

FAIR USE OF COPYRIGHTED IMAGES AFTER
PERFECT 10 v. AMAZON.COM:
DIVERGING FROM CONSTITUTIONAL PRINCIPLES &
UNITED STATES TREATY OBLIGATIONS

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I. INTRODUCTION

It has often been said that “one picture is worth a thousand words,”¹ but the truth of that adage may rest with the individual viewing a particular picture or image. One may view an image only to find it holds no artistry or meaning, and deem its expressive value to merit a single derogatory comment, whereas another person may perceive a message that resonates because of life experiences, beliefs, or values. Ultimately, what a person has adjudged to be creative and considers to be real “art” is inherently subjective, and even the courts have tended to avoid affixing such definitive labels on particular works.²

However, it can be said without reservation that a picture may be worth thousands of dollars. Paparazzi relentlessly photograph celebrities hoping to take the “money shot,” such as the photo of a soused Lindsay Lohan, or of Paris Hilton carting about a bible prior to her

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¹ *Regan v. Time, Inc.*, 468 U.S. 641, 678 (1984); *see also* BURTON STEVENSON, *THE MACMILLAN BOOK OF PROVERBS, MAXIMS, AND FAMOUS PHRASES*, 146, Macmillan Publishing Company, New York, 1987 (attributing modern use of the expression to a 1921 advertising trade journal, “Printers’ Ink,” which suggested using image advertisements on streetcars, and was originally titled “One Look is Worth a Thousand Words,” and later, “One Picture is Worth Ten-Thousand Words”); and *Masline v. New York, N.H. & H.R. Co.*, 95 Conn. 702, 112 A. 639, 640 (Conn. 1921) (“Thereupon the plaintiff, in reliance upon the agreement, submitted and imparted to the defendant his proposition, to wit: ‘The selling of advertising space by the defendant and the displaying by it of advertisements on its railway stations, depots, rights of way, cars, and fences.’”).

² *Bleistein v. Donaldson Lithographing Company*, 188 U.S. 239, 251-52 (1903) (where Justice Holmes announced the “anti-discrimination” principle: “It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme, some works of genius would be sure to miss appreciation... At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge.”).

sentencing hearing for a probation violation.³ Signed and numbered lithographic copies of an artist's paintings, like those of the American favorite Thomas Kinkade, can command a sizeable price tag.⁴ The cost of these lithographs perhaps reflects the rarity engendered by limiting their production, but in this case, it is more likely due to Kinkade's creativity, as he has "sold more canvasses than any other painter in history" and is the "most collected living artist in the U.S. and worldwide."⁵ Certainly the rareness of the 1909 Honus Wagner baseball card accounts for its \$1.62 million selling price this past August at a memorabilia auction in Chicago.⁶

There is indisputable value in those images, and for those bidding for the opportunity of ownership and control over them, they possess worthy expression. As a general rule, the expression shown in images— whether pictorial or graphic⁷— may be protectable, and as such can garner exclusive rights under U.S. copyright law.⁸ These rights may include, among others, the right to control their reproduction and their display in public. But the extent of such copyright protection is far from absolute, and may be limited by the Doctrine of Fair Use, which is found both in U.S. copyright law,⁹ and in international law within, inter alia, the Berne Convention for the Protection of Literary and Artistic Works.¹⁰

The Doctrine of Fair Use is not a static concept, and, to the contrary, it has seen considerable evolution and, arguably, remarkable inconsistency depending upon the fact pattern

³ Lindsay Lohan— photograph, *available at* <http://nycpress.blogspot.com/2007/05/listless-lohan-gives-paparazzi-money.html> (last visited Mar. 9, 2009); Paris Hilton— photograph, *available at* <http://www.thisislondon.co.uk/showbiz/article-23397596-details/Paris+Hilton:+Please+God,+save+me+from+jail/article.do> (last visited Mar. 9, 2009).

⁴ Thomas Kinkade— Hometown Gallery, *available at* <http://www.thomaskinkadegallery.com/index.php> (last visited Mar. 9, 2009).

⁵ Thomas Kinkade: A Success, Morley Safer Interviews Artist Who's Also Master Marketer, *available at* <http://www.cbsnews.com/stories/2001/11/21/60minutes/main318790.shtml> (last visited Mar. 9, 2009).

⁶ Arkansas Man Buys Baseball Card For \$1.62 Million, *available at* <http://www.foxnews.com/story/0,2933,396585,00.html> (last visited Mar. 9, 2009).

⁷ 17 U.S.C.A. § 102(a)(5) (1976).

⁸ *Id.* at § 106(1) - (6).

⁹ *Id.* at § 107.

¹⁰ The Berne Convention for the Protection of Literary and Artistic Works, [hereinafter "Berne Convention"], Sep. 28, 1979, 828 U.N.T.S. 221, *available at* http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html (last visited Mar. 9, 2009).

surrounding a particular use. An informative scenario, for later use in analyzing the Perfect 10 decision, may be found in the following description.

A law school class considered many cases involving conflicts between various nations. To better understand the nature of these conflicts, a student sought color maps of particular world regions online, by using an internet search engine. The maps, which often had a © symbol indicating copyrighted material,¹¹ were then electronically duplicated by holding the cursor over the desired image that had been returned by the Google search, and right clicking to select “copy.” By switching from the internet web page into the student’s course outline located in a document program, the image was instantly added by selecting “edit” and then the “paste” option. The image extended to the edges of the page, but was quickly adjusted by selecting the image, which creates small temporary rectangular markers on the corners of the image, and then dragging one of the corner markers to reduce the image to a smaller, more useful size. The map then sat adjacent to some type-written class notes, and even though much smaller than the original online image, the resolution was sufficient to permit identification of key geographical features. The student considered selling the outline to help pay law school expenses, which normally would constitute infringement of the copyright holder’s rights in those map images.¹²

U.S. Court decisions have sought to circumscribe the protection to be afforded to the copyright holder of images similar to those maps, based upon the Doctrine of “Fair Use.” However, some of the leading decisions among the circuit courts of appeal, which will be

¹¹ 17 U.S.C. § 401(b)(1) (1976).

¹² *Hasbro Bradley, Inc. v. Sparkle Toys, Inc.*, 780 F.2d 189, 192 (2nd Cir. 1985) (“A prima facie case of copyright infringement consists of proof that the plaintiff owns a valid copyright and the defendant has engaged in unauthorized copying.”); *see also* 17 U.S.C. § 501; and *Ventura County v. Blackburn*, 362 F.2d 515, 520 (9th Cir. 1966) (finding infringement where a county had removed copyright notices from maps licensed to it, and stating that “maps are subject to copyright protection under 17 U.S.C. § 5(f)...The fact that the source of the material for the map is in the public domain does not void the copyright, but is subject to the requirement of originality and creativity. In such case copyright protection is limited to the new and original contribution of the map maker.”).

discussed herein, are contradictory.¹³ In December of last year the Court of Appeals for the ninth circuit issued its decision in *Perfect 10, Inc. v. Amazon.com* (hereinafter, “Perfect 10”),¹⁴ which furthers a reversal of a past trend of that court,¹⁵ and strains the already limited nature of United States’ compliance with provisions of the Berne Convention.¹⁶

This note examines the effect of the Perfect 10 decision upon principles of the Doctrine of Fair Use, in the context of visual images. Part II presents the relevant facts in Perfect 10. Part III provides copyright statutory law found in Title 17, as well as governing case law, and culminates in an analysis of how Perfect 10 transgresses that framework. Part IV provides copyright law and fair use principles under international law, along with a comparable analysis.

II. THE FACTS IN PERFECT 10

Perfect 10, Inc., the copyright holder of high-quality photographs of certain nude models, had invested roughly \$12 million to photograph more than 800 individuals.¹⁷ Over 2,700 photographed images were published in its adult magazine “Perfect 10,” which sold for \$7.99 per issue, and roughly 3,300 images were displayed in a “member’s area” of its web-site, which was accessible only by subscribers who obtained a password upon \$25.50 monthly payments.¹⁸ Perfect 10 had also granted a license to a third party- Phonestarz Media Limited- permitting its world-wide sale and distribution of reduced size versions of Perfect 10’s copyrighted images,

¹³ Compare *Munoz v. Albuquerque A.R.T. Co.*, 38 F.3d 1218 (9th Cir. 1994) (finding infringement where an artist’s copyrighted note cards were mounted to a tile and covered in acrylic, and was deemed to constitute a derivative work because epoxy bonded the art to the tile) with *Lee v. A.R.T. Co.*, 125 F.3d 580, 581 (7th Cir. 1997) (finding no infringement, as the mounting on tiles of copyrighted note cards and small lithographs was deemed analogous to a means of framing museum art work in a process that is not easily reversible, with the court viewing the 9th Circuit’s finding in *Munoz* a “distinction without a difference.”).

¹⁴ *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2006).

¹⁵ *Mirage Editions, Inc., v. Albuquerque A.R.T. Co.*, 856 F.2d 1341 (9th Cir. 1988) (where infringement was found for cutting photographs of an artist’s works from a copyrighted book for mounting to a tile for subsequent resale, as it constituted a derivative work); and *Munoz*, *supra* note 13 (extending the holding in *Mirage* to include infringement for mounting of loose pieces of art work).

¹⁶ Berne Convention, *supra* note 10; *see infra* note 209.

¹⁷ *Perfect 10, Inc. v. Google, Inc.*, 416 F.Supp.2d 828, 832 (C.D. Cal. 2006).

¹⁸ *Id.*

where the images would be available for download to and display on a purchaser's cell phone.¹⁹ Although Perfect 10 generated most of its revenue from its magazine sales and web-site subscriptions, growing success by Phonestarz was illustrated by sales of approximately 6000 image downloads per month in the United Kingdom alone.²⁰ No other licenses permitting distribution or display of Perfect 10's copyrighted images had been granted.²¹

Google, Inc. owns computers to operate an internet search engine, which permits internet users to freely access its web-page in order to search for desired information, documents, and images that are hosted on third party web-sites.²² These third-party web-sites are composed of a combination of "text interspersed with instructions written in Hypertext Markup Language ('HTML')." ²³ Images, such as the photographs in the member's only area of the Perfect 10 web-page, are not stored on the web-page itself, and instead, the HTML instructions on the host's web page direct the user's browser to an address where the image is stored, which is generally within the host's own computer.²⁴

The Google search engine functions by having its software automatically survey existing web-sites on the internet, and that information is then indexed and stored on Google's computer.²⁵ When an internet user accesses the Google web-page and enters key words to search for specific information, Google's software searches its database for relevant content and displays the search results.²⁶ Google handles images in a specialized manner. Google Image Search provides results in the form of reduced size images or "thumbnails"—having a lower resolution than the original image on the host's web site— and which also contain HTML

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1155.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

instructions to indicate the address of the actual full size image on the host's computer.²⁷ Unlike the full-size image, the "thumbnails"—a term objected to by Perfect 10 as a misnomer since those images could be eight times larger than a person's actual thumbnail size²⁸—are stored on Google's servers.²⁹

Once the user selects an image to be viewed by clicking on the thumbnail, HTML instructions cause the viewing area on the user's screen to split into two windows, where the upper window displays Google's annotated information regarding the full-size image which is then displayed in or "framed" by the lower window, having been stored on and retrieved from the computer of the underlying host web-site.³⁰ This process, in which a web-page commands the user's browser to display information from two different computers, is referred to as "in-line linking,"³¹ and "framing" is the process whereby "information from one computer appears to frame and annotate the in-line linked content from another computer."³²

Perfect 10's copyrighted full-size images were re-published without authorization on other web-sites, and Google's automated indexing process subsequently enabled internet users doing a search to view those infringing web-sites via Google's in-line linking,³³ albeit with a disclaimer appearing in the upper annotation window to indicate that certain information or images displayed in the lower window could be copyrighted.³⁴

Google profits when internet users do a search, through a business program called "AdSense," which is a cooperative revenue-sharing program with a web-site owner who agrees to post HTML instructions on the web-site to trigger the Google server to display related

²⁷ *Id.*

²⁸ Perfect 10, Inc. v. Google, Inc., *supra* note 17, at 833 n.4.

²⁹ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1155.

³⁰ *Id.*

³¹ *Id.* at 1156.

³² *Id.*

³³ *Id.* at 1157.

³⁴ Perfect 10, Inc. v. Google, Inc., *supra* note 17, at 834.

advertising.³⁵ Perfect 10 also profited by permitting Amazon.com to in-line link to the search results.³⁶

From 2001 through 2005, Perfect 10 had notified Google that the stored thumbnails and in-line linking to the unauthorized full-size images infringed Perfect 10's copyrights, and requested that Google cease.³⁷ Perfect 10 brought an action against Google in November of 2004 and a similar suit against Amazon.com in June of 2005,³⁸ claiming infringement of its copyright display and distribution rights.³⁹ In determining the issue of liability for infringement of Perfect 10's display rights based on in-line linking to unauthorized full-sized images, the district court considered a "Server Test" and an "Incorporation Test" – a choice with far-reaching implications, as the district court itself stated that, "as opposite ends of the spectrum, the server and incorporation tests are susceptible to extreme and dubious results."⁴⁰

The "Server Test," advocated by Google, would find infringement for a "display" through the actual serving of "content over the web- *i.e.*, physically sending ones and zeroes over the internet to the user's browser," whereas the "Incorporation Test," advocated by Perfect 10, would additionally find direct infringement for a "display" for "the mere act of *incorporating* content into a webpage that is then pulled up by the browser," such as inclusion of HTML instructions.⁴¹ Thus, the matter of the full size images creates important but separate issues from the thumbnails, and will not be the focus of this paper. The district court adopted and applied the server test⁴² and concluded that Perfect 10 was not likely to prevail on its claim of direct

³⁵ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1156.

