10-1972

# Goldstein v. California

Lewis F. Powell, Jr.

Court App. Dept., Super. Ct. of Calif., Los Angeles Co.

Argued ....., 19...

Submitted ....., 19...

Voted on ....., 19...

Assigned ....., 19...

Announced ....., 19...

No. 71-1192

DONALD GOLDSTEIN, RUTH KOVEN AND DONALD KOVEN, Petitioners

vs.

CALIFORNIA

3/15/72 Cert. filed.

Grant

| | HOLD FOR | CERT. | | JURISDICTIONAL STATEMENT | | | | MERITS | | MOTION | | ABSENT | NOT VOTING | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | G | D | N | POST | DIS | AFF | REV | AFF | G | D | | | |
| Rehnquist, J. | | ✓ | | | | | | | | | | | | |
| Powell, J. | | | ✓ | | | | | | | | | | | |
| Blackmun, J. | | | ✓ | | | | | | | | | | | |
| Marshall, J. | | ✓ | | | | | | | | | | | | |
| White, J. | | | ✓ | | | | | | | | | | | |
| Stewart, J. | | | | | | | Join Three | | | | | | | |
| Brennan, J. | | ✓ | | | | | | | | | | | | |
| Douglas, J. | | ✓ | | | | | | | | | | | | |
| Burger, Ch. J. | | | ✓ | | | | | | | | | | | |

Deny

5/22/72

Petr. was convicted under a Calif. statute which make it a misdemeanor to copy a phonograph record with intent to sell it.

Congress has enacted legislation effective from 2/15/72.

No conflict in Circuits.

No reason to take this case at this time.

No. 71-1192

Goldstein v. California

Cert to Cal App Div

Phonograph Record Piracy

This case concerns record piracy and the copyright laws. "Record piracy is a thriving industry in which the pirate takes a record and tapes it. From the tape, he produces his own record. The industry has recently begun to thrive because recent technicological developments have made such a practice profitable. Records, however, are not covered by the federal copyright laws. Congress has enacted a law giving them some coverage, but it only covers

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

recordings made after Feb. 15, 1972. The petr made and sold copies of records recorded before that date. He was prosecuted under a Cal state law making it a misdemeanor to copy a recording with intent to sell it.

Petr argues that the Sears and Compco decisions are dispositive of this case. In those cases, the Court ruled that a state could not make it a crime to copy a mechanical device that was not patented or copyrighted under the federal statutes. Petr argues that only Congress can make sound recordings available to be copyrighted and that the state's doing so is an infringement on the federal power.

Resps rely on a line of cases upholding similar statutes in the state and lower federal courts. They say that the copyright law explicity recognizes a common law right in unpublished works and that it has never been held that the sale of a record of a performance means that the performance is in the public domain. Sears and Compco are said to be not controlling because they involved the right to imitate or simulate mechanical devices that were not patentable. Resp says that for the Cal law to be analagous, it would have to forbid the simulation of the

performance which is on the records, Resp says further that there is a common law of copyright which protects records. Finally, resp relies on a somewhat vague reference to rights already existing in records which is in the new federal statute.

I think there are some nice questions here such as whether the product in question is the record or the performance on the record and such as whether peter only copied something or appropriated it. I do not think the issue should be granted because Congress has now stepped in and has begun to apply the federal copyright laws to records made after 1972. Admittedly there are a lot of records made prior to that time, but since records are somewhat faddish and lose their market value rather quickly--except a few collector's items--there is unlikely to be little future piracy of records made before the effective date of the federal statute. Since there is no split in the circuits and since I have a feeling that this kind of commercial piracy should be outlawed, I would deny. But it is a close case.

DENY Fox

No. 71-1192 GOLDSTEIN v. CALIFORNIA Argued 12/13/72

Tentative view: Close case. all equities are with Calif. Q is whether there is federal preemption either under Art I of Const or under Copyright laws. A book is not protected unless it is copyrighted. But Congress has acted, & arguments did not answer quest as to law in absence of a Fed. copyright law.

9 needs to do further study.

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Leeds (for Petitioners) made strong & persuasive argument.

Fed. Law (prior to P.L. 92-140) provided for a 2 & 1 use of a record.

> Composer - one who writes song.
> Performer - one who records song.

Feb 15, 1972

The New Bill (PL 92-140) & its history is set out in Petr. Reply Brief. This law was not intended to authorize state laws such as Calif's. But since enactment of 92-140, Fed law has pre-empted the field. Thus, Calif. statute here involved has been pre-empted by new law which provides for copyrighting of sound recording.

Thus Calif. law provides a permanent copyright type of protection - with criminal penalties.

8 States have laws - criminal laws - like this. The Fla. law (identical to Calif) has been held unconst.

Leeds (cont.)

Argues that States have no right to regulate "copying" – Congress has exclusive juris over "copyrights". Sears Roebuck.

But concedes we have never had a copyright case on this issue.

There is no deception – no passing off – no unfair competition in ~~co~~ common law sense.

In the patent area, an inventor loses all rights when he "discloses" ~~his~~ invention to public unless he has been able to patent it. ~~The~~ The situation is same as to copyright.

Under Calif law, the artist obtains in effect a copyright in perpetuity. This would create a permanent monopoly.

If a book is not copyrighted, copies may be made & sold.

Schaefer (Deputy City Atty – Los Angeles)

Petrs pled nolo prior to P.L. 92-140.

A recording represents a substantial investment – time & money of artists

The "pirate" ~~is~~ is required to pay 2¢ to the composer by the 1909 Fed Act, but nothing protects the performer or the Company which produces ~~the~~ & records the performance.

The pirate simply appropriates the vast commitment of others without compensation.

Calif law is aimed to protect the performer, producer, union

Fed Act 92-140 enacted for 3 yrs only.

