



Fall 9-1-1974

## Goldstein V. California And The Protection Of Sound Recordings: Arming The States For Battle With The Pirates

Follow this and additional works at: <https://scholarlycommons.law.wlu.edu/wlulr>



Part of the [Antitrust and Trade Regulation Commons](#), and the [Intellectual Property Law Commons](#)

---

### Recommended Citation

*Goldstein V. California And The Protection Of Sound Recordings: Arming The States For Battle With The Pirates*, 31 Wash. & Lee L. Rev. 604 (1974).

Available at: <https://scholarlycommons.law.wlu.edu/wlulr/vol31/iss3/7>

This Note is brought to you for free and open access by the Washington and Lee Law Review at Washington and Lee University School of Law Scholarly Commons. It has been accepted for inclusion in Washington and Lee Law Review by an authorized editor of Washington and Lee University School of Law Scholarly Commons. For more information, please contact [christensena@wlu.edu](mailto:christensena@wlu.edu).

travel compelling-state-interest doctrine to land use ordinances is inapposite, because such laws are highly complex, affect a multiplicity of interests, and are not practically susceptible to the rather mechanistic analysis employed in the *Shapiro* line of cases. Recognizing that the old rationality standard does not adequately protect certain public and private interests against the harmful effects of exclusionary laws, some courts have fashioned a stringent yet realistic standard which can prevent localities from "fencing out" natural growth without depriving them of the ability to plan for that growth. If the right to travel is regarded as among the liberties protected by the due process clause, courts may in the future employ the currently developing standard of regional rationality to protect the legitimate interests of property owners and municipalities, as well as of potential residents of those municipalities.

RAY V. HARTWELL, III

## GOLDSTEIN v. CALIFORNIA AND THE PROTECTION OF SOUND RECORDINGS: ARMING THE STATES FOR BATTLE WITH THE PIRATES\*

### *Introduction*

The problem of the unauthorized duplication of records and tape recordings, a practice commonly known as record piracy, has been an increasingly troublesome one for the legitimate recording industry.<sup>1</sup> The situation has become particularly acute in the past several de-

---

\*A revised version of this article has been submitted in the 1974 Nathan Burkan Memorial Competition, sponsored by the American Society of Composers, Authors and Publishers, at the Washington and Lee University School of Law.

<sup>1</sup>Record piracy, a pejorative but nevertheless descriptive term, involves the direct reproduction of existing records and/or pre-recorded tapes. Typically, the pirate purchases a popular, commercially available recording, re-records it perhaps hundreds-of-thousands of times and sells the pirated copies, usually at a price below that of the original. Thus the pirate is not only able to bypass all of the production and studio costs borne by the original producer, but he is also in a position to choose to exploit only those recordings which have demonstrated popularity and commercial success. The pirate's close cousins are the "counterfeiter" and the "bootlegger." The counterfeiter goes beyond mere piracy of the recording itself and also duplicates the original album sleeve or cartridge cover, including the original manufacturer's name and trademark. Such counterfeiting is expressly prohibited by federal law. 18 U.S.C. § 2318 (1970). See note 33 *infra*. The bootlegger, instead of duplicating a commercially available sound recording, makes his own by either surreptitiously recording a live performance by an artist or by obtaining the previously unreleased recordings by an artist. See

cares,<sup>2</sup> due in large part to tremendous increases in the scope and profitability of the entire entertainment industry and the explosive growth in entertainment-related technology. Yet despite the dimensions of the record piracy business, the protection available to the legitimate recording industry has been, at least until recently, something less than complete. This is due primarily to the fact that until the Sound Recording Amendment of 1971,<sup>3</sup> sound recordings<sup>4</sup> were not subject to statutory copyright protection under the Federal Copy-

---

Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204 (1972).

Of the three, the pirate, the focus of this article, is the most troublesome, primarily because piracy is the most lucrative activity entailing the least amount of risk. The plethora of literature which has appeared on the subject of record piracy attests to the concern which the problem has generated. See, e.g., Helfer, *Copyright Revision and the Unauthorized Duplication of Phonograph Records—A New Statute and the Old Problems: A Job Half Done*, 14 BULL. CR. SOC. 137 (1966); Kurlantzick, *Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204 (1972); Schrader, *Sound Recordings: Protection Under State Law and Under the Recent Amendment to the Copyright Code*, 14 ARIZ. L. REV. 689 (1972); Yarnell, *Recording Piracy is Everybody's Burden: An Examination of Its Causes, Effects and Remedies*, 20 BULL. CR. SOC. 234 (1973).

<sup>2</sup>The annual volume of record piracy in the United States is estimated to be in excess of \$100 million. H.R. REP. NO. 487, 92d Cong., 1st Sess. 3 (1971); *Tape Indus. Ass'n of America v. Younger*, 316 F. Supp. 340, 351 (C.D. Cal. 1970). Indeed, the problem of record piracy has reached international proportions and there have been efforts to deal with it on a worldwide level. See generally Kaminstein, *Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of Their Phonograms*, 19 BULL. CR. SOC. 175 (1972).

<sup>3</sup>Act of Oct. 15, 1971, Pub. L. No. 92-140, 85 Stat. 391, amending 17 U.S.C. §§ 1-215 (1970) (codified at 17 U.S.C. §§ 1(f), 5(n), 19, 20, 24, 26, 101(e) (Supp. II, 1972)).

<sup>4</sup>It is important to distinguish the three component elements of a recording. First, there is the underlying musical composition. This is the work of the composer and may be copyrighted, subject to the compulsory license, 17 U.S.C. § 1(e) (1970). The compulsory license provision permits others to make a "similar use" of the composition once the composer has initially authorized its use for recording purposes. The compulsory licensee need only file a Notice of Intention to Use and pay the two-cent statutory royalty in order to record the composition himself without fear of an infringement action brought by the composer. See generally I M. NIMMER, COPYRIGHT §108.4 (1973) [hereinafter cited as NIMMER]. See also text at notes 28-31 *infra*. But see notes 6 and 123 *infra*.

The second component element of a recording is the "sound recording." This is the work product of the performer(s) and record producer(s) who join together to produce a recording of the musical composition. It is this element of the recording which is granted, for the first time, federal statutory copyright protection under the Sound Recording Amendment. Prior to the enactment of the Amendment, the sound recording element was not subject to copyright protection under the federal statute. H.R. REP. NO. 487, 92d Cong., 1st Sess. 5 (1971); *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1955); NIMMER § 35.12.

right Act.<sup>5</sup> Thus, aggrieved record producers, manufacturers and performers were compelled to rely largely on state law as their primary source of relief against record pirates.<sup>6</sup>

The Sound Recording Amendment represents a Congressional response to the need for federal statutory copyright protection of sound recordings. However, the Amendment provides for a federal copyright only in those sound recordings "fixed, published, and copyrighted" on or after its effective date.<sup>8</sup> Sound recordings "fixed" prior to that date are still not copyrightable under the Federal Copyright Act. For these pre-Amendment recordings, therefore, state law remains the only potential source of protection.

In the recent case of *Goldstein v. California*,<sup>10</sup> the Supreme Court was faced with the question of whether the states could grant protection<sup>11</sup> to pre-Amendment sound recordings,<sup>12</sup> or whether the grant of protection to recordings is a matter of exclusive federal competence.

The final element is the tangible object—i.e., disc, tape, etc.—in which the sound recording is embodied. No federal copyright protection attaches to this element, under either the original Copyright Act, 17 U.S.C. § 1 *et seq.* (1970), or the Amendment, 17 U.S.C. § 1 *et seq.* (Supp. II, 1972).

<sup>5</sup>17 U.S.C. § 1 *et seq.* (1970).

<sup>6</sup>Ringer, *The Unauthorized Duplication of Sound Recordings*, in STUDIES ON COPYRIGHT 117, 128-29 (1963) [hereinafter cited as STUDIES]. However, several cases have granted federal statutory protection against piracy to the proprietor of the copyright in the underlying musical composition on the theory that a pirate does not make a "similar use" of the musical composition within the meaning of the compulsory license provision, 17 U.S.C. § 1(e) (1970), and thus infringes upon the composer's copyright. See *Duchess Music Corp. v. Stern*, 458 F.2d 1305 (9th Cir.), *cert. denied*, 409 U.S. 847 (1972); *Fame Publishing Co. v. S&S Distribs., Inc.*, 177 U.S.P.Q. 358 (N.D. Ala. 1973); cf. *Aeolian Co. v. Royal Music Roll Co.*, 196 F. 926 (W.D.N.Y. 1912). See note 123 *infra*.

<sup>7</sup>Pub. L. No. 92-140, § 3 (Oct. 15, 1971).

<sup>8</sup>The effective date of the Amendment was February 15, 1972, four months after the date of enactment. *Id.*

<sup>9</sup>"Fixation" occurs when "the complete series of sounds constituting the work is first produced on a final master recording" which is later used to make additional copies. 37 C.F.R. § 202.15(a) (1972).

<sup>10</sup>412 U.S. 546 (1973).

<sup>11</sup>The protection granted by California was in the form of a penal statute which criminalized the dubbing activities of pirates. CAL. PENAL CODE § 653h (West 1970). Thus, while the state was not granting a copyright per se, the protection afforded owners of master discs or tapes by the statute was the functional equivalent of a copyright enforceable against anyone subject to the state's jurisdiction. This is the kind of state protection which Professor Goldstein has called "intrinsic" because it, in effect, bears directly upon the copyright interest. See Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 71-73 (1969).

<sup>12</sup>All of the recordings which the defendants in *Goldstein* had been charged with duplicating had been fixed prior to February 15, 1972, the effective date of the Sound Recording Amendment. 412 U.S. at 552. See notes 8-9 *supra*.

Briefly,<sup>13</sup> *Goldstein* held that while the Constitution expressly grants Congress the power to provide copyright protection,<sup>14</sup> this grant of power is not exclusive. Finding no constitutional impediment to the concurrent exercise of copyright powers by the states,<sup>15</sup> the *Goldstein* Court then turned to a consideration of the Federal Copyright Act to determine if Congress had preempted state protection. The Court acknowledged that if such preemption were to be found in the Act, state protection would be prohibited under the supremacy clause. However, the Court found that neither the language of the Act nor its history demonstrates that Congress intended to exercise fully its constitutional grant of copyright powers.<sup>16</sup> Thus the Court concluded "that the State of California [by enacting an anti-piracy penal statute] has exercised a power which it retained under the Constitution, and that the challenged statute, as applied in this case, does not intrude into an area which Congress has, up to now, pre-empted."<sup>17</sup>

The basic issue in *Goldstein*—the validity of state protection of sound recordings—is one which has troubled the recording industry since the enactment of the present Copyright Act in 1909.<sup>18</sup> Although it is now firmly established that sound recordings fall within the scope of the copyright clause of the Constitution as "writings" of an "author," and thus are constitutionally susceptible of federal copyright protection,<sup>19</sup> their status was not entirely clear at the time Congress was considering the 1909 Act.<sup>20</sup> It was this uncertainty which,

---

<sup>13</sup>See the extended discussion of the *Goldstein* decision at notes 67-84 and 138-60 and accompanying text *infra*.

<sup>14</sup>The copyright clause of the Constitution, U.S. CONST. art. I, § 8, grants to Congress the 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 . . . ." As the *Goldstein* Court pointed out, this grant of authority, while express, is not, in its own terms, exclusive. Additionally, the Court found nothing in the Constitution which expressly bars the states from the exercise of copyright power. 412 U.S. at 553.

<sup>15</sup>*Id.* at 552-61.

<sup>16</sup>*Id.* at 561-70.

<sup>17</sup>*Id.* at 571.

<sup>18</sup>See STUDIES at 139-56, discussing the various congressional proposals regarding sound recordings from 1909 to 1957 and the involvement of representatives of the recording industry in this legislative process.

<sup>19</sup>In *Shaab v. Kleindienst*, 345 F. Supp. 589 (D.D.C. 1972), the Sound Recording Amendment was attacked on the grounds that sound recordings are not constitutionally copyrightable. The court upheld the Amendment. See also *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1955) (dictum); H.R. REP. NO. 487, 92d Cong., 1st Sess. 5 (1971) (accompanying Sound Recording Amendment); S. REP. NO. 72, 92d Cong., 1st Sess. 4 (1971); NIMMER §§ 8.2, 35.12.

<sup>20</sup>In *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884), the Supreme

at least in part, prompted Congress to refuse to extend federal protection to sound recordings in the original 1909 Act.<sup>21</sup>

In addition to misgivings about the constitutionality of copyright protection for sound recordings, the congressional treatment afforded them in 1909 was guided in large measure by fear of the possible emergence of "a great music monopoly"<sup>22</sup> which it was believed might develop if composers were granted a copyright not only in their musical compositions but also in the recordings which embodied those compositions. An important judicial backdrop to the congressional approach to the monopoly question was the Supreme Court's decision in *White-Smith Music Publishing Co. v. Apollo Co.*,<sup>23</sup> decided in 1908.<sup>24</sup> In *Apollo*, the Court ruled that piano rolls did not constitute "copies" of the copyrighted musical composition embodied therein, but were merely part of the machinery which served to reproduce that composition.<sup>25</sup> The primary significance of this holding was that an

---

Court, albeit in dictum, spoke of the copyright power as encompassing only "all forms of . . . visible expression." *Id.* at 58 (emphasis added). See also *American Mutoscope & Biograph Co. v. Edison Mfg. Co.*, 137 F. 262 (C.C.N.J. 1905); Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204, 230 (1972).

