

An Analog Solution in a Digital World: Providing Federal Copyright Protection for Pre-1972 Sound Recordings

Michael Erlinger, Jr.*

I. INTRODUCTION.....	46
II. THE HISTORY OF COPYRIGHT PROTECTION FOR SOUND RECORDINGS.....	47
A. <i>Cracks in the Foundation</i>	47
B. <i>Thomas Edison & Federal Copyright Protection in 1909</i>	48
C. <i>Early State Law Protection of Sound Recordings</i>	51
1. Common-Law Copyright.....	51
2. Unfair Competition	52
3. Unfair Competition & Common-Law Copyright Case Law	53
4. State Statutes	55
D. <i>Pre-Emption of State Protection: Sears-Compco</i>	55
E. <i>Federal Copyright Protection: the 1971 Sound Record- ing Amendment</i>	56
F. <i>Testing State Statutory Protection: Goldstein v. California</i>	60
G. <i>Testing the Depths of Confusion: La Cienga v. ZZ Top</i>	61
III. STATE PROTECTION & DIGITAL USES OF PRE-1972 SOUND RECORDINGS.....	63
A. <i>Contemporary Common Law Protection</i>	63

* Michael Erlinger, Jr. has an LL.M. in Intellectual Property from The George Washington School of Law where he received the Honorable Gerald J. Mossinghoff Fellowship for Graduate Research in Intellectual Property Law and was a member of the Intellectual Property Law Association and Cyberlaw Student Association. Many thanks to Professors Dawn Nunziato and Roger Schechter of The George Washington University Law School for their encouragement and advice. He wishes to express special thanks to Robert A. Finkelstein for his continued guidance and support.

B. <i>Applicability of the DMCA</i>	65
C. <i>State Protection, Fair Use, and the Public Domain</i> ...	67
IV. PROPOSING FEDERAL PROTECTION FOR PRE-1972 SOUND RECORDINGS	69
A. <i>There is a Long Standing Need for Congressional Action</i>	69
B. <i>Contours of a Proper Federal Scheme: the URAA Model</i>	70
C. <i>Lingering Difficulties</i>	72
1. Term of Protection & Enlargement of the Public Domain	72
2. Ownership of the Federal Copyright.....	75
3. Reliance Parties and the Notice of Intent to Enforce	76
V. CONCLUSION	77

I. INTRODUCTION

In a paradox that escapes most of the public and many law practitioners, pre-1972 sound recordings are not eligible for federal copyright protection; rather, these sound recordings are protected by state law. For example, under United States Copyright Law, Stevie Wonder's 1969 record "Uptight (Everything's Alright)" receives no federal protection, while Wonder's 1974 hit "You Haven't Done Nothin'" does receive federal copyright protection.¹ In lieu of federal protection, Wonder's claims for any infringement in the "Uptight" sound recording must be brought under state law.

While the protection afforded by federal copyright law is relatively clear, determining the scope of protection afforded by state law is a difficult, uncertain, and frequently fruitless endeavor. The first question may be the hardest: which state's law applies in a dispute? The legal distinction between pre-1972 and post-1972 sound recordings results in a patchwork scheme wherein the availability and strength of protection varies significantly from state to state. Stevie Wonder will simultaneously need to determine where his state law rights may have been infringed and what, if any, state law rights may apply.

Before the arrival of the Internet Age, Wonder's questions were not tremendously difficult. The use of a sound recording was often a geographically local event. A Los Angeles radio station's broadcast of

¹ While nearly any singer-songwriter working before 1972 would serve as a fine example, Stevie Wonder is a court-certified, music legend. *M-101, LLC v. iN Demand, L.L.C.*, 2007 U.S. Dist. LEXIS 88913, at *4 (S.D.N.Y. Dec. 3, 2007).

“Uptight,” by and large, reached only citizens of the Great State of California. Accordingly, Wonder’s claim for any infringement in that Los Angeles radio broadcast would be brought under California state law. As the remaining four major record labels are learning, those days are gone. Digitization of sound recordings and the Internet have resulted in the near-instantaneous national and international distribution, transmission, copying, and public performance of sound recordings. Which state’s law applies when users in Saginaw, Michigan and Clarksdale, Mississippi use a peer-to-peer network² to download “Uptight” from a user in a Los Angeles apartment? Should it change the analysis if the law of Mississippi would find all three users liable under its unfair competition laws, while Michigan law would preclude any finding of liability?

While determining protection of pre-1972 sound recordings under 50 different state protection schemes has always been difficult, the inherent complications are magnified and exponentially compounded when sound recordings are digitally reproduced, distributed and used. To understand the impending difficulty of the issues looming in our digital future, it is necessary to understand the complex, and often tortured, protection scheme of our analog past.

This note reviews the history of protection afforded to sound recordings, revisits a few choice issues that demonstrate the irreconcilable difficulties inherent in the varying state law, advocates for the adoption of a uniform, national protection scheme for the use of pre-1972 sound recordings, and proposes an amendment to the Federal Copyright Act.

II. THE HISTORY OF COPYRIGHT PROTECTION FOR SOUND RECORDINGS

A. *Cracks in the Foundation*

Historically, Congress has exercised its authority to enact copyright legislation in relatively small, incremental steps. While small, these steps are frequent. Since 1790, Congress has amended the Copyright Act³ dozens of times, increasing the size of the statute to that of a small phone book.⁴ The revisions to the Copyright Act, however, are not entirely without justification. While the argument is often applica-

² ANDREW S. TANENBAUM, *COMPUTER NETWORKS* 380 (4th ed. 2002) (“A relatively new phenomenon is peer-to-peer networks, in which a large number of people, usually with permanent wired connections to the Internet, are in contact to share resources.”).

³ Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976) (amended 2006).

⁴ See, e.g., CLINTON Helyin, *Bootleg: The Rise & Fall of the Secret Recording Industry* 17 (Omnibus Press 2003). Many commentators have lamented the complexity and sheer volume of statutory intricacies that flow from the numerous revisions of the Copyright Act. See, e.g.,

ble to the law in general, it is particularly true that changes in copyright law are often driven by changes and discoveries in technology.⁵ An innovation occurs and Congress responds by appropriately revising copyright law to adequately acknowledge the innovation and to address the proper distribution of any new exercise of rights that may flow from that new technology. Congress persistently reacts to changes in the marketplace by revising the law accordingly.⁶ Just as the new technology is built on and layered over existing technology, amendments to the copyright law are built on and layered over existing copyright law.

When an amendment is faulty, however, this approach becomes problematic. As technology develops and further amendments are added, layer upon layer of rights are built upon a faulty foundation. The result is a building that threatens to collapse. At the very least, the tenants are not confident enough in the structure to make full use of the property.

Congress's treatment of sound recordings has resulted in layers of rights built upon a faulty foundational premise: namely, the notion that sound recordings, and pre-1972 sound recordings in particular, should receive less protection than other protectable subjects of the Federal Copyright Act. Layers of Congressional amendments and state laws built upon that faulty premise have produced a protection scheme that prohibits owners and users from making full use of pre-1972 sound recordings.

B. *Thomas Edison & Federal Copyright Protection in 1909*

In 1790, Congress built the foundation of our copyright law by passing our nation's first Copyright Act.⁷ The 1790 Act, however, did not extend protection to musical works.⁸ In 1831, Congress amended

Pamela Samuelson, *Preliminary Thoughts on Copyright Reform Project*, 3 UTAH L. REV. 551 (2007).

⁵ See, e.g., *Waring v. WDAS Broad. Station, Inc.*, 327 Pa. 433, 435 (1937) ("Just as the birth of the printing press made it necessary for equity to inaugurate a protection for literary and intellectual property, so these latter-day inventions make demands upon the creative and ever-evolving energy of equity to extend that protection so as adequately to do justice under current conditions of life.").

⁶ Congress has revised the Copyright Act at least 58 times since 1976. See U.S. Copyright Office, *Copyright Law of the United States of America and Related Laws Contained in Title 17 of the United States Code*, (2007), <http://www.copyright.gov/title17/92preface.html>.

⁷ Copyright Act of 1790, Ch. 15, 1 Stat. 124 (1790).

⁸ Federal law recognizes a copyright in a "musical work" and a separate, distinct copyright in the "sound recording." A musical work is most easily conceived of as the musical score and accompanying lyric—it is what the composer and lyricist bring to the musical collaboration. The "sound recording" is the fixed performance of a particular artist or group's performance of a musical work—it is the performer's contribution to the music. The current Copyright Act defines sound recordings as "works that result from the fixation of a series of

the 1790 Act to provide limited federal copyright protection for musical works.⁹

In 1877, Thomas Edison pushed technology past the boundaries of the then current copyright law when he invented the phonograph.¹⁰ While Edison concentrated his efforts on producing audio from sound captured on indented cylinders, by 1892, Canadian Emile Berliner refined a process for utilizing discs with vertical grooves to record and reproduce audio.¹¹ In the early 1900s, the Victor Talking Machine Company began manufacturing record players and vertical disc records of Berliner's design and the music industry, as we would come to know it, was born.¹² Not surprisingly, the introduction of the phonorecord was followed, almost immediately, by phonorecord piracy.¹³ As early as 1904, a defendant was enjoined from manufacturing and selling copies of the plaintiff's phonorecords.¹⁴ This early decision, however, was resolved not on copyright infringement grounds but under state unfair competition law.¹⁵

musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as discs, tapes, or other phonorecords, in which they are embodied." 17 U.S.C. § 101 (2008). The same provision of the Copyright Act 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 (2008). For example, Stevie Wonder wrote the music and lyrics to "Tell Me Something Good." As such, Stevie Wonder is the author and copyright holder of the musical work "Tell Me Something Good." On their 1974 album "Rags to Rufus", the band Rufus included their version of Stevie Wonder's "Tell Me Something Good." Rufus has "covered" Wonder's musical work. Rufus is the author and holder of the copyright in the sound recording, which is embodied on a physical phonorecord, CD, iPod, or hard drive. Of course, it is likely that Wonder has assigned his copyright interest to a music publisher and, even more likely, that Rufus has assigned its copyright to a record company. For ease of analysis, this note presumes that all authors and performers have retained their interest in their respective copyrights.

⁹ Copyright Act of 1831, Ch. 16, 4 Stat. 436 (1831).

¹⁰ U.S. Patent No. 200521 (filed February 19, 1878).