³⁶ *Id.* at 1157.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.* at 1159.

⁴⁰ Perfect 10, Inc. v. Google, Inc., *supra* note 17, at 839.

⁴¹ *Id.*

⁴² *Id.* at 843-44.

infringement of its right to distribute the full size images,⁴³ and as to secondary liability, that Perfect 10 did not have a likelihood of success on the merits for either contributory infringement or vicarious infringement claims,⁴⁴ which was upheld by the ninth circuit, although it remanded for consideration of infringement under the Digital Millennium Copyright Act (DMCA).⁴⁵

Conversely, the consolidated cases resulted in a finding by the District Court that the thumbnails stored by Google did not constitute a “fair use” under copyright law and would likely violate Perfect 10’s display right.⁴⁶ In distinguishing *Kelly v. Arriba Soft Corp.*,⁴⁷ a decision by the ninth circuit, the district court found that because cell phone users could acquire free images by downloading Google thumbnails rather than purchasing Perfect 10’s reduced-size images, “Google’s use supersedes [Perfect 10’s].”⁴⁸ However, the ninth circuit subsequently concluded that Google’s fair use defense was likely to succeed at trial, and vacated the district court’s preliminary injunction as to Google’s use of the thumbnail images.⁴⁹

III. U.S. COPYRIGHT LAW AND THE PERFECT 10 DECISION

⁴³ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1162.

⁴⁴ *Id.* at 1169.

⁴⁵ *Id.* at 1175; *see also* Online Copyright Infringement Limitation Act, DMCA § 201, Pub.L. 105-304, 112 Stat. 2877 (1998) (codified in part at 17 U.S.C. § 512(c), which gives internet service providers a safe harbor as long as it can show that: (1) it has neither actual knowledge of its system containing infringing materials nor any awareness of facts or circumstances making infringement apparent, or alternatively it expeditiously removed or disabled access to such material upon acquiring actual knowledge of infringement; (2) it receives no financial gain directly from such infringing activity; and (3) it responded expeditiously to remove or disable the access to the material claimed to be infringing after receiving from the copyright holder a notification conforming with requirements of § 512(c)(3).); and *see also* *ALS Scan, Inc. v. RemarQ Communities, Inc.*, 239 F.3d 619 (4th Cir. 2001).

⁴⁶ *Id.* at 1159.

⁴⁷ *Kelly v. Arriba Soft Corporation*, 336 F.3d 811, 822 (9th Cir. 2003) (“Having considered the four fair use factors and found that two weigh in favor of Arriba, one is neutral, and one weighs slightly in favor of Kelly, we conclude that Arriba’s use of Kelly’s images as thumbnails in its search engine is a fair use.”).

⁴⁸ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1165-66.

⁴⁹ *Id.* at 1176.

Unlike Trademark law, which is based upon the Commerce clause,⁵⁰ the origin for intellectual property rights framed by Patent and Copyright Law is found in Article I of the Federal Constitution, which provides that the Congress shall have power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries....”⁵¹ The first U.S. Copyright law was enacted in the Act of 1790, with comprehensive revisions made in 1831, 1870, and 1909,⁵² but the current statutory provisions are largely the result of revisions made under the Copyright Act of 1976 which is codified in Title 17 of the United States Code.⁵³

A. *Protectable Subject Matter*

Copyright law protects “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.”⁵⁴ This can include literary works, dramatic works, choreographic works, pictorial or graphic works, motion pictures, sound recordings, and even architectural works,⁵⁵ but protection does not extend to “any idea, procedure, process, system, method of operation, concept, principle, or discovery,”⁵⁶ some of which may alternatively be protected by patent law. This “idea/expression dichotomy ‘strikes

⁵⁰ *In re Trademark Cases*, 100 U.S. 82, 96 (1879) (finding insufficient authority under art. I, § 8 cl. 8 for the first U.S. Trademark statute, Act of July 8, 1780, ch. 230, 16 Stat. 198, stating: “Congress undertakes to enact a law, which can only be valid as a regulation of commerce, it is reasonable to expect to find on the face of the law, or from its essential nature, that it is a regulation of commerce with foreign nations, or among the several States, or with the Indian tribes.”).

⁵¹ U.S. Const. art. I, § 8, cl. 8.

⁵² Act of May 31, 1790, ch. 15, 1 Stat. 124; Act of Feb. 3, 1831, ch. 16, 4 Stat. 436; Act of July 8, 1870, ch. 230, 16 Stat. 198; Act of March 4, 1909, ch. 320, 35 Stat. 1075.

⁵³ 17 U.S.C.A. §§ 101 et. seq. (1976).

⁵⁴ 17 U.S.C.A. § 102(a) (1976).

⁵⁵ *Id.* at § 102(a)(1) – (8).

⁵⁶ *Id.* at § 102(b); *see also* *Baker v. Selden*, 101 U.S. (11 Otto) 99 (1879) (holding copyrights secured for a system or method of bookkeeping using certain ruled lines and headings to be invalid, as blank account books are not the subject of copyright).

a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression."⁵⁷

Another protected area of "authorship" is for a derivative work, which is defined as a "work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted."⁵⁸ Whether a work is "derivative" has often been the subject of litigation,⁵⁹ and difficult problems are posed by a determination of whether a preexisting copyrighted work was "transformed," as will be discussed herein.

In determining the copyrightability of specific matter, the U.S. Supreme Court, in the Trademark Cases, held that for a work to be classified as a writing and protected under Article I, section 8, clause 8 of the Constitution, "originality is required."⁶⁰ In *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, the Supreme Court affirmatively stated that the "originality" prerequisite codified in Title 17, "is a constitutional requirement," and that "originality requires independent creation plus a modicum of creativity."⁶¹ In general, this means that "one who has slavishly or mechanically copied from others may not claim to be the author."⁶² In some circuits a "modicum of creativity" will demand that the work "contain some substantial, not merely

⁵⁷ *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 556 (1985) (citing from the lower court's opinion at 723 F.2d 195, 203).

⁵⁸ 17 U.S.C. § 101 and 103 (1976).

⁵⁹ Eric C. Surette, *What Constitutes Derivative Work Under the Copyright Act of 1976*, 149 A.L.R. FED. 527, §2 (1998).

⁶⁰ *In re Trademark Cases*, *supra* note 50, at 94.

⁶¹ *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 346 (1991).

⁶² *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 489 (2d Cir. 1976) (Citing 1 M. Nimmer, *The Law of Copyright*, s 6 at 10.2 (1975)).

trivial originality.”⁶³ Thus, even a uniform view for determining originality has not yet been achieved.⁶⁴

The issue as to whether a photographic image satisfied the constitutional requirement of a “writing” and of its being the product of an “author,” was answered in the affirmative in *Burrow-Giles Lithographic Co. v. Sarony*, with the U.S. Supreme Court finding that photographs are “original intellectual conceptions of the author,” and as to “writings,” that “Congress very properly has declared these to include all forms of writing, printing, engraving, etching, etc., by which the ideas in the mind of the author are given visible expression.”⁶⁵

Justice Holmes would later opine on copyright protection for pictorial images in *Bleistein v. Donaldson Lithographing Co.*, where infringement was alleged for “copying in reduced form of three chromolithographs prepared by employees of the plaintiff for advertisement of the circus....”⁶⁶ The decision found that the chromolithograph advertisements were “pictorial illustrations,” and in reversing an earlier view of the court regarding the subject matter of advertisements being inapposite as a copyrightable image,⁶⁷ stated that:

Certainly works are not less connected with the fine arts because their pictorial quality attracts the crowd, and therefore gives them a real use, if use means to increase trade and to help make money...A picture is none the less a picture, and none the less a subject of copyright, that it is used for advertisement.⁶⁸

This decision to reverse the Circuit Court of Appeals was made despite the pre-existing view of advertisements, and, moreover, was made in spite of the fact that the infringing copies

⁶³ *Id.*

⁶⁴ *Surette*, *supra* note 59, § 3 (discussing the court’s observation in *Moore Pub., Inc. v. Big Sky Marketing, Inc.*, 756 F. Supp. 1371 (D. Idaho 1990) that in comparing the tests used by the seventh circuit in *Gracen v. Bradford Exchange*, 698 F.2d 300 (7th Cir. 1993), and the second circuit in *L. Batlin & Son, Inc.*, *supra* note 62, that “a contribution could possibly exceed trivial yet not be substantial, thus meeting one test but failing the other.”).

⁶⁵ *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 55 and 58 (1884).

⁶⁶ *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 248.

⁶⁷ *Higgins v. Kreuffel*, 140 U.S. 428, 431 (1891) (“To be entitled to copyright the article must have by itself some value as a composition, at least to the extent of serving some purpose other than as a mere advertisement or designation of the subject to which it is attached.”).

⁶⁸ *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 251.

were of a reduced size, with the U.S. Supreme Court concluding that “these pictures had their worth and their success is sufficiently shown by the desire to reproduce them without regard to the plaintiffs’ rights.”⁶⁹

Infringement challenges of “derivative works” have not only been numerous, they have led to some very contrary results. The ninth circuit found infringement where Albuquerque A.R.T. Co. had cut photographs from a copyrighted book commemorating the art work of Patrick Nagel, where the clipped photos were bonded to a tile, and intended for sale to the public.⁷⁰ The court stated that, “what appellant has clearly done here is to make another version of Nagel’s art works...and that amounts to preparation of a derivative work.”⁷¹ This use by A.R.T. of the Nagel photos could arguably be viewed as either an abridgment or an adaptation, or both. However, the ninth circuit went even further in extending the *Mirage* holding in the case of *Munoz v. Albuquerque A.R.T. Co.*, where loose pieces in the form of copyrighted note cards were mounted on tiles, and again constituted a derivative work, because epoxy bonded the art to the tile in a process unlike conventional framing.⁷²

Conversely, in *Lee v. A.R.T. Co.* the seventh circuit found no infringement as the mounting of copyrighted note cards and small lithographs was analogous to a means of framing museum art work in a process that is not easily reversible, with the court viewing the ninth circuit’s finding in *Munoz* a “distinction without a difference.”⁷³

A further perspective on derivative works with reference to photographs may be found in two other cases. In *Rogers v. Koons*, in which a sculpture was based on a copyrighted photograph, the district court found that a *difference in medium* had not precluded a finding of

⁶⁹ *Id.* at 252.

⁷⁰ *Mirage Editions, Inc., v. Albuquerque A.R.T. Co.*, *supra* note 15, at 1343.

⁷¹ *Id.*

⁷² *Munoz v. Albuquerque A.R.T. Co.*, *supra* note 13.

⁷³ *Lee v. A.R.T. Co.*, *supra* note 13.

infringement or of a work being derivative.⁷⁴ Furthermore, in *Blanch v. Koons*, where a defendant argued that a painting based upon a copyrighted photograph could not be substantially similar, the second circuit disagreed finding the defendant had “done no more than find a new way to exploit the creative virtues of the original work.”⁷⁵ “Substantial similarity” is an often used test to evaluate if a work is a derivative.⁷⁶

B. A “Bundle” of Exclusive Rights

The copyrightability of photographs is shown by statute and interpretation through case law, and the grant of such a copyright conveys to the copyright holder certain exclusive rights. Among them is the right “to do and to authorize” reproduction of the copyrighted work in copies; to “prepare derivative works based upon the copyrighted work”; to “distribute copies...of the copyrighted work to the public by sale or other transfer...”; and, in the case of pictorial or graphic works, “to display the copyrighted work publicly.”⁷⁷

Treading a course through computer and internet related issues at the time of the Perfect 10 decision, particularly with regard to exclusive rights of copyrighted matter in digital form, was not without any precedent or guidance. In 1983, the third circuit held that “a computer program is a ‘literary work’ and is protected from unauthorized copying, whether from its object or source code version.”⁷⁸ The ninth circuit itself extended this result by finding, in the 1993 case of *MAI Systems Corp. v. Peak Computer, Inc.*, a copyrighted computer program to be copied

⁷⁴ *Rogers v. Koons*, 751 F. Supp. 474, 477 (S.D.N.Y. 1990).

⁷⁵ *Blanch v. Koons*, 467 F.3d 244, 252 (2d Cir. 2006); *see also* *Gracen v. Bradford Exchange*, *supra* note 64 (where a painting of the actress Judy Garland, playing the character Dorothy from “the Wizard of Oz,” was not sufficiently different from the photograph from which it was derived in order to create a copyrightable work).

⁷⁶ *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1167 (C.D. Cal. 1989) (stating that a court is required to undertake extensive comparisons per the Krofft Substantial Similarity test, citing 1 M. Nimmer, § 3.01 at 3-3.); *see also* *Surette*, *supra* note 64, at § 7 (citing cases from the second, fifth, ninth, and eleventh circuits which follow a substantial similarity rule).