<sup>21</sup>During the course of the congressional hearings on the 1909 Act, Frank L. Dyer, representing a number of record manufacturers, while submitting a draft bill which would have granted a copyright in the recordings themselves, nevertheless expressed grave doubts about the constitutionality of the provision. *Hearings Before Committees on Patents on Pending Bills*, 60th Cong., 1st Sess. 302-09 (1908).

<sup>22</sup>H.R. REP. NO. 2222, 60th Cong., 2d Sess. 6 (1909).

<sup>23</sup>Indeed, Congress had specifically waited for the Court's decision in *Apollo* before affirmatively acting upon the 1909 Act. H.R. REP. NO. 7083, 59th Cong., 2d Sess., pt. 1, at 10; pt. 2, at 3-4.

<sup>24</sup>209 U.S. 1 (1908).

<sup>25</sup>The decision turned on the Court's reasoning that a "copy" of a musical composition must be in notation which is visually intelligible. *Id.* at 18. The analogy to disc and tape recordings is readily apparent. If a piano roll, which does have visible markings although not in intelligible form, is to be denied the status of a "copy," disc or tape recordings, which inherently have no visible markings, are clearly also not "copies."

However, Congress has, in part, legislatively overruled the *Apollo* decision by providing in the Sound Recording Amendment that devices, such as discs or tapes, which embody musical compositions "shall be considered copies of the copyrighted musical works which they serve to reproduce mechanically . . ." 17 U.S.C. § 101(e) (Supp. II, 1972). However, inasmuch as the Amendment leaves untouched the compulsory license provision, 17 U.S.C. § 1(e) (1970), the recognition of records and tapes as "copies" of the musical composition merely extends to the composer the right to invoke the same sanctions for failure to comply with the requirements of the compulsory license as any other copyright owner enjoys. See Note, *The Sound Recording Act of 1971: And End to Piracy on the High e's?*, 40 GEO. WASH. L. REV. 964, 983-84 (1972). Thus the Amendment does not operate fully to overrule *Apollo* in the sense of making

unauthorized duplication of piano rolls would not infringe the composer's copyright in the underlying musical composition.<sup>26</sup> Clearly, the potential impact of the *Apollo* holding goes beyond simply piano rolls to include by analogy other forms of mechanical reproduction such as disc and tape recordings.

In 1909, a year after the *Apollo* decision, Congress enacted the present Copyright Act. The congressional reaction to *Apollo* could have been to redefine mechanical reproductions in the Act so that they would constitute "copies" of the musical composition which they serve to reproduce. This, however, would have given the proprietor of the copyright in the musical composition a copyright interest in the mechanical reproduction itself. Congress feared that such a result would open the door for large recording companies to buy up the rights to these reproductions, thereby creating a "musical trust" which would unduly hamper the dissemination of recorded music.<sup>27</sup>

The solution which Congress ultimately adopted to protect composers while avoiding any danger of extensive monopolization in the music industry was the compulsory license.<sup>28</sup> Under the compulsory licensing provision,<sup>29</sup> the composer is granted the exclusive right to control only the first recording of his composition. When he initially authorizes the use of his composition on a recording, his right is no longer exclusive. Anyone may make "similar use" of the composition

---

the unauthorized duplication of records or tapes an infringement of the musical composition in all circumstances; compliance with the royalty and notice requirements of the compulsory license provision will, even under the Amendment, still permit the duplicator to escape liability to the composer. But see note 123 *infra*.

<sup>26</sup>A somewhat less important by-product of the decision was that piano rolls or other tangible objects which embodied the composition (*e.g.* records and tapes) in non-visual form could not be filed as "copies" of the composition for copyright registration purposes.

<sup>27</sup>See note 22 *supra*.

<sup>28</sup>The committee report which accompanied H.R. 28192, the 1909 Copyright Act, sought to make it clear that composers were to receive no rights in the mechanical reproduction beyond those provided by the compulsory license:

It is not the intention of the committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer or copyright proprietor the control, in accordance with the [compulsory license] provisions of the bill, of the manufacture and use of such devices.

H.R. REP. NO. 2222, 60th Cong., 2d Sess. 9 (1909). The *Goldstein* court interpreted this passage not as an affirmative declaration of a congressional intent that mechanical reproductions (*i.e.* sound recordings) were to receive no protection of any kind, but rather the quoted language "was intended only to establish the limits of the composer's right." 412 U.S. at 566 (original emphasis). Compare *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 664-65 (2d Cir. 1955) (Hand, J., dissenting).

<sup>29</sup>17 U.S.C. § 1(e) (1970).

merely by the filing of proper notice and the payment of the statutory royalty fee.<sup>30</sup> Aside from this limited interest, the original 1909 Act vested in the composer no other rights in recordings of his compositions.<sup>31</sup> Nor did the Act grant to the record manufacturer or recording artist any copyright interest in the recording. As a result, sound recordings were extended no federal protection.<sup>32</sup> Legitimate record manufacturers and performers were therefore obligated to seek out state law as virtually their only weapon against record pirates.<sup>33</sup> The Sound Recording Amendment of 1971 brings some measure of relief

---

<sup>30</sup>See note 4 *supra*.

<sup>31</sup>See note 28 *supra*. But see note 6 *supra* and note 123 *infra*, citing the few cases which have granted relief to the composer on the theory that direct duplication is not a "similar use" within the meaning of the compulsory license provision. See also Note, *Record Piracy and Copyright: Present Inadequacies and Future Overkill*, 23 MAINE L. REV. 359, 371-74 (1971), discussing the convergence and divergence of the economic interests of manufacturers, performers and composers.

<sup>32</sup>A very early case, *Fonotipia Ltd. v. Bradley*, 171 F. 951 (E.D.N.Y. 1909), contains dictum to the effect that under the then newly-passed Copyright Act of 1909, "any form of recording or transcribing a musical composition, or rendition of such composition [is] capable of registration, and the property rights therein secured under the copyright statute . . . ." *Id.* at 963. However, the notion that sound recordings were specifically granted copyright protection under the Federal Copyright Act before the 1971 Amendment has since been authoritatively refuted. See NIMMER § 35.21. Indeed, this viewpoint has prevailed throughout the history of the Copyright Act despite the dictum in *Fonotipia*, with one commentator in 1940 deeming the point "settled." Note, *Rights of Recording Orchestras Against Radio Stations Using Records for Broadcast Purposes*, 2 WASH. & LEE L. REV. 85, 86 (1940).

<sup>33</sup>Some limited federal protection is embodied in 18 U.S.C. § 2318 (1970) which provides criminal penalties, although no right of civil action, for the transportation or sale in interstate commerce of records or tapes which bear a "forged or counterfeited label." However, this statute goes only to the problem of counterfeiting, see note 1 *supra*, and thus may be easily circumvented by selling pirated recordings under a label different from the original. This has been the practice of the pirates, and its success in avoiding the sanctions of the statute is reflected in the absence of prosecutions brought under the law. See NEWSWEEK, Oct. 5, 1970, at 71 (no one prosecuted under the statute in the eight years since its enactment). There are no reported cases under the 18 U.S.C.A. § 2318 (Supp. 1973) annotations. Clearly, the federal statute has done little to halt record piracy *per se*; it has merely prevented pirates from packaging and selling their product as the original work. Despite the apparent failure of § 2318 to deal effectively with the basic problem of record piracy, a bill has been recently introduced which amends the statute to provide stiffer penalties. H.R. 13364, 93d Cong., 2d Sess. § 3 (1974). Under this amendment, penalties for violation of the statute would include a fine up to \$25,000 and imprisonment for up to three years for the first offense and a fine of up to \$50,000 and imprisonment for up to seven years for any subsequent offense. Although these penalties may appear severe, they are in line with the penalties prescribed in S. 1400, 93d Cong., 1st Sess. § 1769 (1973), an omnibus criminal revision bill, now pending, which criminalizes the piracy (infringement) of copyrighted sound recordings. See also note 34 *infra*.



to this problem, but its limitation of copyright to those recordings fixed on or after February 15, 1972, means that producers and performers must continue to look elsewhere for protection of pre-Amendment sound recordings.<sup>34</sup>

One source of protection has been state anti-piracy penal statutes. However, these statutes are of fairly recent origin<sup>35</sup> and represent an outgrowth of the protection earlier afforded by the states in civil actions. The state protection granted in these civil suits has been predicated upon such common law theories as right of privacy, interference with contractual or employment relations, injury to reputation and moral rights.<sup>36</sup> However, the two most successful and widely accepted theories have been the common law doctrines of common law copyright and unfair competition,<sup>37</sup> each representing a distinct

---

<sup>34</sup>Responding to this need for some form of federal protection, Senator Brock has introduced a bill to make the interstate manufacture, transportation, sale or receipt of a pirated recording without the consent of the owner of the master recording a misdemeanor punishable by a fine up to \$1,000 and up to one year in jail. S. 3107, 93d Cong., 2d Sess. (1974). The bill would prohibit unauthorized duplication regardless of whether or not the recording was subject to a statutory copyright under the Sound Recording Amendment. However, it would seem that the prescribed penalties are not sufficiently severe, in light of the immense profit potential of record piracy, to effectively dissuade the activity.

In addition to Senator Brock's bill, there are also pending in Congress the Copyright Revision Bill, S. 1361, 93d Cong., 1st Sess. §§ 501-06 (1973) and an omnibus crime bill introduced by Senators Hruska and McClellan, S. 1400, 93d Cong., 1st Sess. § 1769 (1973). The cited sections of both bills provide criminal penalties for piracy (infringement) of copyrighted sound recordings. In addition, the Revision Bill provides for civil action as well. Of these three pieces of legislation, Senator Brock's anti-piracy bill appears to be in the best position for early passage. See BILLBOARD, March 16, 1974, at 16. However, the Brock bill, by providing what is, in essence, federal copyright protection unlimited in duration, is of questionable constitutionality. It appears that the bill, as proposed, contravenes the "limited times" provision of the copyright clause. See note 48 *infra*.

<sup>35</sup>See Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204, 207 & n.5 (1972).

<sup>36</sup>See STUDIES at 130, which lists opinions which have discussed these grounds. See also Note, *The Future of Record Piracy*, 38 BROOK. L. REV. 406, 421-24 (1971). These are the doctrines which Professor Goldstein labels "extrinsic" because their primary thrust is to protect rights other than the copyright and their effect upon the copyright interest is therefore a tangential one. See generally Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49 (1969). Generally speaking, however, these theories have received little currency in the courts as a basis for granting copyright-related state law relief. Thus they are not further discussed herein.

<sup>37</sup>The Goldstein case highlights the third basis of effective state protection: penal statutes protecting a specific class of works such as sound recordings. However, as an historical and analytical matter, the primary emphasis has been upon the theories of common law copyright and unfair competition. These are theories which Professor Goldstein has called "intrinsic" as bearing directly upon the copyright interest. See note 11 *supra*.

and independent theory of state protection.<sup>38</sup>

Regardless of the form of the state-granted protection, however, the ultimate issue remains the constitutional validity of state protection of any kind.<sup>39</sup> The immediate import of *Goldstein v. California*<sup>40</sup> is that it resolves this question of constitutional validity in favor of a state grant of copyright protection in the form of a penal anti-piracy statute. However, *Goldstein's* treatment of the state protection issue holds significance beyond simply the validation of California's anti-piracy statute. The decision represents approval of the concept of state regulation of the copyright field, whatever form such regulation may take, including both statutory and common law protection. Because of *Goldstein's* impact upon common law copyright and unfair competition theories of state protection, and because of the important role that they have traditionally played in the recording industry's battle against record piracy, it is useful to analyze the Court's reasoning in relation to these theories. Only by examining *Goldstein* in light of the assumptions and premises which have grown up around the concepts of common law copyright and unfair competition can the decision be placed in its proper context and its significance fully understood.

### *Common Law Copyright*

Common law copyright, often referred to as "the right of first

---

<sup>38</sup>Because both common law copyright and unfair competition involves the recognition of property rights other than those provided for by the Federal Copyright Act, and because it is possible for a single party to assert rights based upon both theories, the courts have occasionally confused them and have used them interchangeably. See, e.g., *Metropolitan Opera Ass'n, Inc. v. Wagner-Nichols Recorder Corp.*, 199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1950), *aff'd*, 279 App. Div. 632, 107 N.Y.S.2d 795 (1951). This tendency, however, operates both to blur the important functional and conceptual distinctions between the two doctrines and to obfuscate the basic issue of the validity of the state protection. Therefore, in this note the two doctrines are discussed separately as distinct theories of state protection.

<sup>39</sup>The issue of the validity of state law protection has prompted comment from a number of writers. See, e.g., Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49 (1969); Kalodner & Vance, *The Relation Between Federal and State Protection of Literary and Artistic Property*, 72 HARV. L. REV. 1079 (1959); Kaplan, *Performer's Right and Copyright: The Capitol Records Case*, 69 HARV. L. REV. 409 (1956); Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204 (1972); Nimmer, *Copyright 1956: Recent Trends in the Law of Artistic Property*, 4 U.C.L.A.L. REV. 323 (1957); Whicher, *The Ghost of Donaldson v. Beckett: An Inquiry Into the Constitutional Distribution of Powers Over the Law of Literary Property in the United States—Part I*, 9 BULL. CR. Soc. 102 (1962).

<sup>40</sup>412 U.S. 546 (1973).

publication," is the doctrine which protects an author's proprietary interest in his works before publication.<sup>41</sup> Common law copyright protection is available for any work which represents "an original intellectual creation," regardless of whether the work is eligible for a statutory copyright. A common law copyright vests in its owner the right to prohibit completely any unauthorized use of his unpublished works.<sup>42</sup> Section 2 of the Federal Copyright Act preserves the author's common law rights in his unpublished work, and permits protection of those rights by an action in law or equity.<sup>43</sup> Section 2 thus operates specifically to exclude unpublished works from the protective scope of the Act. This express exclusion clearly indicates that state common law copyright protection of sound recordings prior to their publication has not been federally preempted, even if such recordings are susceptible after publication to statutory copyright protection under the Sound Recording Amendment.<sup>44</sup> However, the operative word—and the one which introduces an element of uncertainty into common law copyright protection—is the term "publication."