¹¹ Canadian Patent No. 55078 (filed Feb. 24, 1897); see also *Cheney Talking Mach. Co. v. Victor Talking Mach. Co.*, 278 F. 445, 446 (6th Cir. 1921).

¹² See H.R. REP. NO. 60-222, at 6 (1909).

¹³ See Mainspring Press, *Early American Record Piracy (1899-1922)*, <http://www.mainspringpress.com/pirates.html> (noting that record piracy was a common problem in the 1890s). While "record pirate" (or, more traditionally, "record duplicator") is not a specifically defined term, it generally refers to one that makes unauthorized duplications of another's sound recordings for unauthorized sale or distribution.

¹⁴ See *Victor Talking Mach. Co. v. Armstrong*, 132 F. 711, 712 (C.C.N.Y. 1904).

¹⁵ *Id.* ("[M]anufacture and sale of disk records, black or nearly black in color, with a red seal center inscribed with decoration and letters in gilt, when such records contain the shop numbers or catalogue numbers of complainant's disk records, or when the sound-recording grooves thereon are copies of the grooves on complainant's disk records.").

To efficiently maximize the potential of the new market, the burgeoning record industry and its customers required clarification of the copyright statutes.¹⁶ The courts quickly demonstrated that federal copyright law did not reach phonorecords. In its 1908 decision, *White-Smith Music Publishing Co. v. Apollo Co.*, the Supreme Court denied federal copyright protection to piano rolls.¹⁷ Under the 1906 Act, copyright protection only extended to "writings." The Supreme Court expressly limited "writings," and thus copyright protection, to those items that could be viewed with the naked eye.¹⁸ If one needed a machine to comprehend the "writing," then that "writing" was not a proper subject of the Copyright Act.¹⁹ By expressly denying protection to piano rolls, the Supreme Court impliedly denied federal copyright protection to the phonorecords as well.

Congress immediately sought to address the *White-Smith* decision. Congress, however, was motivated not by the concerns of phonorecord owners, but by the many composers who, under *White-Smith*, would not receive royalty payments from the sale of their piano rolls. In particular, Congress wanted to provide these composers with a payment for their work; Congress also wanted, however, to avoid creating a monopoly in the production of piano rolls and phonorecords.²⁰ To address the situation, Congress created the Copyright Act's first compulsory licensing scheme.²¹ This procedure permits any person to fix a mechanical copy of an author's musical work onto a phonorecord or piano roll—in other words, it permitted performers to record their performance of

¹⁶ *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86, 88 (2d Cir. 1940), *cert. denied*, 311 U.S. 712 (1940) ("Until the phonographic record made possible the preservation and reproduction of sound, all audible renditions were of necessity fugitive. . . . Of late, however, the power to reproduce the exact quality and sequence of sounds has become possible, and the right to do so, exceedingly valuable. . . .").

¹⁷ *White-Smith Music Publ'g Co. v. Apollo Co.*, 209 U.S. 1 (1908).

¹⁸ *See id.* at 30-32.

¹⁹ *Id.*

²⁰ *See* H. R. REP. NO. 60-222, at 7 (1909) ("In enacting a copyright law Congress must consider. . . two questions: First, how much will the legislation stimulate the producer and so benefit the public; and, second, how much will the monopoly granted be detrimental to the public. The granting of such exclusive rights, under the proper terms and conditions, confers a benefit upon the public that outweighs the evils of the temporary monopoly."). The issue facing Congress, however, was a bit more complex: *Apollo Co.*, the defendant in *White-Smith*, hedged its bets and entered into exclusive licensing agreements with the vast majority of publishers to secure the right to fix the musical works into phonograms. Accordingly, Congress was concerned that recognizing a right to reproduce phonograms would affirm *Apollo's* monopoly over the vast majority of musical works. *See* H.R. REP. NO. 60-222, at 4-9 (1909).

²¹ *See* Copyright Act of 1909, Pub. L. No. 60-320, §1(e), 35 Stat. 1075, 1075-76 (1909).

another author's musical work.²² In exchange for this mechanical copy, the performer would have to pay a fixed royalty to the copyright owner of the musical work.²³ The performer, however, was not afforded a federal copyright in her own sound recording. As such, under the 1909 Act, the protection of a performer's interests lay entirely at the doorstep of the states.

C. *Early State Law Protection of Sound Recordings*

Faced with the 1909 Act's failure to protect sound recordings, performers looked to state law to find protection for their property interests in sound recordings. The states, however, provided neither universal recognition nor uniform enforcement of any right in sound recordings. Rather, case and statutory law varied from state to state, resulting in a fragmented and confusing web of state law. Where protection was available, relief was most commonly found in state common-law copyright, unfair competition law theories, and state statutes.

1. Common-Law Copyright

Historically, common-law copyright attached to a work the instant an author created an original, intellectual work.²⁴ The common-law copyright protection, however, only protected an "unpublished" work. Upon publication, a work relinquished its common-law copyright. If, however, the work was published in accordance with certain federal formalities, the work might be eligible for federal copyright protection.²⁵

Of course, in addition to being published with the required formalities, the work must have also been a member of the class of works protected by federal copyright law. This class did not include sound

²² See *id.* The compulsory license provision permitted the band Rufus to cover Stevie Wonder's musical work, "Tell Me Something Good." See *supra* note 8.

²³ See *id.* From 1909-1977, this royalty rate was set at 2 cents; today, the royalty for this "mechanical license" has blossomed to the greater of 9.1 cents or 1.75 cents per minute of playing time. See U.S. Copyright Office, Copyright Royalty Rates, § 115, The Mechanical License (2007), <http://www.copyright.gov/carp/m200a.html>.

²⁴ See 1-2 Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 12.04[A][2] (2008) (noting that common-law copyright does not require that the artistic work be fixed). See also Barbara Ringer, *The Unauthorized Duplication of Sound Recordings*, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, 86th Cong., 2d Sess., 11 (comm. print 1961) (noting that the protectable work must "embody some creative intellectual or artistic combination").

²⁵ Federal formalities included placement of a particular notice in a particular place on all published embodiments of a work. See Copyright Act of 1909, Pub. L. No. 60-320, §§ 9,18,19, 35 Stat. 1075, 1075-76 (1909).

recordings until 1972.²⁶ Accordingly, a phonorecord made in 1950 was immediately eligible to receive any available common-law copyright protection. Upon publication of the work, however, any state common-law protection would be relinquished and, as federal copyright protection was unavailable for phonorecords, the 1950 phonorecord was left entirely unprotected.

Although the publication rule is rather straightforward, the application of the rule proved to be quite difficult due to a lack of universal agreement among the states as to what acts constituted publication. With no definition in place, acts that established publication in one state might be insufficient to create publication in another. Would the sale of a phonorecord to the public constitute a publication such that any common-law property right in the record was divested and members of the public may freely make copies of the record?²⁷ In other words, was the sale of records to the public a “divestive publication”? The answer depends on which state law applied to the sale.²⁸ As such, in 1950, protecting a nationally-distributed phonorecord would require a 48-state inquiry to determine: (1) if a particular state extends a common-law copyright to sound recordings, and (2) where a state provides protection, whether the distribution of the sound recording is a publication under that state’s law, thus extinguishing the acquired common-law copyright.

2. Unfair Competition

In an effort to avoid the difficult question posed by divestive publication, many courts stretched and contracted the nebulous boundaries of state unfair competition laws to reach the inequitable copying of a plaintiff’s phonorecord. Initially, three necessary elements established a common-law unfair competition claim: (1) competition between the plaintiff and defendant; (2) defendant’s appropriation of plaintiff’s

²⁶ Sound Recording Act of 1971, Public Law 92-140, 85 Stat. 391 (1971) (codified in the Copyright Act of 1976, 17 U.S.C. 102 (1990)). The Sound Recording Act of 1971 passed on Oct. 15, 1971, and granted federal copyright protection to sound recordings fixed on or after its effective date, February 15, 1972.

²⁷ See, e.g., *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 663 (2d Cir. 1955) (finding that the sale of records to the public was insufficient to constitute a divest publication of a sound recording).

²⁸ See STANLEY ROTHENBERG, *LEGAL PROTECTION OF LITERATURE, ART AND MUSIC* 2 (1960) (“The so-called common-law copyright is, in reality, nothing more (and certainly less) than the usual property right protected by state law. Thus, whereas the copyright is federal in nature and uniform throughout the states of the Union, the property right existing after creation but prior to the copyright, is dependent on the law of each state and could, conceivably, exist in one state and not in another, or have certain attributes in one and differing attributes in another.”).

property interest; and (3) defendant fraudulently “passing-off” the appropriated property as being the *plaintiff's*.²⁹ In an effort to reach a defendant’s inequitable conduct, however, courts often did not demand strict establishment of the three elements.

As unauthorized duplication of sound recordings became more popular, performers increasingly turned to unfair competition theories to address record pirates’ acts. Performers, however, were often not in competition with the defendants accused of duplicating the performer’s record. Accordingly, some courts did away with the “competition” requirement. Likewise, defendants often promoted, or at least did not hide, the fact that their phonorecords were duplicates of the performer’s records. Under such circumstances some courts were willing to look past the performer’s inability to satisfy the “passing-off” requirement. While this flexibility helped plaintiffs recover from inequitable acts of the record duplicator, the case law became a thicket of contradiction with some courts requiring all three elements,³⁰ some requiring just two,³¹ and some courts upholding unfair competition claims where only the appropriation element was satisfied.³²

3. Unfair Competition & Common-Law Copyright Case Law

The case law frequently blurred the distinction between unfair competition and common-law copyright, and adherence to unstated notions of equity, more than adherence to the elements of the plaintiff’s stated claim, often carried the day. As a result, state laws “differ widely from state to state, and are often conflicting and irreconcilable.”³³ A review of the seminal cases reveals the difficulties.

In *Waring v. WDAS Broadcasting Station, Inc.*,³⁴ the Supreme Court of Pennsylvania found that the distribution and radio broadcast of a phonorecord did not gut a performer’s common-law copyright protection. In reaching its decision, the court noted that while federal cop-

²⁹ See Victor, 132 F. at 711. See also Barbara Ringer, *The Unauthorized Duplication of Sound Recordings*, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, 86th Cong., 2d Sess., 17 (comm. print 1961).

³⁰ See, e.g., Victor, 132 F. at 711.

³¹ *Waring*, 327 Pa. at 452.