⁷⁷ 17 U.S.C.A. § 106(1)-(3) and (5) (1976).

⁷⁸ *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1294 (3d Cir. 1983) (holding that “a computer program, whether in object code or source code, is a ‘literary work’ and is protected from unauthorized copying, whether from its object or source code version.”).

and sufficiently “fixed” for purposes of infringement, when the software is temporarily stored in a computer’s random access memory (RAM).⁷⁹ Enlarging the discussion to include display rights with respect to digital images, although the First Sale Doctrine of 17 U.S.C.A. § 109(c) permits limited display rights to the purchaser of a copyrighted item, and even the projection of one image at a time, the viewers must be “present at the place where the copy is located.”⁸⁰

Furthermore, section 109(b) provides limitations concerning electronic media,⁸¹ and the legislative history of this section specifically states, “the display of a visual image of a copyrighted work would be an infringement if the image were transmitted by any method (by closed or open circuit television, for example, or by a computer system) from one place to members of the public located elsewhere.”⁸² Finally, as punctuated by the opinion in *Bryant v. Gordon*, limiting the display rights to “viewers present where the copy is located . . . by its plain language does not include the billions of people who would be able to view, remotely, an image displayed over the internet.”⁸³

These principles and other critical internet-related issues, which presented themselves in the Perfect 10 litigation, had previously been litigated in a case with a remarkably similar fact pattern. *Playboy Enterprises, Inc. v. Webworld, Inc.* involved an internet web-site operated by Webworld that was called Neptics, Inc. (“Neptics”), where subscribers could pay a monthly fee of \$11.95 and view “sexually oriented photographs and images” in the form of thumbnail and full-size images, but the images available on the Neptics site were “created by or for Playboy

⁷⁹ *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 518 (9th Cir. 1993); *see also Stenograph, L.L.C. v. Bossard Assocs.*, 144 F.3d 96 (D.C. Cir. 1998).

⁸⁰ 17 U.S.C.A. § 109(c) (1976) (“Notwithstanding the provisions of section 106(5), the owner of a particular copy lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to display that copy publicly, either directly or by the projection of no more than one image at a time, to viewers present at the place where the copy is located.”).

⁸¹ *Id.* at 109(b).

⁸² *Bryant v. Gordon*, 483 F.Supp.2d 605, 613 (2007) (citing H.R. Rep. 94-1476, at 5694, 94th Cong., 2d Sess. (1976)).

⁸³ *Id.*

Enterprises Inc” (“PEI”) and had previously “appeared in one of Playboy’s copyrighted magazines.”⁸⁴ The district court for the northern district of Texas found Webbworld liable for copyright infringement in three respects: first, that it had “reproduced” unauthorized copies of Playboy’s images by having on its servers, a downloaded full-sized image and two thumbnail versions of its own creation; second, Webbworld violated Playboy’s “display” rights by “allowing its paying subscribers to view PEI’s copyrighted works on their computer monitors while online”; and third, Webbworld had distributed Playboy’s copyrighted works by permitting subscribers to download and print copies.⁸⁵

Similar results were obtained by PEI in suits in the Northern District of Ohio and the Middle District of Florida.⁸⁶ However, the case against Webbworld is significant because appeal was taken to the Court of Appeals for the fifth circuit. The court, which only stated “We affirm essentially for the reasons stated by the trial judge,” supplied a single footnote which may have foretold the Perfect 10 outcome in saying “Pursuant to 5th Cir. R. 47.5, the court has determined that this opinion should not be published and is not precedent except under limited circumstances set forth in 5th Cir. R. 47.5.4.”⁸⁷

C. Limitations on Exclusive Rights- The Fair Use Doctrine

The exclusive rights enumerated in section 106 of title 17 are limited in several ways: by the aforementioned limitations on transfers under section 109, including the First Sale Doctrine,

⁸⁴ Playboy Enterprises, Inc. v. Webbworld, Inc., 991 F.Supp. 543, 548-550; and 968 F.Supp. 1171, 1173 (N.D. Tex. 1997).

⁸⁵ *Id.* at 551-52.

⁸⁶ Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc., 982 F.Supp. 503 (N.D. Ohio 1997); and Playboy Enterprises, Inc. v. Frena, 839 F.Supp. 1552 (M.D. Fla. 1993); but cf. Field v. Google, 412 F. Supp. 2d 1106 (D. Nev. 2006).

⁸⁷ Playboy Enterprises, Inc. v. Webbworld, Inc., 168 F.3d 486 (5th Cir. 1999).

but also by reproduction rights granted to libraries and archives, which is not particularly applicable here, and by the Fair Use Doctrine.⁸⁸

The doctrine's origin may be traced to an 1841 case involving letters of then former President George Washington, where Justice Story observed:

[A] reviewer may fairly cite largely from the original work, if his design be really and truly to use the passages for the purposes of fair and reasonable criticism. On the other hand, it is as clear, that if he thus cites the most important parts of the work, with a view, not to criticize, but to supersede the use of the original work, and substitute the review for it, such a use will be deemed in law a piracy.⁸⁹

Today the doctrine permits fair use of the copyrighted material “including such use by reproduction in copies...or by any other means specified” in section 106, without being subject to penalties for infringement, when used “for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research...”⁹⁰

The list of “fair uses” provided is exemplary and clearly not intended to be exhaustive, because of the “including” language which precedes the list, and because section 107 additionally provides factors to be considered in assessing whether a particular usage constitutes a fair use, which are: “(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.”⁹¹ Moreover, legislative history for section 107 shows the intent of congress was to only

⁸⁸ 17 U.S.C.A. § 107-109 (1976).

⁸⁹ Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 57, at 550 (citing *Folsom v. Marsh*, 9 F.Cas. 342, 344-45 (Vo. 4,901)(CC Mass.)).

⁹⁰ 17 U.S.C.A. § 107 (1976).

⁹¹ *Id.*

provide some applicable criteria, because the representatives believed that the “courts must be free to adapt the doctrine to particular situations on a case-by-case basis.”⁹²

A significant and relevant case regarding fair use of images is the decision by the second circuit in *Bill Graham Archives v. Dorling Kindersley Limited*.⁹³ Kindersley had created a biographical book about the Grateful Dead, by chronologically combining 2000 images representing a 30-year period.⁹⁴ Copyrights at issue were held by Bill Graham Archives (“BGA”) in seven of those images, which appeared on only seven of the book’s 480 pages, comprising less than one-fifth of one percent of the book.⁹⁵ The BGA copyrighted images were of concert posters that ranged in size from 13” X 19” to 19” X 27,” and the reproduced images printed in the book were 1/20th of those original sizes.⁹⁶ The second circuit noted that, “While the small size is sufficient to permit readers to recognize the historical significance of the posters, it is inadequate to offer more than a glimpse of their expressive value,” and furthermore stated that Dorling Kindersley “minimized the expressive value of the reproduced images by combining them with a prominent timeline, textual material, and original graphical artwork, to create a collage of text and images on each page of the book” and that “BGA’s images constitute an inconsequential portion...”⁹⁷

The Kindersley court also distinguished its earlier decision in *Am. Geophysical Union v. Texaco, Inc.*, “because in that case we found that scientific researchers’ copying of scientific journal articles caused those journals to lose license revenues, because the researchers were looking to their own copies of the articles rather than downloading them from online databases

⁹² H.R. Rep. No. 94-1476, at 5680 (1976).

⁹³ *Bill Graham Archives v. Dorling Kindersley*, 448 F.3d 605 (2nd Cir. 2006).

⁹⁴ *Id.* at 607 and 611.

⁹⁵ *Id.* at 611.

⁹⁶ *Id.*

⁹⁷ *Id.*

such as Lexis, which paid the journals a license fee...In other words...the allegedly infringing use would cause the owner to lose license revenues derived from a substantially similar use.”⁹⁸

Also significant is the case that was distinguished by the District Court in Perfect 10- the litigation in *Kelly v. Arriba Soft Corp.*, in which Arriba provided a service similar to Google, where its computer program “crawled” the web in search of images to index.⁹⁹ The Arriba program copied full-size images to produce thumbnails, but thereafter deleted the full-size copies, and although the thumbnails could be enlarged, their resolution could not be increased.¹⁰⁰ Clicking on Arriba’s thumbnail, just like Google’s arrangement, achieved in-line linking to display the full size original image with an Arriba banner and Arriba advertising, but without the user having any visual clues that the image resided on a third-party’s web site.¹⁰¹ The Arriba crawler copied images from licensed databases that displayed the work of Leslie Kelly, a professional photographer who had copyrighted his images of the American West.¹⁰² In a motion for summary judgment, Arriba conceded that Kelly established a prima facie case of infringement as to display and reproduction rights for the thumbnails, but argued that its use of the thumbnails constituted a fair use.¹⁰³ The district court thereafter enlarged the scope of Arriba’s concession in finding that the use of “both the thumbnail images and the full-size images was fair.”¹⁰⁴ The ninth circuit reversed as to the full size images, simply because neither party moved for summary judgment on the full size images.¹⁰⁵

The U.S. Supreme Court has decided several cases involving copyright fair use since 1976,¹⁰⁶ and although none directly address internet fair use of copyrighted photographs, the

⁹⁸ *Id.* at 615 (citing *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 929-32 (2d Cir.1994)).

⁹⁹ *Kelly v. Arriba Soft Corporation*, *supra* note 47, at 815.

¹⁰⁰ *Id.*

¹⁰¹ *Id.* at 816.

¹⁰² *Id.* at 814 and 816.

¹⁰³ *Id.* at 816.

¹⁰⁴ *Id.* at 816-817.

¹⁰⁵ *Id.* at 817.

opinions add further dimension to the factors, and in one instance, add what arguably poses considerable ambiguity.

Harper & Row Publishers, Inc. v. Nation Enterprises involved a suit over the expression found in President Ford's memoirs, which were to be previewed in an exclusive prepublication Time magazine article, but was preempted by a "hot news story" in the Nation magazine that was constructed primarily of quotes and paraphrases from a pirated manuscript.¹⁰⁷ The Court, in discussing the "purpose and character of the use," stated that fair use "distinguishes between a 'true scholar and a chiseler who infringes a work for personal profit,'"¹⁰⁸ and that "every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright."¹⁰⁹ As to the "amount and substantiality of the portion used in relation to the copyrighted work as a whole," the court found that although the verbatim quotes only constituted roughly 13% of the words in the infringing article, "the Nation took what was essentially the heart of the book."¹¹⁰ The Supreme Court disagreed with the second circuit's characterization of the expressive value of the taking being "a meager, indeed an infinitesimal amount of Ford's original language."¹¹¹

Lastly, the Supreme Court labeled the fourth factor- effect on the market- as "undoubtedly the single most important element of fair use."¹¹² In analyzing the effect of publishing the copyrighted material, the opinion offered that "fair use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work

¹⁰⁶ Sony Corporation of America v. Universal City Studios, Inc., 464 U.S. 417 (1984); Stewart v. Abend, 495 U.S. 207 (1990); Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994); and Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 57).

¹⁰⁷ Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 57, at 542-43.

¹⁰⁸ *Id.* at 563.

¹⁰⁹ *Id.* at 562.

¹¹⁰ *Id.* at 564-65.

¹¹¹ *Id.* at 566.

¹¹² *Id.*

which is copied,”¹¹³ and, moreover, that “a use that *supplants any part of the normal market* for a copyrighted work would ordinarily be considered an infringement.”¹¹⁴ The trial court had found that there was “not merely a potential but an *actual effect on the market.*”¹¹⁵ The U.S. Supreme Court held that the verbatim copying of roughly 300 words of direct quotation from the manuscript was not a fair use within the provisions of the Copyright Act.¹¹⁶

Campbell v. Acuff-Rose Music, Inc. invoked the fair use doctrine in relation to a rap group that arranged a parody performance of a Roy Orbison song- “Oh, Pretty Woman- in spite of being denied advanced permission by the copyright holder.¹¹⁷ The case warrants an extended discussion, but one aspect of the Court’s analysis is central to the present argument, and a good end point for presentation of statutory and case law defining the fair use doctrine. The key section mentions the list of fair uses in the preamble to 17 U.S.C. § 107, but continues to say that the “central purpose of the investigation is to see...whether the new work merely ‘supersede[s] the object’ of the original creation...or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is ‘transformative.’”¹¹⁸

*D. The Perfect 10 Decision: Deliberative Jurisprudence Shaping New Precedent
or A Results-Driven Decision?*

The final decision in Arriba arguably derailed some sensible bounds for the fair use of images on the internet, and was in many respects contrary to the finding in PEI, thus creating a split with the fifth circuit.¹¹⁹ That final decision also reversed, based upon a point of law, the court’s original 2002 opinion, which was withdrawn, and which had found infringement as to

¹¹³ Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 57, at 566-57.

¹¹⁴ *Id.* at 568 (Emphasis added).

¹¹⁵ *Id.* at 567.

¹¹⁶ *Id.* at 569.

¹¹⁷ Campbell v. Acuff-Rose Music, Inc., *supra* note 106, at 572-73.

¹¹⁸ *Id.* at 579.

