 U.S.C. (1998)).

[17] *See* 17 U.S.C. § 1201(a)(1)(A) (2000).

[18] This is the usual interpretation of Universal City Studios, Inc. v. Reimerdes, 111 F.Supp.2d 294 (S.D.N.Y.2000), *aff'd sub nom* Universal City Studios, Inc. v. Corley, 273 F.3d

Posit a critic who sees a movie she wants to criticize. She plans to digitally copy a scene, and then apply Photoshop to alter its lighting, in order to make a point about the film's cinematography. But the film may be encrypted. If so, the DMCA prohibits the critic from taking the preliminary steps (decryption) necessary to make a copy—even though the copying and adaptation could themselves constitute lawful fair use. The best she can do is play the movie on her computer or TV screen and aim her video camera at it—producing a blurry analog version that is unlikely to allow her to make her cinematographic point.[19] She will be unable to give the people in her audience the evidence they need to assess her views about the film.

Providing evidence via quotation is one of the important functions that the fair use doctrine exists to facilitate. Nevertheless, the DMCA makes her encryption bypass unlawful, and as a result makes her entitlement to fair use unavailable as a practical matter.

An analogy from the physical world may make it easier to see how fair use and the DMCA function. Picture a seaside community where the public beach is largely surrounded by private land. Many jurisdictions would allow beach-goers access through the private land. Wrote one such court, "Without some means of access the public right to use the foreshore would be meaningless."[20] Similarly, copyright courts have awarded fair use to persons who, seeking public domain functional elements, ideas and facts, make copies of copy-

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429 (2d Cir. 2001) (fair use not a defense to an anti-trafficking violation under the DMCA). Other courts might come to different conclusions, however, and even *Reimerdes* itself need not be so expansively interpreted. Thus, the Federal Circuit noted, "We do not reach the relationship between § 107 fair use and violations of § 1201. The District Court in *Reimerdes* rejected the DeCSS defendants' argument that fair use was a *necessary* defense to § 1201(a), *Reimerdes,* 111 F.Supp.2d at 317; because *any* access enables some fair uses, any act of circumvention would embody its own defense. We leave open the question as to when § 107 might serve as an affirmative defense to a prima facie violation of § 1201." Chamberlain Group, Inc. v. Skylink Technologies, Inc., 381 F.3d 1178, 1200 n.14 (Fed.Cir. 2004), *cert. denied*, 125 S.Ct. 1669 (2005) (emphasis in original).

[19] I have been told that if the critic is technologically sophisticated enough, she may be able to capture something called the "analog output" and transform that into a crisp digital image. I do not have the technological expertise to evaluate this claim; what I do observe is that many others similarly lack the expertise, but—if the law allowed—would be capable of using decryption software such as DeCSS. Of course, the DMCA not only outlaws decryption; it also outlaws making or selling decryption software. 17 U.S.C § 1201(a)(2) (anti-trafficking provision). *See also* Universal City Studios, Inc. v Corley, 273 F. 3d 429 at 442, 444 (2d Cir. 2001) (enjoining the marketing of DeCSS as a device that "effectively controls access to a work").

[20] Matthews v. Bay Head Improvement Ass'n, 471 A.2d 355, 364 (N.J. 1984). For seminal exploration of the parallels between copyright's public domain and the physical public domain of the environment, see generally the work of James Boyle, such as James Boyle, *The Enclosure Movement and the Construction of the Public Domain*, 66 LAW & CONTEMP. PROBS. 33 (2003); *see also id.* at 59 (discussing the public trust doctrine).

righted computer programs as a necessary step to reaching the public domain material.[21]

Copyright courts have not gone as far as seaside courts, however. At the seaside, the public may be entitled to an injunction that takes down the fence,[22] while in copyright, fencing itself is usually considered lawful. The DMCA not only reinforces the private property owner's privilege of fencing, but adds to it a prohibition on even climbing the fence.

Return to our imaginary seaside community. A critic like any other member of the public can take the path through private property to get to the beach. And if a homeowner fences off the path, the public may well be entitled to an injunction that takes down the fence.[23] If the fences have latched gates, people going to the beach may just be able to unlatch them. If the fences are low enough to the ground, people going to the beach can just step over them.