³² See, e.g., *Metro. Opera Ass’n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950) (granting an injunction against a defendant who, without authorization, recorded live opera performances and sold the recordings to the public). See also *Int’l News Serv. v. Associated Press*, 248 U.S. 215 (1918) (finding that a news service’s misappropriation of plaintiff’s property interest was sufficient to establish claim of unfair competition despite the fact that the parties were not in competition and there was no “passing-off” by defendant); see also Ringer at 18-19.

³³ See Ringer at 11.

³⁴ *Waring*, 327 Pa. at 433.

right did not protect the sound recording, the defendant radio station's broadcast of the sound recording violated Pennsylvania's unfair competition law.³⁵ In reaching its decision, the court rejected the notion that distribution of the phonorecord (and the subsequent radio broadcast performance) was a publication sufficient enough to relinquish the plaintiff's common-law property rights in the phonorecord.³⁶

Faced with facts nearly identical to *Waring*, Judge Learned Hand applied New York State Law in *RCA Manufacturing v. Whiteman* and arrived at the opposite conclusion.³⁷ In holding that any common-law property right that may exist in a performer's phonorecord ends upon the first sale of the record (i.e., divestive publication), Judge Hand noted that the defendant's acts, while permitted in New York, would be a tort in Pennsylvania.³⁸ As radio airwaves know no state-line boundaries, the New York broadcasts would reach radio receivers in the State of Pennsylvania, subjecting the New York defendant to liability in a Pennsylvania court.³⁹

In its 1950 decision, *Capital Records, Inc. v. Mercury Records Corp.*, the Second Circuit applied New York law to an early case of phonorecord piracy.⁴⁰ Over Judge Hand's powerful dissent, the majority held that plaintiff's sale of its phonorecords to the public was not a "publication" such that the common-law copyright was divested.⁴¹ Judge Hand noted that the majority's decision created conflict with other state jurisdictions and created a web of varied protection: "[i]f, for example in the case at bar, the defendant is forbidden to make and sell these records in New York, that will not prevent it from making and selling them in any other state which may regard the plaintiff's sales as

³⁵ *Id.* at 456.

³⁶ Historically, publication was sufficient to divest a party's common-law property rights. The *Waring* court, however, worked hard to avoid the divestiture of plaintiff's common-law property rights. *See id.* at 442-448. The court's justification for its position was surprisingly frank: "[t]here is no reason, however, why an ancient generalization of law should be held invariably to apply to cases in which modern conditions of commerce and industry and the nature of new scientific inventions make restrictions highly desirable. Mere aphorisms should not be permitted to fetter the law in furthering proper social and economic purposes." *See id.* at 446-47.

³⁷ *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir. 1940), *cert. denied*, 311 U.S. 712 (1940).

³⁸ *See id.* at 89.

³⁹ *Whiteman*, 114 F.2d at 89 ("[S]ince that is the law of Pennsylvania and since the broadcasting will reach receiving sets in that state, it will constitute a tort committed there; and if an injunction could be confined to those sets alone, it would be proper. It cannot; for even if it be mechanically possible to prevent any broadcasting through the angle which the state of Pennsylvania subtends at the transmission station, that would shut out points both in front of, and beyond, Pennsylvania.").

⁴⁰ *Capital Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1950).

⁴¹ *Id.* at 664. (Hand, J., dissenting).

a 'publication'; and it will be practically impossible to prevent their importation into New York."⁴²

4. State Statutes

As the common-law developed, states would frequently enact phonorecord-related civil and criminal statutes. Typically, the passing of these statutes was a (positive or negative) reaction to an emerging legal development. For example, in the wake of the *Waring* decision, North Carolina, South Carolina, and Florida enacted statutes that expressly abolished any common-law copyright in a phonorecord sold in commerce.⁴³ The statutes permitted the unauthorized broadcasting and copying of a distributed phonorecord. Not to be outdone by the Carolinas, the City of Los Angeles enacted its own ordinance prohibiting the unauthorized reproduction of phonorecords.⁴⁴ Indeed, there was a clear lack of uniformity in the protection offered by the states. Not surprisingly, plaintiffs began to forum shop.

D. *Pre-Emption of State Protection: Sears-Compco*

In 1964, against a conflicting body of state precedent, the Supreme Court considered whether state protection of works not eligible for federal patent or federal copyright protection was pre-empted by the respective federal statutes.⁴⁵ In two companion cases, often jointly referred to as *Sears-Compco*, the Court found that when an article is left unprotected by federal copyright and patent law, then state law may not bar others from copying the article. "To forbid copying would interfere with the federal policy, found in Article I, Section 8, Clause 8 of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain."⁴⁶

Both *Sears* and *Compco* were patent infringement cases, but the Court made clear that the rulings affected copyright protection as

⁴² *Id.*

⁴³ See Barbara Ringer, *The Unauthorized Duplication of Sound Recordings*, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary (Ringer), 86th Cong., 2d Sess., 9 (comm. print 1961). Ringer's seminal report contains an excellent analysis and detailed description of each of the mentioned statutes.

⁴⁴ Los Angeles, Cal. Muni. Code § 42.19.1 (1955), *superseded by*, Cal. Penal Code § 653h, *repealed by*, Ord. No. 140,388 effective June 28, 1970, Los Angeles, Cal. Muni. Code (1970); see Ringer at 10.

⁴⁵ *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964).

⁴⁶ *Compco*, 376 U.S. at 237; *Sears*, 376 U.S. at 232.

well.⁴⁷ In applying *Sears-Compco* to duplication of phonorecords cases, however, some lower courts worked hard to avoid the enunciated pre-emption doctrine. The result was two conflicting bodies of case law. The courts in the first group strictly adhered to the spirit of *Sears-Compco* and placed all published works not protected by the Copyright Act into the public domain.⁴⁸ Courts in the second group interpreted *Sears-Compco* as pre-empting state common-law copyright infringement claims but *permitting* claims based on unfair competition theories.⁴⁹ As noted above, the distinction between common-law copyright infringement and unfair competition was not always readily apparent, and some courts were better than others at drawing it.⁵⁰ In extending state protection to pirated news stories on a state misappropriation theory, one court rejected the *Sears-Compco* prohibition on state protection and overtly pronounced: “[m]en of conscience would hardly condone such an inequitable result and we, as a court of conscience, will not subscribe to such a conclusion unless the Supreme Court enlightens us with a clear ruling on this specific problem.”⁵¹

E. *Federal Copyright Protection: the 1971 Sound Recording Amendment*

By 1971, technology had provided the means to easily create copies of sound recordings.⁵² In 1971, record pirates⁵³ took in nearly \$100

⁴⁷ *Compco*, 376 U.S. at 237; *Sears*, 376 U.S. at 232.

⁴⁸ *See, e.g.*, *CBS, Inc. v. DeCosta*, 377 F.2d 315 (1st Cir. 1967), *cert. denied*, 389 U.S. 1007 (1967).

⁴⁹ *See, e.g.*, *Capitol Records, Inc. v. Greatest Records, Inc.*, 252 N.Y.S.2d 553 (N.Y. Sup. Ct. 1964); *Mercury Record Prods., Inc. v. Economic Consultants, Inc.*, 64 Wis. 2d 163 (1979); *CBS, Inc. v. Custom Recording Co.*, 189 S.E.2d 305 (1972). *See also* Lewis S. Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204, 215 (“Allegedly, *Sears* was an instance of ‘copying’ while unauthorized duplication involves ‘misappropriation.’ Apparently the distinction is that ‘appropriation’ is the use of the ‘identical product itself.’”) (citations omitted).

⁵⁰ *See, e.g.*, *Tape Indus. Ass’n of America v. Younger*, 316 F. Supp. 340 (C.D. Cal. 1970), *appeal dismissed*, 401 U.S. 902 (1971).

⁵¹ *Pottstown Daily News Publ’g Co. v. Pottstown Broad. Co.*, 247 F. Supp. 578, 581 (E.D. Pa. 1965).

⁵² For an excellent overview of the different methods used to duplicate records, *see* John J. Gazzoli, Jr., *Copyright Protection for Sound Recordings: Past Problems and Future Directions*, 19 ST. LOUIS U. L.J. 191, 191-193 (1974-75).

⁵³ The Supreme Court in *Goldstein v. California* provides a detailed description of the pirating process circa 1973: “[p]etitioners would purchase from a retail distributor a single tape or phonograph recording of the popular performances they wished to duplicate. The original recordings were produced and marketed by recording companies with which petitioners had no contractual relationship. At petitioners’ plant, the recording was reproduced on blank tapes, which could in turn be used to replay the music on a tape player. The tape was then wound on a cartridge. A label was attached, stating the title of the recorded performance, the same title as had appeared on the original recording, and the name of the

million dollars in annual volume on their sales of duplicated records.⁵⁴ After *Sears-Compco*, state common-law protection was fragmented, uncertain, and largely ineffective in addressing the piracy issue.

While the extensive nature of record piracy during the early 1970s was the primary motivating factor for the extension of copyright protection to sound recordings,⁵⁵ international pressures also played a role. The United States participation in The Geneva Phonograms Convention⁵⁶ exerted pressure on Congress to demonstrate a commitment to protecting sound recordings.⁵⁷ It was clear that Congress needed to provide a uniform solution to the record piracy problem.

In 1971, Congress responded with the Sound Recording Amendment (SRA). The SRA granted limited federal copyright protection to sound recordings first fixed after February 15, 1972.⁵⁸ Even protected sound recordings, however, did not receive the full panoply of rights afforded other protected works.⁵⁹ Rather, the SRA granted the author of the sound recording protection only against unauthorized reproduc-

performing artists. After final packaging, the tapes were distributed to retail outlets for sale to the public, in competition with those petitioners had copied." Goldstein, 412 U.S. 546, 549-50 (1973). Those readers familiar with the Internet will note the many steps rendered irrelevant by technology.

⁵⁴ H.R. REP. NO. 92-487, at 3 (1971).

⁵⁵ *Id.* at 2.

⁵⁶ The Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms was adopted on October 29, 1971.

⁵⁷ See Statement of L. Quincy Mumford, Librarian of Congress, H.R. REP. NO. 92-487, at 10 (1971) ("I should also mention that the problem of record piracy is one of immediate concern internationally, and that a draft treaty closely corresponding to the content and purpose of S. 646 was adopted by a Committee of Governmental Experts on March 5, 1971. This draft convention will be the subject of an International Conference of States to be convened in Geneva in October of this year. Favorable action on the [SRA] will not only help our negotiators but also encourage protection of our records against the growing menace of piracy in other countries.").

