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### The Normativity of Copying in Copyright Law

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#### Recommended Citation

Shyamkrishna Balganesch, *The Normativity of Copying in Copyright Law*, 62 DUKE L. J. 203 (2012).

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# Duke Law Journal

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VOLUME 62

NOVEMBER 2012

NUMBER 2

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## THE NORMATIVITY OF COPYING IN COPYRIGHT LAW

SHYAMKRISHNA BALGANESH†

### ABSTRACT

*Not all copying constitutes copyright infringement. Quite independent of fair use, copyright law requires that an act of copying be qualitatively and quantitatively significant enough—or “substantially similar”—for it to be actionable. Originating in the nineteenth century, and entirely the creation of courts, copyright’s requirement of “substantial similarity” has thus far received little attention as an independently meaningful normative dimension of the copyright entitlement. This Article offers a novel theory for copyright’s substantial-similarity requirement by placing it firmly at the center of the institution and its various goals and purposes. As a common-law-style device that mirrors the functioning of other areas of private law, such as tort law, substantial similarity remains an unappreciated source of flexibility and pluralism in copyright law. It allows courts to modulate the copyright entitlement’s operational robustness by altering the amount of exclusivity that a work obtains, based on different criteria, and thereby introduces “thickness” as an altogether new dimension of the entitlement. It also renders the adjudication of copyright infringement overtly pluralistic by sequencing the introduction of incommensurable values into the inquiry in a particular, reasoned order. As a mechanism of conceptual*

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† Assistant Professor of Law, University of Pennsylvania Law School. Many thanks to Stephanos Bibas, Cary Coglianese, Richard Epstein, Wendy Gordon, Leo Katz, Jody Kraus, Mark Lemley, Saul Levmore, Irene Lu, David Nimmer, Gideon Parchomovsky, Jennifer Rothman, Ben Zipursky, and participants at the Loyola Los Angeles IP Theory Colloquium, and a Penn Law Faculty Workshop for helpful comments, discussions, and suggestions. Responsibility for all errors remains with the author.

*sequencing—a multicriterion decision-making process long known to the common law—substantial similarity allows copyright law to affirm both utilitarian and personality-based considerations, while prioritizing the former over the latter systemically. Viewing copyright law through the lens of substantial similarity sheds new light on the compatibility of the institution’s goals and purposes, copyright’s structure as a “property” right, and the role of courts within its overall scheme.*

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## INTRODUCTION

In their exuberance to describe copyright as a form of intellectual “property,” courts and scholars all too easily ignore what is perhaps copyright law’s singular identifying structural attribute: its emphasis on *copying*.<sup>1</sup> Dating back to its origins, copyright law has operated principally by granting its holder the exclusive right to *copy* a creative work of authorship, and actions for copyright infringement have ever since revolved entirely around a showing of copying.<sup>2</sup> Although the scope of what copying entails and extends to—distribution, performance, adaptation, and the like—has no doubt expanded over time, it remains equally true that copying, in one form or another, remains the true *sine qua non* of copyright law.<sup>3</sup>

Perhaps more importantly, to the extent that copyright law’s emphasis on copying is ever analyzed and compared to other intellectual property regimes, it is done so in its evidentiary, or probative, dimension.<sup>4</sup> Proof of copying is really thought to represent the extent of the institution’s engagement with the idea of copying.<sup>5</sup>

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1. For an extensive discussion of the propertarian turn in copyright law, identifying its causes and effects, see NEIL WEINSTOCK NETANEL, COPYRIGHT’S PARADOX 154–68 (2008); Shyamkrishna Balganes, *Debunking Blackstonian Copyright*, 118 YALE L.J. 1126, 1132–42 (2009).

2. For an early instantiation of this idea in the first copyright statute, see An Act for the Encouragement of Learning, 1710, 8 Ann., c. 19, § 1 (Eng.), which granted authors the sole right and liberty of “printing” written work. The U.S. Copyright Act of 1790, ch. 15, 1 Stat. 124, (*amended*).

3. *Nimmer on Copyright*, MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT (2012), describes the “copying” requirement as both an extrinsic and intrinsic limitation on the rights of the copyright owner, *see 2 id.* § 8.01[A] (“[A]bsent copying, there can be no infringement of copyright.” (footnote omitted)); *see also* William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325, 344 (1989) (recognizing the fact that “copyright merely gives protection against copying” as a principal feature of copyright law).

4. For the leading account in this area, see generally Alan Latman, “*Probative Similarity*” as Proof of Copying: *Toward Dispelling Some Myths in Copyright Infringement*, 90 COLUM. L. REV. 1187 (1990). Professor Latman’s point was that this focus on copying as a purely probative inquiry was misplaced and obscured the reality that the question of copying had important additional dimensions. *Id.* at 1189–90.

5. *See, e.g.*, Samson Vermont, *Independent Invention as a Defense to Patent Infringement*, 105 MICH. L. REV. 475, 480–82 (2006); Michael K. Erickson, Comment, *Emphasizing the Copy in Copyright: Why Noncopying Alterations Do Not Prepare Infringing Derivative Works*, 2005 B.Y.U. L. REV. 1261, 1297. The literature trying to understand the copyright-patent divergence in terms of information costs also focuses primarily on the probative dimension of copyright’s copying requirement and its independent-creation defense. *See* Clarisa Long, *Information Costs in Patent and Copyright*, 90 VA. L. REV. 465, 526 (2004); Henry E. Smith, *Intellectual Property as Property: Delineating Entitlements in Information*, 116 YALE L.J. 1742, 1810 (2007).

What this view inevitably ignores is the fact that copyright law's emphasis on copying has a large, underappreciated normative dimension to it, one that derives from copyright law's somewhat counterintuitive recognition that "not all copying, however, is copyright infringement."<sup>6</sup> Importantly, this normative question bears no connection whatsoever to the fair-use doctrine, a doctrine which operates as a defense to infringement rather than as a component of the plaintiff's prima facie case.<sup>7</sup> Instead, it comes into play—at least in theory—in every single judicial determination of copyright infringement, through the requirement of "substantial similarity."<sup>8</sup>

In a copyright-infringement suit, the plaintiff is required to prove that the defendant "copied" the protected work.<sup>9</sup> Although this burden of proof has a clear factual element to it, that is, whether the defendant had access to the work and actually copied it,<sup>10</sup> it entails much more. Copyright's substantial-similarity requirement steps in here. Substantial similarity is a judicially created rule that places the burden to establish that the defendant's copying is actionable as a legal proposition on the plaintiff in a copyright-infringement suit, even when the copying is shown to exist as a factual matter.<sup>11</sup> The defendant's copying thus must be shown to be improper or wrongful in order to be actionable.<sup>12</sup> The substantial-similarity analysis has courts focus entirely on the significance of the similarity between the plaintiff's and the defendant's works for their assessment of actionability.<sup>13</sup> Unsurprisingly, this inquiry inevitably entails the conscious introduction of a large normative/evaluative dimension into the analysis of the entitlement. The more quantitatively and qualitatively significant the borrowing by the defendant, the more likely it is that the copying will be considered improper, and hence actionable.<sup>14</sup> This Article advances a theory of copyright's analytical structure that places its emphasis on copying—as a normative matter—at the center of the institution.

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6. Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991).

7. 4 NIMMER & NIMMER, *supra* note 3, § 13.05.

8. *Id.* § 13.01[B].

9. *Id.*

10. *See id.* § 13.02[A] (discussing the access requirement).

11. *Id.* § 13.03[A].

12. *Id.* § 13.01[B].

13. ROBERT C. OSTERBERG & ERIC C. OSTERBERG, SUBSTANTIAL SIMILARITY IN COPYRIGHT LAW § 1:1 (2010).

14. *See* 4 NIMMER & NIMMER, *supra* note 3, § 13.03[A].

Copyright law's analysis of copying is usually carried out in two distinct steps.<sup>15</sup> In the first step, the court examines the plaintiff's work, determines what parts of it are eligible for copyright protection (a process referred to as "dissection"<sup>16</sup>), and looks to the defendant's work to see if the protected parts were indeed copied. This step is often referred to as the step of "probative similarity," or as the "extrinsic test," and the focus here is entirely on *whether* the defendant copied protected material from the plaintiff's work as a factual matter.<sup>17</sup> Very importantly, at the conclusion of this step, and based on its examination of the plaintiff's work, the court fixes the appropriate level of scrutiny to be applied during its assessment of the actionability of the defendant's copying. Here the court effectively determines the thickness of protection to which the work is entitled under copyright law.<sup>18</sup> Thickness operates as a direct measure of the copyright entitlement's exclusionary robustness. The thicker the entitlement, the greater the forms and types of copying that are likely to be actionable; conversely, the thinner the entitlement, the fewer the forms and types of copying that are considered actionable.

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15. See *Ringgold v. BET*, 126 F.3d 70, 74 (2d Cir. 1997) (describing two different steps: "proof of copying" and "determining that the degree of similarity suffices to demonstrate actionable infringement"); OSTERBERG & OSTERBERG, *supra* note 13, § 1:1; Mark A. Lemley, *Our Bizarre System for Proving Copyright Infringement* (pt. 1), 57 J. COPYRIGHT SOC'Y U.S.A. 719, 721–23 (2010).

16. *E.g.*, *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946) (internal quotation marks omitted).

17. See *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977) (describing the "extrinsic test" as a test that "depends not on the responses of the trier of fact, but on specific criteria which can be listed and analyzed"), *superseded on other grounds by* Copyright Act of 1976, Pub. L. No. 94-533, ch. 5, § 504, 90 Stat. 2541, 2585 (codified as amended at 17 U.S.C. § 504 (2006 & Supp. IV 2011)); Latman, *supra* note 4, at 1204 (describing "probative similarity" as focusing on "facts probative of copying").

18. It is worth noting that courts do not generally use the term "thickness" themselves. They nonetheless do routinely describe an entitlement as "thin." *E.g.*, *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991); *Mattel, Inc. v. MGA Entm't Inc.*, 616 F.3d 904, 914 (9th Cir. 2010). Courts also occasionally refer to entitlements as "thick." See *Fleener v. Trinity Broad. Network*, 203 F. Supp. 2d 1142, 1149 (C.D. Cal. 2001) ("[Books] are accorded 'thick' copyright protection."). For early identifiable scholarly uses of "thickness" as a variable in light of these usages by courts, see Jeffrey L. Harrison, *Rationalizing the Allocative/Distributive Relationship in Copyright*, 32 HOFSTRA L. REV. 853, 859 n.42, 884–87 (2004); Lydia Pallas Loren, *The Pope's Copyright? Aligning Incentives with Reality by Using Creative Motivation To Shape Copyright Protection*, 69 LA. L. REV. 1, 30 (2008); Eric Setliff, *Copyright and Industrial Design: An "Alternative Design" Alternative*, 30 COLUM. J.L. & ARTS 49, 77 (2006).

Thickness thus sets the requisite level of similarity that needs to be found for the copying to be deemed actionable.<sup>19</sup>

In the second step, referred to as the substantial-similarity analysis, the court applies the level of scrutiny, i.e., thickness, so chosen to its analysis of the two works—the original and the defendant’s copy—to determine whether the copying does indeed rise to the level of an infringement.<sup>20</sup> Although no doubt a factual determination, this step operates as a subjective evaluation of the different parts of the two works and of their relative contributions to the overall significance of the work, both as a quantitative and qualitative matter, in order to assess whether the copying amounted to a “wrong.”<sup>21</sup> It is carried out using the level of scrutiny chosen by the court for the work at the end of the first step.

As should be apparent, even though the determination of the entitlement’s thickness technically occurs prior to the substantial-similarity analysis, the former informs the latter in large measure. The substantial-similarity inquiry thus in reality involves two elements of its own: the *thickness* determination, and the *similarity* analysis. The similarity analysis operates as a comparison of the two works, while the thickness analysis determines *how substantial* the similarity needs to be during the comparison. Disaggregating copyright law’s analysis of substantial similarity in this manner reveals the process to be an unappreciated source of structural and substantive nuance in copyright law.

First, it introduces a good deal of flexibility into the copyright entitlement. By allowing the court to set the appropriate level of “thickness” of the entitlement for each protected work on a case-by-case basis, it injects a large amount of flexibility and context-sensitive tailoring into copyright’s adjudication process. Copyright law has long been thought to adopt a one-size-fits-all approach to creativity by offering creative expression exclusionary protection for the same amount of time and through the same or at best, similar, bundle of exclusive rights.<sup>22</sup> Focusing on thickness reveals that this is only half of the story, because courts inject an altogether new dimension into the

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19. For a further explanation of thickness, see *infra* Part I.B.

20. See, e.g., *Arnstein*, 154 F.2d at 468 (“If copying is established, then only does there arise the second issue, that of illicit copying (unlawful appropriation).”).

21. *Id.*

22. See, e.g., Michael W. Carroll, *One for All: The Problem of Uniformity Cost in Intellectual Property Law*, 55 AM. U. L. REV. 845, 875 (2006).

entitlement-delineation process in traditional common-law fashion; indeed, a dimension that copyright's extensive reliance on real-property analogies fails to capture altogether.<sup>23</sup> Contrary to common belief then, courts thus play a central role in framing and delineating the copyright entitlement.

Second, it also converts copyright adjudication into a multicriterial decision-making process by allowing incommensurable, plural values to inform the analysis sequentially. As noted previously, the substantial-similarity analysis enables the introduction of a large normative component into the infringement inquiry—both in the choice of framework for scrutiny, and in the actual application of that framework to the works being compared. In determining the “thickness” of the copyright entitlement—that is, the level of scrutiny to be applied in the analysis—courts actively examine the creative work through the rubric of copyright's overall utilitarian goals and purposes, as manifested in numerous internal devices. Thus, the more creative, original, or expressive the work, the thicker the copyright entitlement over it.<sup>24</sup> Indeed, this process of connecting the thickness of the entitlement to the institution's overall utilitarian goals received the direct approbation of the Supreme Court two decades ago. In *Feist Publications, Inc. v. Rural Telephone Service Co.*,<sup>25</sup> a decision best known for its analysis of copyright's originality requirement, the Court expressly noted that works that served copyright's primary purpose only marginally should obtain no more than “thin” protection.<sup>26</sup> Conversely, by implication, works that furthered this central purpose more directly, such as highly original or creative works, were to obtain thicker protection. The thickness prong of the

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23. For a discussion of copyright's extensive use of real-property analogies and its effect on the doctrine, see Balganesch, *supra* note 1, at 1138.

24. To be sure, no court has looked beyond originality and functionality as the variables that dictate the thickness analysis. But there seems to be little reason for courts to limit themselves in this manner. See generally Dale P. Olson, *Thin Copyrights*, 95 W. VA. L. REV. 147, 147–48 (1992) (describing the *Feist* decision and speculating that it will result in the development of a “thin” copyright doctrine, based entirely on a work's originality). For recent work arguing that courts should extend the idea to an analysis of a creator's economic motives, see Loren, *supra* note 18, at 36, which argues that “[c]ourts should expand their inquiry and consider the primary motivation for the creation and distribution of the type of work at issue as relevant to the degree of similarity required in order to infringe a particular work.”

25. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991).

26. *Id.* at 349. For other courts' use of the term “thin,” see *Satava v. Lowry*, 323 F.3d 805, 812 (9th Cir. 2003); *Ets-Hokin v. Skyy Spirits, Inc.*, 323 F.3d 763, 766 (9th Cir. 2003); *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1442 (9th Cir. 1994).



analysis thus allows the entitlement to be calibrated to copyright's utilitarian values in direct, scalar terms.