Assume, however, that in our community, some home owners start complaining to city hall that the beach-going public is noisy, or nosy, or perhaps that people peek annoyingly into the windows to free ride on the home owners' pay-TV. So the community enacts something like the DMCA: it validates fencing, and makes climbing over a fence unlawful. And when the people who live a few blocks from the beach complain that their historic rights of beach access are being eliminated, they are told, "Don't worry—once you get on the other side of the fence you still will be protected by the public right-of-way; you won't be a trespasser." But what good is that, if you're not allowed to jump the fence without getting arrested?

To follow up the analogy, if the public path is fair use, and the fence is encryption, the DMCA is the law that keeps you from practical access to the path. As digital distribution increases, the DMCA will indeed increasingly threaten fair use.

The second purported cause of fair use's alleged demise is contract. Why is it thought that contract may kill fair use? It is because much of the digital content we receive demands a click-through or shrink-wrap consent prior to access. And the concern is that one of

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[21] *See, e.g.*, Sony Computer Entm't, Inc. v. Connectix Corp., 203 F.3d 596, 602 (9th Cir. 2000) (ruling that copying for reverse engineering was fair use); Assessment Techs. of WI, LLC v. WIREdata, Inc. 350 F.3d 640, 644-45 (7th Cir. 2003) (stating that copying of a software program to extract uncopyrighted data would be a fair use, and that "since [the plaintiff] has no ownership or other legal interest in the data collected by the assessor, it has no legal ground for making the acquisition of that data more costly . . . .").

I am indebted to Professor Sag's useful discussion of the reverse engineering cases. Sag, *supra* note 8, at 37-39.

[22] State *ex. rel.* Thornton v. Hay, 462 P.2d 671 (Or. 1969).

[23] *Id.*

the things the distributor can demand we "consent" to, in these licensing clicks, is waiver of our fair use rights. The legality of such waivers is still in dispute, both as a matter of state contract law and of preemption. Until definitively struck down (or if upheld), such asserted waivers can discourage otherwise desirable fair uses.

So how do I respond? While fair use is in danger from the DMCA and developments in contract law, I am not yet prepared to pronounce fair use to be dead. I will come back to these claims later, but for now, let us discuss the claims that the fair use doctrine is dangerous.

Regarding Congress, I concede that sometimes opponents to putting limits on copyright cite fair use as a reason why action is unnecessary.[24] But specific exemptions continue to be crafted and adopted nevertheless;[25] no one imagines fair use can carry the burden alone. Moreover, I cannot credit the suggestion that fair use caused the breadth of current copyright. The legislative history that Jessica Litman and others reconstruct suggests no such neat causal tale.[26]

I concede that the existence of fair use does permit entertainment lobbies to pretend that the public has more protection than it really has.[27] However, this danger is hardly as significant as the many public choice difficulties identified by Professor Litman,[28] particularly imbalances in negotiating and lobbying power. Eliminating fair use would eliminate the danger of its force being exaggerated—but it is

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[24] *See, e.g., The Copyright Office Report on Copyright and Digital Distance Education: Hearing Before the Senate Comm. on the Judiciary*, 106th Cong. 12 (1999) (statement of Sen. Ashcroft, Member, Sen. Comm. on the Judiciary) ("Some interested parties have suggested that 'fair use' is sufficient to take care of the problem of digital distance learning.").

[25] *See e.g.*, 17 U.S.C. §§ 108-122.

[26] *See generally* Jessica Litman, DIGITAL COPYRIGHT (2001). Rather than fair use substituting for what might have been particular exemptions, Professor Litman argues that "Congress did not incorporate specific exemptions for the general population in most of these enactments because nobody showed up to ask for them." *Id.* at 176.

Moreover, to the extent that fair use did play the role Professor Sag attributes to it, such a history would only would reinforce the strength of positions like Professor Litman's that, "[T]he 1976 Act's structural expansiveness requires courts to interpret the statute's few limiting principles with concomitant expansiveness in order to preserve the balance that the statute seeks to achieve." Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857, 895 n. 241 (1987).

[27] *See The Digital Media Consumers' Rights Act of 2003: Hearing on H.R. 107 Before the Subcomm. on Commerce, Trade and Consumer Protection of the House Comm. on Energy and Commerce*, 108th Cong. 30 (2004) (statement of Jack Valenti, President and Chief Executive Officer, Motion Picture Association of America) ("So I'm saying to you, Mr. Chairman, fair use is alive and well . . . .").