⁵⁸ The body of protected sound recordings was originally limited to those sound recordings fixed after February 2, 1972, and before January 1, 1975. Congress subsequently removed the 1975 cut-off date and provided federal protection to all sound recordings first fixed after February 15, 1972. See Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541, 2572 (1976).

⁵⁹ For example, no performance right was extended to sound recordings. On the other hand, sound recordings did avoid the compulsory licensing scheme applicable to musical works. Somewhat oddly, infringers of pre-1972 sound recordings actually used the compulsory licensing scheme to avoid liability to author's of musical works. When a pirate duplicated a pre-1972 sound recording, the pirate, in an attempt to avoid infringement liability, would send the author of the musical work the required compulsory royalty fee. Not surprisingly, there was a split in the courts as to whether such payments were sufficient to avoid infringement. See *Duchess Music Corp. v. Stern*, 458 F.2d 1305 (9th Cir. 1972), *cert. denied*, 409 U.S. 487 (1972) (permitting music publisher to reject license fee). *But see*, *Jondora Music Publ'g Co. v. Melody Recordings, Inc.*, 351 F. Supp. 572 (D. N.J. 1972) (permitting record pirate to avoid liability by paying compulsory license fee).

tion and distribution of the sound recording.⁶⁰ As such, one who duplicated or distributed a post-1972 sound recording without authorization would be subject to criminal and civil penalties under the Copyright Act.⁶¹

While the SRA specifically noted that protection should not be applied retroactively to works first fixed before February 15, 1972,⁶² Congress has never articulated the justification for the disparate treatment of pre-1972 and post-1972 sound recordings. By passing the SRA, Congress overtly confirmed that state protection schemes were inadequate to protect sound recordings. Why then should every sound recording made before February 15, 1972, be doomed to inadequate protection? While Congress has remained silent, commentators have not. "Tradition" and "mistake" are the two strongest theories for the creation and survival of the pre-1972 distinction.⁶³

The creation of the pre-1972 distinction may be the demonstration of Congress's respect for history. Professor Henry L. Mann has noted that Congress has a tradition of retroactively applying extensions of *existing* rights.⁶⁴ When Congress provides copyright protection to a new subject matter, thereby creating a whole *new* set of rights, Congress traditionally does not apply those new rights retroactively.⁶⁵ Although Mann's explanation is quite compelling and well reasoned, nothing in the SRA's legislative history indicates that Congress consciously embraced the rationale.

When Congress set out in 1976 to substantially revise the Copyright Act, it appeared as though Congress would extend protection to pre-1972 sound recordings. The revision bill introduced by the Senate at the beginning of the 94th Congress eliminated the pre-1972 distinction and extended protection to *all* sound recordings. Professor David Nimmer details the apparent mistakes that may have prompted the elimination of federal protection for pre-1972 sound recordings:

The Department of Justice expressed the fear that unless state law protection for such pre-1972 recordings were exempted from federal

⁶⁰ S. REP. NO. 104-128, at 10 (1995) (noting that the SRA granted only the ". . . reproduction, distribution, and adaptation rights. . . on the presumption that the granted rights would suffice to protect against record piracy.").

⁶¹ See, e.g., 17 U.S.C. §§ 502, 504 (2008).

⁶² 17 U.S.C. § 301(c) (2008).

⁶³ Henry L. Mann, *As Our Heritage Crumbles into Dust: The Threat of State Law Protection for Pre-1972 Sound Recordings*, 6 WAKE FOREST INTELL. PROP. L.J. 45, 51-53 (2006).

⁶⁴ *Id.* at 51-52 ("Ever since the passage of the 1790 Act, Congress has regularly applied duration extensions to both existing and future copyrights.").

⁶⁵ See *id.* at 52-53 (noting that Congress refrained from granting retroactive protection when it first recognized musical compositions, dramatic works, and photographs as protectable subjects).

pre-emption, the result would be an “immediate resurgence of piracy of pre-February 15, 1972, sound recordings.” The Senate accepted this argument, and in order to meet it, added a new Section 301(b)(4), which expressly excluded from federal pre-emption, state laws with respect to “sound recordings fixed prior to February 15, 1972.” What both the Justice Department and the Senate overlooked was the fact that a resurgence of record piracy would not have resulted, even if state record piracy laws were pre-empted for the reason that Section 303 of the bill in the form adopted by the Senate would have conferred statutory copyright upon all sound recordings. . . . that had not theretofore entered the public domain. . . .

Even if record piracy of pre-1972 sound recordings would no longer be prohibited by state law, it would have been prohibited by federal law. Although the stated reason for preservation of state record piracy laws as applied to pre-1972 recordings was erroneous, when the House came to consider the Senate bill, it retained this provision. But because state law protection for pre-1972 sound recordings was preserved, it became unnecessary also to confer federal statutory copyright protection for such recordings. Therefore, the House added a further amendment, which appears in the final Act, whereby pre-1972 sound recordings are excluded from coverage of statutory copyright. In this manner, the Justice Department’s mistaken belief that pre-1972 sound recordings were excluded from statutory copyright under the general revision bill led to an amendment that validated that belief.⁶⁶

As a result, rather than grant protection to pre-1972 sound recordings, Section 301(c) of the 1976 Copyright Act codified the pre-1972 distinction and permitted the term of state protection to run until February 15, 2067.⁶⁷

While Congress preserved common-law protection for pre-1972 sound recordings, the 1976 Copyright Act abolished the “dual system of ‘common-law copyright’ for unpublished works and statutory copyright for published works. . . .”⁶⁸ As if to mock the federal-protection-deprived sound recordings, Congress noted the benefits of the uniform federal protection scheme it was providing to all the other protectable works:

By substituting a single Federal system for the present anachronistic, uncertain, impractical, and highly complicated dual system, the [1976 Copyright Act] would greatly improve the operation of the copyright law and would be much more effective in carrying out the basic con-

⁶⁶ 1-2 Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 2.10 (2008) (citations omitted); see also H.R. REP. NO. 94-1476, at 109-11 (1976).

⁶⁷ 17 U.S.C. § 301(c) (2008) (“With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2067”).

⁶⁸ H.R. REP. NO. 94-1476, at 109 (1976).

stitutional aims of uniformity and the promotion of writing and scholarship.⁶⁹

Whether the pre-1972 distinction was a respectful nod to tradition or a thundering blunder by the Department of Justice, the end result was the same. The sound recordings from many of our nation's greatest performers would need to find shelter under the inadequate, uncertain, and varied protection offered by the states.⁷⁰

In an effort to provide protection, many states enacted statutory provisions prohibiting unauthorized phonorecord reproduction and distribution.⁷¹ While well-intentioned, adding state statutory protection to the mix of common-law copyright and state unfair competition claims only added another layer of confusion.

F. *Testing State Statutory Protection: Goldstein v. California*

Prior to the enactment of the 1976 Copyright Act, California enacted a 1968 criminal statute prohibiting the unauthorized duplication and distribution of sound recordings.⁷² The constitutionality of the statute was tested before the Supreme Court in *Goldstein v. California*.⁷³ The defendant, a record pirate, was convicted of violating the California statute.⁷⁴ On appeal the defendant raised significant constitutional arguments, alleging that, under the *Sears-Compco* rationale, the California statute was pre-empted by federal copyright law.⁷⁵ In a 5-4 decision, the Court rejected the defendant's constitutional challenges and affirmed the conviction. While reaffirming the *Sears-Compco* decisions, the Court limited their application. After *Goldstein*, a state law extending protection to a work was not preempted unless Congress expressly extended protection to the same work in the Federal Copyright Act. As the pre-1972 sound recording was not eligible for federal copyright, the California statute providing protection was permissible.⁷⁶

⁶⁹ *Id.*

⁷⁰ The number—and stature—of artists whose sound recordings are denied federal copyright protection is staggering. The entire domestic catalogs of Woody Guthrie, John Coltrane, Charlie Parker, Hank Williams, and Robert Johnson, are denied federal protection. Many of the 'best' recordings of Louis Armstrong, Frank Sinatra, Muddy Waters, Aretha Franklin, Elvis Presley, and Bob Dylan are denied federal protection.

⁷¹ For an excellent summary of 26 different state anti-piracy statutes in effect in 1974, see Copyright Society of the U.S., *State Anti-Piracy Legislation*, 21 Bull. Cr. Soc. 303 (1974).

⁷² In light of the questionable parameters afforded to sound recordings under *Sears-Compco*, California clarified the rule for its courts by enacting statutory protection for sound recordings in 1968. Cal. Penal Code § 653h (1968); see Copyright Society of U.S., *State Anti-piracy Legislation*, 21 Bull. Cr. Soc. 303, 303-10 (1974).

⁷³ *Goldstein v. California*, 412 U.S. 546 (1973).

⁷⁴ *Id.* at 549-50.

⁷⁵ *Id.* at 551.

⁷⁶ *Id.* at 559.

G. *Testing the Depths of Confusion: La Cienga v. ZZ Top*

After the 1971 SRA, the 1976 Act, and *Goldstein*, one might have hoped that the scope of protection afforded pre-1972 sound recordings was clear. Unfortunately, the difficulties inherent in the dual protection system will continue until Congress steps forward to provide uniform protection for pre-1972 works. The case of *La Cienga v. ZZ Top* demonstrates both the depth of confusion presented by the dual-protection system and the necessity for Congressional action.

To comprehend the uncertainty surrounding state protection, one must recall that the phonorecord embodies not just the performance but also the underlying musical piece. While the musical work has been a member of the federally protected copyright class since 1831, historically, the publication of a musical work without adherence to the necessary formalities resulted in loss of federal protection. As noted above, in some states a radio broadcast constitutes publication sufficient to cast a phonorecord into the public domain.⁷⁷ But does the underlying musical work follow into those open waters? If a performer covered a musical work, captured the performance on a phonorecord, and distributed the phonorecord without adherence to the federal formalities, is that distribution a divestive publication such that the musical work would be immediately dragged down into the public domain?

Not surprisingly, states provided different answers to the question. In one state, the musical work was pulled into the public domain; in another state, the musical work would retain its copyright protection. In *La Cienga Music Company v. ZZ Top, et al.*, the plaintiff alleged that defendant ZZ Top's 1973 recording infringed the plaintiff's federal copyright in plaintiff's musical work.⁷⁸ Plaintiff registered the 1948 musical work in 1960 with the United States Copyright Office. Prior to registration, however, a record containing a performance of the musical work was sold to the public in 1948. Defendant ZZ Top alleged that the 1948 recording constituted publication without adherence to federal formalities. In finding ZZ Top innocent of infringement, the Ninth Circuit Court of Appeals joined what it believed was the majority approach

⁷⁷ See *supra* notes 37-39 and accompanying text.