Nowhere in the Copyright Act is "publication" defined.<sup>45</sup> This is an unfortunate omission since the act of publication represents the point at which common law copyright protection terminates and either the statutory copyright attaches or the work loses all protection, thereafter passing into the public domain. Thus, regardless of whether a particular work is subject to protection under the Copyright Act, it is afforded common law copyright protection up to the moment of publication. If the work is within one of the categories of "writings" enumerated in the Act and if the statutory registration and notice procedures are not complied with, it then passes into the public domain upon publication and may thereafter be legitimately copied by anyone.<sup>46</sup> The concept of publication is therefore crucial in

---

<sup>41</sup>See *Hemingway v. Random House, Inc.*, 23 N.Y.2d 341, 244 N.E.2d 250, 296 N.Y.S.2d 771 (1969).

<sup>42</sup>STUDIES at 129.

<sup>43</sup>16 U.S.C. § 2 (1970). See the text of this section quoted at note 70 *infra*.

<sup>44</sup>In *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 n.7 (1964), the Supreme Court expressly recognized the states' authority to grant common law copyright protection to unpublished works, while at the same time striking down the unfair competition theory of state protection.

<sup>45</sup>The Act does define "date of publication" as "the earliest date when copies of the first authorized edition were placed on sale, sold, or publicly distributed . . . ." 17 U.S.C. § 26 (1970). However, it has been held consistently that this section merely specifies the time at which the statutory copyright, if any, begins running and that it does not define publication itself. See NIMMER § 49.

<sup>46</sup>Publication is a prerequisite to the vesting of a statutory copyright, 17 U.S.C. § 13 (1970), although some works (not including sound recordings) may be granted

determining the scope of the author's protection. If the definition of publication<sup>47</sup> applied by a state court permits the author to exploit his work commercially without having that exploitation constitute publication, the author is then in the enviable position of having complete common law copyright protection of unlimited duration for a work from which he is currently reaping financial award.<sup>48</sup>

Perhaps nowhere is the tendency to grant perpetual protection by applying a somewhat tortured definition of publication better illustrated than in the area of sound recordings. Because of judicial distaste for the activities of record pirates, a court may feel impelled to apply a highly artificial and unduly restrictive definition of publication, particularly if the alternative is the irrevocable loss of all protection for the recording.<sup>49</sup> However, in the process of granting such relief the court also gives the record producer or performer a virtual *carte blanche* to make extensive commercial use of his recordings without subjecting such protection to a time limit. Many courts have reached just such a result, holding that even the extensive public sale or commercial distribution of recordings does not act as a publication

---

statutory copyright protection as unpublished works under § 12 of the Act. Thus there are two sides to the coin of publication, one being the publication which dissipates the author's common law copyright—"divestive publication"—and the other being the publication which brings the work within the scope of the statute—"investive publication." Nimmer finds that in those cases involving the question of divestive publication, the term "publication" is construed narrowly, while in those situations where the issue involves an investive publication, the same term is construed broadly. The obvious intent underlying this judicial tendency is to give the author the benefit of the doubt and to minimize the possibility that he will be denied any protection at all. See generally NIMMER § 58.2.

<sup>47</sup>Nimmer has suggested a general definition of publication gleaned from the language and holdings of a number of cases:

[P]ublication occurs when by consent of the copyright owner, the original or tangible copies of a work are sold, leased, loaned, given away or otherwise made available to the general public, or when an authorized offer is made to dispose of the work in any such manner even if a sale or other disposition does not in fact occur.

NIMMER § 49 (emphasis deleted).

<sup>48</sup>In contrast, the copyright clause of the Constitution mandates that Congress may grant copyright protection only for "limited times." U.S. CONST. art. I, § 8. As a result, Congress has limited the duration of a statutory copyright to a maximum of fifty-six years—twenty-eight under the original registration with a twenty-eight year renewal. 17 U.S.C. § 24 (1970). Compare the proposed Copyright Revision Bill which provides that the statutory copyright "endures for a term consisting of the life of the author and fifty years after his death." S. 1361, 93d Cong., 1st Sess. § 302(a) (1973).

<sup>49</sup>Mr. Justice Marshall, in his dissenting opinion in *Goldstein*, recognized this tendency but warned that "we should not let our distaste for 'pirates' interfere with our interpretation of the copyright laws." 412 U.S. 546, 576, 579 (1973) (Marshall, J., dissenting).

which divests the producer or performer of his common law rights in the recording.<sup>50</sup> Indeed, this would appear to be the prevailing treatment afforded the publication issue under state law.<sup>51</sup> In contrast, the commercial distribution of sound recordings has uniformly been held to constitute a divestive publication under the federal rule.<sup>52</sup>

Since a finding that publication has occurred in any particular case will depend on whether the state or federal definition is applied, a significant preliminary inquiry is whether the test of publication is a state or federal question. The Supreme Court in *Goldstein* appears to have adopted the view that as to those "writings" which have been brought within the scope of the Copyright Act, publication is a federal matter, but as to those works not subject to the statutory copyright, publication is of no federal concern.<sup>53</sup> Against this approach must be contrasted the view of Judge Learned Hand, an important mold of modern copyright law. Hand was the leading proponent of the theory that as to any constitutional "writing" within the meaning of the copyright clause, publication must be considered a matter of federal law.<sup>54</sup> Hand's reasoning flowed from his belief that the language of the copyright clause vesting in Congress the power to grant copyright protection for "limited times" only<sup>55</sup> applies both to Congress and to the states. Therefore perpetual state protection in the

---

<sup>50</sup>See, e.g., *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1955) (applying New York law); *Waring v. Dunlea*, 26 F. Supp. 338 (E.D.N.C. 1939) (applying North Carolina law); *Gieseking v. Urania Records, Inc.*, 17 Misc.2d 1034, 155 N.Y.S.2d 171 (Sup. Ct. 1956); *Metropolitan Opera Ass'n, Inc. v. Wagner-Nichols Recorder Corp.*, 199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1950); *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa. 433, 194 A. 631 (1937). Cf. *Ettore v. Philco Television Broadcasting Corp.*, 229 F.2d 481 (3d Cir.), *cert. denied*, 351 U.S. 926 (1956) (general distribution of a film does not destroy performer's common law rights in the film; applying New York, New Jersey, Pennsylvania and Delaware law). But see *Mercury Recording Products, Inc. v. Economic Consultants, Inc.*, 181 U.S.P.Q. 105 (Wis. Cir. Ct. 1974).

<sup>51</sup>NIMMER § 51.1.

<sup>52</sup>See, e.g., *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir.), *cert. denied*, 311 U.S. 712 (1940); *McIntyre v. Double-A Music Corp.*, 166 F. Supp. 681 (S.D. Cal. 1958); *Granz v. Harris*, 98 F. Supp. 906 (S.D.N.Y. 1951), *modified*, 198 F.2d 585 (2d Cir. 1952); *Shapiro, Bernstein & Co. v. Miracle Record Co.*, 91 F. Supp. 473 (N.D. Ill. 1950).

<sup>53</sup>412 U.S. at 570 n.28. Having adopted this view, the *Goldstein* Court was thus able to validate state protection of the statutorily uncopyrightable sound recordings at issue before it without having to consider, except in passing, the publication question.

<sup>54</sup>See *Goldstein, Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 51-53 (1969); *Kurlantzick, The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204, 217-22 (1972). See generally *Cracas, Judge Learned Hand and the Law of Copyright*, 7 A.S.C.A.P. 55 (1956).

<sup>55</sup>See notes 14 and 48 *supra*.

guise of common law copyright cannot be permitted since such a result would contravene this constitutional limitation.<sup>56</sup> In order to prevent this possibility of unlimited state protection, Hand argued that the publication of any constitutional writing, whether or not copyrightable under the federal statute,<sup>57</sup> must be tested by the federal rule, which deems public distribution of the work to constitute a publication thereof.<sup>58</sup> It was largely on this point that Hand rested his dissent in *Capitol Records, Inc. v. Mercury Records Corp.*<sup>59</sup> He agreed with the majority that sound recordings are "writings" in the constitutional sense, but that they were not, at the time, copyrightable under the Copyright Act. However, he disagreed with the majority's

---

<sup>56</sup>*Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 664, 667 (2d Cir. 1955) (Hand, J., dissenting).

<sup>57</sup>Speaking for the majority in *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir.), *cert. denied*, 311 U.S. 712 (1940), Hand concluded that there is "no reason why the same acts that unconditionally dedicate the common-law copyright in works copyrightable under the act, should not do the same in the case of works not copyrightable." *Id.* at 89.

<sup>58</sup>Hand was also concerned that permitting a state to define publication as to those writings which are not copyrightable under the Act would, in light of the more limiting federal definition of publication, discriminate against those writings which had been brought within the scope of the federal statute. He felt that it would be a "perverse anomaly" if the statutory grant of copyright protection should in this manner operate to the detriment of the author's interests, while the non-inclusion of certain classes of writings within the scope of the Copyright Act could "be a bonanza to those who possessed property of that kind." *Fashion Originators Guild of America, Inc. v. FTC*, 114 F.2d 80, 83 (2d Cir. 1940), *aff'd*, 312 U.S. 457 (1941).

<sup>59</sup>221 F.2d 657 (2d Cir. 1955). *Capitol Records* had been granted the exclusive right to reproduce and distribute records made from certain master recordings owned by the grantee Telefunken, a German company. *Mercury Records* claimed its right to reproduce and sell the same recordings under a license from a Czechoslovakian alien-property administrator who had seized the master recordings from a Czechoslovakian grantee of Telefunken. Concluding that *Capitol Records* had to "succeed on the strength of its own title rather than the weakness of defendant's," *id.* at 662, the majority turned to a consideration of whether *Capitol's* sale of the recordings had constituted a divestive publication. Since jurisdiction was predicated upon diversity, the majority was compelled by the rule of *Erie R.R. v. Tompkins*, 304 U.S. 64 (1938), to apply New York law to the issue of publication. Acknowledging that the test of publication announced in *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86, 88-89 (2d Cir.), *cert. denied*, 311 U.S. 712 (1940) (public distribution constitutes divestive publication), would, if applicable, bar *Capitol's* claim to common law rights in the recordings, the majority nevertheless held that a later New York decision, *Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1950), *aff'd*, 279 App. Div. 632, 107 N.Y.S.2d 795 (1951), had overruled the *Whiteman* case and that under *Metropolitan Opera*, *Capitol's* public sale of the recordings did not divest its common law interest in them. 221 F.2d at 663. In contrast, Hand's dissent argued that the question of publication was a matter of federal law and that the holding of *Whiteman* should be applied as representing the federal rule. *Id.* at 666-67.

conclusion that the omission of recordings from the scope of the Act meant that their issue of publication was properly a state question.<sup>60</sup>

Hand's dissenting opinion in *Capitol Records* represents perhaps his most lucid analysis of the interaction of the "limited times" provision with the issue of publication of sound recordings. In that case, he argued that to permit the states to grant perpetual protection by applying their own unrealistic definition of publication would "pro tanto defeat the overriding purpose of the [copyright] Clause, which was to grant only for 'limited Times' the untrammelled exploitation of an author's 'Writings'."<sup>61</sup> A federal definition is demanded by the very language of the clause, which, in Hand's view, operates *ex proprio vigore* to impose the "limited times" restriction on the states. However, Hand was also quick to point out that the federal authority to define publication, since it flows from the copyright clause of the Constitution, extends only to those works which are "writings" within the term's constitutional meaning. Thus the states are "free to follow their own notions as to when an author's right shall be unlimited both in user and in duration"<sup>62</sup> as to those works which are not constitutional "writings." Once it is determined, however, that the work falls within the purview of that constitutional term, the question of publication then becomes a matter of exclusive federal competence.<sup>63</sup>

Under the Hand approach, the extension of federal statutory copyright protection to sound recordings by the Sound Recording Amendment of 1971<sup>64</sup> should have little effect upon the scope of the state common law copyright in them. It is now clear beyond a doubt that sound recordings are "writings" within the constitutional meaning of the term.<sup>65</sup> Applying Hand's analysis, it follows that since sound recordings are "writings," the question of their publication is a federal issue. This is true regardless of whether the recordings were fixed prior to February 15, 1972, and thus fall outside the scope of the Amendment or whether they were fixed on or after that date and are

---

<sup>60</sup>*Id.* at 664-68.

<sup>61</sup>*Id.* at 667. See note 14 *supra*.

<sup>62</sup>221 F.2d at 667.

<sup>63</sup>Note that Hand was not arguing that exclusive federal authority on the issue of publication was a matter of statutory preemption. Indeed, he agreed with the majority that, as of 1955, recordings were not subject to copyright under the federal statute. His argument instead was premised on the notion that federal preemption of the issue was dictated by the force of the copyright clause itself. Therefore, since sound recordings are "writings" in the constitutional sense, it follows that the question of their publication is an exclusively federal one.

<sup>64</sup>See note 3 *supra*.

<sup>65</sup>See note 19 *supra*.

therefore subject to the statutory copyright;<sup>66</sup> the crucial question under the Hand approach is whether the work is a constitutional "writing." However, it appears that in its treatment of the common law copyright—publication question in *Goldstein*,<sup>67</sup> the Supreme Court has rejected the Hand approach, adopting instead the view that publication is a state question as to any category of writings not subject to a federal copyright.