In applying the standard of scrutiny chosen and assessing the similarity of the two works, the analysis then has courts examine whether the defendant's copying took elements of "essence" and "value" from the work<sup>27</sup>—in effect asking whether the copying extended to parts of the work that were likely most meaningful to its creator. As should be apparent, this inquiry begins to resemble an inquiry into the connection between the creator and the work, reminiscent of personality-based, or *droit d'auteur*, deontic interests in copyright law.<sup>28</sup> What is most interesting, though, is that the two stages operate independently, yet in an ordered sequence—which allows the two values, that is, utilitarian and personality-based ones, to enter the picture without having to be traded off directly.<sup>29</sup>

Far from representing an *ad hoc* process then, the two-staged substantial-similarity analysis is a mechanism that allows copyright law to accommodate otherwise conflicting values into its functioning. American copyright law has long prided itself on being wedded to an avowedly utilitarian theory of providing creators with efficient market-based incentives to create.<sup>30</sup> Personhood-based or analogous deontic theories—which focus on the connection between creator and work and the nonutilitarian motivations for creativity—are thought to be of little-to-no significance in the overall functioning of the system, largely because they are thought of as incapable of coexisting with the institution's utilitarian focus.<sup>31</sup> A closer scrutiny of substantial similarity tells us that this may not be the case after all.

Indeed, the problem of incommensurability that lies at the heart of the utilitarian-deontic divide in copyright law can be understood as

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27. OSTERBERG & OSTERBERG, *supra* note 13, § 2:4; *see also* 4 NIMMER & NIMMER, *supra* note 3, § 13.03[A][1] (describing comprehensive nonliteral similarity as examining whether the "fundamental essence" was duplicated).

28. *See* HENRI DESBOIS, *LE DROIT D'AUTEUR EN FRANCE* 538 (1978); Rudolf Monta, *The Concept of "Copyright" Versus the "Droit D'Auteur,"* 32 S. CAL. L. REV. 177, 178 (1959) ("For the French the *droit d'auteur* is the most personal of all properties because it is the creation of the mind, and this *droit d'auteur* has its origin and justification in the very fact of the intellectual creation.").

29. *See infra* Part II.

30. *See* Jane C. Ginsburg, *A Tale of Two Copyrights: Literary Property in Revolutionary France and America*, 64 TUL. L. REV. 991, 992 (1990); Monta, *supra* note 28, at 185.

31. *See* Ginsburg, *supra* note 30, at 992.

an instance of the “voting paradox,” first identified by Condorcet<sup>32</sup> and made famous by Professor Kenneth Arrow in developing his theory of social choice.<sup>33</sup> In his Nobel Prize-winning work, Arrow showed that it is impossible to design a coherent system of aggregating the votes of multiple individuals that respects their unanimous preferences.<sup>34</sup> Arrow’s “impossibility theorem” came in due course to be applied to other types of decision making that sought to synthesize multiple criteria into a single decision—when the same problem with synthesizing the preferences of individual voters presented itself in identical fashion, as well as when individual voters were simply replaced by independent criteria.<sup>35</sup> One such fundamental problem was that the introduction of a new criterion for the decision altered people’s preferences, producing an intransitivity in the ordering.<sup>36</sup> The problem of synthesizing copyright’s utilitarian objectives and individual personality-based ones into a single outcome can be understood as presenting the same kind of paradox as that seen in social-choice contexts. A decision to protect based exclusively on utilitarian considerations could pull in one direction, while one based on personality criteria might pull in the opposite direction.

Consider the following example: da Vinci’s *Mona Lisa* is an extremely original, creative, and expressive work of art. Measured in purely utilitarian terms, it is precisely the kind of work the copyright system would want to encourage, and therefore merits the widest possible protection available.<sup>37</sup> The essence and genius of da Vinci’s work in *Mona Lisa* is thought to lie in its depiction of the model, and

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32. See JEAN-ANTOINE-NICOLAS CARITAT DE CONDORCET, *ESSAI SUR L’APPLICATION DE L’ANALYSE À LA PROBABILITÉ DES DÉCISIONS RENDUES À LA PLURALITÉ DES VOIX* (1785).

33. See KENNETH J. ARROW, *SOCIAL CHOICE AND INDIVIDUAL VALUES* 93 (1963).

34. *Id.* at 96–103; LEO KATZ, *WHY THE LAW IS SO PERVERSE* 5–7 (2011).

35. See KENNETH ARROW & HERVÉ RAYNAUD, *SOCIAL CHOICE AND MULTICRITERION DECISION-MAKING* 18–23 (1986).

36. For a demonstration of the idea, see Reinold H. Van Til, *Arrow’s Impossibility Theorem*, 126 *DE ECONOMIST* 84, 93–96 (1978). In social-choice theory, this is referred to as the axiom of the “independence of irrelevant alternatives.” See Paramesh Ray, *Independence of Irrelevant Alternatives*, 41 *ECONOMETRICA* 987 (1973).

37. *Cf.* *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991) (holding that a factual compilation, with little original expression, would receive the thinnest copyright protection).

her facial and bodily features in overtly subtle fashion.<sup>38</sup> Now assume that another artist, Salvador Dalí, creates a portrait, but of a completely different person—say himself—with completely different facial and bodily features. Yet his final portrait, which he titles *Self Portrait as Mona Lisa*, copies some of the background hills from the *Mona Lisa*. Assuming that copyright in da Vinci's work hadn't already expired, from a personality point of view we would argue that Dalí's artwork doesn't infringe on da Vinci's, because it didn't copy parts of the *Mona Lisa* that da Vinci can be said to have invested his creative personality into.<sup>39</sup> The problem now becomes one of reconciling copyright's commitment to its utilitarian criteria, which would favor da Vinci—and find liability—with the personality ideal, which would favor Dalí—and find no liability.

To solve similar problems of incommensurability that flow from multicriterion decision making in other parts of the common law, scholars have relied on a mechanism known as “conceptual sequencing,” in which plural and incommensurable values are admitted into the calculus in a temporally ordered sequence.<sup>40</sup> Instead of requiring the decision maker to weigh and balance them against each other, or to choose some criteria over others, it enables the decision maker to accord different values varying but nonnegligible importance in the overall calculus, based on the order in which they are considered during the adjudication. It partitions the inquiry into multiple steps based on the independent criteria in question, prioritizes the steps to reflect the relative importance of the criteria, and forces decision making to follow the order, thereby cabining the considerations at each stage. In the process, the final entitlement comes to derive from multiple values and tends to vary contextually to reflect this reality.<sup>41</sup>

The two elements of substantial similarity can be understood as copyright law's multicriterial mechanism of conceptual sequencing.

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38. See generally Bruno Mottin, *Reading the Image*, in JEAN-PIERRE MOHEN ET AL., *MONA LISA: INSIDE THE PAINTING* 64, 70 (2006) (cataloguing minute details of the model that “vibrate in the light and quiver at the slightest breath of wind”).

39. See *infra* Part II.A.

40. For prominent examples, see Bruce Chapman, *Law, Incommensurability, and Conceptually Sequenced Argument*, 146 U. PA. L. REV. 1487, 1492 (1998), which analogizes conceptual sequencing in the law to a committee ordering certain values when selecting students for academic scholarships, and Ernest J. Weinrib, *Deterrence and Corrective Justice*, 50 UCLA L. REV. 621, 625 (2002), which argues that the separate values of deterrence and corrective justice in tort law can be reconciled through conceptual sequencing.

41. Chapman, *supra* note 40, at 1496–1507.

The thickness step has courts evaluate the abstract entitlement exclusively in rule-utilitarian terms, while the similarity determination allows courts to consider only interpersonal deontic considerations. The substantial-similarity sequence can thus be appreciated as copyright law's attempt to deal with the paradox of inconsistent preferences across different criteria, which lies at the heart of social-choice theory. Going back to our hypothetical then, it would allow a court to accord da Vinci the thickest possible protection at first and in the abstract, and then in the next step find that Dalí's copying is not similar enough to merit liability.

Copyright's substantial-similarity analysis has long troubled courts and scholars. Although many have argued for its modification, retrenchment, and even wholesale abandonment, few have discerned any logic in its working.<sup>42</sup> Understanding it in terms of social-choice theory and in terms of the paradox of incommensurability that accompanies multicriterial decision making, allows us to make perfect sense of a part of copyright law that has long been deemed an impenetrable jungle. This Article thus develops a theory of substantial similarity in copyright law that is both positive and normative. Premised on the idea that copyright law can indeed learn from the mechanisms and processes of decision making that have long been employed in different common-law contexts in which plural and often conflicting values have long coexisted through techniques of judicial reasoning,<sup>43</sup> this Article argues for a more ambitious, constructive role for copyright's substantial-similarity inquiry.

Part I begins with the descriptive. It starts by unpacking the idea of substantial similarity. Part I.A first examines how courts use substantial similarity as a largely normative inquiry under which they assess the wrongfulness of a defendant's copying. Part I.B then sets out different formulations of substantial similarity that vary in stringency, that is, the idea of thickness. Part I.C describes the alteration in the criteria that thickness entails, and Part I.D finally analyzes the flexibility that this process affords courts in tailoring copyright's entitlement structure. This Part makes the claim that the substantial-similarity inquiry represents an important structural

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42. See, e.g., Lemley, *supra* note 15, at 719 (arguing for retrenchment of substantial similarity); Rebecca Tushnet, *Worth a Thousand Words: The Images of Copyright*, 125 HARV. L. REV. 683, 738–40 (2012) (arguing for its abolition).

43. For an elaboration of this argument in the context of state intellectual-property regimes, see Shyamkrishna Balganesh, *The Pragmatic Incrementalism of Common Law Intellectual Property*, 63 VAND. L. REV. 1543, 1550 (2010).

dimension of the copyright entitlement, and that despite its seemingly confusing nature, it remains analytically and normatively rich, a feature that allows courts to inject a meaningful degree of variability into crafting copyright's individual entitlement.

Part II then focuses on how the substantial-similarity inquiry, when meaningfully employed, can serve to mediate plural values within copyright law. The argument here moves from the descriptive to the normative. Part II.A begins by setting out the ideas of "conceptual sequencing" and "defeasible" rules that have long been employed in numerous areas of the common law as mechanisms of pluralistic adjudication. Part II.B, by describing how different kinds of values—utilitarian and rights based—can be allowed into the calculus at different stages of the inquiry, shows how the substantial-similarity analysis ought to be understood as a mechanism of conceptual sequencing.

Part III then sets out some of the important structural and functional advantages that are likely to flow from viewing substantial similarity as a mechanism of conceptually sequencing incommensurable values in copyright law, including its ability to prioritize utilitarian values over deontic ones, its bifurcation of upstream and downstream guidance, its likely injection of added clarity and candor into copyright decision making, and perhaps most importantly, the likelihood that it will indirectly result in a more coherent framework for the fair-use doctrine. Part IV then illustrates how courts might apply the analysis in practice, using a landmark copyright decision that has for decades received sustained criticism from scholars for its sloppy reasoning: *Harper & Row, Publishers, Inc. v. Nation Enterprises*.<sup>44</sup> Analyzing the case through the framework of substantial similarity reveals that even if the Court's final decision had remained the same, its use of substantial similarity might have rendered its reasoning more defensible.

## I. "SUBSTANTIAL SIMILARITY" IN COPYRIGHT LAW

Discussions of copyright's structural dimensions very often ignore the reality that copyright law is essentially about *copying*.<sup>45</sup> Unlike patent law, which treats a defendant's mere use of a protected invention as an act of patent infringement, copyright infringement is

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44. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).

45. *See, e.g., Adam Mossoff, Is Copyright Property?*, 42 SAN DIEGO L. REV. 29 (2005).

predicated on a defendant's act of copying.<sup>46</sup> Yet copying, or the act of appropriation that copyright law cares about, is both *factual* and *normative*. On the one hand, copyright law looks for the existence of "actual copying," borne out by a defendant's access to the protected work and other circumstantial evidence.<sup>47</sup> Beyond that, however, copyright law also insists that the copying so proven to exist be shown to be "improper," "unlawful," "illicit," or "wrongful."<sup>48</sup> As a normative inquiry, copyright's doctrinal device for establishing wrongful copying is the idea of "substantial similarity."

Copyright law's requirement of substantial similarity is in many ways more open-ended than the fair-use doctrine. Unlike fair use, which today finds mention in the Copyright Act of 1976,<sup>49</sup> substantial similarity continues to remain a doctrine that is policed, enforced, and molded entirely by courts.<sup>50</sup> In this respect it is perhaps more common-law-like than fair use, with courts often finding themselves completely free to adapt the doctrine to new contexts and technological developments.<sup>51</sup> While many continue to criticize its intrinsic open-endedness, little consideration has been paid to the virtues that this flexibility might afford courts in shaping the structural and substantive dimensions of the copyright entitlement.<sup>52</sup>

This Part describes the substantial-similarity inquiry, situating it within the common-law tradition internal to copyright adjudication. Part I.A begins by setting out what copyright's substantial-similarity inquiry is and the different steps that it entails. Part I.B goes on to show how courts have over the years come to employ its open-endedness to effectively create a new dimension to the copyright

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46. See ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 126, 475–76 (4th rev. ed. 2007).

47. 4 NIMMER & NIMMER, *supra* note 3, § 13.02[A].

48. *Arnstein v. Porter*, 154 F.2d 464, 467–73 (2d Cir. 1946); 4 NIMMER & NIMMER, *supra* note 3, § 13.03[A].

49. Copyright Act of 1976, Pub. L. No. 94-533, 90 Stat. 2541 (codified as amended at 17 U.S.C. (2006 & Supp. IV 2011)).

50. See *id.* § 107 (2006) (codifying fair use).

51. For an extension to the context of computer software, see *Computer Associates International Inc. v. Altai, Inc.*, 982 F.2d 693, 706–11 (2d Cir. 1992), which developed the well-known "abstraction-filtration-comparison" test, *id.*

52. For criticisms of substantial similarity's open-endedness, see generally Amy B. Cohen, *Masking Copyright Decisionmaking: The Meaninglessness of Substantial Similarity*, 20 U.C. DAVIS L. REV. 719 (1987); Laura G. Lape, *The Metaphysics of the Law: Bringing Substantial Similarity Down to Earth*, 98 DICK. L. REV. 181 (1993); Jarrod M. Mohler, *Toward a Better Understanding of Substantial Similarity in Copyright Infringement Cases*, 68 U. CIN. L. REV. 971 (2000).

entitlement, measured by the amount of exclusivity a work is granted—the rubric of “thickness”—which they use to set the standard of scrutiny to be employed in their analysis of the similarity between the works. Part I.C then analyzes how courts operationalize the thickness they choose during their actual comparison of the works, which constitutes their examination of the wrongfulness of the defendant’s copying. Finally, Part I.D explores the underappreciated opportunity that the substantial-similarity inquiry gives courts to minimize copyright law’s uniformity costs.

#### A. *Disaggregating “Copying”*

Going beyond proof of copying, the requirement of substantial similarity has courts ask whether a defendant’s copying is quantitatively and qualitatively “enough” to be rendered actionable.<sup>53</sup> Its origins can be traced back to the mid-nineteenth century, around the same time when the fair-use doctrine began to take shape. Around this time, courts in copyright cases began examining the extent, “value,” and qualitative significance of what the defendant had copied from a protected work as part of their infringement analysis.<sup>54</sup> The copying thus had to be substantial, in the sense that it related to what was qualitatively significant in the plaintiff’s work.

It wasn’t until the early twentieth century, however, that courts came to acknowledge its independent role in the infringement analysis. This process began with the Second Circuit recognizing that the test for infringement necessarily involved a subjective, context-specific inquiry that was vague rather than mechanistic.<sup>55</sup> It thus entailed confronting the question of when and under what circumstances a defendant’s copying ought to be considered problematic, and whether the copying was “substantial.”<sup>56</sup> In *Arnstein v. Porter*,<sup>57</sup> the court formally affirmed this reality when it bifurcated the question of copying into two independent steps.<sup>58</sup> In the first, the court is to assess the similarities between the works in order to draw an inference of actual copying.<sup>59</sup> Occasionally referred to as the

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53. OSTERBERG & OSTERBERG, *supra* note 13, § 1:1.