⁷⁸ *La Cienga Music Co. v. ZZ Top*, 53 F.3d 950, 953 (9th Cir. 1995) ("We adopt the majority rule and hold that selling recordings constitutes 'publication' under the Copyright Act of 1909."), *cert. denied*, 516 U.S. 927 (1995); see *Shapiro, Bernstein & Co. v. Miracle Record Co.*, 91 F. Supp. 473, 475 (N.D. Ill. 1950) ("[When plaintiff] permitted his composition to be produced on phonograph records and permitted those records to be sold to the general public, the common law property in the musical composition did not survive the sale of the phonograph records, and the public sale of those records was a dedication of the musical composition to the public."). *But see*, *Int'l Tape Mfrs. v. Gerstein*, 344 F. Supp. 38 (S.D. Fla. 1972).

and held “that selling recordings constitutes ‘publication’ under the Copyright Act of 1909.”⁷⁹

Not unlike New York and Pennsylvania’s contradictory treatment of radio broadcasts of sound recordings,⁸⁰ the Ninth Circuit and New York disagreed on the treatment of musical works fixed on a phonorecord. New York took the opposite approach to the Ninth Circuit’s decision in *ZZ Top*. In a case similar to *ZZ Top*, a New York State Court held that the sale of pre-1972 sound recordings did *not* constitute a publication sufficient to divest common-law copyright protection in a previously unpublished musical work.⁸¹

New York courts recognized an inherent flaw in the *ZZ Top* approach. Under the Supreme Court’s *White-Smith* ruling, if a record (i.e., a mechanical reproduction of a musical work) is not a copy of the underlying musical work, how can that same record be a common law copyright-divesting publication of that musical work?⁸² Judge Fernandez, the lone dissenter in *ZZ Top*, agreed with the New York approach: “I think it takes some very fancy footwork to duck *White-Smith* and, thus, convert a recorded performance into a publication of the underlying work.”⁸³

ZZ Top made it clear that the state protection system for pre-1972 sound recordings had resulted in confusion, ambiguity, inherent conflicts in the majority approach, and a loss of protection for otherwise protectable musical works. Congress was the only legislative body with the authority to harmonize state law and remedy the situation. Recognizing that fact, it amended the Copyright Act in November 1997.⁸⁴ The added copyright provision, Section 303(b), provided that “the distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein.”⁸⁵ This amendment delivered immediate clarity, resolved the contradictory approaches of the states,⁸⁶ and provided the certainty needed by parties to tailor their activities appropriately.

⁷⁹ *La Cienga Music*, 53 F.3d at 953. It bears noting that the issue of publication was not crucial to the *ZZ Top* decision. Even if the 1948 recording was not a publication, the plaintiff’s failure to renew its 1970 federal copyright would have precluded enforcement. *Id.* at 954.

⁸⁰ See *supra* note 39 and accompanying text.

⁸¹ *Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183, 1193 (S.D.N.Y. 1973), *aff’d*, 546 F.2d 461 (2d Cir. 1976).

⁸² See *Rosette*, 354 F. Supp. at 1193. See also *La Cienga Music*, 53 F.3d at 954.

⁸³ *Id.* at 954 (Fernandez, J., dissenting).

⁸⁴ Act of November 13, 1997, PUB. L. No. 105-80, 111 Stat. 1529 (1997).

⁸⁵ 17 U.S.C. § 303(b) (1997).

⁸⁶ See, e.g., *La Cienga Music*, 53 F.3d at 950, *overruled by* *ABKCO Music, Inc. v. LaVere*, 217 F.3d 684, 692 (9th Cir. 2000).

Though it served as a model of clarity, Section 303(b) solved only one isolated aspect of the difficulties inherent in the pre-1972 protection scheme.⁸⁷ For all other aspects, state law continues to determine the parameters of protection available to pre-1972 sound recordings.

III. STATE PROTECTION & DIGITAL USES OF PRE-1972 SOUND RECORDINGS

A. *Contemporary Common Law Protection*

Time has not provided much clarification to the complex and often contradictory precedent discussed above. State protection schemes for pre-1972 sound recordings remain a confusing mix of protection and exposure dependent solely on the laws of the state in which protection is sought. Where shelter is available, the dominant methods for protection include: state criminal statutes,⁸⁸ state civil statutes,⁸⁹ and common law unfair competition or misappropriation theories.⁹⁰

While state law has remained largely stagnant, technology has made tremendous leaps in the past decades. The emergence of the Internet has spurred development of powerful tools that permit the nearly instantaneous creation and distribution of perfect copies of sound recordings.⁹¹ Ripping,⁹² streaming, webcasting,⁹³ and peer-to-

⁸⁷ Professor David Nimmer has noted Section 303(b) extends federal copyright protection to a body of pre-1978 musical works that would otherwise be prohibited, due to divestive publication, of federal protection. In a sense, Section 303(b) is the precursor to the extension of federal protection in pre-1972 sound recordings. See 3-9A Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9A.05 (2008).

⁸⁸ In light of Goldstein's favorable treatment of state statutes, many states have enacted criminal statutes prohibiting record piracy. See, e.g., N.Y. Penal Law § 275 (formerly § 441c).

⁸⁹ Civil statutory schemes vary greatly from no protection to significant statutory protection. See, e.g., CAL. CIV. CODE. § 980 (West 2007).

⁹⁰ 2-8C Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 8C.03 (2008) (noting that unfair competition and misappropriation claims have largely consumed common law copyright claims); cf., *Firma Melodiya v. ZYX Music GmbH*, 882 F. Supp. 1306, 1316 (S.D.N.Y. 1995) (finding that unauthorized distribution of pre-1972 sound recordings may serve as a basis for an injunction under theories of both common-law copyright infringement and unfair competition).

⁹¹ See, e.g., Wikipedia, Ripping, <http://en.wikipedia.org/wiki/Ripping> (last visited April 14, 2008).

⁹² "Ripping software allows a computer owner to copy an audio compact disk. . . directly onto a computer's hard drive by compressing the audio information on the CD into the MP3 format. The MP3's compressed format allows for rapid transmission of digital audio files from one computer to another by electronic mail or any other file transfer protocol." *A&M Records v. Napster, Inc.*, 239 F.3d 1004, 1011 (9th Cir. 2001).

⁹³ "[T]he Internet soon became a viable medium over which to transmit, in real time, sound recordings. This real-time transmission of sound recordings over the Internet is known as 'streaming' and 'webcasting,' and the transmitter of an Internet stream of music is known as a 'webcaster.' Anyone with a computer, a reasonably speedy connection to the Internet, streaming software and the equipment to copy songs from CDs to a computer in the popular

peer networks⁹⁴ are but a few of the new ways in which pre-1972 sound recordings are used.

With advancements in technology, however, come advancements in infringing uses; today, many technology users are employing software and digital distribution systems to copy and distribute unauthorized copies of pre-1972 sound recordings.⁹⁵ When compared to the effort and expense taken by record pirates in the 1970s, the ease and speed at which pirates can now create, reproduce, and distribute these perfect copies is truly staggering.⁹⁶ Although state common law protection is available to regulate such activities, it ends at the border of each and every state. Meanwhile, the activities requiring regulation - the delivery of pre-1972 sound recordings via webcasting, streaming, and peer-to-peer networks - are occurring at a national scale, without regard for state lines. The level of uncertainty in according state law protection to pre-1972 sound recordings, therefore, rises to new heights when that law is further extended to the digital context.

While applying a particular state's law to nationwide digital uses presents a complicated square-peg-in-a-round-hole situation,⁹⁷ this scenario is nevertheless preferable to seeking protection in states without any history of common law protection for pre-1972 sound recordings. For example, scholars have not been able to locate any Virginia case law dealing expressly with the unauthorized reproduction or distribution of sound recordings.⁹⁸ If governed by Virginia law, a rightholder seeking to protect against the online distribution of her pre-1972 recording will likely analogize the distribution of her sound recording to

and compressed MP3 format ('rip' the songs) could webcast sound recordings through streaming." *Bonneville Int'l Corp. v. Peters*, 347 F.3d 485, 489 (3d Cir. 2003).

⁹⁴ See *supra* note 13. See also, *MGM Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 919-21 (2005).

⁹⁵ Nearly each and every action filed by the Recording Industry Association of America against record pirates in the digital environment includes claims for common law copyright infringement and unfair competition. See, e.g., *Complaint for Federal Copyright Infringement, Common Law Copyright Infringement, and Unfair Competition, Arista Records, LLC v. Lime Wire, LLC*, Docket No. 06CV5936 (S.D.N.Y. Aug. 4, 2006).

⁹⁶ See *supra* note 53.

⁹⁷ It usually takes a large hammer to get the square peg into the round hole. In the law, substantial attorneys' fees are the usual tools for forcing a fit. While such fees are recoverable under federal copyright law, short of imposing punitive damages, attorneys' fees are not permitted under most civil state copyright claims.

⁹⁸ June M. Besek, *Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives*, at 54 (2005), <http://www.clir.org/pubs/reports/pub135/pub135.pdf>. ("We were unable to find any unfair competition cases in Virginia that deal with unauthorized reproduction and distribution of sound recordings. Outside the context of sound recordings, no Virginia case explicitly makes commercial exploitation an element of an unfair competition claim. However, all of Virginia's unfair competition cases involve some form of commercial exploitation by the defendant.").

acts prevented under traditional unfair competition case law. The uncertainty inherent in this argument becomes most apparent once viewed in light of the straightforward claim available under federal copyright law for an unauthorized, digital distribution of a *post-1972* sound recording.⁹⁹ This uncertainty is amplified when one considers that the plaintiff will not be able to recoup her attorney's fees in the state common law action¹⁰⁰ and will need to prove her actual damages.¹⁰¹

In comparison to state law, federal law addresses technological advances relatively well.¹⁰² Yet, it is entirely unclear as to whether these federal rights are granted to pre-1972 sound recordings, or whether current state common law applies to new digital uses. Resolution of these issues promises to reveal additional cracks in the foundation of the dual protection premise as courts struggle to erect new layers of questionable state law precedent.