One of the arguments raised by the *Goldstein* pirates against the validity of the California anti-piracy statute was that it purported to extend protection to recordings even after they are "published" within the federal meaning of that term. The pirates contended that therefore the statute could not be upheld as a valid exercise of the power to protect unpublished writings which is reserved to the states by § 2 of the Copyright Act.<sup>68</sup> This argument rests upon the implied premise that the protection of constitutional "writings," whether published or unpublished, is a matter of exclusive federal power,<sup>69</sup> the states having no inherent common law authority regarding unpublished "writings." Thus any authority to protect unpublished writings which the states may possess is only that which Congress has expressly granted them by statutory enactment—particularly § 2 of the Copyright Act.<sup>70</sup> This, however, does not represent the prevailing view. Section 2 has never been interpreted as the source of state

---

<sup>66</sup>See notes 7-9 and accompanying text *supra*.

<sup>67</sup>412 U.S. 546 (1973).

<sup>68</sup>*Id.* at 551. The thrust of the pirates' argument goes to the invalidity of the California statute as a matter of federal preemption. Bound up with this argument was the pirates' additional contention, implied in the majority's opinion, that even if the statute were to be held valid, their conviction under the statute should be overturned since all of the particular recordings at issue had been published and had therefore entered the public domain. *Id.* This latter contention thus goes to the validity of the conviction in light of the specific facts of the case and not to the issue of the constitutionality of the statute itself. However, since the *Goldstein* Court upheld the statute as applied to pre-Amendment sound recordings, regardless of whether they had been "published" under state law, it did not have to reach this latter contention.

<sup>69</sup>This notion is in turn based upon Hand's view of the self-generated preemptive effect of the copyright clause. See notes 61-63 and accompanying text *supra*.

<sup>70</sup>This section provides:

Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.

17 U.S.C. § 2 (1970). This section may be viewed as an express grant of authority to the states in an area where, due to the preemptive effect of the copyright clause, they would otherwise not have authority to act. This, however, is not the interpretation which has been ascribed to it. See text accompanying note 71 *infra*.



power to protect unpublished works. Instead, it has been consistently viewed as simply a congressional disclaimer of any attempt to preempt the states' inherent common law authority to deal with works before publication.<sup>71</sup> It follows from this view of inherent state powers that, as to those categories of writings not included within the scope of the Copyright Act, the states may by exercising their common law authority determine their own structure of pre-publication protection independently of the federal scheme. The exercise of this power by the states would of course include applying their own definition of "publication."

The Supreme Court in *Goldstein* appears to have adopted this view of inherent state power. Having concluded that the pre-Sound Recording Amendment records involved in the case were not within the purview of the Copyright Act, the Court addressed the question of their publication:

Petitioners place great stress on their belief that the records or tapes which they copied had been "published." We have no need to determine whether, *under state law*, these recordings had been published or what legal consequences such publication might have. *For purposes of federal law*, "publication" serves only as a term of the art which defines the legal relationships which Congress has adopted under the federal copyright statutes. As to categories of writings which Congress has not brought within the scope of the federal statute, the term has no application.<sup>72</sup>

The language clearly rejects the Hand view that, as to *all* categories of constitutional "writings," the publication question is an exclusively federal one. Instead, the Court has redrawn the federal-state line of demarcation: a federal definition of publication is appropriate in relation to those categories of "writings" which have been brought within the protective scope of the Federal Copyright Act. However, if Congress has seen fit to exclude from the Act a particular category of otherwise constitutionally copyrightable writings, then the states are free to develop their own independently derived tests of publication as to these excluded categories.<sup>73</sup> In addition, as a constitutional

---

<sup>71</sup>Kurlantzick, *The Constitutionality of State Law Protection of Sound Recordings*, 5 CONN. L. REV. 204, 220-21 & n.59 (1972).

<sup>72</sup>412 U.S. at 570 n.28 (original emphasis).

<sup>73</sup>Having rejected the Hand approach which would draw the line between "writings" and non-"writings," with the states' authority to define publication limited to the non-"writings" side of the line, the Court was compelled to reach the conclusion it did, this being the only other viable solution. While Hand's premise—that the

matter, the states are free to protect works which are not constitutional "writings."<sup>74</sup> Thus after *Goldstein*, the states may control all of the incidents of common law rights—including defining the crucial term "publication"—as to those categories of works which are not "writings" in the constitutional sense and as to those constitutional "writings" which have not been made the subject of a federal statutory copyright. It is only as to a third class, constitutional "writings" which have been brought within the purview of the Copyright Act, that a federal definition is required in order to maintain the integrity of the federal copyright scheme.

This reservation to the states of the authority to define the parameters of protection for non-"writings" and statutorily uncopyrightable "writings" raises, however, the problem which led Hand to argue for a federal definition of publication: the possibility that the states will grant perpetual protection. Hand felt that protection of unlimited duration, whether federal or state, is prohibited by the "limited times" provision of the copyright clause. In contrast, the *Goldstein* Court did not find the possibility of temporally unlimited protection a bar to the exercise of state power.<sup>75</sup> Turning first to an analysis of the language of the copyright clause itself,<sup>76</sup> the Court found that

---

copyright clause preempts of its own effect—may be arguable, the same can hardly be said of the preemptive effect of the statute enacted pursuant to that clause, for here Congress has clearly exercised the power vested in it. And because, as to those categories of writings enumerated in the Act, publication represents the dividing line between common law rights and the federally granted copyright, it is necessary to apply a federal definition of publication in order fully to effectuate the congressional scheme of protection. Having concluded that there is no inference of federal preemption to be drawn as to those categories of constitutional "writings" which have not been included in the Copyright Act (e.g. the *Goldstein* sound recordings), the Court was then able to assign the power to define publication of these writings to the states without fear that an unduly narrow definition would conflict with the federal scheme of protection.

<sup>74</sup>This conclusion proceeds from the language of the copyright clause itself which grants Congress the power to provide copyright protection only to "writings." Although this term is construed broadly, NIMMER § 8.1, and sound recordings have now been conclusively recognized as "writings," see note 19 *supra*, there are some products of intellectual creation whose status remains unclear. These include ideas, titles, systems and three dimensional objects. NIMMER §§ 8.4-8.6. However, state protection of these works, while not limited by the copyright clause, nevertheless remains subject to the constraints of the first amendment. Thus the scope of the state protection is not entirely unfettered. See *id.* at §§ 9-9.24; *Goldstein*, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 79-91 (1969).

<sup>75</sup>The editor's prefatory note to an unofficial publication of the *Goldstein* decision in the Bulletin of the Copyright Society described the Court's reasoning as "rather baffling and unorthodox." 20 BULL. CR. SOC. 345 (1973). This comment could well apply to the Court's treatment of this limited times issue.

<sup>76</sup>See the text of the clause quoted at note 14 *supra*.

"[r]ead literally . . . [the copyright clause] enumerates those powers which have been granted to Congress; whatever limitations have been appended to such powers can only be understood as a limit on congressional, and not state, action."<sup>77</sup> Hence, strictly as a matter of constitutional construction, there is nothing in the language of the clause which compels the conclusion that the granting of protection by the states must be of limited duration. Nevertheless, there would appear to be sound reasons why, as a matter of policy, the states should be bound by the "limited times" restriction, if for no other reason than to prevent the "perverse anomaly" that statutorily uncopyrightable writings would receive a greater measure of protection than would those which have been brought within the purview of the Copyright Act.<sup>78</sup>

However, in its analysis of the policy implications of the "limited times" question, the *Goldstein* Court found no reason so to restrict state-granted protection, noting that the considerations which mandate that a federal copyright be limited in duration do not apply with equal force to the states.<sup>79</sup> Particularly, the Court pointed to the limited *geographic* effect of state-granted protection, as opposed to the nationwide scope of a federal copyright. In the Court's view, the jurisdictional limits inherent in state-granted protection obviate the need to impose a durational limitation:

When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach. . . . [H]owever, the exclusive right granted by a State is confined to its borders. Consequently, even when the right is unlimited in duration, any tendency to inhibit further progress in science or the arts is narrowly circumscribed.<sup>80</sup>

The *Goldstein* decision therefore provides a guide for an analysis

---

<sup>77</sup>412 U.S. at 560 (original emphasis).

<sup>78</sup>See note 58 *supra*.

<sup>79</sup>The basic rationale underlying the temporal limitation on copyright protection reflected in the "limited times" provision has been explained as:

an attempt to strike a balance between two competing interests: the interest of authors in the fruits of their labor on the one hand, and on the other, the interest of the public in ultimately claiming free access to the materials essential to the development of society.

NIMMER § 5.4. This is also the notion which justifies the rule that publication divests common law copyright. *Id.* § 48. The Supreme Court has made it clear that the primary purpose of copyright is to serve the societal good and not simply to reward the author. *Fox Film Corp. v. Doyal*, 286 U.S. 123 (1932).

<sup>80</sup>412 U.S. at 560-61. While the Court directed this language specifically to the issue of the temporally unlimited protection provided by California's anti-piracy penal

of the status of state common law copyright protection of sound recordings since the enactment of the Sound Recording Amendment. First, as to those sound recordings fixed on or after February 15, 1972, and thus amenable to federal copyright protection, the states may continue to grant pre-publication common law copyright protection. However, this protection is subject to divestiture by a federally defined act of publication. Thus, the authorized public distribution of these recordings will, by application of the federal rule,<sup>81</sup> operate both to divest the common law copyright and either invest the statutory copyright or place the recording into the public domain.<sup>82</sup> On the other hand, pre-Amendment sound recordings, not subject to a federal copyright, will be afforded common law copyright protection up to the point of a state-defined publication. Since the prevailing state definition does not view the public distribution of a recording as constituting a divestive publication,<sup>83</sup> these recordings may be afforded common law copyright protection, potentially unlimited in duration, while at the same time being extensively commercially exploited. Of course such a result is by no means inevitable since a state may choose to define publication in a manner similar to the federal approach. Nevertheless, the *Goldstein* decision clearly approves the virtually perpetual common law copyright protection of pre-Amendment sound recordings afforded by the prevailing state definition of publication.<sup>84</sup>

### *Unfair Competition/State Statutory Protection*

The decision in *Goldstein* reflects a conception of the common law copyright doctrine which vests in the states broad authority. How-

---

statute, the reasoning is equally applicable to the question of the validity of permitting a state to define "publication," thereby allowing common law copyright of unlimited duration. This reasoning applies only to non-"writings" and "writings" not subject to statutory copyright. See note 73 and accompanying text *supra*.

<sup>81</sup>"Authorized public distribution" or "commercial distribution" appears to be the generally accepted federal test of publication of sound recordings. See note 52 and accompanying text *supra*.

<sup>82</sup>This depends on whether the statutory formalities of registration and notice have been complied with. For a general discussion of these requirements, see B. RINGER & P. GITLIN, *COPYRIGHTS* 32-51 (rev. ed. 1965). For a discussion specifically relating to sound recordings, see Keziah, *Registration Problems Encountered by the Copyright Office Under the Recent Sound Recording Amendment*, 20 BULL. CR. SOC. 3 (1972).

<sup>83</sup>See note 50 and accompanying text *supra*.

<sup>84</sup>The proposed general Copyright Revision Bill, S. 1361, 93d Cong., 1st Sess. § 301 (1973), would strip the states of their authority to grant common law copyright protection to any category of writing which is subject to a federal statutory copyright under § 102 of the proposed Bill, including sound recordings. *Id.* at § 102(a)(7). Under § 301,

ever, since the linchpin of the common law copyright power remains the definition of publication, the state courts often become immeshed in an unseemly effort to rationalize a rather unrealistic and unworkable definition in order to reach a desired result. In contrast, the application of the doctrine of unfair competition involves no such conceptual gymnastics.

State protection of sound recordings based upon the common law doctrine of unfair competition, or upon its modern day incarnation in the form of anti-piracy penal statutes, has been widely and successfully invoked. Indeed, as far back as 1904, a theory of unfair competition was applied in *Victor Talking Machine Co. v. Armstrong*,<sup>85</sup> to grant relief against an early pirate. The *Armstrong* court found the three traditional elements of an action for unfair competition present in the case: (1) competition between the parties; (2) appropriation of plaintiff's valuable business asset; and (3) defendant's fraudulent "passing-off" of the appropriated asset as plaintiff's, thereby unfairly trading on plaintiff's goodwill and confusing

---

a sound recording would receive federal statutory protection at the moment it is "created" which, in the case of sound recordings, is defined as: "when [the work] is fixed in a . . . phonorecord for the first time." *Id.* at § 101. Thus under the Revision Bill:

Common law copyright protection for works coming within the scope of the statute would be abrogated, and the concept of publication would lose its all-embracing importance as a dividing line between common law and statutory protection and between both of these forms of legal protection and the public domain.

H.R. REP. NO. 83, 90th Cong., 1st Sess. 96 (1967) (from the Report accompanying H.R. 2512, 90th Cong., 1st Sess. (1967), a revision bill substantially identical in its treatment of common law copyright as the current bill, S. 1361). One of the grounds advanced for the Revision Bill's elimination of the state common law copyright is to prevent the perpetual protection which is now afforded to "unpublished" works and to implement the "limited times" provision of the copyright clause. H.R. REP. NO. 83, *supra*, at 97. It would seem doubtful that the *Goldstein* rationalization of perpetual state common law copyright protection on the basis of the geographical bounds inherent in such protection will be accepted as a persuasive refutation of this legislative justification for the elimination of the state-granted common law copyright. However, it appears that the *Goldstein* decision will continue to have validity for some time to come inasmuch as it is unlikely that the Revision Bill will be enacted within the immediate future. Kaul, *And Now, State Protection of Intellectual Property?*, 60 A.B.A.J. 198, 202 (1974). This conclusion is further bolstered by the fact that a bill has been recently introduced into Congress, H.R. 13364, 93d Cong., 2d Sess. § 1 (1974), which would extend the life of the Sound Recording Amendment. See note 131 *infra*. Since the Amendment as originally enacted was to expire January 1, 1975, the clear implication of the extension bill is that it is not anticipated that the comprehensive Copyright Revision Bill will have received favorable action by that time.