54. *See, e.g.*, *Daly v. Palmer*, 6 F. Cas. 1132, 1138 (C.C.D.N.Y. 1868) (No. 3552); *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4901).

55. *See Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 122 (2d Cir. 1930).

56. *Id.* at 121.

57. *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946).

58. *Id.* at 468.

59. *Id.*

question of “probative similarity,” this relates largely to the question of copying as a factual matter.<sup>60</sup> In the second step, the court is to determine if the copying so shown to exist is itself “improper,” “unlawful,” or “illicit.”<sup>61</sup> Although both steps are structured as factual inquiries, the second step involves the court determining whether an ordinary observer of the two works would deem the appropriation “wrongful.”<sup>62</sup> All the same, the basis of this wrongfulness remains largely subjective, even though it is connected to the works themselves.

The bifurcation that the court set out in *Arnstein* is far from simple. To prove actual copying via probative similarity, the court’s test involves looking for the existence of access (on the part of the defendant to the protected work) and actual similarities between the protectible parts of the two works.<sup>63</sup> In this latter part of the test, often referred to as the process of “dissection,” courts are permitted to make use of experts in a given area of creativity to detect patterns of similarity and difference between the works and to assess what parts are original to either.<sup>64</sup> After this part of the test is satisfied and the court concludes that there was indeed copying of protected material, it moves on to the question of unlawful copying, or substantial similarity.<sup>65</sup> Yet, here the *Arnstein* test does not allow a court to make use of expert testimony.<sup>66</sup> The court is instead to put itself in the position of an ordinary observer.<sup>67</sup> In applying the ordinary-observer test, a court usually undertakes an assessment of the overall similarity between the two works, rather than a component-by-component comparison.<sup>68</sup> It examines the “quantity” and “quality” of what the defendant’s work appropriated from the plaintiff’s as part of this

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60. The term “probative similarity” was coined by Professor Alan Latman. Latman, *supra* note 4, at 1189–90.

61. *Arnstein*, 154 F.2d at 468; OSTERBERG & OSTERBERG, *supra* note 13, § 3:1.1.

62. *See Arnstein*, 154 F.2d at 473 (“The question, therefore, is whether defendant took from plaintiff’s works so much of what is pleasing to the ears of lay listeners, who comprise the audience for whom such popular music is composed, that defendant wrongfully appropriated something which belongs to the plaintiff.”).

63. *Id.* at 468.

64. *Id.*

65. *Id.*

66. *Id.* For a recent criticism of this variation, arguing that substantial similarity should be tried to a jury instead of being evaluated by experts, see generally Lemley, *supra* note 15.

67. *See Arnstein*, 154 F.2d at 468.

68. *See, e.g., Horgan v. MacMillan, Inc.*, 789 F.2d 157, 162 (2d Cir. 1986).



examination.<sup>69</sup> Although the quantitative aspect is fairly straightforward, on the qualitative side the test has the court examine whether the defendant's copying took material of essence and value from a plaintiff's work.<sup>70</sup> The logic behind this approach to the qualitative element is thought to lie in copyright's avowed goal of protecting a creator's value in the work.<sup>71</sup> Focusing on the preservation of this value is thus allowed to inform the question of substantiality. Essence and value are of course subjective indicators, which in turn allow the test to vary from one setting to another, and which, in the absence of expert testimony, can result in determinations that a court considers to be intuitively correct.

Three decades after the formulation of the *Arnstein* test by the Second Circuit, the Ninth Circuit modified the test into its own two-stage approach.<sup>72</sup> In this variation, step one entails the court merely examining whether there exists any similarity between the ideas underlying the two works. Referred to as the "extrinsic test," here too, the process allows for the use of expert testimony and analytic dissection.<sup>73</sup> In the second step, the "intrinsic" one, the court gets to the question of substantial similarity by examining the similarity in expression between the two works, and it asks whether the total concept and feel of the two works are substantially similar.<sup>74</sup> Here, much like the *Arnstein* test, the court is to adopt the standard of an "ordinary reasonable person" and eschew any reliance on outside testimony or analytic dissection.<sup>75</sup> Most courts across the country follow one of these two approaches.<sup>76</sup>

It is worth reiterating that neither of these approaches is particularly straightforward. Numerous courts, regardless of which approach they have adopted, have routinely conflated the two steps

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69. OSTERBERG & OSTERBERG, *supra* note 13, § 2:4; *see also* Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4901) ("[W]e must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.").

70. OSTERBERG & OSTERBERG, *supra* note 13, § 2.4.

71. Newton v. Diamond, 388 F.3d 1189, 1195 (9th Cir. 2004).

72. Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157, 1164 (9th Cir. 1977) *superseded on other grounds by* Copyright Act of 1976, Pub. L. No. 94-533, ch. 5, § 504, 90 Stat. 2541, 2585 (codified as amended at 17 U.S.C. § 504 (2006 & Supp. IV 2011)).

73. *Id.*

74. *Id.* at 1167.

75. *Id.*

76. *Id.*

of the inquiry—under the singular rubric of “substantial similarity”—and in the process elided the all-important distinction between “actual” and “improper” copying.<sup>77</sup>

In applying the second part of either test, courts tend to fluctuate in determining who the “ordinary” person is—the hypothetical individual through whose eyes the analysis is to be carried out. One approach adopts a layperson standard, seemingly agnostic to any purpose underlying the formulation.<sup>78</sup> Another approach treats the ordinary person as a member of the “intended audience.”<sup>79</sup> In general, courts following the extrinsic-intrinsic approach to substantial similarity follow an intended-audience approach, whereas those adhering to the traditional *Arnstein* formulation use a layperson standard.<sup>80</sup>

The logic for using an intended-audience approach in determining who the ordinary observer is derives from the belief that copyright’s primary purpose lies in preventing copying only when it results in the creation of close substitutes that are in turn likely to divert demand away from the original.<sup>81</sup> The intended audience is thought to represent the threshold for such substitutability and diversion, and courts thus use it to evaluate the possibility of economic harm. Indeed, some courts have expressly stated as much in explaining their preference for an intended-audience approach over a layperson one.<sup>82</sup> Although some have commended the intended-

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77. See, e.g., *Rottlund Co. v. Pinnacle Corp.*, 452 F.3d 726, 731 (8th Cir. 2006) (discussing substantial similarity); *Murray Hill Publ’ns v. Twentieth Century Fox Film Corp.*, 361 F.3d 312, 316–21 (6th Cir. 2004) (same); *Williams v. Crichton*, 84 F.3d 581, 587–88 (2d Cir. 1996) (same); *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 120 (8th Cir. 1987) (same); see also *Latman*, *supra* note 4, at 1189–91 (same); *Lemley*, *supra* note 15, at 720–22 (discussing improper and illicit appropriation).

78. See *Lemley*, *supra* note 15, at 722–26 (providing examples of the “ordinary observer” test).

79. See *OSTERBERG & OSTERBERG*, *supra* note 13, § 3:2.2[A] (describing a test that “seek[s] to gauge the reaction of the intended audience of the works” rather than that of any lay observer); *Lemley*, *supra* note 15, at 729–30.

80. See *Lemley*, *supra* note 15, at 724–26 (explaining how different circuit courts approach the issue); see also *Arnstein v. Porter*, 154 F.2d 464, 473 (2d Cir. 1946) (describing the layperson standard).

81. See Michael Der Manuelian, Note, *The Role of the Expert Witness in Music Copyright Infringement Cases*, 57 *FORDHAM L. REV.* 127, 144–45 (1988) (“If, as *Arnstein* suggested, copyright law should protect the plaintiff’s interest in potential financial returns, the ultimate test for infringement should consider specifically the response of the market from which those returns would derive.”).

82. *Dawson v. Hinshaw Music, Inc.*, 905 F.2d 731, 733–34 (4th Cir. 1990) (“In light of the copyright law’s purpose of protecting a creator’s market, we think it sensible to embrace

audience approach for its avowed attempt to connect substantial similarity to copyright's underlying market-based justification, the approach eliminates from the inquiry other variables that might go into a more holistic assessment of the impropriety or unlawfulness of the defendant's copying.<sup>83</sup> The value of a work to the copyright holder might, for instance, be diminished by the creation of complementary, rather than substitutive, copies in certain instances.<sup>84</sup> In this situation, it is unlikely that a focus on the narrow market for the protected work is likely to adequately capture the concerns at stake.

All the same, adopting an intended-audience approach instead of the default ordinary-observer one does not seem to actually alter the underlying content of the inquiry in any significant manner. Courts have said surprisingly little about the factors that are meant to go into a fact finder's individualized assessment of whether the similarity is substantial. Any discussion of the actual standard by courts tends to be framed in largely prudential language. Courts thus emphasize the following: that the standard is meant "to gauge the reaction of the ordinary 'man on the street' to the two works";<sup>85</sup> that the test is the "overall similarities" between the two works;<sup>86</sup> that it is to entail an examination of both "quantitative" and "qualitative" elements; that a decision maker is to consider factors such as the amount of creativity and originality involved, in addition to the nature of the protected material and the setting in which it appears;<sup>87</sup> and that the reaction of the ordinary observer being considered should be "spontaneous" and "immediate."<sup>88</sup> It is not readily apparent that these observations do much to focus the actual determination. Other than pointing to the reality that the determination is to derive primarily from a comparison of the works themselves and is to be carried out in a nonmechanical fashion, these observations seem to add very little when viewed in the abstract.

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*Arnstein's* command that the ultimate comparison of the works at issue be oriented toward the works' intended audience.").

83. See Lape, *supra* note 52, at 198–99. For a criticism of this approach, suggesting its incompatibility with the Supreme Court's observations in *Feist*, see 4 NIMMER & NIMMER, *supra* note 3, § 13.03[E][1][a].

84. For more on this, see *infra* Part II.B.2.

85. OSTERBERG & OSTERBERG, *supra* note 13, § 3:1.1[A].

86. *Concrete Mach. Co. v. Classic Lawn Ornaments, Inc.*, 843 F.2d 600, 608 (1st Cir. 1988) (quoting *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 618 (7th Cir. 1982)).

87. *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 71 (2d Cir. 1999).

88. *Peel & Co. v. Rug Mkt.*, 238 F.3d 391, 398 (5th Cir. 2001).

To sum up then, copyright's substantial-similarity requirement does not merely entail a comparison of the two works to find the existence of actual copying. It involves a large normative component in which courts are to judge the wrongfulness of a defendant's act of copying, once shown to exist. Although this wrongfulness is filtered through a comparison of the works themselves, the variables that influence it remain subjective and couched in terms of a layperson or ordinary-observer standard. Copying is thought to be actionable under the requirement only when it reaches certain quantitative and qualitative thresholds; yet, the bases for those thresholds remains fairly diverse, allowing courts to infuse these thresholds with largely intuitive notions of when an appropriation is to be considered wrongful and therefore actionable.

*B. An Intermediate Step: The Idea of "Thickness"*

Substantial similarity thus operates as an evaluation of the defendant's copying, which a court or fact finder uses to assess the wrongfulness of the copying and, consequently, its actionability. The ordinary-observer standard operates along the lines of tort law's reasonable-person requirement, creating a legal fiction through which the wrongfulness of the action in question is assessed.<sup>89</sup> Yet the requirement's complexity does not end there. Courts have come to develop a few well-known variations of the doctrine in an effort to account for the great variety of creativity that receives protection under copyright law. This is how the idea of thickness begins to take shape.

Copyright protection has long been available only for works that are deemed original.<sup>90</sup> But copyright law has struggled to develop a meaningful basis by which to operationalize its originality requirement.<sup>91</sup> Recognizing this difficulty, courts have come to use substantial similarity's ordinary-observer test as a means by which to vary the protection that different works receive depending on their level of originality. Works that are made up entirely of original and creative expression continue to receive protection via the traditional

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89. See *La Resolana Architects, PA v. Reno, Inc.*, 555 F.3d 1171, 1180 (10th Cir. 2009).

90. 17 U.S.C. § 102(a) (2006); *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991).

91. See Gideon Parchomovsky & Alex Stein, *Originality*, 95 VA. L. REV. 1497, 1506 (2009) ("Copyright law fails to . . . calibrate the scope of the copyright protection to the degree of the work's originality.").

substantial-similarity requirement, and with it the ordinary-observer or intended-audience test.<sup>92</sup> On the other hand, when it comes to works that contain unoriginal expression in addition to original expression, most courts raise the standard of scrutiny needed to establish that the copying was wrongful.<sup>93</sup> They do so by examining the similarity between the works using a “‘more discerning ordinary observer’ test.”<sup>94</sup> Beyond originality, courts adopt a similar approach when trying to distinguish between the idea and the expression underlying a work when the two are partially merged,<sup>95</sup> or in attempting to eliminate other unprotectible elements from the comparison.<sup>96</sup>

In this approach, the fact finder begins by identifying the unprotectible elements of the work as before, i.e., as part of the dissection exercise.<sup>97</sup> It then requires examining whether the works are substantially similar when compared as a whole under the ordinary-observer standard. Yet in so doing, the fact finder is meant to pay closer attention than previously to the protectible elements in the work, control for the influence of the nonprotectible elements, assess the contribution of the former to the substance and value of the

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92. See *Boisson v. Banian, Ltd.*, 273 F.3d 262, 272 (2d Cir. 2001) (“[W]here the plaintiff’s work contains no material imported from the public domain, the ‘more discerning’ test is unnecessary.” (quoting *Hamil Am., Inc. v. GFI*, 193 F.3d 92, 101–02 (2d Cir. 1999))).

93. See *id.* (“[A] ‘more refined analysis’ is required where a plaintiff’s work is not ‘wholly original,’ but rather incorporates elements from the public domain.” (quoting *Key Publ’ns, Inc. v. Chinatown Today Publ’g Enters., Inc.*, 945 F.2d 509, 514 (2d Cir. 1991))).

94. *R. Ready Prods., Inc. v. Cantrell*, 85 F. Supp. 2d 672, 683 (S.D. Tex. 2000) (quoting *Hamil*, 193 F.3d at 101–02, and *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 70 (2d Cir. 1999)) (internal quotation marks omitted); see also *Hamil*, 193 F.3d at 101 (“This [more discerning ordinary-observer] test is applied when a work contains both protectible and unprotectible elements, and requires the court to eliminate the unprotectible elements from its consideration and to ask whether the protectible elements, standing alone, are substantially similar.” (quoting *Folio Impressions, Inc. v. Byer Cal.*, 937 F.2d 759, 766 (2d Cir. 1991))); *Folio Impressions*, 937 F.2d at 766 (“[S]ince only some of the design enjoys copyright protection, the observer’s attention must be more discerning.”).

95. See, e.g., *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995) (“[W]here we compare products that contain both protectible and unprotectible elements, our inspection must be ‘more discerning’; we must attempt to extract the unprotectible elements from our consideration . . .”).

96. See *Laureyssens v. Idea Grp., Inc.*, 964 F.2d 131, 141 (2d Cir. 1992) (“[W]here a design contains both protectible and unprotectible elements, we have held that the observer’s inspection must be more ‘discerning,’ ignoring those aspects of a work that are unprotectible in making the comparison.” (quoting *Folio Impressions*, 937 F.2d at 765–66)).