Under Orig. Copyright Act, there was no protection for the "performer".

This situation was not a problem until about 1960 when technology enabled cheap reproductions.

No business could exist if a competitor could appropriate his entire investment.

No preemption – no action by Congress – prior to P.L. 92-140.

Schecter (Cont'l)

Different for patents because absent a Fed. grant of patent monopoly there is no protection.

To: Mr. Justice Douglas
Mr. Justice Brennan
Mr. Justice Stewart
Mr. Justice White
Mr. Justice Marshall
Mr. Justice Blackmun
Mr. Justice Powell
Mr. Justice Rehnquist

1st DRAFT

From: The Chief Justice

Circulated: JUN 6 1973

Recirculated: _____

# SUPREME COURT OF THE UNITED STATES

No. 71-1192

| | |
|---|---|
| Donald Goldstein, Ruth Koven, and Donald Koven, Petitioners, *v.* State of California. | On Writ of Certiorari to the Appellate Department of the Superior Court of California for the County of Los Angeles. |

Reviewed
Join
6/7/73

[June —, 1973]

Memorandum to the Conference from MR. CHIEF JUSTICE BURGER.

This case did not seem easy when we considered it at Conference and the longer I worked on it the more difficult it became. The vote was close, certainly very tentative as to some, and I confess I have not felt sure-footed on the subject at any time.

I suspect that those favoring reversal were concerned about *Sears* and *Compco*. The memorandum that follows undertakes an analysis and treatment that preserves the core of those two holdings. It also "puts the ball in the Congressional court." When, as and if Congress wants to "take over" nothing in an affirmance of the California holding will be the slightest barrier. Federal power can be as pervasive as Congress desires.

This case has taken an inordinate amount of time, perhaps in part because I underestimated the difficulties. I suspect no one will find it easy. The lateness of the date impels me to send this memorandum before I really have it in the form I prefer for circulation. Rough as it is it will reflect my "tilt" on what should be done.

If a majority accept this "tilt," I will proceed. I am very open to suggestions in this close and difficult case.

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We granted certiorari to review the conviction on petitioners under a California statute making it a criminal offense to duplicate recordings produced by others. The claim of petitioners is that the California statute conflicts with Art. 1, § 8, cl. 8, of the Constitution, the "copyright clause."

In 1971, an information was filed by the State of California, charging petitioners in 140 counts with violating § 653h of the California Penal Code; it recited that from April 1970, to March 1971, petitioners duplicated numerous recordings produced by others and did so without their consent.[1] Petitioners moved to dismiss the complaint on the grounds that § 653h was in conflict with

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[1] In pertinent part, the California statute provides:

"(a) Every person is guilty of a misdemeanor who:

"(1) Knowingly and willfully transfers or causes to be transferred any sounds recorded on a phonograph record, . . . tape, . . . or other article on which sounds are recorded, with intent to sell or cause to be sold, . . . such article on which such sounds are so transferred, without the consent of the owner.

"(2) . . .

"(b) As used in this section, 'person' means any individual partnership, corporation or association; and 'owner' means the person who owns the master phonograph record, . . . master tape, . . . or other device used for reproducing recorded sounds on phonograph records, . . . tapes, . . . or other articles on which sound is recorded, and from which the transferred recorded sounds are directly or indirectly derived."

Specifically, each count of the information alleged that, in regard to a particular recording, petitioners had, "at and in the City of Los Angeles, in the County of Los Angeles, State of California . . . wilfully, unlawfully and knowingly transferred and caused to be transferred sounds recorded on a tape with the intent to sell and cause to be sold, such tape on which such sounds [were] so transferred . . . ."

Art. I, § 8, cl. 8, of the Constitution [2] and the federal statutes enacted thereunder. Upon denial of their motion, petitioners entered pleas of *nolo contendere* to 10 of the 140 counts; the remaining counts were dismissed. On appeal, the Appellate Department of the Superior Court sustained the validity of the statute. After exhausting other state appellate remedies, petitioners sought review in this Court.

I

Petitioners were engaged in what has commonly been called "record" or "tape piracy"—the unauthorized duplication of recordings of performance by major musical artists.[3] Petitioners would purchase from a retail distributor a single tape or photograph recording of the popular performances they wished to duplicate. The original recordings were produced and marketed by recording companies with whom petitioners had no contractual relationship. At petitioner's plant, the recording was reproduced on blank tapes, which could in turn be used to replay the music on a tape player. The tape was then wound on a cartridge. A label was attached, stating the title of the recorded performance—the same title as had appeared on the original recording, and the name of the performing artists.[4] After final packaging,

[2] Article I, § 8, cl. 8, provides that Congress shall have 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 . . . ."

[3] Since petitioners did not proceed to trial, the factual record before the Court is sparse. However, both parties indicate that a complete description of petitioner's method of operation may be found in the record of *Tape Industries Asso. of America* v. *Younger*, 316 F. Supp. 340 (CD Cal. 1970), appeal dismissed for lack of jurisdiction, 401 U. S. 902 (1971), appeal pending United States Court of Appeals, CA9, No. 26,628.

[4] An additional label was attached to each cartridge by petitioners, stating that no relationship existed between petitioners and the producer of the original recording or the individuals whose performances

the tapes were distributed to retail outlets for sale to the public, in competition with those petitioners had copied.

Petitioners made no payments to the artists whose performances they reproduced and sold, nor to the various trust funds established for their benefit; no payments were made to the producer, technicians, or other staff personnel responsible for producing the original recording. No payments were made for the use of the artists' names or the album title.[5]

The challenged California statute forbids petitioners from transferring any performance fixed on a tape or record onto other records or tapes with the intention of selling the duplicates, unless they have first received permission from those who, under state law, are the owners of the master recording. Although the protection afforded to each master recording is substantial, lasting for an unlimited time, the scope of the prescribed activities is narrow. No limitation is placed on the use of the music, lyrics or arrangement employed in making the master recording. Petitioners are not precluded from hiring their own musicians and artists and recording an exact imitation of the performance embodied on the master recording. Petitioners are free to hire the same artists who made the initial recording in order to dup-

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had been recorded. Consequently, no claim is made that petitioners misrepresented the source of the original recordings or the manufacturer of the tapes.