<sup>85</sup>132 F. 711 (S.D.N.Y. 1904).

the public as to the source of the product.<sup>86</sup> However, only five years later in *Fonotipia Ltd. v. Bradley*<sup>87</sup> injunctive relief was granted against a pirate despite the absence of the passing-off element.<sup>88</sup> The court in *Fonotipia* held that equitable relief could be afforded for misappropriation of the plaintiff's valuable property even though there was no intentional deception of the public as to the origin of the recordings. This elimination of the passing-off component of unfair competition was to receive Supreme Court approval nine years later in the landmark case of *International News Service v. Associated Press*.<sup>89</sup>

The Court in *I.N.S.* affirmed an order prohibiting I.N.S. from distributing news releases which were either verbatim or rewritten copies of earlier dispatches released by the Associated Press. The Court rejected the contention by I.N.S. that "[u]pon publication, the news becomes the common possession of all to whom it is accessible."<sup>90</sup> Instead, the Court found that A.P. had a "quasi-property" interest in its news releases which, while perhaps not valid as against the public at large, was nevertheless enforceable as against a competitor such as I.N.S.<sup>91</sup> I.N.S. had sold the appropriated news releases under its own name and thus had not engaged in the passing-off activity which had traditionally been thought to be a requisite element of an unfair competition action.<sup>92</sup> Nevertheless, the *I.N.S.*

<sup>86</sup>*Id.* See STUDIES at 135; RESTATEMENT OF TORTS §§ 711-12 (1938); Chafee, *Unfair Competition*, 53 HARV. L. REV. 1289 (1940); Note, *The Future of Record Piracy*, 38 BROOK. L. REV. 406, 415 (1971); Comment, *The Misappropriation Doctrine After Sears-Compco*, 2 U. SAN FRAN. L. REV. 292, 295 (1968).

<sup>87</sup>171 F. 951 (E.D.N.Y. 1909).

<sup>88</sup>The defendant in that case had advertised his recordings as duplications of the plaintiff's originals, thus obviating the charge that he was misleading the public by passing-off the recordings as plaintiffs. *Id.*

<sup>89</sup>248 U.S. 215 (1918).

<sup>90</sup>*Id.* at 218. Indeed, the Court specifically distinguished the case before it from those decided on the basis of common law rights and thus rejected the argument of a divestive "publication":

[I]t seems to us the case must turn upon the question of unfair competition in business. And, in our opinion, this does not depend upon any general right of property analogous to the common-law right of the proprietor of an unpublished work to prevent its publication without his consent . . . . We are dealing here not with restrictions upon publication but with the very facilities and processes of publication.

*Id.* at 235.

<sup>91</sup>*Id.* at 236.

<sup>92</sup>Speaking of the absence of the passing-off component of the traditional unfair competition case, the Court made it clear that such passing-off was no longer required to grant relief:

Court upheld the injunction, condemning what it characterized as:

an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering news.<sup>93</sup>

Thus the *I.N.S.* decision established that relief could be granted merely on a showing of misappropriation by a competitor with no need to prove passing-off.<sup>94</sup> In this sense, therefore, *I.N.S.* represented a broadening of the traditional notions of unfair competition. However, later lower court decisions largely limited the case to its facts.<sup>95</sup> As might be expected, Judge Learned Hand was in the vanguard of those who opposed the application of the broad theory of misappropriation announced in *I.N.S.*<sup>96</sup> As in the case of state-granted common law copyright,<sup>97</sup> Hand's objection to an overly-broad application of the misappropriation doctrine was premised upon a theory of constitutional preemption. To permit the states to grant what is in essence copyright protection under the rubric of misappropriation would, in Hand's view, allow for perpetual state protection under this theory and would run counter to the policy of uniformity implicit in the copyright clause.<sup>98</sup> Thus in *Radio Corporation of America Manu-*

---

It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical, cases of unfair competition. . . . But we cannot concede that the right to equitable relief is confined to that class of cases.

*Id.* at 241-42.

<sup>93</sup>*Id.* at 240.

<sup>94</sup>The *I.N.S.* Court highlighted this distinction when it pointed out that by taking and selling A.P.'s work product as its own, *I.N.S.* merely substituted "misappropriation in the place of misrepresentation." And in the Court's view, either type of activity would warrant the grant of equitable relief. *Id.* at 242. See also note 92 *supra*.

<sup>95</sup>STUDIES at 136. But see *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa. 433, 194 A. 631 (1937) (applying common law copyright as ground for granting relief to performer for unauthorized broadcasts of recordings embodying his performances, but discussing unfair competition as an alternate basis for decision).

<sup>96</sup>See, e.g., *G. Ricordi & Co. v. Haendler*, 194 F.2d 914 (2d Cir. 1952); *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir.), cert. denied, 311 U.S. 712 (1940); *Millinery Creators' Guild, Inc. v. FTC*, 109 F.2d 175 (2d Cir. 1940); *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279 (2d Cir. 1929).

<sup>97</sup>See notes 54-63 and accompanying text *supra*.

<sup>98</sup>See *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 664, 667 (2d Cir. 1955) (Hand, J., dissenting).

*facturing Co. v. Whiteman*,<sup>99</sup> Hand, writing for the majority, held that mere misappropriation, without more, would not justify relief.

In 1950, however, despite Hand's efforts, the misappropriation doctrine received further expansion by a New York state court in *Metropolitan Opera Association, Inc. v. Wagner-Nichols Recorder Corp.*<sup>100</sup> In that case, the court applied the *I.N.S.* misappropriation doctrine to grant injunctive relief against a record pirate in favor of the recording artists whose performances were embodied in the pirated recordings. In so doing, the court had dispensed with yet another of the traditional elements of an action for unfair competition: the requirement that the parties actually be competitors.<sup>101</sup> The combined effect of the *Metropolitan Opera* decision and the Supreme Court's holding in *I.N.S.* was to establish the mere act of misappropriation as a basis for relief. Thus, the concept of unfair competition, initially formulated for application in a limited commercial context, had been transformed into a doctrine of simple misappropriation which represented a right enforceable as against the whole world. In this way, the misappropriation doctrine became the functional equivalent of a copyright.<sup>102</sup> It was but a short step from this broad formulation of the misappropriation doctrine to the kind of state anti-piracy penal statute, such as that at issue in *Goldstein*, which extends to the sound recording owner protection against any unauthorized duplication of his work.

It was this transformation of unfair competition from a doctrine limited in application and scope to one providing copyright-like protection which prompted Hand to write his prophetic dissent in the 1955 case of *Capitol Records, Inc. v. Mercury Records Corp.*<sup>103</sup> The

---

<sup>99</sup>114 F.2d 86 (2d Cir.), *cert. denied*, 311 U.S. 712 (1940).

<sup>100</sup>199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1950), *aff'd mem.*, 279 App. Div. 632, 107 N.Y.S.2d 795 (1951). The pirate in this case raised the argument that the radio broadcast of the recordings constituted a publication which divested any rights in them. Although the court refuted this argument by analogy to the rule announced in *Ferris v. Frohman*, 223 U.S. 424 (1912) (public performance of a play does not constitute divestive publication), it nevertheless predicated its decision on the *I.N.S.* view that the concept of publication has no relevancy in the application of the misappropriation doctrine.

<sup>101</sup>The basis of this assertion lies in the fact that the court granted relief in favor of the performers and against the pirate—parties who could hardly be called competitors. While this reading of the case is somewhat weakened by the fact that Columbia Records, Metropolitan's licensee, intervened in the case, nevertheless the court pointed out that "the existence of actual competition between the parties is no longer a prerequisite" to an action for unfair competition. 199 Misc. at 795, 101 N.Y.S.2d at 491-92.

<sup>102</sup>See Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 58 (1969).

<sup>103</sup>221 F.2d 657 (2d Cir. 1955).



case raised the issue of publication in the context of a dispute between two assignees of rights in several recordings.<sup>104</sup> Hand's dissent restated his theory of constitutional preemption of the copyright field. He argued that state protection of constitutional "writings" which is the equivalent of copyright protection is preempted by the sheer force of the copyright clause alone, irrespective of whether they are copyrightable under the Act. Thus, Hand concluded, the potentially unlimited protection afforded by such state law doctrines as common law copyright and misappropriation must be limited by the act of publication, federally defined.<sup>105</sup> In Hand's view, only in this manner could the two-fold constitutional policies of limited protection and national uniformity be effectuated.<sup>106</sup>

Hand's dissent in *Capitol Records* foreshadowed the Supreme Court's treatment of the federal preemption question raised in the 1964 landmark companion cases of *Sears, Roebuck & Co. v. Stiffel Co.*<sup>107</sup> and *Compco Corp. v. Day-Brite Lighting, Inc.*<sup>108</sup> Both cases

---

<sup>104</sup>See notes 59-63 and accompanying text *supra* for a fuller discussion of the case in the context of the common law copyright issue.

<sup>105</sup>As one commentator has pointed out, Hand was not opposed to *all* state law theories which granted protection akin to copyright. For example, in *RCA Mfg. Co. v. Whiteman*, 114 F.2d 86 (2d Cir.), *cert. denied*, 311 U.S. 712 (1940), while denying—on the basis of New York's law of negative covenants—bandleader Paul Whiteman the authority to restrict the broadcast use of his recordings (to which were affixed the label "Not Licensed for Radio Broadcast") once they had been publicly distributed, Hand nevertheless noted that the broadcasts might reach radios in Pennsylvania and that under that state's rule of equitable servitude, "it will constitute a tort committed there." *Id.* at 89-90. Thus Hand was able to accept those state law rules which touch only peripherally upon the copyright interest such as negative servitude, negative covenant and interference with contract. However, when, as in the case of common law copyright and misappropriation, the state rule becomes substantially identical to copyright in the nature and scope of the protection it affords, it must be subject to the preemptory mandates of "limited times" and uniformity embodied in the Constitution. See Goldstein, *Federal System Ordering of the Copyright Interest*, 69 COLUM. L. REV. 49, 55-61 (1969).

<sup>106</sup>Note that even under Hand's formulation, the states would still retain exclusive authority over those works not "writings" within the constitutional meaning of the term. This follows logically from Hand's view of the preemptive effect of the copyright clause, which is expressly limited by its terms to "writings." However, Hand would apply this preemption to *all* "writings" within the constitutional meaning of that term, and not just those which Congress has brought within the purview of the Federal Act. This was the crucial point of divergence in *Capitol Records* between Hand and the majority.

<sup>107</sup>376 U.S. 225 (1964).

<sup>108</sup>376 U.S. 234 (1964). Both cases involved substantially identical facts. Each case involved a particular item, pole lamps in *Sears* and overhead lighting fixtures in *Compco*, the design of which had been registered for a federal design patent. Both actions were for infringement of these design patents by defendants who had manufac-

presented the issue of whether a state could grant protection against copying, under the doctrine of unfair competition, to an item not protectible under the federal design patent statute. The language of the decisions was cast in broad terms and purported to address the entire problem of federal preemption in the fields of both patents and copyrights.<sup>109</sup> The Court held that the federal patent and copyright laws,

like other laws of the United States enacted pursuant to constitutional authority, are the supreme law of the land. . . .

When state law touches upon the area of these federal statutes, it is "familiar doctrine" that the federal policy "may not be set at naught, or its benefits denied" by the state law.<sup>110</sup>

Two of these federal policies which the Court pointed to, as had Hand nine years earlier, were the need to set a time limit upon the duration of the patent or copyright monopoly<sup>111</sup> and the requirement of uniformity demanded by a rational system of national protection.<sup>112</sup> However, unlike Hand's approach, the Court in *Sears-Compco* predicated its finding of federal preemption not so much upon a theory of constitutional imperative, but more upon a theory of broad

---

tured virtually identical copies of the original items and who had sold them under their own names. And in both cases the lower courts had declared the design patent invalid, but had nevertheless granted relief on the basis of the state law of unfair competition. The only appreciable factual distinction between the two cases was that in *Compco*, there was evidence in the record indicating that there had been at least one incident where a purchaser of the defendant's copy had been confused by its similarity to the original. *Id.* at 236-37. There was no such evidence of public confusion in the other case. However, the Court did not consider this difference significant and treated both cases as presenting the same issues. *Id.*

<sup>109</sup>At least one commentator has suggested that the weakness of the *Sears-Compco* decisions is a result of the broadness of the language used by the Court. Schrader, *Sound Recordings: Protection Under State Law and Under the Recent Amendment to the Copyright Code*, 14 ARIZ. L. REV. 689, 700 (1972).

<sup>110</sup>376 U.S. at 229 (citations omitted).

<sup>111</sup>On this "limited times" issue, the Court found that when a patent expires or when the item is denied federal protection entirely, it is intended to pass into the public domain. To permit perpetual state protection of these federally unprotected items "would be too great an encroachment on the federal patent system to be tolerated." *Id.* at 232.