¹¹⁹ Playboy Enterprises, Inc. v. Webworld, Inc., *supra* note 87.

full-size images.¹²⁰ The ninth circuit's final judgment laid the groundwork for curtailing the display rights of a copyright holder as to online full-size images, and eviscerated rights as to reduced size, low-resolution "copies" of the artist's images, as it appears the court constrained itself to "only consider current market activities of the copyright holder."¹²¹ So in theory, the Arriba court granted new privileges to one who can simply plagiarize and then outrace the artist of an original creation into a divergent online market. Theory has turned to reality with the Perfect 10 decision.

In Arriba, the ninth circuit stated that the company's use had "created a new purpose for the images and is not simply superseding Kelly's purpose."¹²² However, this case is distinguishable because Perfect 10, Inc. had already licensed, with proven market success, use of reduced size images for cell phone downloads,¹²³ and thus this decision has legally enabled the "piracy" admonished by Justice Story and U.S. Supreme Court jurisprudence.¹²⁴ The Perfect 10 result has now unquestionably permitted fair use to diverge onto a fork in the road— a low road away from the constitutional principle of "securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."¹²⁵

¹²⁰ Compare *Kelly v. Arriba Soft Corporation*, *supra* note 47, at 822 ("We hold that Arriba's reproduction of Kelly's images for use as thumbnails in Arriba's search engine is a fair use under the Copyright Act. However, we hold that the district court should not have reached whether Arriba's display of Kelly's full-sized images is a fair use because the parties never moved for summary judgment on this claim and Arriba never conceded the prima facie case as to the full-size images.") with *Kelly v. Arriba Soft Corporation*, 280 F.3d 934, 940 (9th Cir. 2002) ("We hold that Arriba's reproduction of Kelly's images for use as thumbnails in Arriba's search engine is a fair use under the Copyright Act. We also hold that Arriba's display of Kelly's full-sized images is not a fair use and thus violates Kelly's exclusive right to publicly display his copyrighted works.").

¹²¹ Douglas L. Rogers, *Increasing Access To Knowledge Through Fair Use- Analyzing The Google Litigation to Unleash Developing Countries*, 10 TUL. J. TECH. & INTELL. PROP. 1, at 35 (2007) (commenting that "The court did not consider whether Arriba's actions would 'harm' Kelly by making it more difficult for Kelly to enter into a market for thumbnail images"); see also *Harper & Row Publishers, Inc. v. Nation Enterprises*, *supra* note 57, at 566 ("...a use that supplants any part of the normal market for a copyrighted work would ordinarily be considered an infringement.").

¹²² *Kelly v. Arriba Soft Corporation*, *supra* note 47, at 819-20.

¹²³ *Perfect 10, Inc. v. Google, Inc.*, *supra* notes 19 and 20.

¹²⁴ *Harper & Row Publishers, Inc. v. Nation Enterprises*, *supra* note 89.

¹²⁵ U.S. Const. art. I, § 8, cl. 8.

The ninth circuit said of the initial Perfect 10 ruling, that “the district court handled this complex case in a particularly thoughtful and skilful manner,” but subsequently reversed.¹²⁶ Had the ninth circuit simply affirmed, copyright fair use of images would not be relegated to becoming a completely amorphous doctrine— in that it would have at least respected Perfect 10’s reproduction and display rights with respect to the thumbnails, albeit, while sacrificing its display rights in the full size images. Instead, the court of appeals, while acknowledging that “using a copy to save the cost of buying additional copies of a computer program was not a fair use,” gave short shrift to its own prior holding in stating: “We note that the superseding use in this case is not significant at present: the district court did not find that any downloads for mobile phone use had taken place.”¹²⁷ The ninth circuit also diluted the Supreme Court’s principle of a “transformative” work in concluding that the thumbnails met that standard, as with Arriba’s use, because “the images served a different function” and that “just as ‘parody has an obvious claim to transformative value’ because ‘it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one.’”¹²⁸ The ninth circuit claims that, “a search engine may be more transformative than a parody because a search engine provides an entirely new use for the original work, while a parody typically has the same entertainment purpose as the original work,”¹²⁹ and thus ignores the basic justification for parody as a fair use, as offered by the Supreme Court in *Campbell*, which is that parody physically alters the original work.¹³⁰

¹²⁶ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1155.

¹²⁷ *Id.* at 1164-65.

¹²⁸ *Id.* at 1165.

¹²⁹ *Id.*

¹³⁰ *Campbell v. Acuff-Rose Music, Inc.*, *supra* note 106, at 580 (“Modern dictionaries accordingly describe a parody as a ‘literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule,’ or as a ‘composition in prose or verse in which the characteristic turns of thought and phrase in an author or class of authors are *imitated in such a way as to make them appear ridiculous.*’ For the purposes of copyright law, the nub of the definitions, and the heart of any parodist’s claim to quote from existing material, is the *use of some elements* of a prior author’s composition to create a new one that, at least in part, comments on that author’s works.”).

A judicial mandate that automated copying and size reduction of certain online images—producing thumbnails which are not distinctly different from Perfect 10’s downloadable cell-phone images— must furthermore include automated cropping to constitute a fair use, could have produced a viable win-win alternative. It would, in fact, have preserved the commercial market occupied by Perfect 10’s thumbnails— fulfilling “copyright law’s goal of protecting creators’ work product,”¹³¹ which is “intended to motivate the creative activity of authors and inventors by the provision of a special reward,”¹³² while still allowing “the development of new ideas that build on earlier ones.”¹³³ It also would not have run afoul of the Supreme Court’s earlier openness to a finding of infringement for alleged “copying in reduced form of three chromolithographs” that comprised advertisements for the circus in *Bleistein*.¹³⁴ Cropping the photo’s periphery would also have lessened the reduction of the image size necessary for it to fit within the thumbnail format, and alternatively, select portions of the photo’s interior could have been erased.

Even if one were to accept the court’s wholesale acceptance in *Perfect 10* of its assertion from *Arriba* that it “was necessary for *Arriba* to copy the entire image to allow users to recognize the image,”¹³⁵ a second viable and prudent option could have had the court suggesting that some minimum portion of the copyrighted photos be subjected to distortion. The automated copying process could additionally have modestly blurred a narrow horizontal band through the middle of the photos, or a diagonal band from a lower corner to the opposite upper corner, with the band comprising perhaps ten percent of the image’s viewable area. The *Arriba* court relied upon *Núñez v. Caribbean International News Corp.*, where the first circuit had found fair use of a

¹³¹ *Perfect 10, Inc. v. Amazon.com, Inc.*, *supra* note 14, at 1163.

¹³² *Harper & Row Publishers, Inc. v. Nation Enterprises*, *supra* note 57, at 546.

¹³³ *Perfect 10, Inc. v. Google, Inc.*, *supra* note 17 at 1163.

¹³⁴ *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 248 and 252 (setting aside a verdict for the defendant and granting a new trial).

¹³⁵ *Perfect 10, Inc. v. Amazon.com, Inc.*, *supra* note 14, at 1167.

photograph intended for a modeling portfolio that was included in a newspaper article reporting on the scandalous nature of the beauty pageant winner's revealing image.¹³⁶ However, the Arriba court ignored the inherent distortion found in the newspaper's reproduction of an otherwise crisp professional photographic image.

The cropping or the distortion of Perfect 10's images could have been analogized to the Supreme Court's view in *Campbell* of the parody of "Pretty Woman" by 2 Live Crew.¹³⁷ Such alterations could also have positioned the thumbnails to be characterized as commentary on or criticism of the work¹³⁸ particularly if accompanied by a disclaimer,¹³⁹ and would therefore be deserving of the more clearly recognizable statutory fair use protection in the preamble of 17 U.S.C.A. § 107. Furthermore, erasing select portions of the interior of the photos would have served to not take what was essentially the heart of the work. While the cropping scheme arguably may have been somewhat less effective for the professional photographs of the American West that were the subject of litigation in *Arriba*,¹⁴⁰ surely, in this case, it could not be posited that those who surreptitiously enjoy viewing the beauty of a nude adult female would settle upon merely downloading the face of a pretty woman, nor would they be satisfied with a partially obstructed view.

¹³⁶ *Kelly v. Arriba Soft Corporation*, *supra* note 47, at 819 (citing *Núñez v. Caribbean International News Corp.*, 235 F.3d 18 (1st Cir. 2000)).

¹³⁷ *Campbell v. Acuff-Rose Music, Inc.*, *supra* note 106, at 594 ("It was error for the Court of Appeals to conclude that the commercial nature of 2 Live Crew's parody of "Oh, Pretty Woman" rendered it presumptively unfair.").

¹³⁸ *Campbell* *supra* note 106 at 583 ("While we might not assign a high rank to the parodic element here, we think it fair to say that 2 Live Crew's song reasonably could be perceived as commenting on the original or criticizing it, to some degree.").

¹³⁹ *Perfect 10, Inc. v. Amazon.com, Inc.*, *supra* note 14, at 1156 ("...downloads the full-size image, and makes the image appear at the bottom of the window on the user's screen... the top part of the window (containing the information from the Google webpage) appears to frame and comment on the bottom part of the window...").

¹⁴⁰ *Kelly v. Arriba Soft Corporation*, *supra* note 47, at 815.

The customer base which sought to purchase and download Perfect 10's cell phone images, thus would not have been usurped¹⁴¹ by free downloadable Google thumbnails, and if anything, the altered images, to the contrary, would likely have bolstered Perfect 10's business by serving as advertising.¹⁴² At the same time, limited cropping or a small distortion band would not have interfered substantially with a user's ability to determine his or her interest in viewing those Google search results. Such automated alterations would also undeniably have been preferable to the pre-complaint action by Arriba Soft Corp. in voluntarily deleting the Kelly thumbnail images obtained by web "crawling," in addition to placing that web-site onto "a list of sites that it would not crawl in the future," as well as Arriba's pre-trial action which accomplished the same with respect to third-party sites.¹⁴³

In broad terms, the decision of the ninth circuit in Perfect 10 falls short of the leading jurisprudence the court traditionally offers jurisdictions throughout the nation. The court had the opportunity to proffer a solution oriented decision and diminish Judge Posner's concern that "Striking the balance between access and incentives is the central problem in copyright law."¹⁴⁴ The ninth circuit avoided reasonable distinctions with Arriba, and it furthermore neglected to take judicial initiative in two distinct areas.

i. The Current Fallacy: Derivative versus Transformative

¹⁴¹ Campbell v. Acuff-Rose Music, Inc., *supra* note 106, at 592 and 598 (where both the majority and dissent agree that as to the effect on the market for the original, the court must distinguish between "biting criticism that merely suppresses demand and copyright infringement, which usurps it" through a substitutive effect); *see also* Guccione v. Flynt, 1984 WL 18, 4 ("Penthouse has failed to submit any evidence that the value of its September 1983 issue was diminished because of the copyright violation. Given the limited reproduction in question and the fact that the September 1983 issue was off the newsstands by the time the Article was published in November, such a showing is unlikely.").

¹⁴² Bill Graham Archives v. Dorling Kindersley, *supra* note 93, at 613 and 614 n.5 (stating, as to the use of reduced size copyrighted images in a biographical book that they "displayed the minimal image size and quality necessary to ensure the reader's recognition" and in regard to potential sales of the copyrighted full size posters, that "had the book been commercially successful-which it was not- it might have garnered interest in the original images in full size because the reduced images have such minimal expressive impact.").

¹⁴³ Kelly v. Arriba Soft Corporation, *supra* note 47, at 816.

¹⁴⁴ Rogers, *supra* note 121, at 12 (citing William M. Landes and Richard Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325, 326 (1989)).

A copyright holder maintains statutory rights to copyrighted work even as to a “derivative,” where the preexisting work has been “recast, *transformed*, or adapted,”¹⁴⁵ and yet the copyright holder’s rights are judicially abrogated upon an alleged infringer convincingly asserting that a change was brought about in the preexisting work which may be characterized as “*transformative*.”¹⁴⁶ Reapplying the seventh circuit’s observation in *Lee*, this initially appears a “distinction without a difference”— a dilemma that is reminiscent of the childhood conundrum questioning which came first, the chicken or the egg, where you seemingly cannot have one without the other.¹⁴⁷

A search of case law that speaks to both derivative works and transformative works within the same breath or paragraph even, yields only a handful of cases, and of those, the second circuit’s decision in *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, is the most informative.¹⁴⁸ The second circuit’s opinion seeks to contrast derivative works from transformative uses primarily through language from the Supreme Court’s decision in *Campbell* in stating that derivative works are “defined as those markets ‘that creators of original works would in general develop or license others to develop’” and that “the more transformative the secondary use, the less likelihood that the secondary use substitutes for the original.”

However, such a test— foreseeing where an artist or the artist’s agent might seek to further develop his creation— appears fraught with subjectivity. In attempting to establish a qualitative standard, an inference could also be drawn that on a spectrum of potential change— ranging from solely utilizing the preexisting work to exploiting no portion thereof— that a point of transition

¹⁴⁵ 17 U.S.C. § 101 (1976).

¹⁴⁶ *Campbell v. Acuff-Rose Music, Inc.*, *supra* note 106, at 569.

¹⁴⁷ *Spectacor Management Group v. N.L.R.B.*, 320 F. 3d 385, 393 (3rd Cir. 3003) (“We decline to pursue a ‘chicken or the egg first’ argument.”).

