



United States Copyright Office

Library of Congress · 101 Independence Avenue SE · Washington, DC 20559-6000 · www.copyright.gov

January 12, 2024

Hon. Diane P. Wood
Director, ALI
Professor Christopher Jon Sprigman
Professor Daniel J. Gervais
Professor Lydia Pallas Loren
Professor R. Anthony Reese
Professor Molly S. Van Houweling
Reporters, ALI Restatement of the Law, Copyright

Re: Council Draft No. 8

Dear Judge Wood and Reporters:

The U.S. Copyright Office is responsible for administering the nation’s copyright law and providing expert advice to Congress, federal agencies, and the courts on copyright matters.¹ We have reviewed Council Draft No. 8 of the ALI’s Restatement of the Law of Copyright and appreciate that there a number of revisions in this draft responsive to prior comments submitted on Preliminary Draft No. 9.² At the same time, based on our review, we have identified a number of substantive issues that persist in this draft. We respectfully request that the Council withhold approval of several subsections until those issues are addressed through further revision by the Reporters, with input from the project Advisers as appropriate.

We have outlined here the specific draft sections that we believe require additional edits to ensure they accurately reflect restate the law:

Section 17: Merger

As we stated previously with respect to Comment *f* and the corresponding Reporters’ Note, merger should be evaluated at the time of creation of the original document, not at the time the infringing document is created.³ We are not aware of case law that supports a different view.

¹ 17 U.S.C. § 701(a), (b).

² See Letter from Suzanne Wilson, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Hon. Diane P. Wood et al., American Law Institute (Sept. 26, 2023) (“USCO Letter re: Preliminary Draft No. 9”). As some of the smaller errors and omissions identified in the appendix to our comments on Preliminary Draft No. 9 appear to remain unresolved in Council Draft No. 8, we encourage the Reporters to review that appendix in addition to the substantive comments provided below.

³ See Letter from Regan A. Smith, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic,

Specifically, we disagree with the drafters' interpretation of *Lexmark v. Static Control Products*. In our view, *Lexmark* does not support the notion that merger may be evaluated at a time later than the creation of the original. We reiterate that the court in *Lexmark* evaluated merger based on constraints placed on the author of the original Toner Loading Program to write a program compatible with the proper measurement of toner in the cartridge.⁴ Because the Restatement draft cites no case that directly supports the proposition that developments subsequent to the creation of a work are relevant to the merger analysis, we strongly recommend that the Council withhold approval of this Section to permit further revisions to Comment *f* and the corresponding Reporters' Note to state that courts assess merger at the time of creation. If the Reporters wish to opine that, in their view, courts should consider subsequent developments when analyzing merger, the Reporters should expressly indicate that is their view, which no court has yet adopted.

Section 18: Scènes à Faire

Similar to our comments on the merger section, we continue to object to the Restatement's assertion, found in Comment *h* and the corresponding Reporters' Note, that protected elements of a copyrighted work can become *scènes à faire* over time. We are not aware of authority to support this conclusion. We agree that *scènes à faire*, genre conventions, and standard tropes develop over time, but that does not mean that a work's copyright in a particular creative element is eroded when *subsequent* works incorporate a similar element. Indeed, no court has recognized that a work loses copyright in an original, protected element by virtue of its repeated use in subsequent works as *scènes à faire*.⁵ As the Office previously explained, the sole appellate case cited by the Restatement does not adequately support the characterization of the law in this section as that case's holding is predicated on idea/expression, not *scènes à faire*.⁶ Moreover, three other circuits disagree with the proposition that elements of a work can become *scènes à faire* over time.⁷ On a related note, another circuit has recently indicated that the *scènes à faire* analysis looks not at tropes that may have developed from an alleged infringing work, but instead

Associate Register of Copyrights and Director of Registration Policy & Practice, to Prof. Richard L. Revesz et al., American Law Institute, at 5 (Oct. 15, 2019) ("USCO Letter re: Council Draft No. 3"); Letter from Sarang V. Damle, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Prof. Richard L. Revesz et al., American Law Institute, at 5–6 (Dec. 4, 2017) ("USCO Letter re: Preliminary Draft No. 3").

⁴ See USCO Letter re: Council Draft No. 3 at 5; USCO Letter re: Preliminary Draft No. 3 at 5–6.