B. *Applicability of the DMCA*

Among other things, Section 512 of the Digital Millennium Copyright Act (DMCA)¹⁰³ limits the liability of an Internet Service Provider (ISP) from copyright infringement claims arising out of the ISP's storage of a user's content.¹⁰⁴ The "safe harbor" of Section 512(c), provides in relevant part:

A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for *infringement of copyright* by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider. . .¹⁰⁵

Taking this provision on its face, it is unclear whether an ISP may seek the safety offered by the Section 512(c) safe harbor when hosting unauthorized reproductions of pre-1972 sound recordings. As noted

⁹⁹ See 17 U.S.C. § 501 (2008).

¹⁰⁰ See 17 U.S.C. § 505 (2008).

¹⁰¹ Section 504(c) of the Copyright Act provides for the imposition of statutory damages against copyright infringers. No such damages are available under civil common law. That said, punitive damages may be available under civil common law. For a fascinating demonstration of these principles see *Bridgeport Music, Inc. v. Justin Combs Publ'g*, 507 F.3d 470 (6th Cir. 2007) (Where the author of the musical work is awarded statutory damages and the pre-1972 sound recording rightholder is awarded punitive damages against the same defendant for the same unauthorized acts of digital sampling of a pre-1972 sound recording). "Rightholder" refers to a person with a legitimate ownership interest in a sound recording.

¹⁰² Congress has enacted numerous statutes extending rightholders a host of protections against digital infringement of their works. See, e.g., 17 U.S.C. § 1201 (2008).

¹⁰³ 17 U.S.C. § 512 (2008).

¹⁰⁴ See 17 U.S.C. § 512(c) (2008). See also *Ellison v. Robertson*, 357 F.3d 1072, 1077 (9th Cir. 2004).

¹⁰⁵ 17 U.S.C. § 512(c)(1) (2008) (emphasis added).

above, state courts have repeatedly resolved the unauthorized reproduction of pre-1972 sound via unfair competition and state common law copyright theories.¹⁰⁶ Section 512(c) expressly provides a safe harbor only against “infringement of copyright” claims. A plain reading of the statute indicates that no safe harbor protects ISPs against a plaintiff’s misappropriation of property or unfair competition claims. Where a plaintiff asserts a common law copyright claim, the resolution is less clear, as it is difficult to determine whether a state common law copyright claim would satisfy the federal “infringement of copyright” requirement in Section 512(c).

For better or worse, the issue may be resolved shortly. On February 25, 2008, plaintiff UMG Recordings filed suit in New York state court alleging common law copyright and misappropriation claims against Veoh Networks (Veoh).¹⁰⁷ Veoh is a relatively small, California-based ISP that, among other things, hosts user-generated videos. UMG alleged that certain audio-visual works posted by Veoh’s users and hosted by Veoh include videos that incorporate, without authorization, UMG’s pre-1972 sound recordings.¹⁰⁸ While it was presumed that Veoh would seek the protection of the Section 512(c) safe harbor, Veoh successfully attained an early dismissal of the action on *forum non-conveniens* grounds.¹⁰⁹ On November 20, 2008, in an unpublished decision, Judge Herman Cahn of the New York Supreme Court determined that, although UMG’s claims were based on New York State common-law copyright, the Great State of California is the jurisdiction best suited to hear the dispute between the two California-based corporations.¹¹⁰ It is anticipated that UMG will heed Justice Cahn’s advice and ask a California court to decide the issues.

The availability of the Section 512(c) safe harbor is but one in a series of questions that consider whether federal statutes regulating the digital use of post-1972 sound recordings are applicable to pre-1972 sound recordings. For example, Section 1201 of the DMCA makes it illegal to circumvent a technological protection measure employed to restrict access to or distribution of certain material. The protected material is defined as “a work protected under [Title 17 of the United

¹⁰⁶ See *supra* notes 33-42 and accompanying text.

¹⁰⁷ UMG Recordings Inc. v. Veoh Networks, Inc., No. 08-60058 (N.Y. Sup. Ct. filed Feb. 25, 2008).

¹⁰⁸ See *Id.*

¹⁰⁹ See, e.g., *On Line Common Law Copyright Infringement*, On The Cover Songs, <http://onthecoversongs.blogspot.com/2008/02/online-common-law-copyright.html> (Feb. 27, 2008).

¹¹⁰ November 20, 2008 Order Granting Veoh Networks Inc.’s Motion to Dismiss, UMG Recordings Inc. v. Veoh Networks, Inc., No. 08-60058 (N.Y. Sup. Ct. dismissed Nov. 24, 2008).

States Code].”¹¹¹ It remains to be seen whether a pre-1972 sound recording, a work that Title 17 expressly excludes from federal copyright protection,¹¹² is protectable under Section 1201 as a work protected under Title 17.

The uncertain status of pre-1972 sound recordings also affects the ability of rightholders to receive a royalty for digital transmissions of their sound recordings. The Digital Performance Right in Sound Recordings Act of 1995 (“DPRSRA”) grants *federal* copyright owners the exclusive right to control digital audio transmissions of their sound recordings.¹¹³ Specifically, the DPRSRA provides that “the owner of a copyright under this title has the exclusive rights to do and to authorize any of the following. . . in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.”¹¹⁴ Additional DPRSRA provisions detail a voluntary licensing and compulsory licensing scheme for the permitted digital audio transmission of sound recordings. Similar to the DMCA Section 512 issue, it is unclear and undecided whether the pre-1972 sound recording is a “sound recording under [Title 17]” such that the owner can secure royalties for the digital transmission of the recording.¹¹⁵

C. *State Protection, Fair Use, and the Public Domain*

As evidenced above, even though we are well into the digital era, a clear-cut scheme on how to afford protection to pre-1972 sound recordings has yet to be developed. Determining permitted uses of pre-1972 sound recordings is another issue that remains unclear in this digital age. Though frequently overlooked, some byproducts of state copyright protection include: (1) “chilling” fair uses of pre-1972 sound recordings, and (2) restricting the entrance of these recordings into the public domain.

Federal copyright law is tempered by certain permissible fair use exceptions. Generally speaking, these exceptions permit certain qualified users to make certain qualified uses of otherwise copyrighted material.¹¹⁶ Scholars, libraries, and the public take advantage of these exceptions to use federal copyrighted material. With state common law,

¹¹¹ See 17 U.S.C. § 1201 (2008).

¹¹² 17 U.S.C. § 301(c) (2008).

¹¹³ Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, 109 Stat. 336 (1995).

¹¹⁴ 17 U.S.C. § 106(6) (2008).

¹¹⁵ *Id.*

¹¹⁶ 17 U.S.C. § 107 (2008).

however, there are no fair use exceptions.¹¹⁷ Scholars, libraries, and the public have no express authority to use pre-1972 sound recordings without retaining permission from the author or paying for the privilege of use.

The state common law copyright scheme has a similarly deleterious effect on the public domain. As noted above, federal law provides that state common law protection of pre-1972 sound recordings may extend until February 15, 2067.¹¹⁸ And, as previously mentioned, Edison and Berliner captured the first commercial sound recordings in the 1890s; thus, it could be quite some time before these historical recordings enter into public domain. State copyright protection provides “a de facto term of 95 to 177 years, depending on the date the recording is made.”¹¹⁹ While there are a number of variables, a post-1972 sound recording could reasonably receive a protection term of 140 years.¹²⁰ Under the current protection methodology, pre-1972 sound recordings are potentially protected until 2067, and post-1972 sound recordings are conceivably protected beyond 2112. Absent bankruptcies, dissolved record companies, abandoned works, and works expressly released into the public domain, few domestic sound recordings will enter the public domain until 2067.¹²¹

This extended protection scheme is resulting in the loss and destruction of our nation’s earliest sound recordings. Under the directives of the National Recording Preservation of Act, the Library of Congress commissioned an impressive study in 2005 concerning legal barriers to the access of pre-1964 sound recordings.¹²² The study determined that the state law protection scheme for sound recordings was a primary

¹¹⁷ While First Amendment concerns presumably constrain unconstitutional state protection of pre-1972 sound recordings, there are no cases on point; one would likely search far and wide to find a defendant willing to take the necessary infringing actions to secure the standing necessary to assert the novel constitutional argument.

¹¹⁸ 17 U.S.C. § 301(c) (2008).

¹¹⁹ See Tim Brooks, *Survey of Reissues of U.S. Sound Recordings*, at 13 (2005), <http://www.clir.org/pubs/reports/pub133/pub133.pdf>.

¹²⁰ For example, consider a singer that records her first sound recording at the age of 20 in 1980. She dies at the age of 70 in 2050. The (current) applicable term of protection is life of the author plus an additional 70 years. Accordingly, the term of protection for this 1980 sound recording is 140 years. For the many variables considered in the calculation of protection terms, see U.S. Copyright Office, *New Terms for Copyright Protection* (1998), <http://www.copyright.gov/fls/sl15.html>.

¹²¹ See Tim Brooks, *Survey of Reissues of U.S. Sound Recordings*, at 13 (2005), <http://www.clir.org/pubs/reports/pub133/pub133.pdf> (“Despite bankruptcies, abandonment, and long-dead record labels, under current U.S. law an overwhelming majority of historic recordings. . . are still owned by someone. . . . Most of America’s recorded musical heritage of the last 110 years, even recordings made in the nineteenth century, is protected by state and common law until 2067.”).

¹²² *Id.*

reason for the unavailability of historically significant sound recordings from the early 1900s.¹²³ Although parties are able to secure access to the physical phonorecords (and Edison cylinders), those parties are unable to determine the scope of state copyright protection in the phonorecords, as well as the identity of any rightholder with a recognizable property interest in the phonorecord. In fact, “the uncertainty introduced by current copyright law has prevented many reputable companies, institutions, and associations from engaging in any reissue activity at all.”¹²⁴

Similarly, state law protection prevents libraries from making full and appropriate use of pre-1972 sound recordings. Under the federal Copyright Act, libraries and archives receive a host of extended fair use-styled privileges.¹²⁵ Among other things, these privileges allow libraries to make copies of copyrighted works for preservation and backup purposes.¹²⁶ Many states lack any comparable library privileges for pre-1972 sound recordings; even where states do provide limited exceptions for libraries, these exceptions are often unclear and too convoluted to make any reliable use of the privileges.¹²⁷

IV. PROPOSING FEDERAL PROTECTION FOR PRE-1972 SOUND RECORDINGS

A. *There is a Long Standing Need for Congressional Action*

For decades, judges, Registers of Copyright, scholars, and commentators have been calling for unified federal protection of pre-1972 sound recordings. As far back as 1929, Judge Learned Hand lamented the lack of federal protection for certain categories of otherwise worthy works.¹²⁸ In 1954, then Register of Copyrights Barbara Ringer, summa-

¹²³ *Id.* at 14.