[5] The costs of producing a single original long playing record of a musical performance may exceed $50,000 or $100,000. *Tape Industries Asso. of America* v. *Younger*, 216 F. Supp., at 344 (1970); Hearings on S. 646 and H. R. 6927 before Subcommittee No. 3 of the Committee on the Judiciary, House of Representatives, 92d Cong., 1st Sess., at 27–28 (1971). For the performance recorded on this record, petitioners would pay only the retail cost of a single long playing record or a single tape.

licate the performance. In essence, the statute thus provides copyright protection solely for the specific expressions which the master record or tape contains.

Petitioners' attack on the constitutionality of § 653h has many facets. First, they contend that the statute esablishes a state copyright of unlimited duration, and thus conflicts with Art. I, § 8, cl. 8, of the Constitution. Second, petitioners claim that the state statute interferes with the implementation of federal policies, inherent in the federal copyright statutes. 17 U. S. C. § 1 *et seq.* According to petitioners, it was the intention of Congress, as interpreted by this Court in *Sears, Roebuck and Co.* v. *Stiffle Co.*, 376 U. S. 225 (1964), and *Compco Corp.* v. *Day-Brite Lighting*, 376 U. S. 234 (1964), to establish a uniform law throughout the United States to protect original writings. As part of the federal scheme, it is urged that Congress intended to allow individuals to copy any work which was not protected by a federal copyright. Since § 653h effectively prohibits the copying of works which are not entitled to federal protection, petitioners urge that it conflicts directly with congressional policy and must fall under the Supremacy Clause of the Constitution.[6] Finally, petitioners argue that 17 U. S. C. § 2, which allows States to protect un-

[6] In 1971, the federal copyright statutes were amended to allow federal protection of recordings. See Pub. L. 92-140 (Oct. 15, 1971). However, § 3 of the amendment specifically provides that such protection is to apply only to sound recordings "fixed, published and copyrighted on and after" Feb. 15, 1972, and before Jan. 1, 1975, and that nothing in Title 17, as amended, is to "be applied retroactively or [to] be construed as affecting in any way any rights with respect to sound recordings fixed before" Feb. 15, 1972. The recordings which petitioners copied were all fixed prior to Feb. 15, 1972. No question is raised as to the power of States to protect recordings fixed after that date.

published writings,[7] does not authorize the challenged state provision. Since the records which petitioners copied had previously been released to the public, petitioners contend that they had, under federal law, been published.

II

Petitioners' first argument rests on the premise that the state statute under which they were convicted lies beyond the powers which the States reserved in our federal system. If this is correct, petitioners must prevail, since the States cannot exercise a sovereign power which, under the Constitution, they have relinquished to the Federal Government for its exclusive exercise.

A

The principles which the Court has followed in construing state power were stated by Alexander Hamilton in Number 32 of The Federalist:

> "An entire consolidation of the States into one complete national sovereignty would imply an entire subordination of the parts; and whatever powers might remain in them, would be altogether dependent on the general will. But as the plan of the [Constitutional] convention aims only at a partial union or consolidation, the State governments would clearly retain all the rights of sovereignty which they before had, and which were not, by this act, *exclusively* delegated to the United States. This exclusive delegation, or rather this alienation, of State sovereignty, would only exist in three cases:

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[7] 17 U. S. C. § 2—"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, or to obtain damages therefor."

> where 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*.[8]

The first two instances mentioned present no barrier to a State's enactment of copyright statutes. The clause of the Constitution granting to Congress the power to issue copyrights does not provide that such power shall vest exclusively in the Federal Government. Nor does the Constitution expressly provide that such power shall not be exercised by the States.

In applying the third phase of the test, we must examine the manner in which the power to grant copyrights may operate in our federal system. The objectives of our inquiry were recognized in *Cooley* v. *Board of Wardens*, 12 How. (53 U. S.) 299 (1851), when, in determining whether the power granted to Congress to regulate commerce [9] was "compatible with the existence of a similar power in the States," the Court noted:

> "Whatever subjects of this power are in their nature national, or admit of only one uniform system, or plan of regulation, may justly be said to be of such a nature as to require exclusive legislation by Congress." 12 How. (53 U. S.), at 319.

The Court's determination that Congress alone may legislate over matters which are necessarily national in import reflects the basic principle of federalism. "The

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[8] A. Hamilton, J. Madison, J. Jay, The Federalist, B. F. Wright, ed. (Cambridge, Mass., 1961) (hereafter The Federalist) 241; see *Cooley* v. *Board of Wardens*, 12 How. (53 U. S.) 299, 318–319 (1851).

[9] Article I, § 8, cl. 3.

genius and character of the [federal] government," Chief Justice Marshall said,

> "seem to be, that its action is to be applied to all external concerns of the nation, and to those internal concerns which affect the States generally; but not to those which are completely within a particular State, which do not affect other States, and with which it is not necessary to interfere, for the purpose of executing some of the general powers of government." *Gibbons* v. *Ogden,* 9 Wheat. (22 U. S.) 1, 195 (1824).

The question whether exclusive federal power must be inferred is not a simple one, for the powers recognized in the Constitution are broad and the nature of their application varied. The warning sounded by the Court in *Cooley* may equally be applicable to the "copyright clause":

> "Either absolutely to affirm, or deny that the nature of [the federal power over commerce] requires exclusive legislation by Congress is to lose sight of the nature of the subjects of this power, and to assert concerning all of them, what is really applicable but to a part. 12 How. (53 U. S.), at 319.