<sup>112</sup>Regarding this issue of uniformity, the Court found a congressional intent to establish a uniform federal system of copyright protection evidenced in such statutes as 28 U.S.C. § 1338(a) (1970), which vests in the federal courts exclusive jurisdiction to hear patent and copyright cases and in § 2 of the Copyright Act, 17 U.S.C. § 2 (1970), "which expressly saves state protection of unpublished writings but does not include published writings . . . ." 376 U.S. at 231 n.7.

statutory preemption.<sup>113</sup>

Thus under the *Sears-Compco* analysis, potential state activity in the copyright field is preempted in two senses. First, as to those writings protectable under a federal statutory copyright the provisions of the Copyright Act represent the limits of available protection. The states are precluded from granting to these writings protection which has the effect of extending the federal protection of the copyright interest. Second, the federal statute has an additional negative preemptive effect. The remaining constitutional "writings" which have not been brought within the scope of the Act are intended by Congress to be free of any protection whatsoever. Therefore state law cannot be used to provide protection for this group of "writings" since such protection would place restrictions upon that which Congress had decided should be openly and freely available to the public.<sup>114</sup> The import of this preemption reasoning in respect to sound recordings is clear. Although recordings were not extended federal copyright protection until the enactment of the Sound Recording Amendment, nevertheless by the time of the *Sears* and *Compco* decisions they had been recognized as constitutional "writings." Thus, had the *Sears-Compco* doctrine of federal preemption been applied to its fullest extent in subsequent record piracy cases, no state relief would have been available against the practices of record pirates.

---

<sup>113</sup>The Court did, however, acknowledge that this statutory preemption flowed from and was the result of the constitutional policies:

[W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.

*Id.* at 237 (emphasis added). That the Court's decision rested upon a premise of statutory rather than constitutional preemption is evident in its reliance on the federal patent and copyright statutes, and the legislative intent reflected therein, regarding the "limited times" and uniformity questions. See notes 111-12 *supra*.

<sup>114</sup>In formulating its theory of federal preemption, the Court also indicated two areas with which it indicated that the states were still competent to deal. The first was the pre-publication common law copyright, 376 U.S. at 231 n.7, although the Court did not address itself to the issue of whether publication is a state or federal question. However, had it done so, and in light of its reasoning expressed in the cases, the Court undoubtedly would have come down on the federal side. The other area expressly reserved to the states by the *Sears-Compco* Court was the authority to "require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source [of the goods]." *Id.* at 232. Clearly, however, this authority does not reach the heart of the copyright power, but is rather directed merely at preventing public confusion. Thus, this reservation of authority to the states is consistent with the general thrust of the decisions.

However, as was predicted after the decisions in *Sears and Compco*,<sup>115</sup> the lower courts were less than willing to effectuate fully the apparent preemptive mandate of the two Supreme Court cases. One commentator has speculated that it was judicial revulsion to the predatory practices of pirates and the desire to avoid leaving the recording industry defenseless which motivated the courts to circumvent the full impact of *Sears and Compco*.<sup>116</sup> The device used to distinguish the two decisions was the "copying-misappropriation" distinction.<sup>117</sup> The first in a series of cases to articulate and apply this distinction was *Capitol Records, Inc. v. Greatest Records, Inc.*<sup>118</sup> The case presented the archetypal record piracy situation in which the defendant pirate had directly duplicated recorded performances by the Beatles. The original recordings had been released through Capitol Records, the plaintiff. The defendant asserted the *Sears-Compco* preemption doctrine, arguing that state protection could not be afforded under the rubric of unfair competition since the recordings were "writings" not subject to protection under federal law. The court, in rejecting this argument, reasoned that the Supreme Court's decisions dealt with the *copying* of items not subject to federal protection and thus only barred state protection designed to prevent such copying. This copying was distinguished by the court from the activities of record pirates which involve the *direct duplicating* (dubbing) of sound recordings. It was the court's view that *Sears and Compco* addressed only the issue of copying and did not reach the type of misappropriation which such direct duplication entails. Accordingly, the court concluded that the *Sears-Compco* doctrine does not preempt state laws which operate to prevent direct reproduction of recordings.<sup>119</sup> Therefore, it was held that under the *I.N.S.* misappropriation doctrine the defendant pirate had directly and unfairly appropriated the plaintiff's creation and that state law relief was appropriate.<sup>120</sup>

---

<sup>115</sup>See Price, *The Moral Judge and the Copyright Statute: The Problem of Stiffel and Compco*, 14 A.S.C.A.P. 90, 114 (1966).

<sup>116</sup>See Schrader, *Sound Recordings: Protection Under State Law and Under the Recent Amendment to the Copyright Code*, 14 ARIZ. L. REV. 689, 699 (1972).

<sup>117</sup>See generally Note, *The "Copying — Misappropriation" Distinction: A False Step in the Development of the Sears-Compco Pre-emption Doctrine*, 71 COLUM. L. REV. 1444 (1971).

<sup>118</sup>43 Misc.2d 878, 252 N.Y.S.2d 553 (Sup. Ct. 1964). *Accord*, Columbia Broadcasting Sys., Inc. v. Cartridge City, Ltd., 35 C.O. Bull. 87 (N.Y. Sup. Ct. 1966).

<sup>119</sup>43 Misc.2d 878, 879-80, 252 N.Y.S.2d 553, 555-56 (Sup. Ct. 1964).

<sup>120</sup>Although the impact of the *I.N.S.* decision was substantially weakened by the rule announced in the *Erie* case, nevertheless the *I.N.S.* misappropriation doctrine has served, either implicitly or explicitly, as the basic rationale of the copying-

The copying-misappropriation distinction was seized upon by many other courts in subsequent record piracy cases as a means of avoiding the preemptive effect of *Sears* and *Compco*.<sup>121</sup> However, while the adoption of the misappropriation theory was widespread, it was by no means unanimous. Several courts simply rejected the copying-misappropriation distinction as an artificial one, holding that state unfair competition laws could not be invoked against record pirates because of the bar of federal preemption raised by *Sears* and *Compco*.<sup>122</sup> Still other courts purported to find statutory grounds within the Copyright Act itself for granting relief against pirates, thereby providing protection while avoiding the preemption problem.<sup>123</sup>

---

misappropriation line of cases. The *Sears-Compco* Court's failure expressly to overrule *I.N.S.* permitted its invocation in the copying-misappropriation context. However, several recent cases have taken the view that *Sears-Compco* implicitly overruled *I.N.S.* See *CBS, Inc. v. DeCosta*, 377 F.2d 315 (1st Cir. 1967); *Cable Vision, Inc. v. KUTV, Inc.*, 335 F.2d 348 (9th Cir. 1964); *Time Saver Check, Inc. v. Deluxe Check Printers, Inc.*, 178 U.S.P.Q. 510 (N.D. Tex. 1973); *International Tape Mfrs. Ass'n v. Gerstein*, 344 F. Supp. 38 (S.D. Fla. 1972); cf. *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, 351 F. Supp. 572 (D.N.J. 1972).

<sup>121</sup>See, e.g., *Tape Indus. Ass'n of America v. Younger*, 316 F. Supp. 340 (C.D. Cal. 1970); *Capitol Records, Inc. v. Erickson*, 2 Cal. App.3d 526, 82 Cal. Rptr. 47, 164 U.S.P.Q. 465 (Dist. Ct. App. 1969); *Baez v. Fantasy Records, Inc.*, 144 U.S.P.Q. 537 (Cal. Super. Ct. 1964); *Capitol Records, Inc. v. Spies*, 167 U.S.P.Q. 489 (Ill. App. 1970); *CBS, Inc. v. Spies*, 167 U.S.P.Q. 492 (Ill. Cir. Ct. 1970); *Greater Recording Co., Inc. v. Stambler*, 144 U.S.P.Q. 547 (N.Y. Sup. Ct. 1965); *Liberty/U.A., Inc. v. Eastern Tape Corp.*, 11 N.C. App. 20, 180 S.E.2d 414 (1971).

<sup>122</sup>See *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, 362 F. Supp. 488 (D.N.J. 1973) (on motion for summary judgment); *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, 362 F. Supp. 494 (D.N.J. 1973) (on motion for relief from writ of seizure); *International Tape Mfrs. Ass'n v. Gerstein*, 344 F. Supp. 38 (S.D. Fla. 1972).

<sup>123</sup>This somewhat unusual theory of protection against piracy was applied by the Ninth Circuit in *Duchess Music Corp. v. Stern*, 458 F.2d 1305 (9th Cir.), cert. denied, 409 U.S. 847 (1972). The court's decision was based upon a construction of the compulsory license provision of the Copyright Act, 17 U.S.C. § 1(e) (1970). That section provides that whenever the owner of a copyright in a musical composition authorizes the recording of that composition, "any other person may make similar use of the copyrighted work" upon filing of notice and payment of the statutory royalty. The court focused on the words "similar use" in its construction of the statute. Relying upon language in *Aeolian Co. v. Royal Music Roll Co.*, 196 F. 926, 927 (W.D.N.Y. 1912), the Ninth Circuit found that record pirates did not make a "similar use" of the musical composition within the meaning of the statute—rather they made an *exact* use. A "similar use" of the kind contemplated by the statute would, according to the court, require the would-be pirate to hire his own musicians and produce his own, independent recording of the musical composition. 458 F.2d at 1311. Upon this reasoning, the *Duchess* court concluded that the unauthorized direct reproduction of sound recordings infringes the statutory copyright of the composer, or his licensee, in the

Of the group of post-*Sears-Compco* record piracy cases, perhaps the most significant ones in light of the Supreme Court's decision in *Goldstein* are *Tape Industries Association of America v. Younger*,<sup>124</sup> a California district court case involving the same anti-piracy statute attacked in *Goldstein*, and *International Tape Manufacturers Association v. Gerstein*.<sup>125</sup> At issue in both cases was the authority of a state to grant protection to sound recordings through the device of penal statutes criminalizing record piracy.<sup>126</sup> Although this type of protection differs in form from that provided by the doctrine of misappropriation, the essential copyright-like nature of the two modes of protection remains the same. Thus the *Younger* court was able to invoke the copying-misappropriation distinction normally associated with the civil law of unfair competition to uphold the state criminal law protection. The court reasoned that the statute prohibited only the direct duplication of sound recordings, not merely copying or imitation, and thus remained untouched by the *Sears-Compco*

---

underlying musical composition. *Accord*, *Fame Publishing Co. v. S&S Distribs., Inc.*, 177 U.S.P.Q. 358 (N.D. Ala. 1973); *cf. Liberty/U.A., Inc. v. Eastern Tape Corp.*, 11 N.C. App. 20, 180 S.E.2d 414 (1971).

This reasoning has been criticized as inconsistent with the prevailing view, NIMMER § 108.4621, and has been expressly rejected by at least two courts. See cases cited in note 122 *supra*. It is also contrary to the congressional view, expressed just prior to the passage of the Sound Recording Amendment, that if the pirate pays the statutory royalty required by the compulsory license provision, "there is no Federal remedy currently available to combat the unauthorized reproduction of the recording." H.R. REP. No. 487, 92d Cong., 1st Sess. 2 (1971). It is significant that the *Goldstein* decision did not discuss the *Duchess* reasoning at all, even though virtually all briefs submitted in opposition to the petitioning pirates relied upon *Duchess*. *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, 362 F. Supp. 488, 494 n.1 (D.N.J. 1973). However, the *Goldstein* Court may have indicated some approval of the *Duchess* approach when it assumed only "arguendo" that record pirates make a "similar use" within the statutory meaning. 412 U.S. at 566 n.23.

Through this door left open by *Goldstein* has marched the Tenth Circuit in a recent, post-*Goldstein* decision. In *Edward B. Marks Music Corp. v. Colorado Magnetics, Inc.*, 181 U.S.P.Q. 129 (10th Cir. 1974), *rev'g* 357 F. Supp. 280 (W.D. Okla. 1973), the Tenth Circuit adopted the reasoning of the Ninth Circuit in *Duchess* and held that piracy is not a "similar use" within the meaning of § 1(e) of the Copyright Act. *But see* *Mercury Recording Prods., Inc. v. Economic Consultants, Inc.*, 181 U.S.P.Q. 105 (Wis. Cir. Ct. 1974).

<sup>124</sup>316 F. Supp. 340 (C.D. Cal. 1970), *appeal dismissed*, 401 U.S. 902 (1971) (*appeal dismissed for lack of jurisdiction*).

<sup>125</sup>344 F. Supp. 38 (S.D. Fla. 1972), *vacated and remanded*, 182 U.S.P.Q. 7 (5th Cir. 1974).

<sup>126</sup>The California statute challenged, and upheld, in the *Younger* case, CAL. PENAL CODE § 653h (West 1970), was the same one at issue in *Goldstein*. The Florida statute challenged in *Gerstein*, FLA. STAT. ANN. § 543.041 (Supp. 1973-74), is virtually identical to the California statute.

federal preemption doctrine.<sup>127</sup>

When faced with issues similar to those in *Younger*, the Florida federal district court in *Gerstein* reached a contrary result, noting that *Sears* and *Compco* may have "undermined the legality" of the *I.N.S.*-type of misappropriation theory relied upon in *Younger*.<sup>128</sup> In the *Gerstein* court's view, "[t]he focus of both *Sears* and *Compco* was the *artificial creation* [by state law] of patent or copyright protection afforded to [federally] unpatentable or uncopyrightable works, not the *manner* in which the works were reproduced."<sup>129</sup> However, the *Gerstein* case presented an issue which had not arisen in *Younger*—the effect of the then recently enacted Sound Recording Amendment upon the validity of state anti-piracy statutes, in light of the preemptive mandate of *Sears-Compco*.