¹²⁴ *Id.* See *Capitol Records, Inc. v. Naxos of America, Inc.*, 4 N.Y.3d 540, 545 (2005) (finding that plaintiff’s 1930s sound recordings were protected by New York State common-law copyright, and that defendant’s 1999 remastering, reissue, and sale of historically significant classical performances infringed plaintiff’s common-law copyrights in the 1930s sound recordings. In determining liability, the court expressly accepted as fact that the defendant produced reissues because it “wished to preserve these important historical recordings.”).

¹²⁵ See 17 U.S.C. § 108 (2005).

¹²⁶ 17 U.S.C. § 108(b), (c) (2005); June M. Besek, *Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives*, at 9-11 (2005), <http://www.clir.org/pubs/reports/pub135/pub135.pdf>.

¹²⁷ See June M. Besek, *Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives*, at 22 (2005), <http://www.clir.org/pubs/reports/pub135/pub135.pdf> (discussing inherent difficulties in the statutory approach employed by California).

¹²⁸ See *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 281 (2d Cir. 1929), *cert. denied*, 281 U.S. 728 (1930) (“It seems a lame answer in such a case to turn the injured party out of

rized the inadequacies of state law protection: “[t]he drawbacks of this type of protection are well known—limited jurisdiction, lack of uniformity, uncertainty of outcome, ineffectiveness of available remedies, and danger of retaliatory state legislation.”¹²⁹ Later in 1975, commentator Donald R. Marucci, articulately and concisely echoed the refrain while outlining the labyrinth of state protection:

When the legitimate record manufacturer and the record pirate enter the judicial arena, the outcome is anything but assured. Motivated by a judicial abhorrence for the “inequitable” practice of record piracy, a court could apply the distorted concept of publication to grant common law protection, or the illusory copying-misappropriation distinction to extend protection under the doctrine of unfair competition. If the jurisdiction involved has its own state “copyright” statute as authorized by the Supreme Court’s ill-considered *Goldstein* opinion, protection could be accorded under that statute. Moreover, the recent improperly conceived similar-use identical use distinction could be employed. On the other hand, the court may adhere to the legal principles involved and refuse to grant such protection. This judicial roulette cannot be condoned.¹³⁰

The repeated call to action has fallen on Congress’s deaf ears. Unfortunately, new digital uses are driving a renewed demand for courts to unearth appropriate state protection for pre-1972 sound recordings. Just as the development of improved record duplicators drove a spike in litigation during the 1970s, the more advanced technological means being produced today and in the years ahead will also bring forth a new era of litigation. The result promises to be a strained, difficult, and conflicted process to reconcile applicable laws across the states. .

B. *Contours of a Proper Federal Scheme: the URAA Model*

Perhaps we can agree that uniform federal copyright protection is necessary to remedy the insufficient state law protection scheme. The next step is determining how this federal protection should be enacted. The remainder of this note considers one potential solution for extending federal protection to pre-1972 sound recordings.¹³¹

court, but there are larger issues at stake than his redress. Judges have only a limited power to amend the law; when the subject has been confided to a Legislature, they must stand aside, even though there be an hiatus in completed justice.”).

¹²⁹ Barbara Ringer, *The Unauthorized Duplication of Sound Recordings*, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, 86th Cong., 2d Sess., 47 (comm. print 1961).

¹³⁰ Donald R. Marucci, *Sound Recordings’ Copyright: The Disc Dilemma*, 36 U. PITT. L. REV. 887, 912 (1974-75).

¹³¹ While the proposed method has particular benefits, nearly any process that results in federal protection for pre-1972 sound recordings will be an improvement over the current state law protection scheme. Federal protection would permit courts, rightholders, consum-

Congress has provided an excellent model for extending federal protection to pre-1972 sound recordings. In an effort to satisfy the United States' obligations under Trade-Related Aspects of Intellectual Property Rights, the intellectual property provisions of the General Agreement on Tariffs and Trade (GATT), Congress enacted the Uruguay Round Agreements Act (URAA).¹³² The URAA is a complex act designed, in part, to restore federal copyright protection to *foreign* pre-1972 sound recordings. Prior to the passage of the URAA, both domestic and foreign pre-1972 sound recordings were subject to state law. The URAA, however, extends federal copyright protection to published pre-1972 sound recordings that are first published in a country, other than the United States, that is a member of an international treaty listed in the URAA. Similarly, federal protection extends to *unpublished* pre-1972 sound recordings if the author or rightholder of the recording is a national or domiciliary of a member country.¹³³

The URAA grants a foreign pre-1972 sound recording the remainder of the term of protection that the recording would have received if federal copyright law had recognized the recording as a protectable artistic work.¹³⁴ When calculating term length, it may prove easiest to briefly conceptualize the foreign pre-1972 sound recording as an American work that was eligible to receive federal copyright protection at the relevant time. For example, a British 1950 sound recording would be subject to the same U.S. protection term as an American 1950 novel.

Using the URAA provisions as a model, one can craft similar provisions to extend federal protection to *domestic* pre-1972 sound recordings.¹³⁵ A proposed amendment could include the following:

To be eligible for federal copyright protection, a domestic pre-1972 sound recording must not be in the public domain in the state in which the recording was first published or, if the recording is unpublished, in the state in which the rightholder is domiciled.

Federal copyright vests in a qualifying domestic pre-1972 sound recording upon the date of enactment of the proposed amendment and subsists for the remainder of the term of copyright that the work would have otherwise been granted in the United States if the work

ers, librarians, and the public to reap the benefits of a comparatively clear, coherent body of federal copyright law.

¹³² Pub. L. No. 103-465, 108 Stat. 4809 (1994).

¹³³ See 3-9A Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9A.01 (2008).

¹³⁴ See 17 U.S.C. § 104A(a) (2008); cf. 17 U.S.C. § 104A(h)(6)(b) (limiting restoration of federal copyright protection to those foreign sound recordings not already in the public domain of the foreign country).

¹³⁵ In addition to the adoption of a URAA-like statutory amendment, 17 U.S.C. § 301(c) must be repealed.

was eligible for current federal protection at the time the sound recording was first fixed.

In this manner, the URAA provides an excellent framework on which to mirror a proposed amendment for the retroactive application of federal copyright protection to domestic pre-1972 sound recordings.

C. *Lingering Difficulties*

While the URAA model addresses the major concerns, the retroactive grant of federal protection raises subtle, yet significant issues. Even so, for each of these issues, the URAA model remains the best available solution.

1. Term of Protection & Enlargement of the Public Domain.

An inherent feature of the proposed amendment is that some sound recordings, otherwise protected by state law until 2067, will fall into the public domain before their current state law protection exhausts.¹³⁶ Under the proposed amendment, sound recordings published before 1923 would immediately enter the public domain.¹³⁷ Similarly, as time moves forward, additional works would fall into the public domain earlier than when any state common law protection would otherwise expire.¹³⁸ For example, a sound recording first published in 1940 would enter the public domain in 2035—thirty-two years before its state common law protection would have expired.

As noted above, archivists and librarians would likely praise such a result. At the same time, rights holders in the affected sound recordings would be stripped of their property. While regrettable, this result is necessary to secure federal protection under the proposed amendment.

There are at least two potential solutions to the rights holder's plight: (1) supplementing the proposed amendment with an additional provision to delineate a specific minimum term of protection, or (2) when appropriate, using government funds to compensate the injured rights holder. Under the first solution, a minimum term of protection

¹³⁶ Oddly, the URAA was initially criticized for removing foreign sound recordings from the public domain and providing federal copyright protection to those sound recordings. See, e.g., 3-9A Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9A.04 (2008).

¹³⁷ 3-9 Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9.11 (2008) (“[T]he Sonny Bono Copyright Term Extension Act extends protection for all works as to which the 75-year term of prior law had not yet elapsed. Works first published in 1922 entered the public domain at the end of 1997, before the amendment was enacted. Accordingly, works first published through the end of 1922 remain unprotected today.”).

¹³⁸ See *id.*

may be extended to all pre-1972 sound recordings,¹³⁹ or to a limited class of sound recordings.¹⁴⁰ Specifying a term of protection for all pre-1972 sound recordings, however, perpetuates the starvation of the public domain and creates yet another technicality in the calculation of copyright term. As such, an alternative approach is likely preferred.

The second solution implicates the Takings Clause of the Fifth Amendment.¹⁴¹ Under the Takings Clause, the government may dedicate a citizen's private property to the public good.¹⁴² When the government exercises this authority, it must provide "just compensation" to the private property owner.¹⁴³ Determining whether government action rises to the level of a "taking" is the subject of much debate.¹⁴⁴ Some scholars contend that government acquisition of a single "core right" in the subject property is sufficient to establish an actionable taking; others argue that the property owner must suffer a complete loss of all property interests.¹⁴⁵ Similarly, defining and calculating "just compensation" has proven to be a difficult task in many takings cases. Not surprisingly, determining the appropriate value of antiquated sound recordings presents unique challenges and difficulties.¹⁴⁶

Here, the proposed amendment immediately places pre-1923 sound recordings into the public domain. Under even the most liberal theories, this government action is likely to be characterized as a taking and, accordingly, entitle the affected rights holders to just compensation. While each compensation would be specifically tailored to the value of the particular sound recording, evidence indicates that pre-1923 sound recordings have a limited share of today's record market

¹³⁹ For example, "copyright protection for a sound recording first published before February 15, 1972, shall not terminate before January 1, 2067."

¹⁴⁰ For example, "copyright protection for a sound recording first published after January 1, 1923 and before February 15, 1972, shall not terminate before January 1, 2067." Such a provision, combined with the repeal of Section 301(c), would place only pre-1923 sound recordings into the public domain.

¹⁴¹ U.S. CONST. AMEND. V.

¹⁴² U.S. CONST. AMEND. V. ("[N]or shall private property be taken for public use, without just compensation.") (Alternatively, the issue may be cast as a taking "without due process of law.").

¹⁴³ *Id.*

¹⁴⁴ See, e.g., Douglas T. Kendall, *The Takings Project: A Critical Analysis and Assessment of the Progress So Far*, 25 B.C. ENVTL. AFF. L. REV. 509 (1998). See also, John C. O'Quinn, *Protecting Private Intellectual Property from Government Intrusion: Revisiting SmithKline and the Case for Just Compensation*, 29 PEPP. L. REV. 435, 491-519 (2002).