We must also be careful to distinguish those situations in which the concurrent exercise of a power by the Federal Government and the States or by the States alone *may possibly* lead to conflicts and those situations where conflicts *will necessarily* arise. Few governmental powers exist which, when exercised concurrently by Congress and the various States, will be wholly free from conflict. "It is not, however, a mere possibility of inconvenience in the exercise of powers, but an immediate constitutional repugnancy that can by implication alienate and extinguish a preexisting right of [state] sovereignty." The Federalist, No. 32, at 243.

Article I, § 8, cl. 8, of the Constitution gives 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 . . . ."

The clause thus describes both the objective which Congress may seek and the means to achieve it. The objective is to promote the progress of science and the arts. As employed, the terms "to promote" are synonymous with the words "to stimulate," "to encourage," or "to induce." [10] To accomplish its purpose, Congress may grant to authors the exclusive right to the fruits of their respective works. An author who possesses an unlimited copyright may preclude others from copying his creation for commercial purposes without permission. In other words, to encourage people to devote themselves to intellectual and artistic creation, Congress may guarantee to authors and inventors a reward in the form of control over the sale or commercial use of copies of their works.

The objective of the copyright clause was clearly to facilitate the granting of rights national in scope. While the debates on the clause were extremely limited, its purpose was described by James Madison in No. 43 of the Federalist Papers:

> "The utility of this power will scarcely be questioned. The copyright of authors has been solemnly adjudged, in Great Britain, to be a right of common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals. The States cannot sepa-

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[10] See *Kendall* v. *Winsor*, 21 How. (62 U. S.) 322, 328 (1858); *Mitchell* v. *Tilghman*, 19 Wall. (86 U. S.) 287, 418 (1873); *Bauer* v. *O'Donnell*, 229 U. S. 1, 10 (1913).

> rately make effectual provision for either of the cases, and most of them have anticipated the decision of this point, by laws passed at the instance of Congress.[11]

The difficulty noted by Madison relates to the burden placed on an author or inventor who wishes to achieve protection in all States when no federal system of protection is available. To do so, a separate application is required to each state government; the right which in turn may be granted has effect only within the granting State's borders.[12] The national system which Madison supported eliminates the need for multiple applications and the expense and difficulty involved. In effect, it allows Congress to provide a greater reward than any particular State may grant to promote progress in those fields which Congress determines are worthy of national action.

Although the copyright clause thus 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. The patents granted by the States in the 18th century show, to the contrary, a willingness on the part of the States to promote those portions of science and the arts which were

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[11] The Federalist, at 309.

[12] Numerous examples may be found in our early history of the difficulties which the creators of items of national import had in securing protection of their creations in all States. For example, Noah Webster, in his effort to obtain protection for his book, A Grammatical Institute of the English Language, brought his claim before the legislatures of at least six States, and perhaps as many as 12. See B. Bugbee, The Genesis of American Patent and Copyright Law (Wash., D. C., 1967) 108–110, 120–124; H. R. Rep. No. 2222, 60th Cong., 2d Sess., at 2 (1909). Similar difficulties were experienced by John Fitch and other inventors who desired to protect their efforts to perfect a steamboat. See Federico, State Patents, 13 J. of the Patent Office Society 166, 170–176 (1931).

of local importance.[13] Whatever the diversity of people's backgrounds, origins and interests in the 13 colonies and whatever the variety of business and industry in the colonies, the range of diversity is obviously far greater now in a country of 210 million people in 50 States. In view of that enormous diversity, it is unlikely that all citizens in all part of the country place the same importance on writings and other works relating to all subjects. The subject matter to which the copyright clause is addressed may be of purely local importance and not worthy of national attention or protection. We cannot discern such an unyielding national interest as to require an inference that state power to grant copyrights has been totally relinquished to exclusive federal control.

The question to which we next turn is whether, in actual operation, the exercise of the power to grant copy-

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[13] As early as 1751, Massachusetts granted to Benjamin Crabb the exclusive right to employ a specific process for the manufacture of candles out of whale oil. It is not clear whether Crabb invented the process. The Acts and Resolves, Public and Private of the Province of Massachusetts Bay, Vol. III, Session of Jan. 10, 1751, c. 19, at 546–547 (1878). In 1780, Pennsylvania granted a patent to Henry Guest for the processing of tanning oil and blubber, noting specifically that the patent was "a reward for his discovery and for the purpose of promoting useful manufactories in this state." Statutes at Large of Pennsylvania 1682–1801, J. Mitchell and H. Flanders, eds. Vol. X, at 132 (1904). Similarly, South Carolina granted protection to Peter Belin in 1786 for devices which aided in the production of rice, a staple of South Carolina agriculture. Another patent relating to the processing of rice was granted in 1788. ———————————————. In 1787, Maryland granted a patent on a spinning and carding machine "to encourage useful invention, as well as promote the manufacture of cotton and wool within this state. . . ." The Laws of Maryland, W. Lilty, ed., Vol. II, Session of Nov. 6, 1786–Jan. 20, 1787, c. 23 (1800). In the same year, Pennsylvania patented certain devices relating to flour mills, noting that these devices would "tend to simplify and render cheap the manufacture of flour which is one of the principal staples of this commonwealth. . . ."