⁵ If the opposite were true, copyright owners would effectively be required to enforce against any perceived infringement in a work's original elements lest the repetition of an element becomes so common that the element would be considered unprotectable *scènes à faire*. Vigilant enforcement of unauthorized use may be required of trademark owners, but not so for copyright. See *Petrella v. MGM, Inc.*, 572 U.S. 663, 682 (2014) ("It is hardly incumbent on copyright owners . . . to challenge each and every actionable infringement.").

⁶ See USCO Letter re: Council Draft No. 3 at 5 (discussing *Warner Bros. v. American Broadcasting Corp.*, 654 F.2d 204 (2d Cir. 1981)); Letter from Regan A. Smith, General Counsel and Associate Register of Copyrights, and Robert J. Kasunic, Associate Register of Copyrights and Director of Registration Policy & Practice, to Prof. David F. Levi et al., American Law Institute, at 3–4 (Oct. 16, 2018) ("USCO Letter re: Council Draft No. 2"); USCO Letter re: Preliminary Draft No. 3 at 7.

⁷ See USCO Letter re: Council Draft No. 3 at 5; USCO Letter re: Council Draft No. 2 at 3–4; USCO Letter re: Preliminary Draft No. 3 at 7.

at tropes that existed at the time when the original work was created.⁸ Because the majority of circuit courts agree that protected elements of a copyrighted work *cannot* become *scènes à faire* over time—at least not during the term of the work’s copyright—we recommend that the Council withhold approval of Comment *h* until it can be revised to restate this view as the current law. If the Reporters disagree with the courts on this point, their alternative view should be explained, with appropriate supporting citations, in the corresponding Reporters’ Note.

Section 6.03: The Copyright Owner’s Exclusive Right to Prepare Derivative Works

In light of a number of concerns that we have previously raised regarding comments to Section 6.03, we recommend that Council either withhold approval of the entire section or, in the alternative, delete certain comments from its approval.

As a preliminary matter, the black letter of section 6.03 states only that a copyright owner has the exclusive right to prepare derivative works, and we reiterate our suggestion that the black letter be modified to make clear that a copyright owner has the exclusive right both to prepare derivative works and to authorize the preparation of derivative work.⁹

We request that Comment *a* be deleted as it is currently drafted. Comment *a* identifies a list of purported examples of statutory limitations on the right to prepare derivative works. A few of these examples, including 17 U.S.C. § 110(11) (Family Movie Act of 2005 (“FMA”)) and 17 U.S.C. §§ 203(b)(1) and 304(c)(6)(A) (derivative works exception to termination provisions), are not strictly exceptions to the right and may create confusion among readers.

We strongly recommend that Comment *e* not be approved at this time given the multiple areas in which we believe it fails to correctly restate current law. Comment *e* states that the “cases do not directly address, and this Restatement does not take a position on, the question of whether the originality necessary to trigger the derivative-work right must be contributed by a human being, as is required for purposes of copyrightability for all works.” We reiterate our position that the test for copyrightability and the test for infringement of the derivative-work right are distinct. As we explained in our September 2023 letter, while only the products of human creativity are eligible for copyright protection,¹⁰ the derivative-works right is framed in terms of “preparation,”¹¹ indicating that non-human actions may be sufficient to infringe the right. Similarly, we reiterate our suggestion that the reference to the “status of derivative works

⁸ See *Alfred v. Walt Disney Co.*, 821 F. App’x 727, 729 (9th Cir. 2020) (remanding for additional discovery, including expert testimony about “generic, pirate-movie tropes,” which the court observed “would be particularly useful in this circumstance, where the works in question are almost twenty years old and the blockbuster *Pirates of the Caribbean* film franchise may itself have shaped what are now considered pirate-movie tropes”). We suggest that the Reporters also consider a *Cf.* cite to this case in Reporters’ Note to Comment *f*, following the citation to *RJ Control Consultants, Inc. v. Multiject, LLC*, 981 F.3d 446 (6th Cir. 2020), as another case where the expert testimony was considered helpful when assessing *scènes à faire*.

⁹ See USCO Letter re: Preliminary Draft No. 9 at 1 (citing 17 U.S.C. § 106(2)).

¹⁰ See 17 U.S.C. § 102 (specifying that copyright subsists in “original works of authorship”); *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 60 (1884); *Urantia Found. v. Kristen Maaherra*, 114 F.3d 955, 957–59 (9th Cir. 1997); *Naruto v. Slater*, 888 F.3d 418, 426 (9th Cir. 2018), *decided on other grounds*; see also *Copyright Registration Guidance: Works Containing Materials Generated by Artificial Intelligence*, 88 Fed. Reg. 16190 (Mar. 16, 2023), https://copyright.gov/ai/ai_policy_guidance.pdf.