[28] *See generally* Jessica Litman, *Revising Copyright Law for the Information Age*, 75 OR. L. REV. 19 (1996); Litman, *supra* note 26. *See also* Suzanne Scotchmer, *The Political Economy of Intellectual Property Treaties*, 20 J. L. ECON. & ORG. 415 (2004) (suggesting a pro-restraint imbalance on the international front, resulting from structural considerations).

bad strategy to strip one's self naked in an effort to look more pitiable.[29]

Regarding the purported dangers that the fair use doctrine poses to *judges*, I simply disagree. It would be a shame if the courts got hung up on 'transformation,' but I think that rubric will go the way of all the other failed attempts at simplifying fair use, like the presumption that commercial uses are unfair,[30] or the favoritism for plaintiffs whose work is unpublished.[31]

As we remember, the Supreme Court has ruled on the issue. Whether fair use was available for exact 'unproductive' copying was the primary point on which the Supreme Court disagreed with the Ninth Circuit in *Sony v. Universal City Studio*[32] back in 1984. The Ninth Circuit had held that fair use could not extend to unproductive copying[33] (in that instance, making an exact VCR copy of a copyrighted TV show). The Supreme Court reversed.[34] In *Sony* the Court held that such copying could be fair use, and *Sony* has not been overruled.

Admittedly, the Court in a later fair use opinion, *Acuff-Rose,* emphasized the transformative nature of the defendant's parody.[35] However, that emphasis was deployed as part of the Court's effort to extricate itself from its earlier *dicta* that all commercial uses were presumptively unfair.[36] *Acuff-Rose* itself explicitly ratified *Sony's* rejection of a 'productivity' or 'transformativity' requirement.[37] Many post-*Acuff* cases, like *Núñez,*[38] give fair use to nontransformative copies.[39]

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[29] Not that Professor Tushnet and other defenders of free speech are calling for us to cast away our clothes (or fair use) today, but it is worthwhile to examine where criticism of the doctrine might lead.

[30] The presumption arose in *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984), and was evaded in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

[31] When the cases began showing extreme deference to unpublished works, Congress responded by amending the statute to make clear that "The fact that a work is unpublished shall not itself bar a finding of fair use . . . ." 17 U.S.C. § 107 (2000).

[32] Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984). Professor Tushnet treats the term "productivity" as simply "the older term" for "transformation". Tushnet, *supra* note 9, at 556.

[33] Universal City Studios, Inc. v Sony Corp. of Am., 659 F 2d 963, 969-73 (9th Cir. 1982), *rev'd by* Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984).

[34] *Sony*, 464 U.S. at 421.

[35] *Acuff-Rose*, 510 U.S. at 579 (transformative works "lie at the heart of the fair use doctrine's guarantee of breathing space . . . .").

[36] *Id.* at 583-84. Both transformation and commerciality relate to the first factor of the fair use statute, the 'purpose and character of the use'. 17 U.S.C § 107(1) (2000).

[37] *Acuff-Rose*, 510 U.S. at 579 (citing to the portion of the *Sony* opinion, 464 U.S. 555 n. 40, that rejected the Ninth Circuit's "assump[tion] that the category of 'fair use' is rigidly circumscribed by a requirement that every such use must be 'productive.'").

[38] Núñez v. Caribbean Int'l News Corp., 235 F.3d 18 (1st Cir. 2000).

[39] A "nontransformative copy" is described by Professor Tushnet as a copy that is not "critical and creative". Tushnet, *supra* note 9, at 537. Among the post-*Acuff* cases that award

Admittedly, liability is sometimes imposed on the making of exact copies; yet it is also true that liability is often imposed on the makers of transformative works.[40] Both results flow from generally applicable principles,[41] rather than from a rule disfavoring non-transformative works.[42]

Professor Tushnet intimates that the fair use doctrine might be responsible for the Supreme Court's decision in *Eldred* to uphold the constitutionality of the Sonny Bono copyright term extension.[43] She seems to think that the Bono term extension would have fallen if the judges could only have looked at the First Amendment squarely, without the distraction of fair use. I think that is implausible. The Bono term extension was a terrible incursion on the public interest, but the copyright-First Amendment conundrum is simply tough[44]—Professor Tushnet goes further and calls the conflict "in large part irreconcilable"[45]—and that is not the fault of fair use.