rights by some States will prejudice the interests of other States. As we have noted, a copyright granted by a particular State has effect only within its boundaries. If one State grants such protection, the interests of States which do not grant such protection are not prejudiced since their citizens remain free to copy within their borders those works which may be protected elsewhere. The interests of a State which grants copyright protection may, however, be adversely affected by other States that do not; but this is inherent in the fact that a state copyright has no reach beyond its borders. Individuals who wish to purchase a copy of a work protected in their own State will be able to buy unauthorized copies in other States where no protection exists. However, this conflict is neither so inevitable nor so severe as to compel the conclusion that state power has been totally relinquished to the Congress. Obviously when some States do not grant copyright protection—as indeed most do not—that circumstance reduces the economic value of a state copyright, but it will hardly render that copyright worthless. The situation is no different from that which may arise in regard to other state monopolies, such as a food concession in a limited enclosure such as a state park or a state lottery; in each case, citizens may escape the effect of one State's monopoly by making purchases in another area or another State. Similiarly, in the case of state copyrights, except as to individuals willing to travel across state lines in order to purchase records or other writings protected in their own State, each State's copyrights will still serve to induce new artistic creations within that State—the very objective of the grant of protection. We do not see here the type of prejudicial conflicts which would arise, for example, if each State exercised a sovereign power to impose imposts and tariffs; [14] nor can we discern a need for uniformity such

[14] The Federalist, No. 42, at 305.

as that which may apply to the regulation of interstate shipments.[15]

Similarly, it is difficult to see how the concurrent exercise of the power to grant copyrights by Congress and the States will necessarily and inevitably lead to difficulty. At any time Congress determines that a particular category of "writing" is worthy of national protection and the incidental expenses of federal administration, federal copyright protection may be authorized. Where the need for free and unrestricted distribution of a writing is thought to be required by the national interest, the copyright clause and the Commerce Clause would allow Congress to eschew all protection. In such cases, a conflict would develop if a State attempted to protect that which Congress intended to be free from restraint or to free that which Congress had protected. However, where Congress determines that neither federal protection nor freedom from restraint is required by the national interest, it is at liberty to stay its hand entirely.[16] Since state protection would not then conflict with federal action, total relinquishment of the States' power to grant copyright protection cannot be inferred.

As we have seen, the language of the Constitution neither explicitly precludes the States from granting copyrights nor grants such authority exclusively to the Federal Government. The subject matter to which the copyright clause is addressed may at times be of purely local concern. No conflict will necessarily arise from a lack of uniform state regulation, nor will the interest of one State be significantly prejudiced by the actions of another. No reason exists why Congress must take

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[15] Cf. *Morgan* v. *Virginia*, 328 U. S. 373; *Bibb* v. *Navajo Freight Lines*, 359 U. S. 520; *Southern Pacific Co.* v. *Arizona*, 325 U. S. 761; *Pennsylvania* v. *West Virginia*, 262 U. S. 553 (1923).

[16] For example, Congress has provided that writings which may eventually be the subject of a federal copyright, may be protected under state law prior to publication. 17 U. S. C. § 2.

affirmative action either to authorize protection of all categories of writings or to free them from all restraint. We therefore conclude that, under the Constitution, the States have not relinquished all power to grant to authors "the exclusive Right to their respective Writings."

B

Petitioners base an additional argument on the language of the Constitution. The California statute forbids individuals from appropriating recordings at any time after release. From this, petitioners argue that the State has created a copyright of *unlimited* duration, in violation of that portion of Art. I, § 8, cl. 8, which provides that copyrights may only be granted "for limited Times." Read literally, the text of Art. I does not support petitioners' position. Section 8 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. Moreover, it is not clear that the dangers to which this limitation was addressed apply with equal force to both the Federal Government and the States. When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach. However, as we have noted above, the exclusive right granted by a State is confined to its borders. Even when the right is unlimited in duration, any tendency to inhibit further progress in science or the arts is therefore narrowly circumscribed. The challenged statute cannot be voided for lack of a durational limitation.

III

Our conclusion that California did not surrender its power to issue copyrights does not end the inquiry. We must proceed to determine whether the challenged state statute is void under the Supremacy Clause. No simple

formula can capture the complexities of this determination; the conflicts which may develop between state and federal action are as varied as the fields to which congressional action may apply. "Our principal function is to determine whether, under the circumstances of this particular case, [the state] law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." *Hines* v. *Davidowitz,* 312 U. S. 52, 67 (1941). We turn then to federal copyright law to determine what objectives Congress intended to fulfill.

By Art. I, § 8, cl. 8, of the Constitution, the States granted to Congress the power to protect the "Writings" of "Authors." These terms have not been construed in their narrow literal sense but, rather, with the reach necessary to reflect the broad scope of constitutional principles. While an "author" may be viewed as an individual who writes an original composition, the term in its constitutional sense has been construed to mean an "originator," "he to whom anything owes its origin." *Burrow-Giles Lithographic Co.* v. *Sarony,* 111 U. S. 53, 58 (1884). Similarly, although the word "writings" might be limited to script or printed material, it may be interpreted to include any physical rendering of the fruits of creative intellectual or aesthetic labor. *Id., Trade Mark Cases,* 100 U. S. 82, 94 (1879). Thus artistic performances placed on recordings may be within the reach of Clause 8, although this Court has not resolved that issue.

While the area in which Congress *may* act is broad, the enabling provision of Clause 8 does not require that it act in regard to all categories of materials which meet the constitutional definitions. Rather, 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. The history of federal copy-

right statutes indicates that the congressional determination to consider specific classes of writings is dependent not only on the character of the writing, but also on the commercial importance of the product to the national economy. As our technology has expanded the means available for creative activity and has provided economical means for reproducing manifestations of such activity, new areas of federal protection have been initiated.[17]

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[17] The first congressional copyright statute, passed in 1790, governed only maps, charts, and books. Act of May 31, 1790, c. 15, 1 Stat. 124. In 1802, the Act was amended in order to grant protection to any person "who shall invent and design, engrave, etch or work . . . any historical or other print or prints. . . ." Act of April 29, 1802, c. 36, 2 Stat. 171. Protection was extended to musical compositions when the copyright laws were revised in 1831. Act of Feb. 3, 1831, c. 16, 4 Stat. 436. In 1865, at the time when Mathew Brady's pictures of the Civil War were attaining notoriety, photographs and photographic negatives were expressly added to the list of protected words. Act of Mar. 3, 1865, c. 123, 13 Stat. 540. Again in 1870, the list was augmented to cover paintings, drawings, chromos, statuettes, statuary, and models or designs of fine art. Act of July 8, 1870, c. 230, 16 Stat. 198.