¹⁴⁸ *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, 150 F.3d 132, 145 (2D Cir. 1998); *see also* *Peter Letterese and Associates, Inc. v. World Institute of Scientology Enterprises, International*, 533 F.3d 1287, 1311-1313 (11th Cir. 2008).

could be found at some arbitrary mark- say the fifty-percent mark, being comparable to a finding of civil liability upon a preponderance of the evidence. However, this would fail to account for the finding of an unfair use in Harper where the preexisting quoted material accounted for only thirteen percent of the challenged work. As one commentator has previously observed, “Too mechanical a rule...can be dangerously misleading.”¹⁴⁹ The Supreme Court’s concurrence with the Harper trial court that the usage “took what was essentially the heart of the book”¹⁵⁰ emphasizes the qualitative aspect of the second part of the conjunctive considerations in the third fair use factor; “amount and substantiality”– may also govern as to whether a change does not simply mean the work was simply *transformed*, but instead rises to the level of being “transformative.”

This observation suggests that a more basic inquiry should be made, which is whether a determination that a preexisting work has merely been “transformed,” and thus remains a protected derivative work, is subsumed by fair use analysis, or whether both the “transformed” and “transformative” categories each require separate tests, which may share some common questions such as the “amount and substantiality” factor. Perhaps the answer is patently obvious, or perhaps it is as Justice Story long ago stated, that it may be “one of those intricate and embarrassing questions...in which it is not...easy to arrive at any satisfactory conclusion, or to lay down any general principles applicable to all cases.”¹⁵¹ Even as recently as 1984, Justice Blackmun offered that the “doctrine of fair use has been called with some justification, ‘the most troubling in the whole of copyright.’”¹⁵²

¹⁴⁹ Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1123 (1990).

¹⁵⁰ Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 57, at 564-65 (agreeing with the District Court’s “evaluation of the qualitative nature of the taking.”).

¹⁵¹ Folsom v. Marsh, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841).

¹⁵² Sony Corporation of America v. Universal City Studios, Inc., *supra* note 106, at 475 (Blackmun, J., dissenting).

If it were patently obvious, it presumably would imply that any use not satisfying a fair use analysis implicated a protected derivative work, and so a fair use analysis would necessarily be required in all instances. The legislative history for the revision to the Copyright code in title seventeen sustains the proposition in stating, “To be an infringement the 'derivative work' must be 'based upon the copyrighted work,' ... Thus, to constitute a violation of section 106(2), the infringing work must incorporate a portion of the copyrighted work in some form...”¹⁵³ If it incorporates a portion, then fair use factor number three as to the amount and substantiality of such use should be a key inquiry as in Harper. Yet, neither the ninth circuit in Munoz, nor the seventh circuit in Lee even mentioned “fair use” anywhere within the respective opinions. This might fairly be attributed, as the Lee court hinted, to the fact that it “is an open and shut case under the doctrine of first sale,” where “An alteration that includes (or consumes) a complete copy of the original lacks economic significance,”¹⁵⁴ as such transfers are sanctioned by 17 U.S.C.A. § 109(a). However, the use in Mirage was not a complete copy, but consisted of certain photos clipped from the underlying copyrighted book, and yet that opinion also made no mention of fair use.

There seems to be an inevitable dichotomy such that where an authorized “copy” of a copyrighted work is utilized intact– in its entirety– to create another work, the courts will summarily judge it to be or not to be “transformed,” and thus be either an infringing derivative work or a non-infringing first sale issue, as with the Lee court stating, “It still depicts exactly what it depicted when it left Lee's studio.”¹⁵⁵ The level of creativity is essentially deemed by the judiciary to be de minimis and not warranting fair use analysis, regardless of the method of presentation or choice of “frame.” Although, this assertion is contrary to those who believe such

¹⁵³ H.R. Rep. No. 94-1476, at 5675 (1976).

¹⁵⁴ Lee v. A.R.T. Co., *supra* note 13, at 581.

¹⁵⁵ *Id.* at 582.

minor adjustments, even as to the selection of a frame, are critical creative choices, being that “the devil is in the details” and that the rights of an artist extend beyond the sale of his or her work.¹⁵⁶

The other path in the division seems to demand that the judiciary do precisely the opposite of Judge Holmes’ “anti-discrimination principle” and, in fact, be the “final judges of the worth of pictorial illustrations.”¹⁵⁷ As the Supreme Court stated in *Campbell*, “the investigation is to see...whether the new work...adds something new, with a further purpose or different character, altering the first with new expression, meaning or message...”¹⁵⁸ As stated by the commentator who was cited by the Supreme Court, “the secondary use adds value to the original” where the raw material is “transformed in the creation of new information, new aesthetics, new insights and understandings...” becoming “the very type of activity that the fair use doctrine intends to protect for the enrichment of society.”¹⁵⁹

I would submit that a case illustrating failure to pass this test, as to a change being transformative, is found in the *Perfect 10* decision, where nothing more was done than to create an exact duplicate of a copyrighted image in a reduced size, and then to simply point the way to finding full size infringing copies. The only added expression was the admission in the upper frame stating that the thumbnail image “may be scale down and subject to copyright.”¹⁶⁰

I would also submit that a case showing success in passing this test, as to a change being transformative, is shown by the decision of the second circuit in *Bill Graham Archives v. Dorling Kindersley Limited*. The images were not only drastically reduced in size— the largest reproduction being 1/20 the size of the original, but they were combined with “a prominent

¹⁵⁶ See *infra* note 201 and 204 (discussing the French view of artist’s moral rights including a right of integrity).

¹⁵⁷ *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 251.

¹⁵⁸ *Campbell v. Acuff-Rose Music, Inc.*, *supra* note 106, at 579.

¹⁵⁹ Leval, *supra* note 149, at 1111.

¹⁶⁰ *Perfect 10, Inc. v. Google, Inc.*, *supra* note 14, at 834.

timeline, textual material, and original graphical artwork, to create a collage of text and images on each page,” and were “accompanied by captions describing the concerts they represent.”¹⁶¹ Moreover, the second circuit recognized a distinction with its decision in *Am. Geophysical Union v. Texaco, Inc.*, because in that case, “scientific researchers' copying of scientific journal articles caused those journals to lose license revenues, because the researchers were looking to their own copies of the articles rather than downloading them from online databases” which “paid the journals a license fee.”¹⁶² The latter was a distinction the ninth circuit should also have arrived at in comparing Perfect 10 to *Arriba*, with respect to Google’s thumbnail images and Perfect 10’s sale of cell phone images.

There are other troubling aspects to the ninth circuit’s fair use analysis in this case. First, the Perfect 10 opinion did not mention the series of nearly identical suits brought by Playboy Enterprises throughout the country, which involved infringement through the display of both full-size and thumbnail images. Thus, the court did not attempt to offer justification for the differing result in the fifth circuit.

Second, an enigma is created by the court’s failure to even mention the *Mirage* decision. Applying the ninth circuit’s Perfect 10 analysis to that case should similarly lead to a finding of fair use of the photographs of Nagel’s work that were clipped from a copyrighted book and bonded to a tile, because they were no-doubt utilized for a different function— for stand-alone use with potential commercial marketability as either a hot-plate or a coffee-table coaster.

Additionally, a discussion of the *Munoz* decision was warranted in view of the court’s appraisal here of the intersection of the first sale doctrine and the right of first publication, in stating that “Once Perfect 10 has exploited this commercially valuable right of first publication

¹⁶¹ *Bill Graham Archives v. Dorling Kindersley*, *supra* note 93, at 607.

¹⁶² *Id.* at 615.

by putting its images on the Internet for paid subscribers, Perfect 10 is no longer entitled to the enhanced protection available for an unpublished work.”¹⁶³ But adoption of this logic would also entitle the admission paying visitor at an art museum to the display rights from his unconsented digital camera images taken of famous paintings. Moreover, how could it be that in taking the Rie Munoz images and subsequently bonding them to a tile and “applying a transparent plastic film over the print,” to create a product for resale, the court could hold “[b]y borrowing and mounting the preexisting, copyrighted individual art images without the consent of the copyright proprietors ... appellant has prepared a derivative work and infringed the subject copyrights,”¹⁶⁴ and yet, electronically “mounting” Perfect 10’s images beneath a glass computer screen where it may receive “AdSense” revenue¹⁶⁵ is not infringement. This contradiction leads to the second distinct area where the ninth circuit shied away from taking much needed judicial initiative.

ii. *Copyrightability of Digital Images*

Nearly every aspect of day-to-day twenty-first century living either permits, encourages, or requires¹⁶⁶ online interactions, and even the United States Copyright Office facilitates “the ability to upload certain categories of deposits,”¹⁶⁷ for use by the Library of Congress, “directly...as electronic files.”¹⁶⁸ It is undeniable that we are living in a digital era where “Telecommunications and the ‘information superhighway’ facilitate instantaneous mobility of literary and artistic works...” so that with a “click of a mouse or tap of a key, virtually anyone with a computer and a telephone can access vast quantities of information from almost anywhere

¹⁶³ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1167.

¹⁶⁴ Munoz v. Albuquerque A.R.T. Co., *supra* note 13, at 1218.

¹⁶⁵ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1156.

¹⁶⁶ Touro College Jacob D. Fuchsberg Law Center initial class registration, *available at* <https://tcweb.touro.edu/cgi-bin/login.mbr/login>.

¹⁶⁷ 17 U.S.C. § 407(a) (1976) (“Except as provided by subsection (c), and subject to provisions of subsection (e), the owner of copyright or of the exclusive right of publication in a work published in the United States shall deposit, within three months after the date of such publication-- (1) two complete copies of the best edition, or...”).

¹⁶⁸ The United States Copyright Office, Electronic Copyright Office, *available at* <http://www.copyright.gov/ecol>.

on the globe.”¹⁶⁹ Nevertheless, judicial recognition as to the copyrightability of digital images has not yet been heralded with the same unequivocal pronouncement of acceptability as it was for advertisements in *Bleistein*, or for photographs in *Sarcony*, or even for computer code in the ninth circuit’s *MAI* decision.¹⁷⁰ While such recognition for digital images can at best be presently described as tentative- as exemplified by the fifth circuit holding in *PEI* where the court determined that its opinion should not be published nor establish precedent¹⁷¹– the issue only magnifies in significance as artists seek to display their works online, and more and more imagery becomes available online within digital libraries.¹⁷² Without affirmative recognition, the difficulties of protection in the form of strategic deterrence become so harsh, that a warning to online displayers might be needed, such as one writer offered: “Caveat emptor: Let the buyer beware...Or, more appropriately in this context, let the virtual space participant take care.”¹⁷³

A meaningful discussion of the copyrightability of digital images warrants in-depth treatment in a dedicated article; however, to complete the discussion of the Perfect 10 result, two critical aspects are briefly discussed: the medium of presentation; and the subject matter at issue.

a. *Medium of Presentation*

A key issue regarding protection for a lone digital online image appears to be that there is a blurring of the right of first publication, and also arguable ambiguity as to its “first sale,”

¹⁶⁹ Robert A. Cinque, *Making Cyberspace Safe For Copyright: The Protection Of Electronic Works In A Protocol To The Berne Convention*, 18 *FORDHAM INT’L L.J.* 1258 (1995).

¹⁷⁰ Daniel C. Miller, *Determining Ownership in Virtual Worlds: Copyright and License Agreements*, 22 *REV. LITIG.* 435, 449 (2003) (“Digital images would seem to qualify as pictorial or graphic works, yet no court has specifically held this to be true. In *Kelly v. Arriba Soft Corp.*, the court found infringement without directly addressing the copyrightability of digital images. The digital format appears to play no role in the determination of whether it is a work of authorship...”).

¹⁷¹ *Playboy Enterprises, Inc. v. Webbworld, Inc.*, *supra* note 87; *see also Stern Electronics v. Kaufman*, 669 F.2d 852, 853 and 857 (2D Cir. 1982) (where a preliminary injunction concerned copyright protection for “the visual images electronically displayed by a coin-operated video game,” the court concluded “that its repetitive sequence of images is copyrightable as an audiovisual display”).

¹⁷² *See e.g.*, UCAR Digital Image Library, available at <http://www.fin.ucar.edu/ucardil/aboutsite.html> (last visited Mar. 12, 2009).

¹⁷³ Miller, *supra* note 170, at 471.

particularly when that image is posted on a web-site that requires a user to pay a fee in exchange for extended but temporary viewing. The arrangement would seem to constitute the “rental, lease, or lending” rights enumerated in section 106(3), and not a “sale or transfer of ownership.”¹⁷⁴ There is no conventional “publication” analogue for the online image, and the copyright act may require a revision to circumscribe new and more meaningful definitions for this and other online copyright issues.¹⁷⁵

Without further legislative guidelines, the resistance by judges to protect digital images in the on-line medium may persist.¹⁷⁶ Nonetheless, there is currently a statutory basis for such acceptance. As previously offered, section 102(a) of the copyright act states that “Copyright protection subsists...in original works of authorship fixed in *any tangible medium of expression.*”¹⁷⁷ Any doubt as to whether an online image comprises a “tangible medium” should be removed with its subsequent statement elaborating on the permissible technology for viewing such expression, in that it could be “now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or *with the aid of a machine or device.*”¹⁷⁸

Also, the legislative history for the copyright act states, “the display of a visual image of a copyrighted work would be an infringement if the image were transmitted by any method (by closed or open circuit television, for example, *or by a computer system*) from one place to

¹⁷⁴ 17 U.S.C.A § 106(3) (1976).