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fair use treatment to non-creative copies are Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003); Bond v. Blum, 317 F.3d 385 (4th Cir. 2003), *cert. denied*, 540 U.S. 820 (2003); Newport-Mesa Unified Sch. Dist. v. Cal. Dep't of Educ., 2005 U.S. Dist. LEXIS 10290 (D. Cal. 2005) ; Shell v. City of Radford, Virginia, 351 F. Supp. 2d 510 (W.D. Va. 2005); Duffy v. Penguin Books USA, 4 F. Supp. 2d 268, 274 (S.D. N.Y. 1998); and Lucent Information Management, Inc. v. Lucent Technologies, Inc., 5 F.Supp.2d 238 (D.Del. 1998), *aff'd on other grounds sub nom*, Lucent Info. Mgmt. v. Lucent Techs., Inc., 186 F.3d 311 (3d Cir. Del. 1999).

[40] As is often noted, the copyright owner's right over derivative works, 17 U.S.C § 106(2) (2000), is a right to control transformative works based on the copyrighted expression.

[41] Those general principles can best be found by looking at the ways that ordinary copyright markets fail to serve social goals. Professor Tushnet largely concedes that general market failure principles could explain the transformative-use cases. Tushnet, *supra* note 9.

[42] Professor Tushnet suggests that "plain old photocopying even in educational or scientific contexts, begins to look unfair". Tushnet, *supra* note 9, at 557; also see *id.* at 537. However, for that proposition she cites primarily Princeton Univ. Press v. Mich. Document Servs., 99 F.3d 1381 (6th Cir. 1996) (*en banc*) and Am. Geophysical Union v. Texaco, 60 F.3d 913 (2d Cir. 1995). These are not "photocopying cases" per se. Rather, as with all fair use disputes, their resolution depended on the interplay of a multitude of factors. Thus, the *Texaco* court noted, "Our ruling is confined to the institutional, systematic, archival multiplication of copies," 60 F. 3d at 932, and the *Michigan Document* court emphasized the "systematic and premeditated character [of the copying], its magnitude, its anthological content, and its commercial motivation", 99 F. 3d at 1390. The cases involved systematic behavior, in a profit-making context, where the courts thought licensing was feasible, where there was no suggestion of censorship motives, where privacy issues did not arise, and where the courts seem to have doubted that the quantity of copying would be decreased by the need to pay a fee.

On the continued availability of fair use for photocopying, *see* Duffy v. Penguin Books USA, 4 F. Supp. 2d 268, 274 (S.D. N.Y. 1998) (holding photocopying a fair use, citing *Texaco*).

[43] Tushnet, *supra* note 9, at 561 (discussing the Court's treatment of the 1998 Sonny Bono Copyright Term Extension Act, 112 Stat. 2827).

[44] For exploration of its difficulties, see Wendy J. Gordon, *Copyright Norms and the Problem of Private Censorship*, in COPYRIGHT AND FREE SPEECH: COMPARATIVE AND INTERNATIONAL ANALYSES, 67 at 72-78 (J. Griffiths & U. Suthersanen eds., 2005).

[45] Tushnet, *supra* note 9, at 547.

So I give a different interpretation to the cases she examines. Fair use has not bifurcated copying and transformation as much as she suggests. Not only do I think courts will continue to recognize some plain copying as fair use, but I am optimistic that our courts will also come to grips with the fact that all forms of copying can implicate the First Amendment.

But what about the claim that fair use is *dead*? Ah, here is a bigger problem. Fair use is indeed ill, though hardly dead yet.

First, let us look at the threat posed to fair use by contract. I side with those who say contractual waivers of fair use should be preempted, at least in the typical shrinkwrap context. (Fully negotiated terms arrived at by a meeting of equal and engaged parties may be different). My prediction is that over time, if such contracts become so ubiquitous that they attach to virtually all copies, the result will be so property-like that courts will subject the contracts to copyright preemption.[46] Similarly, states may interpret their own laws (or adopt new ones) to avoid subjecting their citizens en masse to take-it-or-leave-it waivers of important liberties. But that is largely guesswork.[47] Today's law tends to weigh against preemption,[48] and today's contracts may indeed inhibit desirable and lawful fair uses.

The second threat to fair use, the DMCA, poses more immediate dangers. Can the threat be surmounted by Congress or by judges applying the First Amendment? Given the history on both counts, I am not sanguine.[49]

Yet . . . not everything is digital yet. Until it is, there are many alternate paths to the beach, many ways to obtain access to copyrighted and public domain works without stumbling over encryption or clicking through contracts. But digital delivery is increasingly dominant, so we fans of fair use do need to fight for change in the DMCA and an improvement in the law of contract preemption.

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[46] *See* Wendy J. Gordon, *Intellectual Property as Price Discrimination: Implications for Contract*, 73 CHI-KENT L. REV. 1367 (1998).