In 1909, Congress agreed to a major consolidation and amendment of all federal copyright statutes. A list of 11 categories of protected work was provided. The relevant sections of the Act are discussed in the text of our opinion. The House Report on the proposed bill specifically noted that amendment was required because "the reproduction of various things which are the subject of copyright has enormously increased," and that the President has specifically recommended revision, among other reasons, because the prior laws "omit[ted] protection for many articles which, under modern reproductive processes, are entitled to protection." H. R. Rep. No. 2222, 60th Cong., 2d Sess. (1909), at 1 (quoting Samuel J. Elder and President Theodore Roosevelt).

Since 1909, two additional amendments have been added. In 1912, the list of categories in § 5 was expanded to include motion pictures. The House Report on the amendment noted:

"The occasion for this proposed amendment is the fact that the production of motion-picture photoplays and motion pictures other than photoplays has become a business of vast proportions. The money invested therein is so great and the property rights so valu-

Petitioners contend that the actions taken by Congress in establishing federal copyright protection preclude the States from granting similar protection to recordings of musical performances. According to petitioners, Congress, in 1909, addressed the question of whether recordings of performances should be granted protection. In petitioners' view, Congress determined that any individual who was entitled to a copyright on an original musical composition should have the right to control to a limited extent the use of such composition on recordings, but that the record itself, and the performance which it was capable of reproducing were not worthy of such protection.[18] In support of their claim, petitioners cite the House Report on the 1909 Act, which states:

> "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 provisions of the bill, of the manufacture and use of such devices." H. R. Rep. No. 2222, 60th Cong., 2d Sess., 9 (1909).

The technology of 1973 and that of 1909 present very different pictures. When viewed from the perspective of

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able that the committee is of the opinion that the copyright laws ought to be so amended as to give to them distinct and definite recognition and protection." H. R. Rep. No. 756, 62d Cong., 2d Sess., at 1 (1912).

Finally, in 1971, § 5 was amended to include "sound recordings." Congress was spurred to action by the growth of record piracy, which was in turn due partly to technological advances. See Hearings on S. 646 and H. R. 6927 before Subcommittee No. 3 of the Committee on the Judiciary, House of Representatives, 92d Cong., 1st Sess., at 4–5, 11 (1971). It must be remembered that the "record piracy" charged against petitioners related to recordings fixed by the original producer prior to Feb. 15, 1972, the effective date of the 1971 Act. See n. 6, *supra*.

[18] 17 U. S. C. § 1 (e).

the modern world in which high fidelity recordings are commonplace, petitioners' interpretation of the 1909 statute and H. R. Rep. No. 2222 seems plausible. However, to read the 1909 statute and the report as if they had been written today against a background of what is now well-known technology inevitably distorts their intended meaning. In 1831, Congress first extended federal copyright protection to original musical compositions. An individual who possessed such a copyright had the exclusive authority to sell copies of the musical score; individuals who purchased such a copy did so for the most part to play the composition at home on piano or other instrument. Between 1831 and 1909 numerous instruments were invented which allowed the composition to be reproduced mechanically. For example, one had only to insert a piano roll or disc with perforations in appropriate places into a player piano to achieve almost the same results which previously required someone capable of playing the instrument. The mounting sales of such devices detracted from the value of the copyright granted for the musical composition. Individuals who had use of a piano roll had little if any need for a copy of the sheet music.[19] The problems which arose eventually reached this Court in 1908 in the case of *White-Smith Music Publishing Co.* v. *Apollo Co.*, 109 U. S. 1 (1908). There, the Apollo Company had manufactured piano rolls capable of reproducing mechanically compositions covered by a copyright owned by appellant. Appellant contended that the piano rolls constituted "copies" of the copyrighted composition and that their sale, without permission, constituted an infringement of the copyright. The Court held that piano rolls, as well as records, were not "copies" in terms of the fed-

[19] H. R. Rep. No. 7083, 59th Cong., 2d Sess., pt. 2, at 2 (1907) (Minority Report).

eral copyright statutes, but were merely component parts of a machine which executed the copyrighted composition.[20] Despite the fact that the piano rolls employed the creative works of the composer, all protection was denied.

It is against this background that Congress passed the 1909 statute. After pointedly waiting for the Court's decision in *White-Smith Music Publishing Company*,[21] Congress determined that the copyright statutes should be amended to insure that *composers of original musical works* received adequate protection to encourage further artistic and creative effort. Henceforth, under § 1 (e), records and piano rolls were to be considered as "copies" of the original composition they were capable of reproducing, and could not be manufactured unless payment was made to the *proprietor of the composition copyright*. The section of the House Report cited by petitioners was intended only to establish the limits of *the composer*'s right; composers were to have no control over the recordings themselves. Nowhere does the report indicate that Congress considered records as anything but a component part of a machine, capable of reproducing an original composition [22] or that Congress intended records, as

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[20] "After all, what is the perforated roll? The fact is clearly established on the testimony in this case that even those skilled in the making of these rolls are unable to read them as musical compositions, as those in staff notation are read by the performer. . . .

"These perforated rolls are parts of a machine which, when duly applied and properly operated in connection with the mechanism to which they are adapted, produce musical tones in harmonious combination. But we cannot think that they are copies within the meaning of the copyright act." 209 U. S., at 18.

[21] H. R. Rep. No. 7083, *supra*, n. 18, Part I, at 10; Part II, at 3–4.