¹¹ 17 U.S.C. § 106(2).

generated by non-human authorship” in the Reporters’ Note to Comment *e* include citations to the statutory language as well. Comment *e* also includes a possible typographical error that results in a substantive error. It states that “if the new work only incorporates ideas (or other protected elements) from the preexisting work, and not any of its expression” then it is not an infringing derivative work.” This should instead read “other *unprotected* elements” as it did in Preliminary Draft No. 9 or, alternatively, “other elements not subject to copyright.”

As referenced above, and previously brought to the Reporters’ attention, the discussion of the FMA and its effect incorrectly states that it is an exception to the derivative works right. The language of the statute itself disavows this interpretation. Accordingly, we recommend removing Comment *k* and the corresponding Reporters’ Note from this section.

Section 8.02: Contributory Copyright Infringement

We request that approval of Comment *d* be withheld until the Reporters have addressed concerns we have previously raised regarding this text. Specifically, we reiterate our previous comment that the discussion of the material contribution requirement in Comment *d*, inaccurately connects the analysis of “material contribution” in copyright law to analysis of proximate causation in tort law. Although we recognize that the Reporters have qualified the assertion that these concepts are “aligned” by revising the language in this draft to state that the concepts “can be understood to align,” this does not address our core concern: **no court has recognized such an alignment.** Given that this appears to be the Reporters’ view, rather than a restatement of judicial interpretations, we recommend that be made explicit. In addition, the current draft preserves the assertion that “a defendant’s contribution that is not essential—*i.e.*, not the but-for cause—of the underlying direct infringement is unlikely to be ‘material.’” As we noted previously, this statement is contradicted by several cases in which courts found that the defendants’ contributions were “material” without requiring that these contributions be “essential” or the “but-for cause” of the direct infringement.¹² Indeed, in those cases, where a defendant provided the site and facilities to the direct infringer, it is questionable whether the courts would have found contributory liability under a “but-for” standard because the direct infringer arguably could have found an alternative way to distribute infringing works. Accordingly, we suggest withholding approval of Comment *d* until further revisions are made to adequately explain that if contribution is “essential” to or the “but-for cause” of direct infringement, that will favor a finding of materiality, but also acknowledge that courts have not imposed this imported tort law concept as necessary to such a finding, and some courts have found non-essential contributions to be sufficiently material.

¹² See USCO Letter re: Preliminary Draft No. 9 at 7; *see, e.g., Fonovisa v. Cherry Auctions*, 76 F.3d 259, 264 (9th Cir. 1996) (holding that providing “site and facilities” and the “environment and the market” for sales of infringing records constituted a material contribution); *Arista Records, Inc. v. Flea World, Inc.*, No. 03-cv-2670, 2006 WL 842883, at *14–16 (D.N.J. Mar. 31, 2006) (concluding that providing flea market vendors with “basic requirements such as wooden tables, and booth spaces, security, free parking, maintenance of the market grounds (including cleaning and repair), and restrooms” as well as “extensive advertising” and refund services was sufficiently material); *UMG Recordings, Inc. v. Sinnott*, 300 F. Supp. 2d 993, 1001 (E.D. Cal. 2004) (determining that “[o]perating a flea market or swap meet involves providing vendors with support services” and “[t]his is all that is required to satisfy the requirement of material contribution necessary to establish contributory liability”).

* * * *

In conclusion, to avoid ratifying misstatements of copyright law, we recommend that the Council vote not to approve—in their current form—the sections and/or subsections in which we have identified substantive issues above (*i.e.*, sections 17 (Comment *f* and Reporters' Note to Comment *f*), 18 (Comment *h* and Reporters' Note to Comment *h*), 6.03, 8.02 (Comment *d*)). After further revision consistent with our comments, we anticipate that the sections will be appropriate for the Council to approve at a future meeting. As always, the Office welcomes public evaluation and discussion of U.S. copyright law and thanks the ALI and the Reporters for their work and their past attention to our comments.

Sincerely,



Suzanne V. Wilson
General Counsel and Associate Register of Copyrights



Robert J. Kasunic
Associate Register of Copyrights and Director of Registration Policy & Practice