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U.S. Supreme Court to decide important copyright case involving foreign works in the public domain

By John A. Chatowski

Today the U.S. Supreme Court heard oral argument in Golan v. Holder, a challenge to Congress’ 1994 amendments to the Copyright Act, which will have a significant impact on owners of foreign copyrighted works that formerly lapsed into the public domain in the United States, as well as those who have in good faith relied on their status as public works. The Copyright Act provides that the owner of a copyright has the exclusive right to distribute copies of its works, including by sale or other transfer of ownership. 17 U.S.C. § 106(3). However, once the term of a work’s copyright protection ends, it enters the public domain. And once in the public domain, Americans generally may use these works without restriction. These rules may change, however, with respect to certain foreign works that, for one reason or another, have slipped into the public domain. In Golan v. Holder, the Supreme Court will decide whether Congress exceeded its powers when, in amending the Copyright Act to conform U.S. copyright law with the United States’ treaty obligations under the Berne Convention for the Protection of Literary and Artistic Works and the Uruguay Round of Negotiations on the General Agreement on Tariffs and Trade, Congress restored copyright protection for certain foreign works that had fallen into the public domain in the United States.

In 1989, the United States joined the Berne Convention, which requires each signatory nation to provide the same basic copyright protections to authors in other member countries that it provides to its own members. Currently 164 countries are parties to the Berne Convention. Article 18 of the Convention provides that members restore copyright protection to certain unprotected foreign works whose copyright terms have not yet expired in their countries of origin. However, after the United States joined the Berne Convention, Congress, in its implementing act (the Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988) (“BCIA”)) did not fully implement Article 18. See 102 Stat. at 2860 (“Title 17, United States Code, as amended by this Act, does not provide copyright protection for any work that is in the public domain in the United States.”) It was not until six years later, in 1994, that Congress enacted the Uniform Round Agreements Act, Pub. L. No. 103-465, § 514, 108 Stat. 4809, 4976-81 (1994) (“URAA”), which brought the United States into conformity with Article 18 of the Berne Convention.
What this means is that as of the effective date of the URAA, Section 514 “‘restores’ copyrights in foreign works that were formerly in the public domain of the United States for one of three specified reasons: failure to comply with formalities, lack of subject matter protection, or lack of national eligibility.” *Golan v. Holder*, 609 F.3d 1076, 1081 (10th Cir. 2010) (citing 17 U.S.C. § 104A(a), (h)(6)(C)) (holding that Section 514 of the URAA did not constitute an infringement of the plaintiffs’ First Amendment rights.) Section 514 does not, however, “restore” copyright protection in the United States for foreign works that have entered the public domain through the expiration of their term of copyright protection, either under United States law or the law of the country of origin. 17 U.S.C. § 104A(h)(6)(B) and (C).

The URAA also provides certain protections for those persons who have used these restored foreign works. For example, to enforce a restored copyright against a “reliance party,” a foreign copyright owner must either file notice with the Copyright Office within 24 months after restoration, or serve notice on the reliance party. 17 U.S.C. § 104A(d)(A)(i) and (B)(i). During this reliance period, reliance parties may sell or dispose of these restored works, but they may not make additional copies, and they may be sued for infringing acts that occur after the reliance period. 17 U.S.C. § 104A(d)(2)(A)(ii)(I) and (B)(ii)(I) and 109(a). Finally, a reliance party who creates a derivative work based on a restored work—for example, a translation, an arrangement, or a motion picture version—may continue to exploit those derivative works if they reach an agreement on “reasonable compensation” with the restored copyright owner. If no such agreement can be reached, a federal court will determine the amount of compensation. 17 U.S.C. § 104A(d)(3)(A) and (B). A restored work under Section 514, therefore, would include, for example, a book created and published abroad with a valid foreign copyright that previously would not qualify for protection under U.S. law because the author did not satisfy all of the formalities for copyright registration in the U.S.

In 2001, the plaintiffs in *Golan* challenged Section 514 of the URAA, claiming, among other things, that Congress exceeded its powers when it restored copyright protection for foreign works that had entered the public domain. While *Golan* was slowly weaving its way through the federal courts, the U.S. Supreme Court decided *Eldred v. Ashcroft*, 537 U.S. 186 (2003). There, the plaintiffs argued that Congress exceeded its powers under the Copyright and Patent Clause of the United States Constitution (Art. I, § 8, Clause 8) when it passed the Copyright Term Extension Act (“CTEA”) in 1988, which enlarged the duration of copyrights that had not yet fallen into the public domain by 20 years—now most copyrights run from creation until 70 years after the author’s death. Writing for a seven-member majority, Justice Ginsburg held that the CTEA did not run afoul of the Copyright and Patent Clause, and was consistent with prior acts of Congress extending copyright protection. Regarding this last point, Justice Ginsburg explained that “Congress, from the start, has routinely applied new definitions or adjustments of the copyright term to both future works and existing works *not yet in the public domain*.” *Eldred*, 537 U.S. at 213 (emphasis added). *Golan* now presents the Supreme Court with an opportunity to either extend its reasoning in *Eldred* to works *now in the public domain*, or hold that Congress exceeded its powers under the Constitution when it brought U.S. copyright law into conformity with the Berne Convention.

Today’s Supreme Court, however, differs significantly from the Court that decided *Eldred*. Chief Justice Rehnquist and Justices O’Connor and Souter, who joined Justice Ginsburg’s majority opinion in *Eldred*, have been replaced by Chief Justice Roberts and Justices Alito and Sotomayor.
Justice Stevens, who along with Justice Breyer, dissented in *Eldred*, has been replaced by Justice Kagan. Justice Kagan, however, has recused herself from *Golan*—likely because of her role as U.S. Solicitor General for the Obama Administration. Thus, only eight members of the Supreme Court will decide *Golan*, leaving open the possibility of an affirmance of the Tenth Circuit by an equally-divided Court.

From a public policy perspective, proponents of Section 514 of the Copyright Act contend that it ensures legal protection for U.S. copyright owners abroad by evening the playing field with foreign copyright owners in other Berne member countries. On the other side of the debate, however, are those such as the *Golan* plaintiffs, who have in good faith relied on the fact that certain foreign works have entered the public domain in the U.S. Exactly how many foreign works may be affected by the Supreme Court’s decision is unknown, but some have suggested it is “probably . . . in the millions.” See Brief for the Petitioners on Writ of Certiorari to the United States Court of Appeals for the Tenth Circuit, Supreme Court Case No. 10-545, at p. 10 (quoting Marybeth Peters, The Year in Review: Accomplishments and Objectives of the U.S. Copyright Office, 7 Fordham Intell. Prop. Media & Ent. L.J. 25, 31 (1996)). Not surprisingly, therefore, *Golan* has been on the radar screens of many owners of foreign works that are in the public domain in the U.S., and many users of such works who are aware of Section 514 of the Copyright Act. However, there may be numerous companies or other entities in the U.S. who are using foreign works (either knowingly or unknowingly) that now may exposed to potential liability depending on the outcome of the Supreme Court’s decision in *Golan*.

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