¹⁴⁵ J. Nicholas Bunch, *Takings, Judicial Takings, and Patent Law*, 83 TEX. L. REV. 1747, 1790-93 (2005); see also 1-1 Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 1.11 (2008).

¹⁴⁶ See Tim Brooks, *Survey of Reissues of U.S. Sound Recordings*, (2005), <http://www.cldr.org/pubs/reports/pub133/pub133.pdf>.

and their commercial value is correspondingly low.¹⁴⁷ As such, it is likely that the benefits of the proposed amendment outweigh the obligations imposed under the Takings Clause.

With regard to post-1923 sound recordings, the issue is more complex and the outcome less certain. Under the proposed amendment, each post-1923 sound recording receives a period of federal protection before the sound recording falls into the public domain. In the example of a sound recording first published in 1940, the proposed amendment provides the following: 27 years of federal protection before the sound recording enters the public domain in 2035. Under the current scheme, the 1940 sound recording would lose its state protection and enter the public domain in 2067. Accordingly, the proposed amendment replaces 32 years of ambiguous state law protection with 27 years of recognized federal protection in the sound recording. Does such a tradeoff constitute a taking? While there is support on both sides of the issue, based on the 1940 sound recording example, it is likely that the replacement would not rise to the level of a taking.¹⁴⁸

Where the term of federal protection provided is significantly less than the term of state protection lost, the replacement begins to look more like a taking and less like an equitable tradeoff. For example, under the proposed amendment, some 1924 sound recordings will enter the public domain in 2019.¹⁴⁹ Thus, these 1924 sound recordings will gain 11 years of federal protection at the cost of 48 years of state protection. Whether such an exchange is a taking is a difficult question. Where the question is answered affirmatively, it is likely that the amount of just compensation will be relatively low. Generally, demand and commercial value track the age of the population-at-large: as the population's age increases, commercial value of correspondingly early sound recordings decreases. A 2005 Library of Congress study noted:

Unsurprisingly, rights holders tend to reissue recordings that were made within the life span of their current mass customers—essen-

¹⁴⁷ Henry L. Mann, *As Our Heritage Crumbles into Dust: The Threat of State Law Protection for Pre-1972 Sound Recordings*, 6 WAKE FOREST INTELL. PROP. L.J. 45, 62-64 (2006); see also Tim Brooks, *Survey of Reissues of U.S. Sound Recordings*, (2005) at p. 13, <http://www.clir.org/pubs/reports/pub133/pub133.pdf>.

¹⁴⁸ J. Nicholas Bunch, *Takings, Judicial Takings, and Patent Law*, 83 TEX. L. REV. 1747, 1790-93 (2005); see 3-9A Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9A.07 (2008).

¹⁴⁹ For most works, determining the term of protection is a nuanced analysis necessarily dependent on a host of variables—slight changes in the variables may result in significant changes in the term length. For example, under the proposed amendment, if a right holder first published her sound recording in 1924 and then died in 1928, the term of protection would extend to 2027. See 3-9 Melville Nimmer & David Nimmer, *Nimmer on Copyright*, § 9.11 (2008).

tially the nostalgia market. The rights holders virtually ignore earlier periods, no matter how historically important recordings from those periods may be.¹⁵⁰

Calculation of “just compensation” for a taking is rarely an easy task. While the proposed amendment would necessitate further study of the respective values of pre-1923 and post-1923 sound recordings, it appears that any necessary “just compensation” would be relatively low and a feasible government expenditure. The cost of remuneration becomes more tolerable when viewed in light of an enlarged public domain and the host of additional benefits created by the proposed amendment.

2. Ownership of the Federal Copyright

Determining ownership of a sound recording is an additional hurdle in setting a scheme for retroactive federal protection of pre-1972 sound recordings.¹⁵¹ State law permits oral transfers of interests in sound recordings and equates “ownership of the tangible master recording with ownership of the exclusive reproduction right in the recorded performance.”¹⁵² To the contrary, federal copyright “is independent of the tangible object in which it is embodied and . . . cannot be transferred without a signed writing.”¹⁵³ Accordingly, it is easy to envision disputes concerning the ownership of any federal copyright in a pre-1972 sound recording that was impliedly assigned by a performer to a record company.

To identify the ownership interests in the sound recording, courts must determine whether any alleged transfer was effective. As the property interest in many recordings was transferred in accordance with the relaxed regulations of the state law system, imposing comparatively strict federal requirements on transfers would lead to an unintended redistribution of ownership interests. Accordingly, the federal Copyright Act should not be used to determine ownership interests in domestic, pre-1972 sound recordings. Rather, courts should look to determine ownership by applying the law of the state with the most signif-

¹⁵⁰ See Tim Brooks, *Survey of Reissues of U.S. Sound Recordings*, (2005), at p. 8, <http://www.cllr.org/pubs/reports/pub133/pub133.pdf>.

¹⁵¹ See *Victor Talking Mach. Co. v. Armstrong*, 132 F. 711 (S.D.N.Y. 1904); Barbara Ringer, *The Unauthorized Duplication of Sound Recordings*, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, 86th Cong., 2d Sess., 41 (comm. print 1961).

¹⁵² Robert Clarida, *Who Owns Pre-1972 Sound Recordings?*, *The Intellectual Property Strategist* (Nov. 2000).

¹⁵³ See *id.* (citing 17 U.S.C. §§ 202, 204).

icant relationship to the sound recording and the parties.¹⁵⁴ Courts, the Restatement on Conflicts of Law, and the URAA all advocate such an approach to identify ownership interests in a copyrighted work.¹⁵⁵

Accordingly, under the proposed amendment, federal copyright in a qualifying, domestic pre-1972 sound recording would vest in the author or initial rightholder of the work as determined by the law of the state with the most significant relationship to the sound recordings and the parties.

3. Reliance Parties and the Notice of Intent to Enforce

Retroactive federal protection faces one last hurdle. It is likely that some number of parties, in reliance on the parameters of state law, have made investments and agreements for the use of a sound recording in a context that is permissible under state law but improper under federal law. Upon issuance of the federal copyright, these “reliance parties” would immediately transform into federal copyright infringers. The URAA anticipates this predicament and provides an effective mechanism built around notice procedures and a corresponding curtailment of damages that may be recovered from a reliance party.¹⁵⁶

Generally speaking, under the modified URAA safeguards, the owner of the federal copyright in a domestic pre-1972 sound recording “would file with the Copyright Office a notice of intent to enforce that person’s copyright[,] or exclusive right[,] or may serve such a notice directly on a reliance party.”¹⁵⁷ The Register of Copyrights would then publish and maintain an online database of those notices.¹⁵⁸ The entry of the notice in the Register’s database would commence a period of reasonable time in which any recovery of remedies against a reliance party is precluded. Upon exhaustion of the first period, a second period of time would commence in which recovery of *reduced* remedies is allowed. Finally, upon exhaustion of the second period, *unrestricted* recovery of remedies is available.¹⁵⁹

¹⁵⁴ It bears noting that this proposed standard is no more lenient than the standards currently employed to determine ownership interests in domestic pre-1972 sound recordings.

¹⁵⁵ See Restatement (Second) of Conflict of Laws § 222 (1971). See also *Itar-Tass Russian News Agency v. Russian Kurier*, 153 F.3d 82, 90-91 (2d Cir. 1988) (applying the law of the country where intellectual property is created to determine ownership, and the law of the country where harm occurred to determine infringement); see also 17 U.S.C. § 104A(b), (h) (2008).

¹⁵⁶ See 17 U.S.C. §§ 104A(c)-(e) (2008).

¹⁵⁷ 17 U.S.C. § 104A(c) (2008).

¹⁵⁸ See 17 U.S.C. § 104A(e) (2008).

¹⁵⁹ See *id.*

Under this scheme, a relying party receives notice of the federal copyright, is made aware of impending liability, and is provided with reasonable time in which to modify her infringing behavior. The retroactive application of federal copyright protection to pre-1972 sound recordings is not a painless endeavor. The notice period and limitation on recovery from a reliance party, however, is one way in which the proposed amendment attempts to cushion and distribute any resultant injury. It bears noting that the benefits and burdens of the proposed amendment should not be compared to a utopian vision of intellectual property protection. When considering both the benefits and the burdens, the appropriate analysis contrasts the proposed amendment against the indefinite, contradictory protection currently provided by state law.

V. CONCLUSION

In 1909, Congress failed to provide protection for sound recordings. The result has been a history of conflict and confusion for these sound recordings. State protection has been spotty and contradictory from state to state. While the protection scheme may have been tolerable when the reproduction and broadcast of records were relatively confined to a particular state or geographic region, the arrival of the Internet has eliminated the boundaries set by state borders. Digital tools and technological advancements presently allow for the near-instantaneous reproduction, transmission, and distribution of pre-1972 sound recordings. Under the present scheme, federal law permits state copyright protection to extend to the year 2067. For a pre-1972 sound recording, state law is the sole protection against the digital tools that will be created over the next 60 years.

While the proposed amendment is not perfect, and injury to rights holders with an interest in pre-1923 sound recordings is unavoidable, the burdens are likely balanced by the remuneration and the significant benefits of the proposed revision. The proposed amendment would clarify and harmonize a conflicting and difficult body of law. While the proposed amendment is admittedly complex, the copyright community's familiarity with URAA methodology will reveal a recognizable and familiar protection scheme in the proposed amendment.

Perhaps most importantly, the proposed amendment produces clear, reliable boundaries of protection. Defining the metes and bounds of protection is a significant benefit to rights holders, consumers, and the public: performers and rights holders will get the benefits of the DPRSRA's digital performance royalty provision; ISPs will find shelter in the safe harbors of the DMCA Section 512; archivists will gain free-

dom to reproduce and digitally preserve pre-1923 sound recordings; and, librarians will be permitted to make use of the statutory exceptions to preserve such works.

Congress is the only body capable of providing the necessary protection to pre-1972 sound recordings. Of course, if Congress fails to act, courts will again be forced to stretch, shrink, and distort current state law until it appropriately covers the current, and forthcoming, digital uses of pre-1972 sound recordings. Congress constructed its policy for pre-1972 sound recording protection over a faulty foundation. For nearly one hundred years, the states have layered misguided precedent upon Congress's faulty foundation. The time has come for Congress to take action, amend the Copyright Act, and permit pre-1972 sound recordings to be protected—and used—appropriately.