¹⁷⁵ Jonathan A. Franklin, *Digital Image Reproduction, Distribution And Protection: Legal Remedies and Industrywide Alternatives*, 10 SANTA CLARA COMPUTER & HIGH TECH. L. J. 347, 355 (1994) (“Unlike a print image which has a defined circulation and distribution date, there is no industry custom or parallel pre-existing technology that defines the scope of electronic reproduction rights.”).

¹⁷⁶ Michael A. Jaccard, *Securing Copyright In Transnational Cyberspace: The Case For Contracting With Potential Infringers*, 35 COLUM. J. TRANSNAT’L L. 619 (1997) (“...it is not entirely accurate to describe cyberspace as an entirely ‘lawless land’ where copyright infringers can act anonymously” but that “ideally national copyright laws will need to be harmonized through the multilateral process already initiated under the authority of the World Intellectual Property Organization...”).

¹⁷⁷ 17 U.S.C.A § 102(a) (1976).

¹⁷⁸ *Id.*

members of the public located elsewhere.”¹⁷⁹ There is an imprudent preoccupation in the Perfect 10 decision with the storage location of the digital image,¹⁸⁰ rather than these display restrictions. Realistically, is there, or should there be, any difference between the copyright protection afforded the many “frames” composing the steamy digital video disk recording of the movie “Nine and ½ Weeks,”¹⁸¹ which can be readily viewed on most laptop computers today, and the “single frame” digital online display of a Perfect 10 photographic image?

b. *Subject Matter at Issue*

It is troubling that the ninth circuit would allow the Munoz decision to stand unmodified, and still be providing protection which may be perceived as exceeding the outer limits of the right to prepare derivative works under section 106(2),¹⁸² while the Perfect 10 photographs are afforded little or even no protection whatsoever. This contradiction, along with the fact that the Perfect 10 opinion does not distinguish or even reference the PEI decisions, particularly that of the fifth circuit, nor some of the other similar decisions which have involved unauthorized internet postings of copyrighted photographs, suggests that the subject matter of the photographs is a dominant consideration.¹⁸³

¹⁷⁹ H.R. Rep. No. 94-1476, at 5694 (1976).

¹⁸⁰ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1155 (“No images are stored on a webpage; rather, the HTML instructions on the webpage provide an address for where the images are stored, whether in the webpage publisher’s computer or some other computer.”).

¹⁸¹ See *Jonesfilm v. Lion Gate Intern.*, 299 F.3d 134, 136 (2D Cir 2002) (“Jonesfilm, is a joint venture that produced the motion picture *9 1/2 Weeks*, which starred Mickey Rourke and Kim Basinger. *9 1/2 Weeks* was publicly released in 1986 and continues to be distributed domestically and abroad.”).

¹⁸² *Lee v. A.R.T. Company*, *supra* note 13, at 582 (“If Lee (and the ninth circuit) are right about what counts as a derivative work, then the United States has established through the back door an extraordinarily broad version of authors’ moral rights, under which artists may block any modification of their works of which they disapprove. No European version of *droit moral* goes this far. Until recently it was accepted wisdom that the United States did not enforce any claim of moral rights; even bowdlerization of a work was permitted unless the modifications produced a new work so different that it infringed the exclusive right under § 106(2).”).

¹⁸³ *Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc.*, and *Playboy Enterprises, Inc. v. Frena*, *supra* note 86; *Playboy Enterprises, Inc. v. Webworld, Inc.*, *supra* note 87; *ALS Scan, Inc. v. RemarQ Communities, Inc.*, *supra* note 45, at 626 (removing the DMCA safe harbor provision and remanding for proceedings on the copyright infringement claims); *but cf.* *Field v. Google*, *supra* note 86.

A reasonable question to pose is would the ninth circuit's decision in *Mirage* apply with equal force to the copyrighted work, "The Playboy Book: Fifty Years."¹⁸⁴ More generally, does an image of a woman in the nude per se diminish the copyright protections traditionally afforded to other works? Also, does that protection erode simply because the images are posted as part of an online business? The rights acquired by a copyrighted image involving a nude model should not be diminished, and adopting that position in the past would likely have excluded from protection certain images that are considered to be great works of art. However, a case by case analysis may be required since certain nude photos may trigger concern by judges that the work could satisfy the Miller "obscenity-pornography" test,¹⁸⁵ which may explain the hesitancy of courts to rule with the certainty of *Bleistein* and *Sarcony* until perhaps online infringement occurs for popular works more akin to those by Thomas Kinkade.

However, the answer to the latter question would seem to be that digital expression itself is not a limiting factor because of the ninth circuit decision in *MAI Systems Corp. v. Peak Computer, Inc.* and other comparable decisions.¹⁸⁶ Also because Congress thereafter adopted amendments regarding copyrights for computer code found in section 117 of Title 17, and because Congress has granted certain negative on-line rights in providing safe harbor provisions for an internet service provider within the Online Copyright Infringement Limitation Act, DMCA § 201.¹⁸⁷ The answer to the initial question— whether Playboy's book would receive

¹⁸⁴ HUGH M. HEFNER & GRETCHEN EDGREN, *THE PLAYBOY BOOK: FIFTY YEARS*, Taschen America, 2007.

¹⁸⁵ *Miller v. California*, 413 U.S. 15, 21 (1973) (holding that the government may regulate "obscene" material where (1) the average person applying contemporary community standards must find that the work taken as a whole appeals to the prurient interest; (2) the work depicts/describes in a patently offensive manner sexual conduct defined specifically by state law; and (3) the material must lack serious literary, artistic, political, or scientific value).

¹⁸⁶ *See supra* notes 78, 79 and 87; *see also* JAY DRATLER, *CYBERLAW: INTELLECTUAL PROPERTY IN THE DIGITAL MILLENNIUM*, 2-121, Law Journal Press, 2001 (2000) (stating that in *Universal City Studios v. Reimerdes*, 111 F.Supp.2d 294, 308, "Judge Kaplan refused to draw a clear line between source code and binary executable code, seeing them both as part of a 'continuum' of human expression" and as a result of clever expert testimony, that "trained programmers can 'read' binary executable code...").

¹⁸⁷ Pub. L. No. 96-517, § 10, 94 Stat. 3015, 3028-29 December 12, 1980), codified at 17 U.S.C. §§ 101 and 117; *See supra* note 45.

protection comparable to the book comprising images of Nagel's work— may require adherence by the circuit courts of appeal to the “anti-discrimination” principle announced by Holmes in *Bleistein*, in that “it would be dangerous for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations” because “copyright would be denied to pictures which appealed to a public less educated than the judge.”¹⁸⁸ The same rationale should apply equally, one would think, to the corresponding statutory and common law copyright protections. The business aspect also has been addressed by the U.S. Supreme Court in *Bleistein* in saying that “Certainly works are not less connected with the fine arts because their pictorial quality attracts the crowd, and therefore gives them a real use, if use means to increase trade and to help make money.”¹⁸⁹

IV. INTERNATIONAL COPYRIGHT LAW

The sources of international law, unlike those of the United States— which principally consist of Constitutional Law, Statutory Law, and Case Law— are Treaties, International Custom, General Principles of Law, and Judicial Decisions.¹⁹⁰ While it had been asserted as recently as 1996, that “There is no such thing as international copyright protection,” because “only national law offers protection to authors and artists,” it has similarly been stated in the same breath that “there are certain common principles of copyright protection that the great majority of countries around the world shares,” which could be characterized as a “growing consensus.”¹⁹¹ The initial assertion, while overbroad, at least insofar of its disregard of bilateral copyright agreements, including some between the United States and nations such as the Philippines, Israel, and

¹⁸⁸ *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 251-52.

¹⁸⁹ *Id.* at 251.

¹⁹⁰ Statute of the International Court of Justice, art. 38(1), June 26, 1945, 59 Stat. 1031, 33 U.N.T.S. 993.

¹⁹¹ Ralph Oman, *The Impact of the Berne Convention on U.S. Copyright*, Practising Law Institute, Patents, Copyrights, Trademarks, and Literary Property Course Handbook Series, 455 PLI/Pat 233, 236 (October 1996).

Brazil,¹⁹² perhaps sought to merely highlight a weakness¹⁹³ in the primary multilateral treaty addressing copyrights: the Berne Convention for the Protection of Literary and Artistic Works.¹⁹⁴

A. *The Berne Convention for the Protection of Literary and Artistic Works*

The Berne Convention originated in 1866 under the leadership of the renowned French poet Victor Hugo, and emulates the French approach on copyrights.¹⁹⁵ The Berne Convention was signed on September 9, 1886, and was revised and/or supplemented seven times thereafter, in acts signed throughout the world, including Paris, Berlin, Rome, Brussels, and Stockholm.¹⁹⁶

The U.S. philosophy behind the reservation of copyrights to an “author,” which does bestow some control over the work itself in the form of display and distribution rights, is in fact essentially pecuniary in nature. As stated by the U.S. Supreme Court in *Harper*, “...the Framers intended copyright itself to be the engine of free expression...By establishing a marketable right to the use of one’s expression, copyright supplies the economic incentive to create and disseminate ideas.”¹⁹⁷ The challenge, says the Supreme Court, is to strike the “difficult balance between the interests of authors and inventors in the control and exploitation of their writings

¹⁹² Doriane Lambelet, *Internationalizing the Copyright Code: An Analysis of Legislative Proposals Seeking Adherence to the Berne Convention*, 76 GEO. L.J. 467, 468 (1987) (Arrangement Relating to Copyright Relations Between the United States and the Philippines, Exchange of Notes at Washington, October 21, 1948, 62 Stat. 2996, T.I.A.S. No. 1840, 77 U.N.T.S. 197; Agreement Providing for Reciprocal Protection of Literary, Artistic and Scientific Works, Exchange of Notes at Washington, April 2, 1957, United States-Brazil, 8 U.S.T. 418, T.I.A.S. No. 3793, 290 U.N.T.S. 119; and Agreement Relating to Reciprocal Copyright Relations, Exchange of Notes at Washington, May 4, 1950, United States-Israel, 1 U.S.T. 645, T.I.A.S. No. 2121, 132 U.N.T.S. 189).

¹⁹³ Rogers, *supra* note 121, at 54 (“There was no effective mechanism to enforce the provisions of the Berne Convention, either for the main text, or the Appendix...”); see also Tyler G. Newby, *What’s Fair Here is not Fair Everywhere: Does American Fair Use Doctrine Violate International Copyright Law?*, 51 STAN. L. REV. 1633, 1645-46 (July 1999) (“While members have the theoretical option of bringing disputes over interpretation of the treaty or other members’ enforcement of the Convention before the International Court of Justice (ICJ), it is an option that has never been exercised; the main enforcement mechanism is reciprocity.”).

¹⁹⁴ The Berne Convention for the Protection of Literary and Artistic Works, *supra* note 10.

¹⁹⁵ Oman, *supra* note 191, at 237 and 239.

¹⁹⁶ William Belanger, *U.S. Compliance With The Berne Convention*, 3 GEO. MASON INDEPENDENT L. REV. 373, 376 n.2 (1995) (Additional Act of Paris, signed May 4, 1896, and entered into force on December 5, 1887; the Berlin Revision, signed November 13, 1908, and entered into force on September 9, 1910; the Additional Protocol of Berne, signed March 20, 1914, and entered into force April 20, 1915; the Rome Revision, signed June 2, 1928, and entered into force on August 1, 1931; the Brussels Revision, signed June 26, 1948, and entered into force August 1, 1951; the Stockholm Revision, signed July 14, 1967, with only administrative provisions entering into force in 1970; and the Paris Revision, signed July 24, 1971, and entered into force October 10, 1974).

¹⁹⁷ *Harper & Row Publishers, Inc. v. Nation Enterprises*, *supra* note 57, at 558.

and discoveries on the one hand, and society's competing interest in the free flow of ideas, information, and commerce on the other hand..."¹⁹⁸ The U.S. philosophy, reflecting the common law approach, has its origin in the British Statute of Anne of 1709, whose caption proclaims "An Act for the Encouragement of Learning, by vesting the Copies of printed Books in the Authors... during the Times therein mentioned," and whose preamble stated that the statute was intended "for the Encouragement of Learned Men to compose and write useful Books."¹⁹⁹

This "incentive" approach, which subsists in an "impersonal, negative property right"²⁰⁰—the right to prevent others from displaying or distributing—is in stark contrast to the French view, and that of certain other civil law nations, where the author's rights are "natural rights originating from principles of the French Revolution" in 1789.²⁰¹ These natural rights derive "from the creative artist's unique relationship with his intellectual creation— a relationship which survives the transfer of the physical object of art," because the "creative artists enfuses a part of his own personality and vision into his creation , thereby forming an indissoluble bond between himself and his work."²⁰² In Germany, these rights, which expire after a fixed number of years following the artist's death, are called *Urheberpersönlichkeitsrecht*, meaning the right of the author's personality.²⁰³ The French refer to these rights as le droit moral or moral rights, which are perpetual and may even be conferred on heirs, and have two distinct aspects— a right of "paternity" and a right of "integrity."²⁰⁴ The French thinking, in further contrast to the pecuniary philosophy of U.S. copyright law, holds that "if the creative artist shares the fruits of his genius

¹⁹⁸ Sony Corporation of America v. Universal City Studios, Inc., *supra* note 106, at 429; and Harper & Row Publishers, Inc. v. Nation Enterprises *supra* note 57, at 580 (Brennan, J., dissenting, but quoting the majority in Sony).