97. *Knitwaves*, 71 F.3d at 1003 (“Having narrowed the scope of the copyright, we applied the ‘more discerning’ ordinary-observer test and compared only the protected portion of the design . . .”).

work, and then determine whether the defendant's copying was wrongful—a more “discerning” standard of scrutiny.<sup>98</sup>

Some courts take this approach one step further and adopt a sliding-scale approach to the ordinary-observer standard. They thus acknowledge that there is a range of protection available to copyrighted works that depends entirely on the amount of originality that the work satisfies.<sup>99</sup> The more original the work, the more *ordinary* is the ordinary-observer standard, and the less original, the more *discerning* is the standard. Highly “complex” or “fanciful” works fall into the former category, whereas “simplistic” ones are usually approached under the latter.<sup>100</sup>

This variation of protection has also resulted, in its extreme form, in what is today known as the “thin copyright” doctrine.<sup>101</sup> When the plaintiff's work in question is highly unoriginal, uncreative, or made up primarily of unprotectible material, courts adopt an even more stringent approach to substantial similarity, occasionally referred to as “super-substantial similarity.”<sup>102</sup> Here, the copying is thought to be problematic only when the works in question are “virtually identical” and the duplication of protectible materials is shown to have happened in its entirety.<sup>103</sup> Compilations are a common

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98. See OSTERBERG & OSTERBERG, *supra* note 13, § 3:1.1[B] (“In the more discerning ordinary observer test, the fact finder attempts to extract the unprotectible elements from consideration and determine whether the protectible elements as a whole are substantially similar . . . . The fact finder should not dissect the works and then compare only individual elements. The fact finder still must consider the works' overall look and feel.”).

99. See, e.g., *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 617 (7th Cir. 1982) (“As a work embodies more in the way of particularized expression, it . . . receives broader copyright protection. . . . [T]he ‘strongest’ works . . . are almost entirely products of the author's creativity . . . .”), *superseded on other grounds by* FED. R. CIV. P. 52(a) (1985); *Pampered Chef Ltd. v. Magic Kitchen, Inc.*, 12 F. Supp. 2d 785, 792 (N.D. Ill. 1998) (“[D]ifferent types of materials may be subject to varying degrees of copyright protection. Materials that are primarily fanciful, complex, artistic, novel and original are generally the most strongly protected by copyrights . . . .”).

100. *Atari*, 672 F.2d at 617.

101. See, e.g., *Mattel, Inc. v. MGA Entm't, Inc.*, 616 F.3d 904, 915 (9th Cir. 2010); *MyWebGrocer LLC v. Hometown Info, Inc.*, 375 F.3d 190, 194 (2d Cir. 2004); *Tufenkian Imp./Exp. Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 136 (2d Cir. 2003); *Ets-Hokin v. Skyy Spirits, Inc.*, 323 F.3d 763, 766 (9th Cir. 2003) (“When we apply the limiting doctrines, subtracting the unoriginal elements, Ets-Hokin is left with only a ‘thin’ copyright, which protects against only virtually identical copying.”).

102. See *TransWestern Publ'g Co. LP v. Multimedia Mktg. Assocs., Inc.*, 133 F.3d 773, 776 (10th Cir. 1998); *Wilson v. Brennan*, 666 F. Supp. 2d 1242, 1258 (D.N.M. 2009).

103. *Frybarger v. IBM Corp.*, 812 F.2d 525, 530 (9th Cir. 1987); see also *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1444 (9th Cir. 1994).

category of works to which this approach is routinely employed, so as to ensure that protection is limited to the “selection and arrangement” of the expression and not to the expression itself.<sup>104</sup>

Despite the variation in standard of scrutiny, courts continue to adopt a holistic comparison of the works in terms of their overall similarity. The variation comes about instead in the *level of discernment* that a fact finder employs during such assessment—greater attention to detail, purpose, and context while nonetheless comparing the works in their entirety. The Second Circuit’s observation in this regard is instructive:

In applying [the more discerning ordinary observer] test, a court is not to dissect the works at issue into separate components and compare only the copyrightable elements. To do so would be to take the “more discerning” test to an extreme, which would result in almost nothing being copyrightable because original works broken down into their composite parts would usually be little more than basic unprotectible elements like letters, colors and symbols . . . . [W]e have nevertheless always recognized that the test is guided by comparing the “total concept and feel” of the contested works.<sup>105</sup>

If the test of similarity remains the same but the person whose eyes through which it is examined is to be considered *more discerning*, it must imply that the person’s points of emphasis for assessing such similarity begin to change. The process is therefore far from being a mechanistic elimination of unprotectible elements and a comparison of what remains thereafter. Even after recognizing elements to be unprotectible, the court is still to compare the two works as a whole, while underemphasizing the unprotectible parts in contrast to the protectible parts, and analyzing their relative contributions to the works in question.<sup>106</sup> This contrast is particularly true when it comes to

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104. Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991).

105. Boisson v. Banian Ltd., 273 F.3d 262, 272 (2d Cir. 2001) (citations omitted) (quoting Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1003 (2d Cir. 1995)).

106. Robert Osterberg and Eric Osterberg provide a good example using a hypothetical involving two blues songs. In conducting the analysis, they note that the court

must remember that the songs are both blues songs. They share certain characteristics with all blues songs, such as use of a twelvebar phrase. The fact finder must not consider similarities common to all blues songs to determine whether the works are substantially similar. Rather, the fact finder must apply the more discerning ordinary observer test to decide whether, apart from the fact that the two songs are both blues songs, the songs sound alike.

OSTERBERG & OSTERBERG, *supra* note 13, § 3:1.1.

works for which the protectible and unprotectible content is only separable conceptually, such as in compilations or works with a utilitarian element.

What this analysis reveals is that in reality there is an intermediate step between the stages of dissection and similarity, one with deep normative significance. Following the dissection or extrinsic phase, the court doesn't just jump into the inquiry of whether the copying was wrongful. It pauses to set the appropriate level of scrutiny to be applied during the assessment of similarity. It determines here how thick the entitlement is to be, with thickness bearing an inverse correlation to the level of scrutiny to be employed in the second stage. This determination of thickness, however, is not arbitrary or uninformed. It draws entirely from the court's findings during the dissection exercise—during which it decides *how* deserving the work is of copyright protection, using copyright's purposes and goals, as well as the formal devices that instantiate them.<sup>107</sup>

Courts, of course, rarely acknowledge the thickness determination to be an intermediate step in the copying inquiry. Yet its structure makes it precisely that. A recent opinion of the Ninth Circuit applying the thinnest protection to a work comes closest to recognizing this. In discussing the substantial-similarity analysis, the court observed:

Having dissected the alleged similarities and considered the range of possible expression, the court must define the scope of the plaintiff's copyright—that is, decide whether the work is entitled to “broad” or “thin” protection. Depending on the degree of protection, the court must set the appropriate standard for a subjective comparison of the works to determine whether, as a whole, they are sufficiently similar to support a finding of illicit copying.<sup>108</sup>

The court here thus seems to acknowledge that following the dissection exercise it needs to set the appropriate level of scrutiny before proceeding to the wrongfulness determination. In actuality the analysis of copying thus involves multiple steps, with thickness forming an intermediate step between probative similarity and substantial similarity (Figure 1). Because the thickness determination informs the substantiality of the similarity analysis and is intimately

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107. For an excellent example of how courts work this analysis, see *Boisson*, 273 F.2d at 273–76.

108. *Apple Computer*, 35 F.3d at 1443.



connected to it, it is legitimately a part of the substantial-similarity analysis.

Figure 1.



Beyond length—copyright’s term<sup>109</sup>—and breadth—the content of copyright’s bundle of rights<sup>110</sup>—copyright’s entitlement structure thus has a distinctive third dimension in practice. And yet hardly any discussion of copyright law has picked up on this reality or the fact that this dimension remains the only one that is *entirely* policed and maintained by courts as part of the infringement inquiry. Thus far, courts have assessed a work’s thickness using the variables of originality,<sup>111</sup> the idea-expression dichotomy,<sup>112</sup> the exclusion of utilitarian works,<sup>113</sup> and—in an effort to separate the selection and arrangement of preexisting material—the underlying material itself.<sup>114</sup> Each of these variables has long been known to connect directly to copyright’s utilitarian purposes. There thus seems to be little reason for courts to refrain from extending the set of variables they employ in their analysis to copyright’s other goals, especially when such variables remain compatible with the institution’s utilitarian underpinnings. Part II explores more fully what these additional variables could possibly be.

### C. *Similarity as Wrongfulness*

Having set the appropriate standard of scrutiny to be applied, the court compares and assesses the similarity of the two works. Regardless of what standard of scrutiny courts apply to the case at hand, they insist that the comparison be done holistically, that is, that

109. 17 U.S.C. § 302 (2006).

110. *Id.* § 106.

111. *See, e.g.*, *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991).

112. *See, e.g.*, *Canal+ Image UK Ltd. v. Lutvak*, 773 F. Supp. 2d 419, 432 (S.D.N.Y. 2011).

113. *See, e.g.*, *Trek Leasing, Inc. v. United States*, 66 Fed. Cl. 8, 14 (2005).

114. *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 70 (2d Cir. 1999).

the comparison be of the “total concept and feel”<sup>115</sup> or the “overall look and feel”<sup>116</sup> of the works rather than of individual components and dissimilarities. In applying this general standard, they tend to focus on both qualitative and quantitative elements.<sup>117</sup>

The quantitative element involves assessing *how much* of the protected work the defendant copied, a relatively straightforward inquiry.<sup>118</sup> In using this quantitative variable, courts sometimes examine whether a *de minimis* threshold for copying has been crossed and no more.<sup>119</sup> The qualitative element, on the other hand, examines the value and significance of the copied material to the plaintiff’s (as opposed to the defendant’s) work.<sup>120</sup> Here the question is always whether the defendant took something from the plaintiff’s work that was worthy of protection against the defendant’s copying. The qualitative threshold introduces an important temporal dimension to the analysis, insofar as the decision maker is asked to focus on the value of the elements taken by the defendant’s copying to the plaintiff’s work as manifested in the work, and no more. Thus if a portrait of a person, an artistic work, has material in the background that is largely incidental to the original work and which is copied by a defendant and assumes prominence later on, the qualitative threshold allows the court to conclude that the copied material was not of value to the first work. This determination is based entirely on the court’s analysis of the plaintiff’s work and consequently on the point in time that it was created.<sup>121</sup>

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115. *E.g.*, *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 614 (7th Cir. 1982), *superseded on other grounds by* FED. R. CIV. P. 52(a) (1985).

116. *E.g.*, *Sturza v. United Arab Emirates*, 281 F.3d 1287, 1296 (D.C. Cir. 2002).

117. *See* *Newton v. Diamond*, 388 F.3d 1189, 1195 (9th Cir. 2004) (“Substantiality is measured by considering the qualitative and quantitative significance of the copied portion in relation to the plaintiff’s work as a whole.”); *Twin Peaks Prods. v. Publ’ns Int’l Ltd.*, 996 F.2d 1366, 1376–77 (2d Cir. 1993) (considering the “[a]mount and substantiality of the portion used in relation to the copyrighted work as a whole”).

118. *See Nihon*, 166 F.3d at 71 (finding that the infringer “use[d] about two-thirds of the protectible material”).

119. OSTERBERG & OSTERBERG, *supra* note 13, § 2:4.

120. *Id. But see* *Narell v. Freeman*, 872 F.2d 907, 913 (9th Cir. 1989) (“The material taken is not qualitatively important to either [the original or copied work].”).

121. OSTERBERG & OSTERBERG, *supra* note 13, § 2:4 (justifying the rule as “permit[ting] authors to build on existing works by focusing on details that earlier authors may have glossed over or otherwise treated in a more cursory fashion”).

To be sure, the quantitative and qualitative dimensions of the analysis often intersect and influence each other.<sup>122</sup> The key point to remember for our purposes, though, is that the similarity assessment at this stage operates as a proxy for the wrongfulness of the defendant's actions. The comparison of similarity therefore is largely to determine whether the defendant's copying, when viewed as a whole, meets the decision maker's intuitive sense of wrongfulness, calibrated by the appropriate standard of scrutiny. This accounts for why courts sometimes describe the similarity assessment as "virtually devoid of analysis."<sup>123</sup> Though this does not imply that the assessment is devoid of an analytical framework altogether, it does emphasize that it remains a subjective value judgment that is guided by reason.

When courts alter the thickness of the entitlement using various criteria, the parameters of the comparison in the wrongfulness analysis begin to change, too. While the comparison must still remain of the overall work, and entail both quantitative and qualitative dimensions, the points of emphasis begin to change.<sup>124</sup> Instead of a casual overall observation of the work, the court now weighs the protectible parts of the work more heavily than the others, and the most valuable parts of the work are given the heaviest weight. It thus entails an examination which—while not entailing the artificial elimination of unprotectible works—begins to accord different parts of the work differential emphasis in light of the level of discernment required by the appropriate standard.<sup>125</sup> The alteration that occurs thus involves ensuring that the data points for the comparison are weighted appropriately to simulate an observer with heightened knowledge of the works in question and their market.<sup>126</sup>

One way that courts operationalize this variation is by explicitly altering the characteristics and traits of the discerning observer in

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122. *Nihon*, 166 F.3d at 71 ("It is not possible to determine infringement through a simple word count; the quantitative analysis of two works must always occur in the shadow of their qualitative nature.").

123. *Shaw v. Lindheim*, 919 F.2d 1353, 1357 (9th Cir. 1990) (observing that the test has become "virtually devoid of analysis" because it "has become a mere subjective judgment as to whether two literary works are or are not similar").

124. *See, e.g., Boisson v. Baniyan, Ltd.*, 273 F.3d 262, 273 (2d Cir. 2001).

125. *See* 4 NIMMER & NIMMER, *supra* note 3, § 13.03[F][5] (emphasizing the nonmechanical and subjective nature of the evaluation, even after the unprotectible parts have been eliminated).

126. *See Tufenkian Imp./Exp. Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 135 (2d Cir. 2003) (noting that the test cannot be applied through the eyes of "the judicial observer who has a passing familiarity with [the market]").

light of the nature of the works in question. In a case involving the infringement of a board game with original and unoriginal features, for instance, the Ninth Circuit applied the standard of a “discerning 17.5 year old boy” to find that an ordinary observer was unlikely to find the two works to be similar based on the elements that such an observer was likely to emphasize during the comparison.<sup>127</sup> In another case involving a video game with large amounts of unprotectible material, the Seventh Circuit similarly concluded that a discerning observer in this market was likely to pay much more attention to the functional features of the game rather than to the artistic expression, or to the aesthetic appeal that it has.<sup>128</sup> One court likened the “reasonably discerning consumer” to one who would spend thousands of dollars on the products in question to conclude that such an ordinary observer was unlikely to be deceived as to the origin of the works.<sup>129</sup> This process closely mirrors the way in which courts have long been known to alter the reasonable person standard in negligence cases, depending on the nature and type of harm involved.<sup>130</sup> The reasonable person may thus be a professional well versed in a particular discipline in instances of professional negligence, and in other instances a mere prudent man.<sup>131</sup> Few would deny, though, that in varying the reasonable person in negligence cases, courts are doing anything but altering their very assessment of the wrongfulness of the defendant’s actions by introducing or eliminating variables that the fictional person might have considered.<sup>132</sup> The same process is at play here.

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127. *Data E. USA, Inc. v. Epyx, Inc.*, 862 F.2d 204, 209–10 (9th Cir. 1988).

128. *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 619 (7th Cir. 1982) (“Video games, unlike an artist’s painting or even other audiovisual works, appeal to an audience that is fairly undiscriminating insofar as their concern about more subtle differences in artistic expression.”), *superseded on other grounds by* FED. R. CIV. P. 52(a) (1985).

129. *Odegard Inc. v. Safavieh Carpets, Inc.*, 398 F. Supp. 2d 275, 281 (S.D.N.Y. 2005).

130. See Alan D. Miller & Ronen Perry, *The Reasonable Person*, 87 N.Y.U. L. REV. 323, 324 (2012). See generally RESTATEMENT (THIRD) OF TORTS § 3 (2010) (discussing the factors to be considered in determining whether a defendant exercised “reasonable” care under the circumstances in question).

131. See, e.g., *Heath v. Swift Wings, Inc.*, 252 S.E.2d 526, 529 (N.C. 1979) (“Indeed, our courts have long recognized that one who engages in a business, occupation, or profession must exercise the requisite degree of learning, skill, and ability of that calling with reasonable and ordinary care.”).