[22] This is especially clear from the comment made by the Committee on Patents in regard to a foreign statute which, to some extent, protected personal performances. The committee stated that the foreign statute "in no way affects the reproduction of such

*renderings of original artistic performance* to be free from state control.[28]

Petitioners' argument does not rest entirely on the belief that Congress intended specifically to exempt recordings of performances from state control. Assuming that no such intention may be found, they argue that Congress so occupied the field of copyright protection as to pre-empt all comparable state action. *Rice* v. *Santa Fe Elevator Corporation,* 331 U. S. 218 (1947). This assertion is based on the language of 17 U. S. C. §§ 4 and 5, and on this Court's opinions in *Sears, Roebuck and Co.* v. *Stiffel Co.*, 376 U. S. 225 (1964), and

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music by phonographs, graphophones, or the ordinary piano playing instruments, for in these instruments the reproduction is purely mechanical." H. R. Rep. No. 2222, *supra*, n. 16, at 5.

[23] Petitioners do not argue that § 653h conflicts with that portion of 17 U. S. C. § 1 (e) which provides:

"[W]henever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work upon the payment to the copyright proprietor of a royalty of two cents on each such part manufactured . . ."

Assuming *arguendo* that petitioners' use of the composition they duplicated constitutes a "similar use," the challenged state statute might be claimed to diminish the return which is due the composer by lessening the number of copies produced, and thus to conflict with § 1 (e). However, as we have noted above, the means presently available for reproducing recordings were not in existence in 1909 when 17 U. S. C. § 1 (e) was passed. We see no indication that the challenged state statute detracts from royalties which Congress intended the composer to receive. Furthermore, many state statutes may diminish the number of copies produced. Taxing statutes, for example, may raise the cost of producing or selling records and thereby lessen the number of records which may be sold or inhibit new companies from entering this field of commerce. We do not see in these statutes the direct conflict necessary to render a state statute invalid.

*Compco Corp.* v. *Day-Brite Lighting*, 376 U. S. 234 (1964).

Section 4 of the federal copyright laws provides:

> "[T]he works for which copyrights may be secured under this Act shall include all writings of an author."

Section 5, which lists specific categories of protected works, adds:

> "[T]he above specifications shall not be held to limit the subject-matter of copyright as defined in section four of this Act. . . ."

Since § 4 employs the constitutional term "writings," [24] it may be argued that Congress intended to exercise its authority over all works to which the constitutional provision might apply. However, in the more than 60 years which have transpired since enactment of this provision, neither the Copyright Office, the courts, nor the Congress has so interpreted it. The Register of Copyrights, who is charged with administration of the statute, has consistently ruled that "claims to exclusive rights in mechanical recordings . . . , or in the performances they reproduce" are not entitled to protection under § 4. 37 CFR § 202.8 (b) (1972).[25] With one early exception,[26]

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[24] H. R. Rep. No. 2222, *supra*, n. 16, at 10.

[25] The registration of records under the provisions of the 1909 Act would give rise to numerous administrative difficulties. It is difficult to discern how an individual who wished to copyright a record could comply with the notice and deposit provisions of the statute. 17 U. S. C. §§ 12, 13, 19, 20. Nor is it clear to whom the copyright could rightfully be issued or what constituted publication. Finally, the administrative and economic burden of classifying and maintaining copies of records would have been considerable. See Chafee, Reflections on the Law of Copyright II, 45 Col. L. Rev. 719, 735 (1945); Ringer, The Unauthorized Duplication of Sound Recordings,

[*Footnote 26 is on p. 22*]

American courts have agreed with this interpretation;[27] and in 1972, prior to passage of the statute which extended federal protection to recordings fixed on or after Feb. 15, 1972, Congress acknowledged the validity of that interpretation. Both the House and Senate Reports on the proposed legislation recognized that recordings qualified as "writings" within the meaning of the Constitution, but had not previously been protected under the federal copyright statute. H. R. Rep. No. 92–487, at 2, 5; S. Rep. No. 92–72, at 4. In light of this consistent interpretation by the courts, the agency empowered to administer the copyright statutes, and Congress itself, we cannot agree that §§ 4 and 5 have the broad scope petitioners claim.

*Sears* and *Compco*, on which petitioners rely, do not support their position. In those cases, the question was whether a State could, under principles of state unfair competition law, preclude the copying of mechanical configurations which did not possess the qualities required for the granting of a federal design or mechanical patent. The Court stated:

> "[T]he patent system is one in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition. Obviously a State could not, consistently with the Supremacy Clause of the Constitution, extend the life of a patent beyond its expiration

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Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, United States Senate, 86th Cong., 2d Sess., at 2 (1961); Hearings on S. 646 and H. R. 6927, *supra*, n. 19, at 11, 14.

[26] *Fonotopia Limited* v. *Bradley*, 171 Fed. 951, 963 (EDNY 1909).

[27] *Aeolian Co.* v. *Royal Music Roll Co.*, 196 Fed. 926, 927 (WDNY 1912); *Waring* v. *WDAS Broadcasting Station*, 327 Pa. 433, 437–438 (1937); *Capitol Records* v. *Mercury Records Corp.*, 221 F. 2d 657, 661–662 (CA2 1955); *Jerome* v. *Twentieth Century Fox-Film Corp.*, 67 F. Supp. 737, 742 (SDNY 1946).

> date or give a patent on an article lacking the level of invention required for federal patents. To do either would run counter to the policy of Congress of granting patents only to true inventions, and then only for a limited time. Just as a State cannot encroach upon the federal patent laws directly, it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws." *Sears, Roebuck and Co.* v. *Stiffle Co.*, 376 U. S., at 230–231 (1964) (footnotes omitted).