¹⁹⁹ Leval, *supra* note 149, at 1109 (citing *Act for the Encouragement of Learning*, 1709, 8 Anne, ch. 19).

²⁰⁰ Belanger, *supra* note 196, at 375.

²⁰¹ Colleen P. Battle, *Righting the "Tilted Scale": Expansion of Artist's Rights in the United States*, 34 CLEV. ST. L. REV. 441, 449 (1986).

²⁰² *Id.* at 446.

²⁰³ *Id.* at 446 and 448.

²⁰⁴ *Id.* at 448 and 449.

with the larger society he has the prerogative to receive the respect which accompanies recognition of his paternity and integrity rights.”²⁰⁵

The moral rights of paternity and integrity were recognized and adopted in the 1928 Rome revision to the Berne Convention, and further expanded in the 1967 Stockholm revision.²⁰⁶ Paternity rights generally refer to the right to determine if and when to first publish, and includes the right to receive credit as the author upon publication, whereas integrity generally refers to the right to prohibit modifications to the work.²⁰⁷ Article 6bis of the Berne Convention states:

Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation *or other modification of*, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.”²⁰⁸

Article 7(4) of Berne provides protection for photographic works, but leaves the term of protection to the discretion of and particular legislation enacted by member nations, except for mandating a minimum period of “twenty-five years from the making of such work.”²⁰⁹

In 1935, the Senate had ratified the Berne Convention, but subsequently moved to reconsider, in order to more fully study the implications.²¹⁰ Despite not being a signatory to the Berne Convention, nor having yet adopted any comparable legislation, several legal challenges by both lesser and better known artists had been brought in U.S. courts without success.²¹¹

²⁰⁵ *Id.* at 449.

²⁰⁶ *Id.* at 446-47.

²⁰⁷ Oman, *supra* note 191, at 240.

²⁰⁸ Berne Convention, *supra* note 10, art. 6bis(1); *but see* international fair use exceptions, *infra* note 240.

²⁰⁹ Berne Convention, *supra* note 10, art. 7(4).

²¹⁰ Oman, *supra* note 191, at 236.

²¹¹ Battle, *supra* note 201, at 449-51 (citing *Vargas v. Esquire, Inc.*, 164 F.2d 522 (7th Cir. 1947) (where Vargas had contracted to supply drawings of women that were published in *Esquire Magazine* with his name thereon, the court found he had divested ‘every vestige of title and ownership of the pictures’ as to some twenty other drawings that were published after cancellation of the contract and without being credited to him).

In *Crimi v. Rutgers Presbyterian Church*, an artist had contracted to design and paint a fresco mural on a church wall.²¹² A contract, awarded based upon plans and sketches submitted by the well known artist Alfred Crimi, had called for the mural's copyright to be assigned to the church owner, and was completed on time resulting in full payment of the agreed price of \$6,800.²¹³ But when Crimi attempted to check on the condition of the mural's paint roughly six years later, he was refused entry into the church.²¹⁴ Crimi was told that since the bare-chested Christ had offended the congregation, it had been painted over, and in a suit, inter alia, to recover the altered mural to protect his integrity rights, the court held that an artist retains no rights, absent contractual provisions, to his work after it is sold.²¹⁵

A 1968 case involved the sale of dolls, which were based upon drawings of the artist Geisel, who had become known as Dr. Seuss, where the dolls had been tagged to acknowledge inspiration from Dr. Seuss.²¹⁶ Geisel later claimed the dolls "were 'tasteless, unattractive, and of an inferior quality,' and destroyed the artistic integrity of his original work."²¹⁷ Geisel sought to protect his moral rights by bringing suit under section 43(a) of the Lanham Act, which protects against "any false designation of origin, false or misleading description of fact..." that is "likely to cause confusion...or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods..."²¹⁸ The court found the attribution indicating the dolls were based on Geisel's illustrations did not mislead, and in discussing his right of integrity stated, "The doctrine of moral rights is not part of

²¹² *Crimi v. Rutgers Presbyterian Church*, 194 Misc. 570, 570-71 (N.Y. Sup. Ct. 1949).

²¹³ *Id.* at 571.

²¹⁴ Battle, *supra* note 201, at 449-51 (citing a discussion of Crimi's discovery in Cernik & Feuer, *Artists Have Rights Too*, NAT'L L.J., Aug. 16, 1982, at 13, col. 1.).

²¹⁵ *Crimi v. Rutgers Presbyterian Church*, *supra* note 212, at 576-77.

²¹⁶ *Geisel v. Poynter*, 295 F. Supp. 331, 348 (S.D.N.Y. 1968).

²¹⁷ *Id.* at 333.

²¹⁸ *Id.*; 15 U.S.C.A. § 1125(a) (1964).

the law in the United States except insofar as parts of that doctrine exist in our law as specific rights- such as copyrights, libel, privacy, and unfair competition.”²¹⁹

The unavailability of protection for an artist’s moral rights within the U.S. had not necessarily extended to an American artist receiving such protection elsewhere. Article 3 of the Berne Convention creates “back-door” protection for an artist where a work is “simultaneously” published in a Berne country, even if the artist is not a citizen of a Berne signatory.²²⁰ Greater protection of moral rights in the U.S. could not be realized until the Berne Convention was adopted, and the U.S. could not realistically consider becoming a signatory until its copyright laws were far more compliant with key provisions of the treaty.

B. *The Berne Convention Implementation Act of 1988*

On September 6, 1952, the Universal Copyright Convention (hereinafter “UCC”) was signed and entered into force in September 16, 1955.²²¹ The UCC was considered a stopgap measure for achieving greater protection of copyrighted works, in lieu of modifying U.S. copyright law to be more compatible with, and thus enable adoption of, the Berne Convention.²²² The UCC protections are far less comprehensive than those provided by the Berne Convention, and principally require a national treatment obligation.²²³ National Treatment merely obligates a signatory to the treaty to protect the work produced by nationals of other members on the same terms as it protects the works of its own nationals.²²⁴ Because no minimum standards are

²¹⁹ *Id.* at 339 n.5; and *Gilliam v. American Broadcasting Companies, Inc.*, 538 F.2d 14, 24 (2nd Cir. 1976); but see *Teresa Laky, Dastar Corp. v. Twentieth Century Fox Film Corp.: Widening the Gap Between United States Intellectual Property Law and Berne Convention Requirements*, 14 SETON HALL J. SPORTS & ENT. L. 441, 442 (2004) (stating that use of § 43(a) of the Lanham Act “as a back door approach to protecting moral rights of attribution” was “severely restricted, if not destroyed altogether” by the decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003)).

²²⁰ *Lambelet, supra* note 192, at 475.

²²¹ Universal Copyright Convention, Sept. 6, 1952, 6 U.S.T. 2731, 216 U.N.T.S. 132, revised July 24, 1971, 25 U.S.T. 1341, 943 U.N.T.S. 194.

²²² *Oman, supra* note 191, at 241; Universal Copyright Convention, *supra* note 221, art. II(1).

²²³ *Lambelet, supra* note 192, at 473.

²²⁴ *Id.*

required, the “international unity of rights and obligations are sacrificed in favor of nondiscrimination.”²²⁵

For roughly a twenty year period following the adoption of the UCC, the U.S. worked towards rewriting Copyright law to be better aligned with key Berne provisions, and the result was the Copyright Act of 1976.²²⁶ The Act included modifying the term from a renewable 28 year term to Berne’s benchmark at the time of life plus fifty years; it removed certain formalities, including registration and deposit of the work as a precondition to receiving protection; it expanded the “breadth of subject matter protection”; and made other compatibility changes.²²⁷

Some had suggested that because of the changes found in the Copyright Act of 1976, “remaining amendments to U.S. law needed for full compliance were relatively modest,”²²⁸ while others question whether “Berne’s extensive protection of author’s rights would be unconstitutional if written into the United States Copyright Code,”²²⁹ because “the 1976 Act reflects the outer bounds of constitutionally accepted protection.”²³⁰ Nonetheless, on October 31, 1988, President Reagan signed the Berne Convention Implementation Act (hereinafter BCIA”) into law.²³¹

BCIA made other limited changes to U.S. copyright law, which included eliminating notice requirements, providing for the addition of “architectural plans” to the acceptable “pictorial, graphic, and sculptural” subject matter of section 102(a)(5), and the addition of licenses for “coin operated phonorecord players” or jukeboxes.²³² The BCIA pronounced that “the amendments made by this Act, together with the law as it exists on the date of the enactment

²²⁵ *Id.*

²²⁶ Oman, *supra* note 191, at 241.

²²⁷ *Id.* at 242.

²²⁸ *Id.*

²²⁹ Lambelet, *supra* note 192, at 476.

²³⁰ Belanger, *supra* note 196, at 391.

²³¹ The Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988).

²³² Belanger, *supra* note 196, at 393.

of this Act, satisfy the obligations of the United States in adhering to the Berne Convention and no further rights or interests shall be recognized or created for that purpose.”²³³ However, section three of the Act stated that the Berne Convention “shall not be enforceable in any action brought pursuant to the provisions of the Berne Convention itself”— a disclaimer that is traceable to the absence, within the Act, of provisions that would allocate moral rights to authors.²³⁴

Further movement towards Berne compliance occurred only two years after the signing of BCIA, as the Visual Artists Rights Act (hereinafter “VARA”) was enacted.²³⁵ Article 6bis of VARA vested artists with “three rights: the right of attribution, the right of integrity and, in the case of works of visual art of ‘recognized stature,’ the right to prevent destruction.”²³⁶ But where Berne provided broad moral rights protection including a twenty-five year period for photographic works, VARA only included “visual art” in the form of paintings, drawings, sculptures, and, under limited circumstances, photos.²³⁷ That limitation was for “a still photographic image for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.”²³⁸ Despite its advancement of moral rights for U.S. artists, VARA did not encompass literary works, and furthermore, it was ineffective in overcoming the loss of an

²³³ The Berne Convention Implementation Act of 1988, *supra* note 231, § 2(1).

²³⁴ Rogers, *supra* note 121, n.225 (citing 1 Paul Goldstein, Goldstein on Copyright, at XLIX § 18.9.1 (2005)); *see also* Lambelet, *supra* note 192, at 485 (“For this reason, Senators Mathias and Leahy each sought to permit the United States accession to Berne without introducing a moral rights provision into the Code...The result was a finding that state common law, together with section 43(a) of the Lanham Act and section 106(A) of the Code, provide substantial protection for an equivalent of moral rights...The Mathias bill avoided the possibility that article 6bis would become a part of United State law by providing that Berne is not self-executing.”).

²³⁵ Visual Artists Rights Act of 1990, Pub. L. No. 101-650 (tit. VI), 104 Stat. 5089, 5128-33 (1990).

²³⁶ Carter v. Helmsley-Spear, Inc., 71 F. 3d 77, 83 (2nd Cir. 1995).

²³⁷ Laky, *supra* note 219, at 450-52; Quality King Distributors, Inc. v. L’anza Research International, Inc., 523 U.S. 135, 149 n.21 (1998) (stating that §106(a) of the Copyright Act of 1976 as modified by the Visual rights Artists Act is analogous to article 6bis of the Berne Convention, but its coverage is more limited).

²³⁸ Visual Artists Rights Act of 1990, *supra* note 235, at 5128.

artist's rights in works made for hire, which was clarified by the U.S. Supreme Court in *Community for Creative Non-violence v. Reid*.²³⁹

C. *International Fair Use under Berne and TRIPS*

The protection of an artist's moral rights granted under Berne, and effectuated through VARA and common law causes of action, is subject to fair use limitations. These limitations appear in several articles of the Berne Convention, including article 2bis, which relates to protection for a specific kind of use, and article 10bis, which permits uses akin to the non-exhaustive list in the preamble to section 107 of the Copyright Act, such as teaching and news reporting.²⁴⁰ Article 9(2) is critical as it creates a broad test, that was mirrored in article 13 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),²⁴¹ and which could roughly be construed as an international analogue to the four fair use factors enumerated in section 107. Article 9(2) requires that, "It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author."²⁴² This article enables Berne signatories to craft national legislation effecting fair use exceptions, provided such legislation satisfies a three-part test of conforming to "special cases," to not conflicting "with a normal exploitation" of the work,

²³⁹ *Laky*, *supra* note 219, at 450; *Community for Creative Non-violence v. Reid*, 490 U.S. 730 (1989); *see also Carter v. Helmsley-Spear, Inc.*, *supra* note 236, at 88 (where three artists contracted to build a large walk-through sculpture in an apartment building lobby whose owner subsequently went bankrupt, the court held as to the dispute of the sculpture being a "single copy" that it met that standard, and after an examination of the Reid factors found "the work is one made for hire and therefore outside the scope of VARA's protection.").

²⁴⁰ Ruth Okediji, *Toward An International Fair Use Doctrine*, 39 COLUM. J. TRANSNAT'L L. 75, 110 (2000).