132. See Duncan Kennedy, *Form and Substance in Private Law Adjudication*, 89 HARV. L. REV. 1685, 1747 (1976); Ezra Ripley Thayer, *Public Wrong and Private Action*, 27 HARV. L. REV. 317, 317–18 (1914) (“The ‘ordinary prudent man’ is a palpable fiction . . . . What this

*D. The Flexibility of Substantial Similarity*

In functional terms the substantial-similarity analysis involves two distinct stages: a court’s selection of a standard of wrongfulness or similarity for the analysis—the thickness determination—and its eventual application of that standard to its comparison of the two works—the similarity analysis. Putting the two prongs of the substantial-similarity analysis back together reveals that courts use it as a distinct dimension of the copyright entitlement under which different works are accorded different amounts of protection on an individualized basis. The variation in protection is best represented by Table 1 below.

*Table 1.*

| Thickness | Level of Protection | Standard of Scrutiny       | Focus of Analysis  |
|-----------|---------------------|----------------------------|--|
|           | Regular             | “Ordinary observer”        | Overall similarity over differences  |
|           | Intermediate        | “More discerning observer” | Overall similarity but with differences weighted appropriately                                 |
|           | Thin                | “Near identity”            | Overall similarity with special attention to the conceptually inseparable source of protection |

Copyright law treats a variety of different works in a largely identical manner. This treatment is in turn known to produce what some scholars refer to as “uniformity costs.”<sup>133</sup> Although scholars have lamented copyright’s lack of adequate tailoring to combat these costs,<sup>134</sup> few have focused on the reality that courts have long been attempting to achieve precisely this result under the substantial-similarity analysis.<sup>135</sup> To be sure, the process is far more subtle and nuanced than an explicit approach to subject-matter-based tailoring—that is, according different types of works different rights—and is

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imaginary person would have done really means what the jury thinks was the proper thing to do . . .”).

133. See Carroll, *supra* note 22, at 856–67, 875–78.

134. *Id.* at 856–67.

135. *But see id.* at 899.

often cloaked in the rhetoric of the similarity analysis. Yet on closer analysis, it reveals how courts have been using copyright's structure as a wrong-based approach to creative inducement to achieve such tailoring.

Instead of introducing new *a priori* filters based either on subject matter or the institution's purposes—which might be seen as an incursion into Congress's domain, considering that these elements have historically been determined legislatively<sup>136</sup>—courts instead modulate the scope of protection during their analysis of infringement. Copyright's extensive emphasis on copying—both as a factual and normative matter—allows courts to achieve this modulation rather effectively. In practice, then, copyright's entitlement structure is much more pliable than it comes across in theory, revealing how a unidimensional focus on legislative activity in the area often understates the importance of federal common-law rules that play an equally important role in the system's operation.<sup>137</sup>

None of this is to suggest that courts have developed a unified, coherent framework for the substantial-similarity analysis. Although few courts have explicitly acknowledged their use of the framework as a mechanism of entitlement modulation or as a policy lever, they nonetheless have in the last two decades begun to incrementally expand the substantive content of the analysis and explicate more on what goes into it.<sup>138</sup> The time is thus ripe for a more comprehensive account of what the substantial-similarity analysis can and ought to be used for, given how far courts have come with it and their general willingness to make effective use of the flexibility and leeway accorded to them in the analysis.

The analysis of copyright's substantial-similarity requirement also reveals that in reality it involves two interrelated normative

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136. See U.S. CONST. art. I, § 8, cl. 8 (granting Congress the power “[t]o 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”); 17 U.S.C. § 102 (2006).

137. See, e.g., Jessica Litman, *Real Copyright Reform*, 96 IOWA L. REV. 1, 52 (2010) (focusing on copyright reform through statutory changes).

138. The Seventh Circuit is perhaps the most explicit about this. See, e.g., *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 616–17 (7th Cir. 1982) (“[T]hat a work is copyrighted says very little about the scope of its protection.”), *superseded on other grounds by* FED. R. CIV. P. 52(a) (1985); see also *Trek Leasing, Inc. v. United States*, 66 Fed. Cl. 8, 17–18 (2005) (describing the incremental expansion of the idea of “thin” copyright protection); OSTERBERG & OSTERBERG, *supra* note 13, at § 3:1.5 (“[C]ourts in the Seventh Circuit make a distinction between probative similarity, similarity that proves copying, and substantial similarity, similarity that proves unlawful appropriation.”).

judgments during the infringement process. The first, which we may usefully call the *purposive evaluation* and which is seen during the thickness determination, involves an objective assessment of the work being accorded protection to measure the extent to which it furthers copyright's fundamental purposes.<sup>139</sup> Put simply, it entails fixing the thickness of the copyright holder's exclusive entitlement in the work, disregarding the defendant's work. Though the court is no doubt presented with evidence of copying here, this evaluation and the court's determination of thickness must conceptually at least take place independent of the defendant's actions. For instance, determining the ratio of protectible to unprotectible material in a work hardly necessitates examining the defendant's work and can be gleaned entirely from the plaintiff's work, perhaps with the aid of external evidence such as expert testimony.

The second normative decision originates in the similarity analysis and involves a *subjective evaluation of wrongdoing*. Here, the fact finder is asked to apply the chosen standard of thickness to a comparison of the two works in order to determine whether there was any actionable wrongdoing in the defendant's act of copying.<sup>140</sup> Whereas the first stage was conceptually objective, this stage is entirely relative because a comparison of the works is the essence of the process. While the purposive evaluation fixes the appropriate standard of scrutiny, it importantly does not tell the fact finder precisely what goes into that standard except in very general terms. The fact finder is thus directed to consciously alter the standard of scrutiny by paying close attention to certain elements of the work and by applying a suitably altered perspective.

Each of these normative judgments involves a different structural framework which is crucial to appreciate—for it is only through this difference that copyright law is able to affirm multiple, often conflicting normative values in its adjudication process. Each stage of normative analysis also communicates a different guidance directive to actors—the first stage communicates an objective one, while the second stage signals a relational one<sup>141</sup>—and has a hitherto underappreciated effect on copyright's upstream- and downstream-

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139. See *supra* Part I.B.

140. See *supra* Part I.C.

141. See John C.P. Goldberg & Benjamin C. Zipursky, *Torts as Wrongs*, 88 TEX. L. REV. 917, 945–47 (2010).

incentive structure.<sup>142</sup> This latter set of issues is fully explored in the next Part.

## II. SUBSTANTIAL SIMILARITY AND INCOMMENSURABILITY

Having examined how the substantial-similarity inquiry works and the underappreciated flexibility that it affords courts in tailoring copyright's entitlement structure on an individualized basis, this Part moves from the positive to the normative. It argues that the two-pronged process of the substantial-similarity analysis can be reconstructed as a mechanism of conceptually ordering the introduction and instantiation of plural values into the copyright analysis. The flexibility examined in the previous Part, in other words, can be understood as possessing an important substantive dimension, in addition to a structural one.

Part II.A begins by setting out the problems inherent in multicriterion-based decision making, long known in the world of social-choice theory, to show how copyright adjudication as a branch of legal decision making harbors the same problems. Part II.B then introduces the idea of the conceptually sequenced argument as a partial solution to the problem of incommensurable values, drawing on other areas of the common law in which it is employed as a reasoned accommodation of plural values. Part II.C then moves back to the world of copyright law to reconstruct substantial similarity and its two-staged normative analysis as a sequenced ordering of different kinds of values during the infringement inquiry. In the first step, copyright's principally utilitarian values find their place and are given direct salience by the thickness inquiry, while in the second, copyright's relational values, many of which are deontic or rights-based in structure, find instantiation during the analysis of similarity.

### A. *Copyright Adjudication as a Form of Multicriterial Decision Making*

Central to social-choice theory is the idea of majority-voting paradoxes, under which an attempt to aggregate the preferences of individual voters, in order to reach a majority decision, produces an

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142. See Shyamkrishna Balganes, Response, *Tiered Originality and the Dualism of Copyright Incentives*, 95 VA. L. REV. IN BRIEF 67, 69 (2009), <http://www.virginialawreview.org/inbrief.php?s=inbrief&p=2009/11/30/balganes>.



intransitivity.<sup>143</sup> Thus, if there are three candidates to choose from (*John, Henry, and Bill*) and three voters whose preferences are to be aggregated (*A, B, and C*) the following ordering of their preferences represents the intransitivity of majority decision making.<sup>144</sup>

| <u>A</u> | <u>B</u> | <u>C</u> |
|----------|----------|----------|
| John     | Henry    | Bill     |
| Henry    | Bill     | John     |
| Bill     | John     | Henry    |

As we see, a majority of voters (*A, C*) prefer John to Henry, and a majority (*A, B*) also prefers Henry to Bill. The logic of transitivity would suggest that a majority would also prefer John to Bill. Yet, as it turns out, a majority (*B, C*) actually prefers Bill to John—producing an intransitivity. The very same logic carries over to decision making that isn't simply trying to aggregate the preferences of multiple individuals, but is instead trying to aggregate preferences based on multiple independent criteria. Consider the following alternative hypothetical, which reveals the symmetry: You are deciding on a new car to buy, and you narrow your choice down to three: a Honda, a Ferrari, and a Ford, and you are now trying to choose among the three using three independent—and equally important—criteria:<sup>145</sup> price, reliability, and speed. This is how you might order the cars on this basis:

| <u>Price</u> | <u>Reliability</u> | <u>Speed</u> |
|--------------|--------------------|--------------|
| Ford         | Honda              | Ferrari      |
| Honda        | Ferrari            | Ford         |
| Ferrari      | Ford               | Honda        |

Again, the same intransitivity manifests itself. The Ford beats the Honda on price and speed, while the Honda beats the Ferrari on price and reliability, but the Ferrari beats the Ford on both speed and

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143. Bruce Chapman, *More Easily Done Than Said: Rules, Reasons, and Rational Social Choice*, 18 OXFORD J. LEGAL STUD. 293, 296–97 (1998).

144. See ARROW, *supra* note 33.

145. This is an important axiom. In the event that the criteria themselves can be weighted differently—which would be the equivalent of treating different voters differently in the election—the problem dissipates in large measure.

reliability. Assuming that each criterion is equally important, there is no way of combining the preferences to yield a single choice. The intransitivity seen in the two examples above would continue to exist even if we were to reduce the number of criteria or voters to two. It would then turn into the following preference orderings—which exhibit the same features.

|                 |                 |                     |                           |
|-----------------|-----------------|---------------------|---------------------------|
| <b><u>A</u></b> | <b><u>B</u></b> | <b><u>Price</u></b> | <b><u>Reliability</u></b> |
| John            | Henry           | Ford                | Honda                     |
| Henry           | <b>Bill</b>     | Honda               | <b>Ferrari</b>            |
| <b>Bill</b>     | John            | <b>Ferrari</b>      | Ford                      |

Once again, it becomes impossible to aggregate the preferences into a single decision, though it becomes possible to eliminate a choice in each instance if we are looking for a winner: Bill in the voting, and the Ferrari in the choice of car. Yet among the other two choices, no obvious winner emerges.

Legal decision making in innumerable contexts exhibits these very features of multicriterion decision making. By introducing additional criteria into the picture, it alters the law's ordering of preferences and outcomes.<sup>146</sup> Professor Leo Katz has persuasively shown how this produces legal “loopholes” which are incapable of being plugged and therefore form the bread and butter of lawyering.<sup>147</sup> The introduction of new criteria and alternatives thus alters the original ordering of relative preferences.

What is additionally important to forms of legal decision making is that the setting is invariably *relational*. In other words, because a court is often confronted with a binary choice between plaintiff and defendant, sometimes criteria that are entirely a product of that binary setup enter the picture to alter the original preference ordering. In some very illuminating work on social-choice theory, Professor Bruce Chapman has shown that this is precisely how the intransitivity of preferences affects legal decision making.<sup>148</sup> In a hypothetical he shows how an individual's urge to maximize pleasure

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146. See KATZ, *supra* note 34, at 6–7.

147. See Leo Katz, *A Theory of Loopholes*, 39 J. LEGAL STUD. 1, 27 (2010) (“[L]oophole exploitation and skillful persuasion turn out to differ only by a hair, and inasmuch as we never felt too uneasy about the latter, we have one more reason not to feel too uneasy about the former.”).

148. Chapman, *supra* note 40, at 1502.

might cause him or her to choose a medium-sized orange over a small apple, and a big apple over the medium-sized orange.<sup>149</sup> Yet, when presented with the option of a small and a big apple, the individual chooses the small apple out of a new consideration—etiquette—that seems to enter the picture only in a choice between different sizes of the same fruit.<sup>150</sup> These preferences now produce the same intransitivity as before: the big apple is preferred to the orange, the orange to the small apple but surprisingly, the small apple to the big apple.<sup>151</sup>

What we thus see happening in situations in which the decision is framed in binary, relational terms is that values that are best realized in their maximization lose their dominance to other values that are relative or comparative in nature.<sup>152</sup> In Professor Chapman's hypothetical, the hedonistic ideal of maximizing one's pleasure through the largest possible fruit doesn't disappear in the final choice between apples; rather, it is overridden by etiquette, which becomes more salient, and therefore "dominant," when the frame is comparative.<sup>153</sup> This is precisely what happens in the context of legal adjudication: even when the law purports to maximize welfare, interpersonal considerations such as fairness and justice come into the picture.<sup>154</sup> In choosing between the plaintiff and the defendant, courts simply do not focus exclusively on the result that is likely to maximize overall welfare while ignoring comparative considerations between the parties to the dispute.<sup>155</sup>

The same considerations enter the picture in copyright law. Copyright's principal justification is utilitarian. According to this ideal, which is largely accepted by courts, scholars, and legislators, copyright's primary purpose remains the inducement of creativity.<sup>156</sup> By providing creators with limited exclusivity over their creative

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149. *Id.* at 1498.

150. *Id.*

151. *Id.* at 1498–99.

152. *Id.* at 1501–02.

153. *Id.* at 1502.

154. See George P. Fletcher, *Fairness and Utility in Tort Theory*, 85 HARV. L. REV. 537, 540–43 (1972).

155. *But see* LOUIS KAPLOW & STEVEN SHAVELL, *FAIRNESS VERSUS WELFARE* 52–62 (2002).

156. Shyamkrishna Balganesh, *Foreseeability and Copyright Incentives*, 122 HARV. L. REV. 1569, 1577 (2009).

works, copyright is thought to induce the creation of those works.<sup>157</sup> The economic analysis of copyright law, which builds on this basic utilitarian framework, further posits that the system attempts to provide creators with the most socially efficient incentive mechanism, represented in the incentives-access tradeoff.<sup>158</sup> This general utilitarian ideal is also thought to derive from the Constitution’s mandate that copyright law “promote the Progress” of the sciences and the useful arts through a system of exclusive rights—a proposition that the Supreme Court has come to affirm time after time.<sup>159</sup> Maximizing social welfare, or overall utility, thus lies at the heart of what copyright as an institution is trying to achieve. At the same time though, copyright adjudication—much like all other forms of adjudication—is bilateral in structure and substance. In adjudicating a claim for infringement, the court must invariably choose between the plaintiff and the defendant. Inter-subjective or comparative considerations thus invariably enter the picture, and much like in other contexts, offset the ordering of preferences based exclusively on the concern with maximizing welfare.

| <b><u>Utility</u></b> | <b><u>Personality</u></b>            |
|-----------------------|--------------------------------------|
| Thick Protection      | No Protection                        |
| Thin Protection       | Thick/Thin Protection <sup>160</sup> |
| No Protection         |                                      |

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157. WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 13 (2003).

158. See Kenneth J. Arrow, *Economic Welfare and the Allocation of Resources for Invention*, in NAT’L BUREAU OF ECON. RESEARCH, *THE RATE AND DIRECTION OF INVENTIVE ACTIVITY: ECONOMIC AND SOCIAL FACTORS* 609, 613 (1962).