[47] The guess nevertheless has some normative support. *See* 1-1 NIMMER ON COPYRIGHT § 1.01 (criticizing the decision in *Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317 (Fed. Cir.), *cert denied*, 539 U.S. 928 (2003), for validating a license that prohibited a fair use); *see also* 1-3 NIMMER ON COPYRIGHT § 3.04 (B)(3)(a).

[48] Thus, despite the criticism to which the *Bowers* case has been subjected, *see supra* note 47, it was followed in Davidson & Associates v. Internet Gateway, 334 F. Supp. 2d 1164, 1180 (E.D. Mo. 2004) (upholding a click-wrap waiver of reverse engineering, although "reverse engineering as a fair use is firmly established") (citation omitted). The leading case on contract preemption is probably ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1454 (7th Cir. 1996) (upholding a shrinkwrap contract that inhibited the use of public-domain material); *but see* Vault v. Quaid, 847 F.2d 255 (5th Cir. 1988) (holding unenforceable a contract provision that prohibited decompilation of a computer program).

[49] *See, e.g.*, United States v. Elcom, Ltd., 203 F. Supp. 2d 1111 (N.D.Cal. 2002) (upholding the DMCA anti-marketing provisions against a First Amendment challenge).

Let me close with an irony, comparing the posture of DMCA regarding fair use, with the posture of *Grokster*.

In the recent *Grokster* case now before the Supreme Court,[50] the argument concerns secondary liability. The case proceeds on the assumption that some of the behavior facilitated by Grokster[51] and Streamcast[52] is infringing.[53] The Ninth Circuit held that the peer-to-peer programs were not liable for this ill-defined behavior because the programs had substantial non-infringing uses,[54] and because the software did not give Grokster or Streamcast the ability to control what users did with it.[55] The plaintiff copyright owners are basically arguing that Grokster or Streamcast could have included in their program some way to control what its users did,[56] and should be held liable for not doing so. That is, the plaintiffs essentially want the law to forbid the marketing of new devices unless they are equipped to stop infringement.[57]

The *Grokster* Ninth Circuit opinion appropriately held that such a decision was for Congress, not the courts.[58] To illustrate why this should be a Congressional, not a judicial, decision, think of the image Randy Picker called forth, earlier in today's discussion, of the Star Trek transporter. If installed in every home, such an invention could allow thieves to transport toys and TVs off the Wal-Mart shelves at their ease and without paying. But an instantaneous transporter also

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[50] MGM Studios Inc. v. Grokster, 380 F.3d 1154 (9th Cir. 2004), *cert. granted*, 125 S. Ct. 686 (2004).

[51] Grokster is a distributor of free file-sharing software. MGM Studios, Inc., 380 F.3d at 1158. Grokster's software allows users to share digital files, for example music and videos. *Id.* Grokster's software is characterized as a "peer-to-peer" network ("P2P"). In this article, I will use the term "P2P" to denote software that enables a user's computer to access information stored on other computers without a central index of available files.

[52] Streamcast, like Grokster, distributes free file-sharing software that uses a P2P network. *Id.* at 1159.

[53] *Id.* at 1160 (noting that direct infringement by users was undisputed).

[54] *Id.* at 1160-62.

[55] *Id.* at 1162 (holding defendants not liable for contributory infringement because, *inter alia*, the defendants receive notice of particular infringing conduct only at a time when they can "'do nothing to facilitate, and cannot do anything to stop, the alleged infringement' of specific copyrighted content") (citing the District Court's opinion at MGM Studios, Inc. v. Grokster, Ltd., 259 F. Supp. 2d 1029, 1037 (D. Cal. 2003); *see also MGM Studios, Inc.*, 380 F.3d at 1163-66 (holding defendants not liable for vicarious infringement because, *inter alia*, the defendants had "no ability to exclude individual participants", *id.* at 1165, and thus no ability to supervise).

[56] *Id.* at 1165-1166 ("The district court correctly characterized the Copyright Owners' evidence of the right and ability to supervise as little more than a contention that 'the software itself could be altered to prevent users from sharing copyrighted files.' *Grokster I*, 259 F.Supp.2d at 1045.").

[57] There may be other alternatives as well.