Since a federal copyright under the Amendment is limited to recordings fixed on or after February 15, 1972, the *Gerstein* court considered the validity of the state statute first as applied to pre-February 15 sound recordings and then as applied to those recordings fixed after that date and therefore subject to a federal copyright.<sup>130</sup> Regarding pre-Amendment recordings, the enacting clause of the Amendment expressly states that it is not to "be construed as affecting in any way rights with respect to [pre-Amendment sound recordings]."<sup>131</sup> Therefore, it was argued, Congress did not intend to preempt the holding of those pre-Amendment cases which had granted relief by application of state law. The court agreed that the language of the enacting clause "merely retained the status quo as

---

<sup>127</sup>The court found nothing in the statute to justify striking it down on the basis of either constitutional or statutory preemption, concluding that it was a "tolerable and permissible state regulation . . . and does not unconstitutionally intrude on the Federal policies enunciated in the Copyright Clause . . . and in Federal Copyright legislation . . . ." 316 F. Supp. at 351.

<sup>128</sup>344 F. Supp. at 49.

<sup>129</sup>*Id.* at 51 (emphasis added).

<sup>130</sup>The *Gerstein* case was a class action seeking a declaration of the unconstitutionality of the Florida statute and an injunction against its anticipated future enforcement. Thus the court's decision was not limited to a consideration of the validity of the statute as to a particular group of recordings "fixed" at a particular time, but rather extended to an analysis of the validity of the statute under any circumstances.

<sup>131</sup>The language of the enacting clause is crucial to an analysis of congressional intent vis-a-vis the question of preemption. The relevant portion of the clause reads:

The provisions of title 17, United States Code, as amended by section 1 of this Act [i.e. the section granting statutory copyright to sound recordings], shall apply only to sound recordings fixed, published, and copyrighted on and after [February 15, 1972] and before January 1, 1975, and nothing in title 17, United States Code, as amended by section 1 of this Act, shall be applied retroactively or be construed as

existed prior to the enactment of the law."<sup>132</sup> However, in the court's view, the dominant feature of this pre-Amendment status quo was the preemption doctrine of *Sears* and *Compco*. Thus while the *Gerstein* court conceded that as to sound recordings fixed prior to February 15, 1972, Congress may not have statutorily preempted all state anti-piracy laws by enacting the Amendment, nevertheless such laws are preempted by the judicially created *Sears-Compco* doctrine.<sup>133</sup>

Having determined that the Florida anti-piracy statute would be unconstitutional as applied to pre-Amendment sound recordings, the *Gerstein* court then turned to a consideration of the statute vis-a-vis recordings fixed after the Amendment's effective date. On this point it was argued that, on their faces, there was no actual conflict between Florida's anti-piracy statute and the Sound Recording Amendment and that therefore "a party would not incur the penalty of the one by obeying the dictates of the other."<sup>134</sup> However, in reasoning similar to that applied earlier by Judge Learned Hand, the court in *Gerstein* found two irreconcilable conflicts between the state and federal statutes. The first of these was the fifty-six year maximum duration of the federally granted protection as opposed to the perpetual protection afforded by the Florida statute. Second, the court pointed to the elaborate notice and registration requirements imposed by the federal copyright scheme and the complete absence of

---

affecting in any way any rights with respect to sound recordings fixed before [February 15, 1972].

Pub. L. No. 92-140, § 3 (Oct. 15, 1971). The reason for the somewhat anomalous cut-off date of January 1, 1975, is that the Amendment was conceived as a stop-gap measure to deal with the specific problem of record piracy, on the assumption that the comprehensive Copyright Revision Bill, S. 1361, 93d Cong., 1st Sess. (1973), would have been enacted by that date. See H.R. REP. No. 487, 92d Cong., 1st Sess. 4 (1971). However, in apparent recognition of the fact that the Revision Bill probably will not be enacted by the January 1 cut-off date, a bill has been recently introduced into Congress, H.R. 13364, 93d Cong., 2d Sess. § 1 (1974), which would amend the quoted language by deleting the phrase "and before January 1, 1975," thus extending the effective life of the Sound Recording Amendment. The bill would also provide additional penalties for infringement of a copyright in sound recordings obtained under the Amendment and would stiffen the penalties provided in 18 U.S.C. § 2318 (1970) for counterfeiting record labels and album covers. See notes 33-34 *supra*.

<sup>132</sup>344 F. Supp. at 52. For a contrary analysis of the effect of the Amendment's language, see NIMMER § 35.225.

<sup>133</sup>344 F. Supp. at 52. In effectuating the *Sears-Compco* preemption doctrine, the court rejected arguments of the state statute's validity based upon both the copying-misappropriation distinction, see text at notes 128-29 *supra*, and the "similar use" theory applied in the *Duchess* case, see note 123 *supra*.

<sup>134</sup>344 F. Supp. at 54.



such requirements under the state formulation.<sup>135</sup> Thus the *Gerstein* court held the state antipiracy statute invalid as applied to sound recordings fixed either before or after the effective date of the Sound Recording Amendment.<sup>136</sup> Yet, despite the apparent persuasiveness of the *Gerstein* decision, its holding with respect to the application of state anti-piracy statutes to pre-Amendment sound recordings appears to have been overruled, at least implicitly,<sup>137</sup> by the Supreme Court's decision in *Goldstein v. California*.<sup>138</sup>

In *Goldstein*, the Supreme Court reviewed the conviction of several record pirates who had been charged under the same California anti-piracy statute upheld in *Younger*<sup>139</sup> and who had pleaded nolo contendere to the charges. The pirates attacked the statute on two

---

<sup>135</sup>*Id.* at 54-55. Although the contention was not specifically raised, the court considered the possibility that the Florida statute, by inference, incorporated the federal time limits and registration requirements. Although the court found no legislative intent to incorporate these federal requirements into the particular statute at issue and although the court expressed its uncertainty as to the validity of the statute even had it incorporated the federal elements, nevertheless the clear implication of the court's language is that a carefully drawn state anti-piracy statute dealing with post-Amendment sound recordings could perhaps pass muster even under the *Gerstein* analysis. *Id.* at 55.

<sup>136</sup>In the final portion of its opinion, the *Gerstein* court considered whether the Florida statute could stand as a valid law protecting only the common law copyright interest of the owner of the master recording. Correctly noting that the scope and effectiveness of the common law copyright is a function of the "publication" test applied, the court reached the dubious conclusion that there can be no common law copyright in recorded sounds and that therefore the Florida statute could not be saved by limiting its scope to pre-publication protection. *Id.* at 56-57. The court's reasoning on this point is unclear at best.

<sup>137</sup>*Goldstein's* upholding of California's anti-piracy statute as applied to pre-Amendment sound recordings clearly operates to invalidate *Gerstein's* holding on this point although *Gerstein* is not expressly overruled.

<sup>138</sup>412 U.S. 546 (1973). The *Goldstein* Court took pains to point out that since all of the recordings at issue in the case had been fixed prior to the effective date of the Amendment, there was no question raised about the power of the states to protect sound recordings fixed after that date. *Id.* at 522 & n.7.

<sup>139</sup>It is interesting to note that the Court had repeatedly refused to consider the record piracy question in many cases prior to *Goldstein*. One commentator has explained this constant denial by suggesting that the Court's reluctance to decide the issue of state protection before Congress had acted to provide federal protection probably stemmed from a desire to avoid a choice between "making bad law" by permitting state protection while completely upsetting the *Sears-Compco* federal preemption doctrine and "making good law" by reaffirming *Sears-Compco* but thereby leaving record companies completely unprotected. Note, *Record Piracy and Copyright: Present Inadequacies and Future Overkill*, 23 MAINE L. REV. 359, 393 (1971). That certiorari in the *Goldstein* case was granted on May 30, 1972, 406 U.S. 956 (1972), less than four months after the Sound Recording Amendment became effective, appears to bear out this reasoning.

basic grounds. They contended first that, as a constitutional matter, the states lack authority to grant what is essentially copyright protection.<sup>140</sup> In addition, they argued that even if there were to be found no constitutional preemption of the copyright field, the *Sears-Compco* doctrine compels the conclusion that the California statute is invalid as a matter of federal statutory preemption.<sup>141</sup> The Court began its analysis of the issues by addressing first the question of constitutional preemption, characterizing the problem as whether the California statute "lies beyond the powers which the States reserved in our federal system."<sup>142</sup> Finding first that the constitutional grant of copyright power to the federal government is not, on its face, an exclusive grant, and that there is no other language in the Constitution expressly denying the states such power, the *Goldstein* Court then considered a third formulation: whether the concurrent exercise of the copyright power by the states would so conflict with the federal exercise of such powers that it must be concluded that the states have ceded that authority completely to the federal government.<sup>143</sup>

Reasoning by analogy from the commerce clause cases,<sup>144</sup> the Court took pains to differentiate between those instances when a concurrent federal-state exercise of a similar power would inevitably

---

<sup>140</sup>It is significant that the Court specifically characterized the California statute as one which grants "copyright protection." 412 U.S. at 551. This indicates that the Court considered that it was addressing the question of state-granted full copyright protection head-on. Since the Court upheld the statute even with this underlying premise, it is clear that the decision affirms the validity of those state law doctrines and statutes which bear *directly* on the copyright interest, in addition to those which only tangentially affect it. See notes 36-37 and accompanying text *supra*. Cf. note 105 *supra*.

<sup>141</sup>The pirates also raised the "publication" argument. See the discussion of this issue and the Court's treatment of it at notes 67-84 and accompanying text *supra*.

<sup>142</sup>412 U.S. at 552.

<sup>143</sup>The Court rested this portion of its analysis upon a passage from Number 32 of *THE FEDERALIST* in which Alexander Hamilton postulated three instances when the vesting of exclusive authority in the federal government must be found:

[W]here the Constitution in express terms granted an exclusive authority to the Union; where it granted in one instance an authority to the Union, and in another prohibited the States from exercising the like authority; and where it granted an authority to the Union, to which a similar authority in the States would be absolutely and totally *contradictory and repugnant*.

412 U.S. at 553, *quoting* *THE FEDERALIST* No. 32, at 241 (B. Wright ed. 1966) (A. Hamilton) (original emphasis). The *Goldstein* Court dealt summarily with the first two instances, see note 14 *supra*, and concentrated its analysis upon Hamilton's third situation.

<sup>144</sup>*E.g.*, *Cooley v. Board of Wardens*, 53 U.S. (12 How.) 299 (1851); *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1 (1824).

lead to conflict and those cases in which such conflict is simply a possibility. It found that "[a]lthough the Copyright Clause . . . recognizes the potential benefits of a national system, it does not indicate that all writings are of national interest or that state legislation is, in all cases, unnecessary or precluded."<sup>145</sup> Nor was the *Goldstein* Court able to discern an inevitable conflict arising out of the actual exercise of concurrent copyright authority by the states. Addressing the problem of federal-state conflict, the Court postulated three circumstances which may arise: (1) Congress may conclude that a particular category of writing is worthy of national protection and may therefore extend federal copyright protection; (2) Congress may feel that the national interest is best served by the unrestricted availability of a particular category of writings, and thus may act affirmatively to deny all protection, federal or state; or (3) Congress may choose to stay its hand entirely.<sup>146</sup> It is in this third situation where, under the *Goldstein* view, the states may act to provide protection if they so desire. Although the Court acknowledged that state attempts either to protect that which Congress intended to be unprotected, or to free that which Congress intended to protect would lead to conflict,

---

<sup>145</sup>412 U.S. at 556-57. In this context, the Court cited Number 43 of *THE FEDERALIST* in which James Madison expressed his belief that "[t]he States cannot separately make effectual provision" for patent or copyright protection. *Id.* at 556. According to the Court, the import of Madison's declaration is that a national system is preferable to individual state protection, but the ineffectiveness of state protection does not present an absolute bar to the exercise of state authority. However, Douglas' dissent in *Goldstein* read the quoted language as suggesting that the states *may not* establish individual copyright protection. *Id.* at 572-75 (Douglas, J., dissenting).

<sup>146</sup>*Id.* at 559-60. However, the Court's illustration of an example of the third situation does not support the Court's conclusion. The Court points to § 2 of the Copyright Act, which reserves common law copyright authority to the states, as an example of an instance where Congress has chosen to stay its hand entirely. *Id.* at 559 & n.16. However, the use of this example indicates that in order to find that Congress has stayed its hand, one must also find an affirmative expression of such intent. This illustration underscores what some may feel is the weakness of *Goldstein's* ultimate conclusion that, as to pre-February 15, 1972, sound recordings, Congress had neither acted affirmatively to grant or deny protection and therefore the states are permitted to extend protection as they see fit. Although § 2 of the Act has never been viewed as the source of the states' common law copyright authority, see note 70-71 and accompanying text *supra*, nevertheless it is an instance where Congress has expressly carved an area out of the federal copyright scheme and reserved it to the states. In contrast, there was no such express reservation of state authority with respect to pre-Amendment sound recordings. See note 155 *infra*. Therefore, if the express provision of 17 U.S.C. § 2 is an example of a situation where Congress has chosen to stay its hand, then the congressional treatment of pre-Amendment recordings, where there is no such express provision, falls more naturally into the Court's second category where *all* protection is prohibited.

it concluded that such conflict was not sufficiently inevitable to warrant a denial of all state power in respect to copyright.<sup>147</sup>

Finding no problem of constitutional preemption, the *Goldstein* Court then turned to a consideration of whether California's anti-piracy statute was invalid as a matter of federal statutory preemption. Here the Court ran headlong into the theory of statutory preemption underlying the *Sears* and *Compco* decisions.<sup>148</sup> The opinion noted that while the copyright clause provides a broad area within which Congress may act, it does not require Congress to exercise the full scope of its powers;<sup>149</sup> "whether any specific category of 'Writings' is to be brought within the purview of the federal statutory scheme is left to the discretion of the Congress."<sup>150</sup> With its premise so formulated, the Court found nothing in the legislative or judicial history of the sound recording question to indicate that Congress had intended either to grant protection to this particular category of "writings" or specifically to exempt them from all protection. Under this analysis, pre-Amendment sound recordings therefore fall within the third type of congressional option as a category of writings with respect to which Congress has stayed its hand. Consequently, state protection of sound recordings is valid and does not unconstitutionally conflict with the federal scheme.