159. See U.S. CONST. art. I, § 8, cl. 8 (authorizing Congress “[t]o 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”); *Golan v. Holder*, 132 S. Ct. 873, 888 (2012) (“Congress’ copyright authority is tied to the progress of science . . . .”); *Eldred v. Ashcroft*, 537 U.S. 186, 212 (2003) (“The ‘constitutional command,’ we have recognized, is that Congress, to the extent it enacts copyright laws at all, create a ‘system’ that ‘promote[s] the Progress of Science.’” (quoting *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 6 (1965)) (alteration in original)); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 546 (1985) (“The rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors.”).

160. The precise ranking of thick and thin protection becomes irrelevant in the binary choice between the plaintiff and the defendant, because either way “protection” involves finding for the plaintiff-creator, which the court chooses not to.

Going back to our hypothetical involving da Vinci and Dalí,<sup>161</sup> then, on purely utilitarian considerations—and based exclusively on an analysis of da Vinci’s work and creativity—a judge would be inclined to favor da Vinci. But when the choice is narrowed down to Dalí and da Vinci, such that the wrongfulness of Dalí’s actions becomes salient, the choice might reverse itself because comparative considerations are capable of overriding the ideal of utility maximization in the abstract. Following from the discussion in the previous Part,<sup>162</sup> a judge might thus—based on an assessment exclusively of da Vinci’s work—favor thick protection over no protection and thin protection over no protection. We might logically assume that the ordering of preferences is as follows: thick protection is preferred to thin protection which is preferred to no protection. Yet when Dalí’s copying enters the picture and the court considers Dalí’s actions—to realize that his copying is insubstantial and of parts that do not manifest da Vinci’s personality interest in the work—the court is likely to now choose no protection over either thick or thin protection. Much like in other areas of multicriterial decision making, we have a problem of aggregating values.

### *B. Conceptual Sequencing as a Partial Solution*

In trying to find a solution to the paradoxes of majority-voting preferences and multicriterial decision making, Arrow eventually concluded that a coherent, rational aggregation was indeed *impossible*.<sup>163</sup> This was the gist of his “impossibility theorem,” as it came to be known<sup>164</sup>—and to date, no one has shown it to be wholly wrong. Probing a little deeper into Arrow’s framework, however, reveals that his primary concern with the paradox of intransitive preferences had to do with its likely consequences on decision processes. As Chapman points out, Arrow was concerned that the “collectively irrational social choice would show itself as a kind of arbitrary dependence of the final social choice on the choice path.”<sup>165</sup> The concern was thus that the intransitivity would result in a choice

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161. See *supra* notes 37–39 and accompanying text.

162. See *supra* Part I.C.

163. See Kenneth J. Arrow, *A Difficulty in the Concept of Social Welfare*, 58 J. POL. ECON. 328, 342 (1950).

164. The formal proof was titled the “General Possibility Theorem.” In due course, it came to acquire the name it currently holds. Amartya Sen, *Social Choice and Justice: A Review Article*, 23 J. ECON. LIT. 1764, 1765 (1984).

165. Chapman, *supra* note 143, at 297.

that followed a form of path dependence, which was arbitrarily or strategically chosen.<sup>166</sup> This enabled an adept agenda setter to produce whatever result she wants by determining the decision path to be applied. Arrow's concern was thus less with path dependence *per se* and more with an arbitrarily or strategically chosen one.<sup>167</sup> What this tells us is that if the path dependence is chosen neither arbitrarily nor strategically—but based on a reasoned priority—a large part of the concern motivating the problem of social choice begins to disappear.

Legal adjudication, in contrast to numerous other forms of decision making, takes processes, institutions, and values very seriously. Rules and precedents preserve a form of path dependence of their own, and that produces a discernible level of consistency across time and context. Consequently, a partial solution to the problem of incoherence in multicriterial decision making lies in replacing the possibility of an arbitrary or strategic path dependence with a reason-based one.<sup>168</sup> This is the idea behind the process of conceptual sequencing, under which different criteria are allowed to enter the decision-making process sequentially, in recognition of their relative importance to the decision process under consideration, thereby giving them each sequential play in the final decision.<sup>169</sup> The most prominent modern reconstruction of the idea of defeasible rules as a mechanism of conceptual sequencing is found in the work of Professor Chapman, who has sought to apply it to explain the workings of tort and criminal law.<sup>170</sup>

In a series of insightful papers, Chapman shows how tort law can be seen as accommodating both rights-based arguments—that is, corrective justice—and welfare-driven arguments, within its

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166. *Id.* at 296–97; Bruce Chapman, *Law Games: Defeasible Rules and Revisable Rationality*, 17 *LAW & PHIL.* 443, 453 n.23 (1998). Professor Chapman describes this as a “structure-induced equilibrium.” Chapman, *supra* note 143, at 295.

167. Chapman, *supra* note 143, at 303; *see also* Arrow, *supra* note 163, at 330 (“For any method of deriving social choices by aggregating individual preference patterns which satisfies certain natural conditions, it is possible to find individual preference patterns which give rise to a social choice pattern which is not a linear ordering.”).

168. *See* Chapman, *supra* note 40, at 1496 (“[T]here are . . . grounds for thinking that . . . the theory of rational choice and value maximization provides only a very partial or incomplete understanding of rationality as reason-based choice.”).

169. *Id.* at 1508.

170. *See, e.g.*, Bruce Chapman, *Pluralism in Tort and Accident Law: Towards a Reasonable Accommodation*, in *PHILOSOPHY AND THE LAW OF TORTS* 276, 308–12 (Gerald J. Postema ed., 2001); Chapman, *supra* note 166, at 446; Chapman, *supra* note 40, at 1509.

framework.<sup>171</sup> Beginning with the recognition that ordinarily tort law prioritizes the right over the good in its corrective-justice structure, Chapman illustrates how it nonetheless carves out room for welfare-based considerations at the peripheries of its framework.<sup>172</sup> One prominent example is the concept of “unreasonable risk,” a concept which courts unpack using a two-staged analysis.<sup>173</sup> In the first stage they examine the reasonable foreseeability of the risk, applying a reasonable-person standard. In the second stage they ask what the reasonable person would do when faced with this risk. Yet, when the risk is found to be small or insubstantial Chapman notes that courts introduce a third stage of analysis, which involves assessing the cost to the defendant of eliminating the risk in question—an inquiry into the “burden of precautions.”<sup>174</sup> Until this last step, the analysis consciously avoids introducing utilitarian variables into the decision making, and when it does it succeeds in ordering those variables sequentially after other considerations such that they are rendered incapable of directly conflicting with rights-based considerations. In conceptual sequencing, the law thus partitions the inquiry into stages such that each stage limits the criteria that a decision maker uses in choosing between options.<sup>175</sup> The path dependence is thus a form of “partition dependence”—with the sequence of partitions chosen on the basis of reasons relating to the institution in question.<sup>176</sup>

Chapman argues that the same sequential pattern can be detected in Professor Richard Epstein’s well-known account of nuisance law as an institution structured around “corrective justice” with “utilitarian constraints.”<sup>177</sup> In his account, Epstein draws a distinction between the elements of a *prima facie* case of nuisance—which involves the invasion of a legally protected interest—and the defendant’s ability to thereafter introduce an additional set of considerations, all of which seem to derive from utilitarian concerns independent of the defendant’s invasion.<sup>178</sup> Chapman rightly claims

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171. See Chapman, *supra* note 170; Chapman, *supra* note 40, at 1507–14.

172. See Chapman, *supra* note 40, at 1509–14, 1521–26; see also Chapman, *supra* note 143, at 310–12.

173. Chapman, *supra* note 40, at 1521–26.

174. *Id.* at 1525.

175. *Id.* at 1524–25.

176. Chapman, *supra* note 143, at 305.

177. Chapman, *supra* note 40, at 1511–14; see also Richard A. Epstein, *Nuisance Law: Corrective Justice and Its Utilitarian Constraints*, 8 J. LEGAL STUD. 49, 50 (1979).

178. Epstein, *supra* note 177, at 49–50; see also Chapman, *supra* note 40, at 1511.

that Epstein's account is best understood as a conceptually sequenced argument that attempts to sequence the introduction of rights-based and welfarist values into the nuisance decision-making process.<sup>179</sup> Chapman also ascribes a similar structure to Professor George Fletcher's account of excuses in criminal law.<sup>180</sup>

Central to conceptual sequencing as a mechanism of accommodating plural values is the requirement that the sequencing have a reason for its conceptual ordering.<sup>181</sup> In other words, there must be a basis for the law's choice of a particular sequence in which to introduce variables and values into the decision making, for without such a reason the demarcation may be considered arbitrarily path dependent, or as doing no more than eliding the problem of value incommensurability.<sup>182</sup> Sequencing, in other words, must originate in a prioritization of values that is internal to the system. For tort law, this ordering is thought to derive from the priority of corrective justice over utilitarian goals, and in criminal law from the priority of wrongdoing and human agency over other variables.<sup>183</sup> In this way, conceptual sequencing allows tort law to accommodate both corrective justice and deterrence and allows criminal law to do the same with compassion, retribution, and deterrence.

Another particularly good example of a conceptually sequenced explanation for tort law's plural values comes from no less a believer in corrective justice theory than Professor Ernest Weinrib.<sup>184</sup> While arguing that tort law—and indeed all of private law—is premised on the idea of corrective justice, he concedes that the process of conceptual sequencing can explain how the system of tort law in reality serves the purposes of deterrence.<sup>185</sup> To him, the fact that the law's practice of corrective justice is ensconced in positive law means it can perform additional functions of law “*qua* positive law,” including deterrence.<sup>186</sup> Deterrence here is thus viewed as furthering

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179. Chapman, *supra* note 40, at 1512.

180. *Id.* at 1515–20; *see also* George P. Fletcher, *The Right and the Reasonable*, 98 HARV. L. REV. 949, 954–57 (1985).

181. *See* Bruce Chapman, *The Rational and the Reasonable: Social Choice Theory and Adjudication*, 61 U. CHI. L. REV. 41, 64–83 (1994).

182. *Id.* at 47.

183. Chapman, *supra* note 40, at 1519–20, 1524–25.

184. Ernest J. Weinrib, *Deterrence and Corrective Justice*, 50 UCLA L. REV. 621 (2002).

185. *Id.* at 638–39.

186. *Id.* at 638.



corrective justice “while leaving it intact,” but entirely through the process of conceptual sequencing.<sup>187</sup>

What is perhaps obvious from this discussion of conceptual sequencing is that the examples thus far all tend to unambiguously prioritize the right over the good—that is, rights-based arguments, such as corrective justice or retribution, over utilitarian ones, such as deterrence. In none of the examples Chapman uses to illustrate the concept does he identify an instance in which this ordering is reversed—even though he considers the theoretical possibility of it manifesting itself in multiple places.<sup>188</sup> In other words, can there be a legal institution in which the decision-making process is sequenced so as to first allow for a prima facie entitlement that is utilitarian in structure, followed by a temporally subsequent introduction of nonutilitarian values into the process? The substantial-similarity analysis in copyright law, I argue, represents precisely such a sequenced formulation in copyright decision making.

### C. *Accommodating Plural Values in Copyright Law*

Despite the dominance of copyright’s utilitarian theory, most scholars tend to agree that other, distinctly nonutilitarian values play some role in the overall structural and functional dimensions of the institution.<sup>189</sup> Of these, authors’ rights-based conceptions of the copyright entitlement are perhaps the most dominant, according to which copyright law serves a set of autonomy-related purposes internal to the author, and often independent of the institution’s overall utilitarian ideals.<sup>190</sup> Yet, copyright law and scholarship have struggled to develop a coherent mechanism by which to achieve the

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187. *Id.* at 639.

188. Chapman, *supra* note 40, at 1512–13; Chapman, *supra* note 166, at 454.

189. See, e.g., DAVID LANGE & JEFFERSON POWELL, NO LAW: INTELLECTUAL PROPERTY IN THE IMAGE OF AN ABSOLUTE FIRST AMENDMENT 169 (2009); Keith Aoki, *Distributive and Syncretic Motives in Intellectual Property Law (with Special Reference to Coercion, Agency, and Development)*, 40 U.C. DAVIS L. REV. 717, 720 (2006); Daniel Benoliel, *Copyright Distributive Injustice*, 10 YALE J.L. & TECH. 45, 72 (2007); Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 361–64 (1996); Madhavi Sunder, *IP<sup>3</sup>*, 59 STAN. L. REV. 257, 312 (2006); Molly Shaffer Van Houweling, *Distributive Values in Copyright*, 83 TEX. L. REV. 1535, 1539–67 (2005); Alfred C. Yen, *Restoring the Natural Law: Copyright as Labor and Possession*, 51 OHIO ST. L.J. 517, 522–31 (1990).

190. See Neil Netanel, *Alienability Restrictions and the Enhancement of Author Autonomy in United States and Continental Copyright Law*, 12 CARDOZO ARTS & ENT. L.J. 1, 48–60 (1994); Neil Netanel, *Copyright Alienability Restrictions and the Enhancement of Author Autonomy: A Normative Evaluation*, 24 RUTGERS L.J. 347, 398–441 (1993) [hereinafter Netanel, *Copyright Alienability Restrictions*].

reasonable accommodation of these nonutilitarian goals and values with the institution's core utilitarian foundation.<sup>191</sup> This failure has in turn resulted in copyright's nonutilitarian ideals either receding into the backdrop and diminishing in significance or, alternatively, in their being reconceptualized in distinctly utilitarian terms in order to achieve their accommodation (through a direct tradeoff) with the institution's widely accepted utilitarian tenets.<sup>192</sup>

The two-staged process of substantial similarity, on the other hand, reveals an ideal mechanism by which to achieve just such an accommodation, given its conceptually sequenced structure. In so doing, it keeps the two sets of values separate and affirms them both, but in a sequenced order. Yet a major move that it makes is that it treats the nonutilitarian variable as a comparative inquiry rather than as a transcendent one that needs to be maximized in the abstract. In the process, the personality-based determination feeds into considerations of corrective justice that lie at the heart of copyright's liability determination. The discussion below describes this in greater detail.

1. *Thickness as Copyright's Utilitarian Inquiry.* Recall that the first part of the substantial-similarity inquiry involves the court determining *the extent* to which the plaintiff's work in question serves copyright's goals. Though it happens simultaneously with a dissection of the defendant's work, the court here examines how meritorious the work is of copyright protection and accordingly fixes the standard of scrutiny to be applied in the second stage.<sup>193</sup> This step is comparative only in a nominal sense, because the focus is in reality on the protected work: to examine what parts of it are unprotectible, and indeed how protectible it is as a whole. Somewhat counterintuitively, courts often examine the defendant's work to compare it to the

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191. Two previous strategies are worth mentioning. The first, is the "monist" theory of copyright, according to which copyright's utilitarian (that is, economic) purposes are "subsumed" within the rights-based, or autonomy-driven purposes. Netanel, *Copyright Alienability Restrictions*, *supra* note 190, at 378. The second involves the argument that the idea of incentives—the gravamen of copyright's utilitarian theory—can take color from noneconomic motivations as well, such as spiritual, religious, and personal ones. Roberta Rosenthal Kwall, *Inspiration and Innovation: The Intrinsic Dimension of the Artistic Soul*, 81 NOTRE DAME L. REV. 1945, 1975 (2006).