In regard to mechanical configurations, Congress had balanced the need to encourage innovation and originality of invention against the need to insure competition in the sale of identical or substantially identical products. The standards established for the granting of federal patent protection to machines thus indicated not only the articles Congress wished to protect, but which configurations it wished to remain free. The application of state law in these cases to prevent the copying of articles which did not meet the requirements for federal protection disturbed the careful balance which Congress had drawn and thereby necessarily gave way under the Supremacy Clause of the Constitution. No comparable conflict between state law and federal law arises in the case of recordings of musical performances. In regard to this category of writings, Congress has drawn no balance; rather, they have left the area unattended, and no reason exists why the State should not be free to act.[28]

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[28] 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

## IV

More than 50 years ago, Justice Brandeis observed in dissent in *International News Service* v. *Associated Press:*

> "The general rule of law is, that the noblest of human productions—knowledge, truths ascertained, conceptions, and ideas—become, after voluntary communications to others free as the air to common use." 248 U. S. 215, 250 (1918).

But there is no fixed, immutable line to tell us what "human productions" are private property and which are so general as to become "free as the air." In earlier times, a performing artist's work was largely restricted to the stage; once performed, it remained "recorded" only in the memory of those who had seen or heard it. Today, we can record that performance in precise detail and reproduce it again and again with utmost fidelity. The California statutory scheme evidences a legislative policy to prohibit "piracy" by the unauthorized reproduction of recordings, because the State concluded that such "piracy" adversely affected the continued production of new recordings which represents a large industry in California. Accordingly, the State has, by statute, given to recordings the attributes of property. No restraint has been placed on the use of an idea or concept; rather, petitioners and other individuals remain free to record the same compositions in precisely the same manner and with the same personnel as appeared on the original recording. Even if it were to be assumed that Congress intended to occupy the field of copyrights for recordings by virtue of the 1971 Act, that Act expressly provides: "[N]othing in title 17, United States Code,

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which Congress has not brought within the scope of the federal statute, the term has no application.

as amended by . . . this Act, shall be applied retroactively or be construed as affecting in any way any rights with respect to sound recordings fixed before the effective date of this Act [Feb. 15, 1972]." We conclude that the State has exercised a power which it retained and that the California statute, as applied in the present case, does not intrude into an area which Congress has, up to now, pre-empted, and does not conflict in any manner with objectives which Congress intended to achieve. Until and unless Congress takes further action with respect to recordings fixed before Feb. 15, 1972, § 653h may be enforced to prevent individuals from engaging in acts of "piracy" such as those which occurred in the present case.

**If this analysis is correct, we should affirm.**

WEB

Justice Powell:

The Chief's opinion in Goldstein reads in places like a law review article and contains some unnecessary history and rather discursive and obscure analysis. I do think, however, that it covers the main point that state action in the copyright field is not constitutionally or statutorily preempted absent some direct expression by Congress that it intended to legislate in a given copyright area. A good summary of the Chief's position exists on page 24-25. Since you are generally of the mind that state initiatives are permissible absent some rather clear congressional attempt to disallow them, a join in this case would support your general view and certainly maintain consistency with Dublino. In addition, the activities of petrs in this case are really outrageous and are properly called "piracy".

In sum: I would join (1) because the Chief's position takes roughly the same view of state police power that you have advocated in Dublino; (2) the restraints on piracy California has sought to achieve are obviously sensible ones; and (3) the opinion evidences a good deal of work and is a respectable if somewhat obscure and academic treatment of the subject.

JOIN JHW

Potter how you'd

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE POTTER STEWART

join

June 6, 1973

Re: No. 71-1192, Goldstein v. California

Dear Chief,

I think this is an excellent job and would be glad to join it as an opinion for the Court.

Sincerely,

P.S.

The Chief Justice

Copies to the Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE WILLIAM H. REHNQUIST

June 6, 1973

Re: No. 71-1192 - Goldstein v. California

Dear Chief:

I agree with the memorandum you have prepared in this case.

Sincerely,

WHR

The Chief Justice

Copies to the Conference

June 7, 1973

No. 71-1192 Goldstein v. California

Dear Chief:

I will be happy to join you when your fine memorandum is converted into an opinion for the Court.

Sincerely,

The Chief Justice

lfp/ss

cc: The Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE BYRON R. WHITE

June 7, 1973

Re: No. 71-1192 - Goldstein v. California

Dear Chief:

Your memorandum would be satisfactory to me as an opinion for the Court.

Sincerely,

Byron

The Chief Justice

Copies to Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE WM. J. BRENNAN, JR.

June 11, 1973

RE: No. 71-1192 Goldstein v. California

Dear Thurgood:

Please join me in your dissenting opinion in the above.

Sincerely,

Bill

Mr. Justice Marshall

cc: The Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE WM. J. BRENNAN, JR.

June 11, 1973

RE: No. 71-1192 - Goldstein v. California

Dear Bill:

Please join me in your dissenting opinion in the above.

Sincerely,

Bill

Mr. Justice Douglas

cc: The Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE HARRY A. BLACKMUN

June 14, 1973

Re: No. 71-1192 - Goldstein, et al. v. California

Dear Thurgood:

Please join me in your dissent.

Sincerely,

H.A.B.

Mr. Justice Marshall

Copies to the Conference

| THE C. J. | W. O. D. | W. J. B. | P. S. | B. R. W. | T. M. | H. A. B. | L. F. P. | W. H. R. |
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| 12/15/72 | | | | | | | | |
| 1st draft 6-6-73<br>2nd draft 6/14/73 | dissenting opinion 6/11/73 | join WOD 6/11/73 | join CJ 6/6/73 | join CJ 6/7/73 | dissent 1st draft 6/11/73 | join WOD 6/14/73 | join CJ 6/7/73 | join CJ 6/6/73 |
| | 2nd draft 6/15/73 | join TM 6/11/73 | | | 2nd draft 6/14/73 | join TM 6/14/73 | | |
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