[58] *Grokster*, 380 F.3d at 1167. The holding and tenor of the *Grokster* opinion largely followed the predictions made in Jane C. Ginsburg, *Copyright and Control over New Technologies of Dissemination*, 101 COLUM. L.REV. 1613 (2001).

would have immense and obvious legitimate uses. Copyright owners asking the *Grokster* court to impose secondary liability resembles Wal-Mart asking a property court to impose on the transporter's manufacturer a liability for all the thefts accomplished through use of the device—and, if injunctive relief is sought—prohibiting the transporter from being marketed at all until the makers could figure out how to identify thieving uses and stop them. This could mean no marketing of the marvelous transporter at all—hardly a typical judicial function.

But for our purposes, simply note the image: A potentially revolutionary device appears.[59] Then, property owners ask the judges to rule that no such device be marketed unless its distributors are able to identify and stop unlawful use. For peer-to-peer programs, this means that the software would need to be made capable of distinguishing infringing from noninfringing uses.

With that image in mind, let us turn to fair use and the DMCA, and you will see what I call an irony.

Congress delegated power to the Copyright Office to identify works that should be freed of DMCA circumvention restraints.[60] If the Office in a rulemaking finds that the DMCA "adversely" threatens the noninfringing use of any class or classes of works, it can create a specific exemption benefiting the users of such works.[61] One of the most interesting suggestions for the Copyright Office use of that power was the proposal, from Jane Ginsburg, that the DMCA should be inapplicable to any class of works for which the encrypting program fails to identify and allow access to public domain material.[62]

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[59] Peer-to-peer sharing technology has significant potential to change the information landscape. The *Grokster* court recognized advantages sounding in economics, cultural interchange, and civil liberties: "The technology has numerous other uses, significantly reducing the distribution costs of public domain and permissively shared art and speech, as well as reducing the centralized control of that distribution." *Grokster*, 380 F.3d 1154 at 1164. *See also* Jessica Litman, *Sharing and Stealing*, 27 HASTINGS COMM. & ENT. L.J. 1 (2004).

[60] 17 U.S.C. § 1201(a)(1)(C) (2000). The delegation is actually to the Librarian of Congress, under whom the Register of Copyright serves. *Id.* at §701(a).

[61] *See* 17 U.S.C. § 1201(a)(1)(C)-(E) (2000).

[62] Letter via e-mail from Jane C. Ginsburg, Morton L. Janklow Professor of Literary and Artistic Property Law, Columbia University School of Law, to David Carson, Esq., General Counsel, United States Copyright Office (June 11, 2000) *available at* http://www.copyright.gov/1201/post-hearing/comments.html. Professor Ginsburg suggested that:

> the Copyright Office might include the following class of works among the classes exempted from the application of § 1201(a):
>
> > Compilations and other works that consist of or incorporate works or materials in the public domain, unless the compilation or other work is marked in such a way as to identify the public domain components, thereby permitting the circumvention of any technological measure that controls access to the public domain components.

Dan Burk and Julie Cohen argued additionally that encryption should be equipped in ways that allow fair users to get through the encryption barrier.[63] Thus, it was suggested that the law require, before a copyright owner could take advantage of the DMCA anti-circumvention provision, that he adopt encryption devices that made it possible for fair users to get access, and for seekers of public domain material to obtain it even when it is bundled with copyrighted material.

So here is the irony: copyright owners demand that all sharing programs distinguish proper from improper use, and advocates for the public domain demand that all encryption programs do the same.

Unfortunately, the Copyright Office has not followed the suggestion that fair uses or public domain portions of works be treated differently. Nor have courts asked to uphold fair use as a defense to the anti-circumvention provisions of the DMCA agreed to do so. Further, given the lobbying imbalance mentioned earlier, it is likely Congress will also decline to amend the DMCA as requested. So no one is responding to the plea that the law demand fine-tuned technology in the aid of fair use and the public domain. Yet the *Grokster* plaintiffs are hoping for just such fine-tuned technology from the Supreme Court. Let us hope the Court does not give it to them. If fine tuned technology isn't good for the goose, it should fare no better when the gander demands it.

Fair use is not dead. Fair use is not a threat to its own goals. To the contrary: overbroad contract rules and the DMCA are the true threats. They threaten the culturally-viable practices that fair use has historically sheltered. For fair use to serve its purposes, we need to do more than keep it on the books. Our institutions must make it practical to employ.

Id.

[63] Dan L. Burk & Julie Cohen, *Fair Use Infrastructure for Rights Management Systems* 15 HARV. J.L. & TECH. 41, 55 (2001) (proposing "modifications to the DMCA designed to create incentives for the preservation of fair use in digital media").