This conclusion did not, however, resolve the preemption question in light of the approach taken in *Sears* and *Compco* and in this respect the *Goldstein* Court faced its most problematical issue. The *Goldstein* pirates had raised the argument that, as a statutory mat-

---

<sup>147</sup>412 U.S. at 559. That this analysis is antithetical to Learned Hand's view on the matter is clear. Where Hand found complete federal preemption flowing from the copyright clause, *Goldstein* found only a non-exclusive grant of federal copyright. Under Hand's formulation, only the first two of *Goldstein*'s three possible situations can exist because of the preemptive effect of the copyright clause. That is, Hand felt that either a writing is protected by a copyright under the federal statute, or it is denied all protection by force of the constitutional provision. The suggestion that Congress may eschew all action entirely and thus leave the question of protection entirely in the hands of the states would undoubtedly have struck Hand as novel at best, and he would surely have demanded a clear, affirmative congressional declaration of this intent before conceding to the states the authority to act. That *Goldstein* grants that authority even in the absence of such an affirmative expression of congressional intent is perhaps more a reflection of the philosophical disposition of the *Goldstein* Court than an indication of a weakness in Hand's methodology.

<sup>148</sup>For an interesting analysis of the conflict between *Goldstein* and the *Sears-Compco* doctrine, see Goldstein, "Inconsistent Premises" and the "Acceptable Middle Ground," *A Comment on Goldstein v. California*, 21 BULL. CR. SOC. 25 (1973).

<sup>149</sup>412 U.S. at 562. The congressional power to act with respect to copyrights is, of course, as broad as the constitutional term "writings." See generally note 74 *supra*.

<sup>150</sup>412 U.S. at 562.

ter, "Congress so occupied the field of copyright protection as to preempt all comparable state action,"<sup>151</sup> citing the *Sears* and *Compco* decisions and §§ 4<sup>152</sup> and 5<sup>153</sup> of the Copyright Act. Although these sections of the Act appear, at least on their faces, to reflect a congressional intent to exercise fully the copyright power, the Court noted that the sections have never been given this interpretation throughout the more than sixty year history of the Act. Particularly, the Court pointed to sound recordings as an example of a category of otherwise constitutionally copyrightable "writings" which have consistently been denied statutory copyright protection under the Act.<sup>154</sup>

However, to say that no federal copyright protection exists for pre-Amendment sound recordings is not to say that Congress has completely stayed its hand with regard to them.<sup>155</sup> Indeed, this is the precise point of divergence between the *Goldstein* decision and the *Sears-Compco* presumption "that congressional silence betokens a determination that the benefits of competition outweigh the impediments placed on creativity by the lack of copyright protection . . . ."<sup>156</sup> In contrast, for the *Goldstein* Court congressional silence as to a particular category of writings evinces an intent to leave that category untouched and thus open to state action.

This conclusion, however, necessitated distinguishing the *Sears-Compco* decisions from the case at bar. The *Goldstein* Court did this by holding *Sears* and *Compco* strictly to their facts as cases involving only patent law and stressing the inherent differences between the federal patent and copyright schemes of protection. In the patent field, the Court reasoned, Congress has set particular standards of

---

<sup>151</sup>*Id.* at 567.

<sup>152</sup>17 U.S.C. § 4 (1970) provides: "The works for which copyright may be secured under this title shall include all the writings of an author."

<sup>153</sup>17 U.S.C. § 5 (1970), *as amended*, 17 U.S.C. § 5(n) (Supp. II, 1972). After enumerating the specific categories of works subject to the federal copyright, § 5 provides: "The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title . . . ."

<sup>154</sup>The Court cited the House and Senate Reports which accompanied the Sound Recording Amendment wherein it was acknowledged that, absent the Amendment, no federal statutory protection exists for recordings. 412 U.S. at 568; *see* H.R. REP. NO. 487, 92d Cong., 1st Sess. 5 (1971); S. REP. NO. 72, 92d Cong., 1st Sess. 4 (1971). But *see* note 123 *supra*, discussing the several cases which have recognized a right of action for infringement under the Copyright Act in the owner of a copyright in a musical composition against one who pirates a recording containing that composition.

<sup>155</sup>The House Report accompanying the Sound Recording Amendment took pains to point out that no opinion was expressed therein concerning this question of federal statutory preemption of pre-Amendment recordings. H.R. REP. NO. 487, 92d Cong., 1st Sess. 3 (1971).

<sup>156</sup>412 U.S. at 579 (Marshall, J., dissenting).

novelty and usefulness which must be met in order that a mechanical configuration may receive patent protection: "The standards established for granting federal patent protection . . . indicated not only which [mechanical configurations] Congress wished to protect, but which configurations it wished to remain free."<sup>157</sup> The line between qualifying for patent protection and denial of protection therefore represents the fulcrum in the balance Congress has struck between free availability and the patent monopoly. However, in the *Goldstein* Court's view, Congress has drawn no such line with respect to copyright protection. Instead of having to meet particular standards in order to qualify for federal protection, a particular writing need only fall within one of the statutorily enumerated categories of writings in order to receive a federal copyright.<sup>158</sup> *Goldstein* concluded that this use of a category system in the area of federal copyrights indicates nothing about whether Congress struck a balance between free accessibility and copyright protection. Therefore, the failure to include a particular category of "writings" within the purview of the Copyright Act, without more, indicates that Congress has merely chosen to stay its hand.

It was primarily upon this last point that Mr. Justice Marshall chose to rest his dissent. He acknowledged that in the ordinary situation it is difficult to infer from legislative inaction any affirmative conclusions. He argued, however, in the *Sears* and *Compco* cases it was held "that with respect to patents and copyrights, the ordinary practice was not to prevail";<sup>159</sup> it is to be presumed from congressional silence that the federally unprotected categories of writings are to be freely available. State law which purports to grant copyright-like protection must therefore fall in the face of this federal policy. However, the majority's holding in *Goldstein* appears to have invalidated the *Sears-Compco* presumption as applied to the copyright field and in so doing, upheld the authority of the states to provide full copyright protection of unlimited duration to sound recordings fixed prior to the effective date of the Sound Recording Amendment.<sup>160</sup>

---

<sup>157</sup>*Id.* at 569.

<sup>158</sup>The federally protected categories of writings are specified in 17 U.S.C. § 5 (1970) and 17 U.S.C. § 5(n) (Supp. II, 1972).

<sup>159</sup>412 U.S. at 577 (Marshall, J., dissenting).

<sup>160</sup>*Goldstein* thus validates state anti-piracy statutes as applied to pre-Amendment sound recordings. Following is a list of the state anti-piracy statutes which have been enacted to date. The list includes citations to state session laws in instances where the statute has not yet been transferred to the state's official code:

ARIZ. REV. STAT. ANN. § 13-1024 (Supp. 1973); ARK. STAT. ANN. §§ 41-4617 to -4621 (Supp. 1973); CAL. PENAL CODE § 653h (West 1970); Pub. Act. No. 74-160, Conn. Legislature (1974); FLA. STAT. ANN.

### Conclusion

The *Goldstein* decision holds great significance in several respects. It reaffirms the states' authority to grant common law copyright protection both to writings subject to the federal copyright and to those not included within the federal act. In addition, it makes clear that, contrary to the Hand position, the crucial issue of publication as regards those categories of writings not enumerated in the Copyright Act is a matter solely of state law. *Goldstein* also clarifies the question of the permissible duration of the state law protection by expressly holding that the states are not to be held to the constitutional "limited times" mandate specified in the copyright clause. In so holding, it appears that the Supreme Court has validated potentially perpetual state common law protection based upon a state-defined test of publication.

However, the full impact of *Goldstein* lies primarily in its apparent precedent-breaking approval of state laws, common or statutory, which extend full copyright protection to those writings not subject to a federal copyright. Although there is always hesitancy to read a newly decided case too broadly, nevertheless the extensive sweep of *Goldstein* would appear to justify the conclusion that many of the earlier notions of federal preemption in the area of copyright, particularly those expressed by Learned Hand and those embodied in the *Sears* and *Compco* decisions, are no longer valid. Instead, these ideas have been replaced with the view that where Congress has not acted

---

§ 543.041 (Supp. 1973-74); ch. 7, § 1-3 (1974), Ind. Laws; Ky. General Assembly, House Bill No. 378 (March 15, 1974); LA. REV. STAT. §§ 14:223-223.4 (Supp. 1974); MD. ANN. CODE art. 27, § 467A (Supp. 1973); MASS. GEN. LAWS ch. 266, § 143 (Supp. 1974); MINN. STAT. §§ 325.841-.844 (Supp. 1974); Miss. Legislature, Senate Bill No. 2105 (eff. date, July 1, 1974); NEV. REV. STAT. § 205.217 (1973); N.H. REV. STAT. ANN. §§ 352-A:1-4 (Supp. 1973); N.M. STAT. ANN. §§ 40A-16-41 to -42 (not yet in code); N.Y. GEN. BUS. LAW § 561 (McKinney 1968); N.C. GEN. STAT. ch. 14, art. 56A (effective date, Jan. 1, 1975); ch. 747, § 1 (1973) Ore. Laws 1820; PA. STAT. ANN. tit. 18, § 4116 (1973); TENN. CODE ANN. §§ 39-4244 to -4250 (Cum. Supp. 1973); TEX. ANN. CIV. STAT. art. 9012 (Supp. 1974); UTAH CODE ANN. §§ 13-10-1 to -6 (Supp. 1973); VA. CODE ANN. §§ 59.1-41.1 to -41.6 (Repl. Vol. 1973); WASH. REV. CODE ANN. §§ 19.26.010-.020 (Supp. 1972) (anti-counterfeiting statute); ch. 100 (1974), 43d Wash. Legislature, 3d Ext. Sess. (anti-piracy statute).

In addition to the above noted statutes, anti-piracy legislation is about to be introduced in both Maine and Vermont. BILLBOARD, May 4, 1974, at 1. A bill has been introduced into both houses of the Oklahoma legislature (H.B. No. 1243 and S.B. No. 483), but passage this session appears unlikely. *Id.* at 4. Similar legislation in Georgia has failed to pass the Senate. BILLBOARD, April 27, 1974, at 1. Finally, Nebraska and Ohio have also recently enacted anti-piracy statutes, but the specific citations for these laws are not currently available.

affirmatively either to grant or to deny protection, the states are fully competent to establish individual copyright schemes<sup>161</sup> and grant protection potentially unlimited in duration.<sup>162</sup> This holding therefore places a sizeable burden upon Congress to make clear when its non-protection of a particular category of writings is to be read as an affirmative denial of all protection whatsoever, and when it should be viewed as simply a staying of its hand.<sup>163</sup> It is in this latter case where the states may act to provide protection.

The direct effect of *Goldstein* in the context of the sound recording question is to permit the states to fill the gap in protection left by Congress in limiting the Sound Recording Amendment to prospective application only. Thus by a combination of both federal and state law, the legitimate recording industry now has an effective means of combatting record piracy. However, the analysis applied by the Supreme Court goes beyond the sound recording question and would appear to extend to the states the copyright power in other situations as well. Whether they will seek to exercise fully this newly-delineated authority remains to be seen.<sup>164</sup> However, if the states should choose to exercise this authority the *Goldstein* decision will doubtlessly serve

---

<sup>161</sup>One commentator reads *Goldstein* broadly and suggests that it validates a virtual sub-strata of copyright systems at the state level, complete with registration requirements, filing procedures and other elements found in the existing federal system. Kaul, *And Now, State Protection of Intellectual Property?*, 60 A.B.A.J. 198 (1974). See also note 140 *supra*.

<sup>162</sup>A recent comment on the *Goldstein* case takes issue with the Court's reasoning that there are writings which do not warrant federal protection but which may be of sufficient local interest to justify state protection. The fallacy of this reasoning, in that writer's view, is that it focuses on the nature of the writing itself, while ignoring that the industry (e.g. the recording industry) may be national in scope. See Comment, *Copyrights: States Allowed to Protect Works Not Copyrightable Under Federal Law*, 58 MINN. L. REV. 316, 322-23 (1973).

<sup>163</sup>Actually, it is perhaps more accurate to say that this burden will fall upon the courts, for it is they who will have to determine congressional intent. Of course, after *Goldstein* this question is settled with regard to pre-Amendment sound recordings. There remain, however, several categories of writings which have not been brought within the purview of the copyright act and which are therefore, under *Goldstein*, potentially subject to state protection. These categories include computer programs, clothing style designs, performing styles, choreographic works, printed forms, titles, business systems and "discoveries of laws of nature." See Kaul, *And Now, State Protection of Intellectual Property?*, 60 A.B.A.J. 198, 201-02 (1974), discussing each of these categories in some detail. For an extensive discussion of state law protection of trade secrets and an analysis of *Goldstein's* effect upon such protection, see Wydick, *Trade Secrets: Federal Preemption in Light of Goldstein and Kewanee*, 55 J. PAT. OFF. SOC'Y 736 (Part I) (1973); 56 J. PAT. OFF. SOC'Y 4 (Part II) (1974).

<sup>164</sup>At least with respect to sound recordings, there have been increasing efforts by the states to afford protection. See note 160 *supra*.