192. See, e.g., Jeanne Fromer, *Expressive Incentives in Intellectual Property*, 98 VA. L. REV. (forthcoming 2012).

193. See *supra* Part I.B.

plaintiff's, but in principle the determination is confined to the plaintiff's work.<sup>194</sup>

What remains largely unappreciated is that in this first step courts effectively scrutinize the work in question against copyright's systemic, *utilitarian* goal of inducing creative expression with minimal cost to society. According to this goal, which remains rooted in the basic premises of welfare economics, the institution of copyright promotes overall social welfare by limiting the ability of noncreators to copy a creative work, thereby inducing creators to produce such work to begin with. Copyright law's internal devices are, under this theory, directed at ensuring the realization of this inducement, while minimizing the social costs that the inducement entails. Courts use the thickness determination to realize this objective. To be sure, they have thus far only ever used copyright's formal devices as benchmarks for the comparison: the originality requirement, the idea-expression distinction, the exclusion for useful elements of a work, and the assurance that compilations are accorded protection on the selection, coordination, and arrangement of underlying material. Each of these variables has over time come to be understood as doing no more than serving copyright's utilitarian purpose. Ever since *Feist*, the originality requirement has unquestionably come to be understood as deriving from the Constitution's utilitarian mandate for copyright law and the underlying costs associated with according protection to unoriginal or uncreative works.<sup>195</sup> In a similar vein, the idea-expression dichotomy is treated by courts as a device by which to minimize copyright's monopoly costs by balancing incentives and access.<sup>196</sup> The same is equally true with the exclusion for useful works and the protection for compilations—with courts often explicitly reasoning that these formal devices do no more than prevent the plaintiff from obtaining a socially inefficient monopoly.<sup>197</sup> Regardless of the context under which these concepts and devices originated, they are today understood in principally utilitarian terms.

As a structural matter, too, thickness lends itself perfectly to being used as a vehicle by which to give effect to copyright's

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194. See *supra* Part I.B.

195. See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349–50 (1991).

196. See *A.A. Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 980 (2d Cir. 1980); *Steinberg v. Columbia Pictures Indus.*, 663 F. Supp. 706, 711–12 (S.D.N.Y. 1987); 4 NIMMER & NIMMER, *supra* note 3, § 13.03[B][2][a].

197. See *Entm't Research Grp., Inc. v. Genesis Creative Grp., Inc.*, 122 F.3d 1211, 1220 (9th Cir. 1997); *Batlin v. Snyder*, 536 F.2d 486, 492 (2d Cir. 1976).

utilitarian ideals. Unlike other dimensions of the copyright entitlement, which tend to operate in largely binary terms, its structure as a continuum forces courts to directly engage the question of not just whether the work at issue furthers copyright's purposes, but also how much it furthers those purposes. Thickness can thus be understood as a principally utilitarian inquiry, in which courts determine how much protection a work needs to obtain based on the extent to which it furthers copyright's goal of inducing creative expression. Given the underlying utilitarian emphasis within the variables that courts consider at this stage, there seems to be little reason not to factor in additional variables that derive from the same set of utilitarian goals that have long been known to motivate copyright law.

What is additionally interesting in understanding thickness as a mechanism by which to give effect to copyright's utilitarian goals is how it also effectively converts copyright law's existing binary utilitarian calculations into ones that can be understood as lying along a continuum. Originality, for instance, is often understood as a value that merits being operationalized only in binary terms. Either a work is original and therefore protectible, or it is not.<sup>198</sup> So, too, with the merger doctrine: either the idea and expression in a work are merged, rendering the whole unprotectible, or they are not.<sup>199</sup> Thickness allows courts to parse these categories out further, in the process identifying shades of originality—or the extent to which idea and expression have merged—without having to decide the issue in purely binary terms. Realizing copyright's utilitarian objectives is most often a matter of degree, because in some abstract sense granting any work some protection can be seen as furthering copyright's goal of inducing creativity. The question is invariably one of how much protection and at what cost, a question which requires a more granular and tailored approach—one that thickness allows courts to adopt.

This brings us in turn to the task of determining what additional utilitarian values and variables might be capable of being given effect in this stage of the inquiry. The first thing to remember about the utilitarian calculus that this stage entails is that it operates in the

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198. See Parchomovsky & Stein, *supra* note 91, at 1506. My argument here, however, disagrees with their subsequent observation that “[c]opyright law fails to take the next step and calibrate the scope of the copyright protection to the degree of the work’s originality.” *Id.*; see also Balganes, *supra* note 142, at 75–76.

199. See Justin Hughes, *Created Facts and the Flawed Ontology of Copyright Law*, 83 NOTRE DAME L. REV. 43, 91 (2007).

individual rather than the aggregate. In other words, the cost-benefit calculus that the utilitarian analysis entails occurs at the level of the individual work being scrutinized by the court during the infringement inquiry. This in turn explains why courts are willing to conduct this inquiry through the lens of formal devices, such as originality, rather than directly, in the belief that these devices and the tests used to operationalize them derive from a prior aggregate analysis, which is then capable of being instantiated at the individual level.<sup>200</sup> This maps onto the long-known distinction between act and rule utilitarianism.<sup>201</sup> Whereas rule utilitarianism derives from a belief that a rule in question reflects an underlying utilitarian goal and that adherence to the rule will result in the realization of that goal, act utilitarianism derives from a belief that the utilitarian goal can only be realized through the measurement of the individual act directly against the goal sought to be realized. Rule utilitarianism thus derives from a generalization about the tendency of an act, ordinarily dealt with by the rule, to produce utilitarian consequences.<sup>202</sup> In carrying out the thickness analysis, courts have thus far adhered in large measure to a rule-utilitarianism approach.

All the same, there seems little reason to believe that courts are unlikely to move away from it when presented with methods of instantiating copyright's utilitarian ideals directly, that is, in act-utilitarianism terms. Indeed, a well-known objection to the sustainability of utilitarianism through rules is that in the end it collapses into a form of act utilitarianism.<sup>203</sup> Circumstances will emerge over time in which noncompliance with a rule begins to produce more utility than compliance.<sup>204</sup> The rule then begins to develop exceptions and subrules, and over time the key question in each instance becomes which subrule or exception applies and is to be followed, which in turn eventually results in the actor choosing the one that maximizes utility, an act-utilitarian inquiry.<sup>205</sup> Consequently, having courts undertake the thickness inquiry by weighing copyright's

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200. See *supra* Part I.B.

201. The leading account of this distinction is by Professor David Lyons. See DAVID LYONS, *FORMS AND LIMITS OF UTILITARIANISM* 2–4 (1965).

202. *Id.* at 4.

203. See Brad Hooker, *Rule Consequentialism*, STANFORD ENCYC. OF PHILOSOPHY (Jan. 9, 2008), <http://plato.stanford.edu/entries/consequentialism-rule>.

204. *Id.*

205. LYONS, *supra* note 201, at 119–30. *But see* Boruch A. Brody, *The Equivalence of Act and Rule Utilitarianism*, 18 PHIL. STUD. 81, 81–86 (1967).

utilitarian goals directly, rather than through formal rules, is not as far removed in practice as it might seem in principle.

An additional variable that courts might be able to consider during the thickness analysis is the extent to which the work derives from a market-driven creative *motivation*, the central idea behind the utilitarian-inducement theory. In situations in which a work originates in motivations that involve a large noncommercial component, courts might alter the thickness of protection to reflect the reduced extent to which the work furthers copyright's utilitarian goal of creative inducement. In recent work, Professor Lydia Loren has suggested that courts adopt an approach along these lines.<sup>206</sup> Very interestingly, we see courts willing to undertake this examination on the defendant's side as part of the fair-use analysis, in which they closely examine whether the defendant's use of the protected work was for commercial or noncommercial purposes as one of the fair-use factors.<sup>207</sup> An examination of commercial intent or motivation would thus do little more than transpose this to the plaintiff's side of the inquiry as part of the thickness examination.

Another set of variables to consider might be the peculiarities of the market in which the work operates and the need to promote competition in or entry into that market in order to lower the social costs of monopoly that are thought to accompany copyright protection. Professor Christopher Yoo has advocated a model of copyright law based on the economic theory of product differentiation, in which he argues that the spatial dimension of the relevant product market can be an appropriate mechanism for minimizing copyright's deadweight losses, and he posits that the substantial-similarity analysis might be the right way of realizing that objective.<sup>208</sup> Yoo's model—deriving from copyright's utilitarian ideals—would have to be operationalized through copyright's thickness analysis.

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206. See Loren, *supra* note 18, at 36 (arguing that courts should apply “thin” protection to works based on a comparison of their creative motivation).

207. See 17 U.S.C. § 107(1) (2006) (“In determining whether the use made of a work . . . is a fair use the factors to be considered shall include . . . the purpose and character of the use, including whether such use is of a commercial nature . . . .”); *Sony Corp. of Am. v. Univ. City Studios, Inc.*, 464 U.S. 417, 448 (1984) (finding use presumptively fair because it was of a noncommercial nature).

208. Christopher S. Yoo, *Copyright and Product Differentiation*, 79 N.Y.U. L. REV. 212, 271–72 (2004).

The more difficult value to address in this analysis is that of distributive justice. Distributive goals can of course be rendered compatible with utilitarianism.<sup>209</sup> This compatibility is especially easy to achieve when the utilitarian calculus is an aggregate one rather than an individualized determination. In the aggregate formulation, distributive concerns can be internalized in the idea of social-welfare maximization.<sup>210</sup> As an individualized determination between two parties, however, distributive justice becomes an ideal to be realized through interpersonal comparisons and less about incorporating distributive concerns into the utilitarian calculus.<sup>211</sup> Discussions of distributive values in copyright law often fail to distinguish between the two.<sup>212</sup>

Accepting thickness as copyright's utilitarian calculus, however, requires making an important analytical move—namely, going beyond the focus on the work itself for the analysis. What characterizes the thickness inquiry in its current formulation, beyond its use of copyright's formal devices, is its examination of copyright's utilitarian values through the lens of the work and never independently.<sup>213</sup> Expanding the gamut of utilitarian variables in the inquiry might seem to necessitate abandoning this approach. Mere analytic dissection, understood in its strict sense, might seem inadequate if the analysis is to go beyond the work itself. A closer examination of the ways in which courts approach the task of analyzing the work today reveals that the change suggested here is much less drastic than it might seem.

In scrutinizing a work for its copyrightability under existing law, courts begin with a technique that is described as the “mute testimony” approach—focusing on the work itself for their analysis.<sup>214</sup> Although the court's inquiry unquestionably commences with the work itself, the plaintiff is allowed to introduce additional evidence about the creative process—the judgments that went into the creation and the different motivations that were involved—to aid the court in

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209. See Jeremy Waldron, *Locating Distribution*, 32 J. LEGAL STUD. 277, 287–93 (2003).

210. See KAPLOW & SHAVELL, *supra* note 155, at 26–38 (“The choice of a method of aggregation involves the adoption of a view concerning matters of distribution.”).

211. See *id.* at 37–38.

212. See, e.g., Van Houweling, *supra* note 189, at 1539–46.

213. See *supra* Part I.B.

214. See, e.g., *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411, 414 (2d Cir. 1985); *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 908 (2d Cir. 1980).

its examination of the work.<sup>215</sup> This evidence is then evaluated in relation to the work itself by the fact finder deciding the issue. Its use is most commonly seen when courts attempt to determine the conceptual separability of the aesthetic and useful parts of a work. The creator is allowed to introduce evidence of the design process and its connection to the nature of the work so that the court may understand the work in light of the creator's actions.<sup>216</sup> In practice, therefore, courts routinely look beyond the four corners of the work to analyze the work. The utilitarian value-based determination of copyright's thickness should thus have little problem extending that technique here as well.

2. *Similarity as Copyright's Correlative Inquiry.* Having set the thickness for their analysis, courts then move to analyzing the similarity between the two works, using the standard of scrutiny that they determine is warranted. The similarity analysis is, however, far from mechanical. It involves determining whether the defendant's copying involved the appropriation of material of "value" and "substance" from the plaintiff's work.<sup>217</sup> It thus amounts to an assessment of legal actionability rather than a factual determination of mere boundary crossing of the kind seen in trespass cases.<sup>218</sup> The leading treatise on substantial similarity makes this abundantly clear by illustrating the similarity analysis through the law of battery and noting how it forms the analog to battery's determination of whether a defendant's actions "rise to the level that is a compensable battery."<sup>219</sup> The similarity analysis thus involves more than just a reasonless comparison of de facto similarity between the two works and is structurally imbued with a subjective, normative assessment of whether the similarity is worthy of liability.

Another way of understanding the similarity analysis is as an inquiry into the right-duty relationship between the plaintiff and the defendant. Although it no doubt involves according a work protection, it does so not in the abstract but only through the

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215. See *Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1145-46 (2d Cir. 1987).

216. *Id.*

217. OSTERBERG & OSTERBERG, *supra* note 13, § 1:1.

218. See Wendy J. Gordon, *Trespass-Copyright Parallels and the Harm-Benefit Distinction*, 122 HARV. L. REV. 62, 63 (2009) ("[T]respass makes any volitional boundary crossing unlawful.").

219. OSTERBERG & OSTERBERG, *supra* note 13, § 1:1.



mechanism of liability. This in turn means that its emphasis is on examining whether the defendant's actions amount to an actionable interference with the plaintiff's protected interest. It is thus structured in terms of right and duty, a relationship referred to by tort law theorists as the relationship of *correlativity*.<sup>220</sup>

The idea of correlativity posits that the plaintiff and the defendant in any liability calculus are connected as "doer" and "sufferer" of the same injustice, which the liability judgment seeks to correct.<sup>221</sup> The plaintiff's entitlement is thought to make sense only when understood in terms of the defendant's actions and not in the abstract. As Weinrib points out, "[e]ach party's position is normatively significant only through the position of the other,"<sup>222</sup> and never independent of it in a correlative set up. Correlativity is thought to originate in Aristotle's idea of corrective justice, represented in turn in the bipolar relationship between the plaintiff and the defendant in a private-law action.<sup>223</sup> Corrective justice is also different from distributive justice, which involves sharing the burdens of an action according to some distributive criterion, be it fairness or something else.<sup>224</sup> The similarity analysis in copyright law gives effect to precisely this idea of corrective justice.

In asking whether the defendant's actions were enough to merit being classified as wrongful and rendered the basis for liability, the law is in effect requiring the decision maker to undertake an interpersonal analysis of the parties' relative positions as manifested through their works. It is thus emphasizing a scrutiny of the defendant's copying relative to the protection that the plaintiff's right merits. The abstract basis of this protection is adjudicated in the first instance, but its relative basis is given effect during the comparison. Going back to the battery analogy, no one would deny that a plaintiff has the right to bodily integrity in the abstract, and yet the liability

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220. ERNEST J. WEINRIB, *THE IDEA OF PRIVATE LAW* 114–15 (1995); Ernest J. Weinrib, *Correlativity, Personality, and the Emerging Consensus on Corrective Justice*, 2 *THEORETICAL INQUIRIES L.* 107, 116–17 (2001).

221. Weinrib, *supra* note 220, at 110.

222. *Id.*

223. WEINRIB, *supra* note 220, at 56; *see also* ARISTOTLE, *NICOMACHEAN ETHICS*, bk. V, at 120–21 (Martin Ostwald trans., Liberal Arts Press 22d prtg. 1984) (c. 384 B.C.E.).

224. *See* Stephen R. Perry, *On the Relationship Between Corrective and Distributive Justice*, in *OXFORD ESSAYS IN JURISPRUDENCE* 237, 237 (Jeremy Horder ed., 2000); *see also* Gregory C. Keating, *Distributive and Corrective Justice in the Tort Law of Accidents*, 74 *S. CAL. L. REV.* 193, 194–95 (2000); Kevin A. Kordana & David H. Tabachnick, *On Belling the Cat: Rawls and Tort as Corrective Justice*, 92 *VA. L. REV.* 1279, 1280 (2006).

analysis involves determining whether the defendant's touching is sufficient enough to be deemed an invasion of that abstract right, understood in relational terms.