²⁴¹ Agreement on Trade-Related Aspects of Intellectual Property, art. 13, 33 I.L.M. 1197, 1201; *see also Id.* at 81 ("One of the cardinal objectives of TRIPS, then, was to extend strong intellectual property rules to the rest of the world in an attempt to redeem maximum value for intellectual property products in the global market. The TRIPS Agreement dramatically altered the schema of international intellectual property law to redress the problem of lax enforcement and to secure the basis of competition in the global information economy."); *see also Cinque*, *supra* note 169, at 1276-77 ("During the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the United States proposed measures to protect motion pictures, its second most valuable export, from wide-scale illegal duplication...For the TRIPS document, the United States proposed the institution of border measures requiring signatory states to intercept infringing works at their borders...").

²⁴² Berne Convention, *supra* note 10, art. 9(2).

and it must “not unreasonably prejudice the legitimate interests” of the author.²⁴³ The second part of the test is clearly limiting as to whether or not the Perfect 10 outcome conforms to any international fair use scheme pursuant to Berne, and so any consideration of the first and third parts is left to the reader with the recommendation to consult the scholarly writing of law professor Ruth Okediji.²⁴⁴

The requirement that the use in question “not conflict with a normal exploitation of the work” dictates that unauthorized reproduction must not conflict in any way in which “an author normally would expect to be remunerated for his work,” and that such a finding should end the analysis with the prohibition of an exception.²⁴⁵ That conclusion may be justified by the records of the participants of the Stockholm revision who clearly indicated that the language of Article 9(2) was intended to include “all forms of exploiting a work which had, or were likely to acquire, considerable economic or practical importance.”²⁴⁶

D. Perfect 10 Analyzed through the Lens of International Treaty Obligations.

The displaying of Perfect 10’s photographs through in-line linking with multiple online windows and third-party annotation unquestionably violates the artist’s moral right of integrity as provided for photographs under the Berne Convention. The same is no doubt true of reducing the size of the original images to create and display thumbnail versions. However, U.S. law, as

²⁴³ Okediji, *supra* note 240, at 110; Newby, *supra* note 193, at 1647.

²⁴⁴ See Okediji, *supra* note 240, at 126-36.

²⁴⁵ *Id.* at 104 and 111 (citing SAM RICKETSON, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986*, 486-87 (1987)).

²⁴⁶ Daniel J. Gervais, *Toward a New Core International Copyright Norm: The Reverse Three-Step Test*, 9 MARQ. INTELL. PROP. L. REV. 1, 16 (2005) (citing Records of the Intellectual Property Conference of Stockholm, June 11 to July 14, 1967, WIPO, Geneva, at 1145 (1971)); see also *Medellín v. Texas*, 128 S. Ct. 1346, 1357 (2008) (“The interpretation of a treaty, like the interpretation of a statute, begins with its text...Because a treaty ratified by the United States is ‘an agreement among sovereign powers,’ we have also considered as ‘aids to its interpretation’ the negotiation and drafting history of the treaty as well as ‘the post-ratification understanding’ of signatory nations.); see also Okediji, *supra* note 240, at 122 (stating “...the U.S. approach to treaty interpretation favors examination of documents external to the treaty to aid in the interpretation of the treaty,” and citing Restatement (Third) of Foreign Relations Law of the United States § 325 (1987)); but cf. *Id.* at 121 (“Ironically, the rules of treaty interpretation in the Vienna Convention, as construed by some scholars, discourage resort to travaux préparatoires-- that is, materials used in the development and negotiation of an agreement-- as a guide to interpreting the treaty in question”).

defined in VARA, vested artists with Berne's moral right of integrity, but with limitations. Display of Perfect 10's photos on the internet clearly constituted "exhibition purposes," but the further requirement of the work being a single copy that is signed by the author, or of it being a "limited edition of 200 copies or fewer that are signed and consecutively numbered..."²⁴⁷ may or may not have been satisfied, and would require a factual inquiry beyond what is presently available in the legal record. For the completion of the present analysis, in which U.S. law technically should be one-hundred percent Berne compliant, it will be assumed that the Perfect 10 photos that had been put on display, had also been signed by the artist, that the artist had a vested interest in the outcome of the litigation,²⁴⁸ and that the photos were not a work made for hire.

It is irrefutable that unauthorized copying and display of Perfect 10's copyrighted photographs affected its remuneration at least insofar as purchases of its protected images, as the district court found that because cell phone users could acquire free images by downloading Google thumbnails rather than purchasing Perfect 10's reduced-size images, "Google's use supersedes [Perfect 10's]."²⁴⁹ Furthermore, it is also undeniable that the preamble to the three-part test in Berne Article 9(2), that "It shall be a matter for legislation in the countries of the Union...", is satisfied by pre-existing U.S. copyright laws and those advanced under BCIA, all of which inured as a result of U.S. Constitutional philosophy and Supreme Court jurisprudence stated succinctly in Harper regarding protection of the "marketable right to the use of one's expression."²⁵⁰

²⁴⁷ Visual Artists Rights Act of 1990, *supra* note 235, at 5128.

²⁴⁸ Carter v. Helmsley-Spear, Inc., *supra* note 236, at 83 ("With numerous exceptions, VARA grants three rights... The rights cannot be transferred, but may be waived by a writing signed by the author.").

²⁴⁹ Perfect 10, Inc. v. Amazon.com, Inc., *supra* note 14, at 1176-77.

²⁵⁰ Harper & Row Publishers, Inc. v. Nation Enterprises, *supra* note 5, at 558.

Thus, the conclusion is inescapable that the Perfect 10 decision diverges from our Berne Convention obligations, and further undermines genuine accession to the treaty, which, although that remains unavoidably plagued by the constitutionality of moral rights and was therefore skirted— a concession which the international community acquiesced to in acquiring the U.S. as a signatory—²⁵¹ fair use doctrine under BCIA was not similarly altogether evaded. It is true that Congress, in implementing BCIA, decided that the Berne Convention is not self-executing²⁵² and “opted for passive resistance by failing to [significantly] alter domestic law, thereby leading to a less than complete compliance with Article 9(2)...”²⁵³ Although the Berne Convention required acceptance of its provisions, the Paris Act contained a list of the provisions to which derogations would be permitted, and it did not include fair use as prescribed in Article 9(2).²⁵⁴ Also, since BCIA mandated that U.S. obligations under Berne “may be performed only pursuant to appropriate domestic law,”²⁵⁵ the inevitable default is that until there exists a clearly accepted international fair use norm,²⁵⁶ U.S. fair use obligations under Berne, both for U.S. nationals and citizens of other Berne signatories, is achieved through satisfaction of the fair use exception in 17 U.S.C.A. § 107, as interpreted by U.S. Federal courts.

As argued in the first part of this paper, the Perfect 10 decision falls short of satisfying fair use requirements as proffered by section 107 of title seventeen, and U.S. Supreme Court

²⁵¹ Okediji, *supra* note 240, at 145-46.

²⁵² See *Medellín v. Texas*, *supra* note 246, at 1356 (“This Court has long recognized the distinction between treaties that automatically have effect as domestic law, and those that—while they constitute international law commitments—do not by themselves function as binding federal law. The distinction was well explained by Chief Justice Marshall’s opinion in *Foster v. Neilson*, 2 Pet. 253, 315, 7 L. Ed. 415 (1829)..., which held that a treaty is ‘equivalent to an act of the legislature,’ and hence self-executing, when it ‘operates of itself without the aid of any legislative provision.’ *Foster*, *supra*, at 314. When, in contrast, ‘[treaty] stipulations are not self-executing they can only be enforced pursuant to legislation to carry them into effect.’ *Whitney v. Robertson*, 124 U.S. 190, 194, 8 S. Ct. 456, 31 L. Ed. 386 (1888). In sum, while treaties ‘may comprise international commitments ... they are not domestic law unless Congress has either enacted implementing statutes or the treaty itself conveys an intention that it be ‘self-executing’ and is ratified on these terms.’ *Igartua-De La Rosa v. United States*, 417 F.3d 145, 150 (C.A.1 2005)...”).

²⁵³ Okediji, *supra* note 240, at 144-46.

²⁵⁴ *Id.* at 146.

²⁵⁵ *Id.* at 145.

²⁵⁶ *Id.* at 151.

jurisprudence. However, the availability of this line of argument would admittedly have been compromised in any appeal of the Perfect 10 decision, even if it had not been a work for hire, because satisfaction of the international law rule of *pacta sunt servanda*²⁵⁷ was not offered on appeal to the ninth circuit as justification for protecting Perfect 10's rights under the Berne Convention. However, this argument should be tendered in the future despite the fact that there has never been a reported Federal case using the three-part test of Berne Article 9(2),²⁵⁸ as it may help to establish an international fair use norm and provide clarity for the request asked of the U.S. by the European community, which was to "please explain how fair use doctrine, as it has been broadly applied and interpreted by U.S. courts, ... is consistent with TRIPS Article 13."²⁵⁹

V. CONCLUSION

The Perfect 10 decision, unfortunately, is neither true to fair use doctrine under U.S. copyright law and Supreme Court jurisprudence, nor to the U.S. treaty obligations established under principles of the Berne Convention and TRIPS agreement. The effect of the Perfect 10 decision, in creating a burgeoning fair use exception, will not be diminished until other circuit courts of appeal join the fifth circuit's PEI holding and widen the split, or until the U.S. Supreme Court grants certiorari to specifically delineate rights for copyrighted images in digital form, as it had done for advertisements in *Bleistein*, and for print photographs in *Sarcony*.²⁶⁰

Further clarification by the Supreme Court on the issue of the creativity being "new expression, meaning, or message" in a "transformative" work, as espoused in *Campbell*, to

²⁵⁷ *Pacta sunt servanda* is Latin for "agreements must be kept" and means more generally, "The rule that agreements and stipulations, esp. those contained in treaties, must be observed..." Black's Law Dictionary 1140 (8th ed. 2004).

²⁵⁸ Newby, *supra* note 193, at 1648; Additionally, as was done by Newby, *supra* note 189 n.83, I performed a West Law search on March 14, 2009 using the same query: (BERNE /s 9); and (((TRIPS "TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY") / S 13) AND COPYRIGHT), and the search revealed no cases. In addition, the simpler search of (Berne and art. 9(2)) revealed no cases.

²⁵⁹ *Id.* at 1649 (citing in n.87 World Trade Org. Review of Legislation on Copyright and Related Rights-- United States, IP/Q/USA/1).

²⁶⁰ *Burrow-Giles Lithographic Co. v. Sarony*, *supra* note 65, at 55; *Bleistein v. Donaldson Lithographing Company*, *supra* note 2, at 251.

distinguish it from a pre-existing work that has been “transformed” into a protected derivative work, would also be useful.

However, for now, a floodgate of potential piracy is opened by the Perfect 10 decision, which would appear to permit the law student, hypothesized in the introduction to this paper, to utilize those copyrighted maps and profit through the sale of course outlines which incorporated them. Those sales now appear lawful in the ninth circuit without the grant of a license, permission of any kind, or even an expression of gratitude for the expenses incurred, technical challenges overcome, and creativity incorporated by the company that crafted the expression contained in those map images.²⁶¹ It is ironic that creating that reduced size map image for the course outline had involved mere replication and a couple clicks of a mouse, yet it would in theory be deemed transformative by the ninth circuit, even where it represents the slavish copying prohibited by copyright law. What could be more slavish than to utilize a computer program to automatically accomplish image duplication and size reduction?

There may always be some borrowing to generate new works,²⁶² but to deny that there also, at certain times, springs from imagination and vision, a unique creative spark, would be to similarly hold the glass-half-empty view of the 1899 Patent Office Commissioner who is attributed as having said that “Everything that can be invented has been invented.”²⁶³

There is always room for originality in expression, and as Holmes suggested, the judgment of which is better left for the people to decide, or perhaps may be best resolved with

²⁶¹ *United States v. Hamilton*, 583 F.2d 448, 451 (9th Cir. 1978) (“Expression in cartography is not so different from other artistic forms seeking to touch upon external realities that unique rules are needed to judge whether the authorship is original.”).

²⁶² *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (“In truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before.”).

²⁶³ World of Quotes- Charles H. Duell, available at <http://www.worldofquotes.com/author/Charles-H.-Duell/1/index.html> (last visited Mar. 14, 2009).

the surrender of the inquiry, as in many other areas of law, to experts in the relevant artistic field for an appraisal of a “modest quantum of creativity.” There is little doubt that most artists would take a different view of creativity, than that of the ninth circuit.

“Through spontaneity we are re-formed into ourselves. It creates an explosion that for the moment frees us from handed-down frames of reference, memory choked with old facts and information and undigested theories and techniques of other people’s findings. Spontaneity is the moment of personal freedom when we are faced with reality, and see it, explore it and act accordingly. In this reality the bits and pieces of ourselves function as an organic whole. It is the time of discovery, or experiencing, of creative expression.”²⁶⁴

²⁶⁴ THE COLUMBIA WORLD OF QUOTATIONS, #55070, (Robert Andrews, Mary Biggs, and Michael Deidel eds., Columbia University Press CD-ROM, 1996) (attributed to Viola Spolin, U.S. theatrical director, producer, *Improvisation of the Theater*, ch. 1 (1963)), available at <http://www.bartleby.com/66/70/55070.html> (last visited Mar. 23, 2009).