The similarity analysis thus operates as copyright's correlative framework, in which the defendant's actions are examined through the lens of a right-duty relationship between the plaintiff and the defendant. Note that one of the enduring features of the correlative setup is that the defendant's wrongdoing and the plaintiff's right are meant to derive from the same normative account.<sup>225</sup> In other words, a defendant's actions are a wrong only because they interfere with a plaintiff's right, and the plaintiff's right, in the relational sense, arises because of the defendant's wrongdoing.<sup>226</sup> To avoid the trap of an unending circularity in this formulation, the source of the right-duty relationship must therefore originate in a foundational value that forms the source of the *relationship*.<sup>227</sup> Copyright's welfarist-utilitarian ideal fails to pass muster here because it represents a "wider principle that applies to anything whose normative significance is not correlatively structured."<sup>228</sup> In other words, copyright's utilitarian ideal may comport with granting a creator a right, to enhance social welfare, but it says very little about what shape that right needs to take and indeed the conditions under which an interference with it is to be considered an actionable injustice.<sup>229</sup> As Weinrib observes in relation to tort law:

Of course, having a right contributes to a person's welfare by protecting some interest from wrongful interference. . . . That, however, does not mean that rights are synonymous with aspects of welfare or that their normative significance is to be understood in terms of it. In the law's contemplation, the increase in welfare through having a right and the decrease through the infringement of a right are the consequences rather than the grounds of the right.<sup>230</sup>

This reasoning makes perfect sense in the copyright context. Were the law's concern exclusively welfare driven, it might have

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225. Weinrib, *supra* note 220, at 110; *see also* WEINRIB, *supra* note 220, at 123 ("When right and duty operate as correlatives, they constitute an *articulated* unity.").

226. Weinrib, *supra* note 220, at 117.

227. *See* WEINRIB, *supra* note 220, at 124.

228. *Id.* at 112.

229. For a fuller explication of this idea, see Shyamkrishna Balganes, *The Normative Structure of Copyright Law*, in *INTELLECTUAL PROPERTY AND THE COMMON LAW* (Shyamkrishna Balganes ed., forthcoming 2013).

230. Weinrib, *supra* note 220, at 120.

readily abandoned any insistence on copying being necessary to trigger liability. The answer must therefore be sought in values that are capable of instantiation in correlative or relational terms. Weinrib finds the answer—for tort law—to lie not in welfare but in the idea of “personality” or *purposiveness in action*.<sup>231</sup> The individual actor’s capacity for purposive action, without regard to specific ends or purposes, is thought to provide correlativity with its foundational value, which in turn forms the normative basis of the right-duty relationship that it revolves around.<sup>232</sup>

The question then is whether this logic has any traction in relation to copyright’s similarity analysis. In applying the correlativity idea to copyright law, Professor Abraham Drassinower argues that the logic of purposive action can account for copyright law’s idea-expression dichotomy and defense of independent creation.<sup>233</sup> Observing that “[t]he intersubjectivity of copyright is structured as an irreducible correlativity of legal right and duty,” he argues that copyright law’s belief in the ideal of equality in authorship explains these doctrinal elements.<sup>234</sup> The defendant and plaintiff are *both* considered purposive authors, and consequently the plaintiff’s entitlement—even though rights-based—is nonetheless limited by the principal of equality, or the idea that the law needs to leave sufficient room for each actor to express herself without simultaneously interfering with the expression of others.<sup>235</sup>

Much of the same logic applies to copyright’s analysis of actionable similarity as well. Recall that the test requires the decision maker to focus on whether the copying in question took material of “substance” and “value” from the plaintiff’s work.<sup>236</sup> Yet, the fact of the matter remains that these variables are not necessarily coterminous with any of copyright’s fundamental filters to copyrightability—such as the originality requirement, the idea-expression dichotomy, or indeed the exclusion of utilitarian elements from protection. Assessing the substance and value of a work thus involves looking beyond these filters to what makes a work *worthwhile to its creator*. All the same, doing so in the general or in

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231. *Id.* at 113–21.

232. *Id.* at 112.

233. Abraham Drassinower, *A Rights-Based View of the Idea/Expression Dichotomy in Copyright Law*, 16 CAN. J.L. & JURIS. 3, 4 (2003).

234. *Id.* at 9, 12.

235. *Id.* at 12–18.

236. *See supra* Part I.

the abstract is often difficult, meaning that the scrutiny will vary from one class of works to another, and indeed from one individual work to another even within a single class. The idea of “substance and value” in a work is often narrowly understood to correlate to a work’s economic value in the market, with the requirement then understood as merely one of determining whether the defendant copied economically valuable portions of a work. Yet, as Nimmer points out, it is often impossible to determine when the economic value of a work has been sensibly damaged by a defendant’s mere copying.<sup>237</sup>

Indeed, when one traces the origins of the requirement back to Justice Story in *Folsom v. Marsh*,<sup>238</sup> it becomes apparent that his use of the idea of “value” was not meant to direct the scrutiny solely toward the economic effects of the appropriation.<sup>239</sup> As an alternative to assessing whether the value of a work was “sensibly diminished,” he also proposed examining whether “the labors of the original author [were] substantially to an injurious extent appropriated.”<sup>240</sup> First, the emphasis on “sensibly” diminished as part of the inquiry seems to suggest that the diminution in value needs to be perceivable to the decision maker in some ways, rather than a mere probabilistic assessment of the likely impact that the copying will have on the market for the plaintiff’s work. That this is true is also demonstrated by the economic inquiry being the gravamen of the independent fair-use doctrine, under which courts are mandated to examine the potential effects of a defendant’s actions on the plaintiff’s market.<sup>241</sup> To require a court to undertake that examination twice thus makes little sense. Second, the reference to the labors of the original author seems to suggest that the focus of the inquiry ought to be on the reasons why an author considers the work important—since the most

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237. 4 NIMMER & NIMMER, *supra* note 3, § 13.03[A][2][a] (“[T]his oft-repeated principle does not tell the trier of fact when in any given instance the value of the original is sensibly diminished or injuriously appropriated. The trier must ultimately determine the importance of that material that is common to both parties’ works.”).

238. *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4901).

239. *Id.* at 346 (reasoning that “[e]ven in compositions confessedly literary, [an] author may not intend . . . them for publication; and yet, no one on that account doubts his right of property therein, as a subject of value to himself and to his posterity”).

240. *Id.* at 348.

241. *See* 17 U.S.C. § 107(4) (2006) (“In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include . . . the effect of the use upon the potential market for or value of the copyrighted work.”); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985).

labor-intensive parts of a work need not always correspond to the most economically valuable.

The substance and value examination is thus in effect an inquiry into the *relationship between the author and the work* and the question whether the defendant's actions amount to an interference with that relationship. It thus derives from the same concept of intersubjectivity, except that the focus on equality of authorship and personality finds emphasis on the plaintiff's side. The act of producing a work of creative expression—the act of *expressing* oneself—is the focus of the protection at this stage, rather than the consequences or effects of such expression in the marketplace or beyond. The intersubjectivity, or interpersonal comparison that the scrutiny entails, is mediated through the works in question but originates in the author-work connection that is the basis of the plaintiff's entitlement.

The author-work connection that the similarity scrutiny entails can be understood to be a largely deontological one. Yet, the beauty of the two-pronged substantial-similarity formulation is that this consideration influences the functioning of the system only after the threshold questions of instrumental purpose seen in the thickness inquiry are satisfied. In other words, the deontological questions operate not in the abstract but rather purely in the bilateral and relational setting of comparing the defendant's actions with the plaintiff's.

Viewing the wrongfulness inquiry as a corrective-justice-driven inquiry deriving from the author-work connection and a defendant's interference with it allows room for a set of values that have hitherto been thought to be incompatible with copyright law in the United States.<sup>242</sup> One such value is corrective justice, which informs the very normative structure of the rights-based inquiry at this stage of the analysis. Yet, as some have pointed out, corrective justice does not independently address the normative content of the right, even though it focuses on the structure through which it is effectuated.<sup>243</sup>

To fill this void, explanations for the right that derive directly from the author-work connection begin to assume relevance. One

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242. See Drassinower, *supra* note 233, at 3 (observing how rights-based or natural-rights-based theories of copyright law have little traction in the North American context because the incentives/utilitarian rationale dominates the landscape).

243. Jules L. Coleman, *Intellectual Property and Corrective Justice*, 78 VA. L. REV. 283, 285 (1992).

such idea here is the labor-based explanation, in which the measure of wrongfulness focuses on the elements of a work in which the author has invested greatest time and effort—an idea often traced back to Justice Story.<sup>244</sup> Another alternative is the idea of “moral personality” found in Kantian accounts of copyright law and thought to lie at the heart of *droit d’auteur* regimes of protection.<sup>245</sup> Note that this value would not mean that heightened protection is extended to parts of the work that represent an author’s individual personality, but rather that some parts of the work better represent the principle of authorship and the moral agency that accompanies it; these latter parts are to be weighed more heavily during the similarity analysis. Nonutilitarian values thus find recognition in this stage of the inquiry on a relational basis.

The key point to remember here is that the conception of the author’s rights at this stage of the inquiry is limited to the relational setting. Similarity is a relational inquiry, which allows the right-duty relationship to inform it as a substantive matter. The similarity inquiry can thus be understood to be rights based only in relational terms, and not in the consequentialist sense that the idea of a rights-based approach is often used.<sup>246</sup> The author’s rights argument for copyright protection is routinely thought of in absolute terms and almost never conceptualized bilaterally.<sup>247</sup> Indeed, by connecting it to Hegel’s notion of personhood as a justification for property—itsself an absolute interest—the interest comes to be conceptualized in terms analogous to property as a natural-rights-based claim.<sup>248</sup> Yet personality, much like other deontological interests, is perfectly capable of being understood and analyzed in bilateral, relational

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244. *Folsom v. Marsh*, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841). For other labor-based explanations of copyright law, see generally Wendy J. Gordon, *A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 *YALE L.J.* 1533 (1993); and Yen, *supra* note 189.

245. Kim Treiger-Bar-Am, *Kant on Copyright: Rights of Transformative Authorship*, 25 *CARDOZO ARTS & ENT. L.J.* 1059, 1067–68 (2008).

246. For an interesting discussion of the idea of “rights-based” approaches to copyright, dispelling some of the common mistakes that this entails, see Jean-Luc Piotraut, *An Authors’ Rights-Based Copyright Law: The Fairness and Morality of French and American Law Compared*, 24 *CARDOZO ARTS & ENT. L.J.* 549, 553–56 (2006).

247. Indeed, this is manifested in the Copyright Act’s own limited recognition of author’s rights. See 17 U.S.C. § 106A (2006) (“[T]he author of a work of visual art . . . shall have the right . . . to claim authorship of that work . . .”).

248. See Justin Hughes, *The Philosophy of Intellectual Property*, 77 *GEO. L.J.* 287, 330–39 (1988); see also Margaret Jane Radin, *Property and Personhood*, 34 *STAN. L. REV.* 957, 958–59 (1982).

terms.<sup>249</sup> The main analytical difference between the two is that whereas the relational conception is predicated on the identification and rectification of harm, the absolutist conception is thought to operate independent of any harm or infraction. The evolution of privacy as an interest protected by the law independent of property is a good example of the former.<sup>250</sup> The privacy interest came to be understood and protected by reference to a set of actions that were designed to protect the right “to be let alone,” which analytically anticipated an invasion.<sup>251</sup> The personality interest can be conceived of in analogous terms. While it does not form the basis for the abstract right, it nonetheless remains an important interest that copyright law seeks to protect relationally against interferences.

A rights-based, correlatively structured similarity analysis might, on the face of things, be seen as requiring decision makers to undertake a qualitative, aesthetic judgment of the work, precisely the kind of inquiry that Justice Holmes is known to have cautioned against in his formulation of copyright’s nondiscrimination principle in *Bleistein v. Donaldson Lithographing Co.*<sup>252</sup> On closer examination, though, the fact that the similarity analysis is structured as a purely factual inquiry—relegated to the jury whenever possible—actually sits well with Justice Holmes’s admonition. Because the assessment is not made by “persons trained only to the law,”<sup>253</sup>—that is, judges, except when sitting in their capacity as fact finders—the similarity analysis in this formulation remains perfectly compliant with the non-discrimination principle. Additionally, Holmes’ concerns about discriminating between different works seemed to stem from the binary structure of the inquiry he was presented with in that case—namely, whether the work was entitled to protection or not.<sup>254</sup> Because the similarity inquiry here is structured in relational terms, it works less as a denial of all protection to a work and more as a situational determination of liability, perhaps reducing the rigor of Justice Holmes’ concerns.

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249. See, e.g., Sophia Moreau, *What Is Discrimination?*, 38 PHIL. & PUB. AFF. 143, 146–47 (2010).

250. See Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890).

251. *Id.* at 195.

252. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903).

253. *Id.* at 251.

254. See *id.*

Understanding the similarity inquiry as deriving from copyright's nonutilitarian values also explains why this stage of the substantial-similarity examination consciously avoids relying on expert testimony.<sup>255</sup> Determining which parts of a work demonstrate a greater connection to the author's agency, and whether the defendant's actions interfere with it, is entirely a question of subjective judgment, peculiar to the work and authors in question. Expert testimony is therefore unlikely to be particularly helpful given the individualized comparison that this task involves. Far more useful to the determination is evidence about the author's creative process, something that is routinely introduced to aid the analysis.<sup>256</sup>

3. *Justifying the Sequencing.* Separating the utilitarian and personality-based goals of copyright law in substantial similarity's two-step analysis allows courts to order the introduction of these incommensurables into the adjudicative process. Yet, conceptual *sequencing* is different from conceptual *ordering*. The process thus has to account not just for the separation of the inquiry but also for the particular sequence in which the variables are considered.<sup>257</sup> In other words, it needs to be able to explain why it is that substantial similarity does not begin with the personality ideal and then look to its utilitarian goals in the second step.

Appreciating the rationale behind the sequence necessitates getting to the bottom of copyright law's normative foundations. Unlike its civil-law counterparts, in which the connection between an author and the work is thought to generate an inalienable right that is natural—in the sense of being nonpositive in its origin<sup>258</sup>—Anglo-American copyright law views the source of the author's entitlement to be rooted *entirely within* positive law.<sup>259</sup> In contrast to laws that create wrongs in relation to prestatutory interests such as tort or antidiscrimination law, the copyright statute both identifies the four corners of the interest it protects and delineates actions that it treats

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255. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946). *But see* Lemley, *supra* note 15, at 29–30.

256. *See, e.g., Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1146 (2d Cir. 1987).

257. *See* Chapman, *supra* note 40, at 1505 (“A conceptually sequenced argument might provide a quite different sort of ordering for decisionmaking from that provided by a value ordering.”).

258. *See* Monta, *supra* note 28, at 178.

259. *See id.*



as interferences with that interest.<sup>260</sup> The copyright statute's grant of exclusive rights thus exhausts the gamut of the creator's rights under United States copyright law.<sup>261</sup> And because the statute's primary—if not exclusive—purpose lies in its utilitarian, welfare-based ideal,<sup>262</sup> the recognition or grant of an interest originates there. The personality interest is, in other words, worthy of recognition only if the fundamental utilitarian purpose is realized. Without a fundamental utilitarian purpose being served, the investment of personality into creative expression is simply not worthy of protection. This is in contrast to other areas of the law, such as tort law and criminal law, in which the positive legal regime is trying to protect rights and interests that are prepositive—which in turn accounts for why any conceptual sequencing in adjudicating claims in those contexts begins with the right and then introduces utilitarian considerations.<sup>263</sup>

This argument treats the institution of copyright as a positive construct and the wrongfulness of copying as devoid of any independent moral connotations. In other words, expressive copying is wrong because the law treats it as such.<sup>264</sup> Indeed, this positivist approach to copyright law has been a mainstay of the American tradition, manifested in the language of the Constitution's Copyright Clause, and formed the basis of the law's rejection of the idea of "common law copyright" for works covered by the statute.<sup>265</sup> To the extent that notions of moral wrongfulness or the like enter the equation, they do so entirely on terms determined by the law and never independent of it.

In following the sequence that it does, substantial similarity thus allows copyright law to prioritize the good over the right. The conflict between the good and the right has long remained at the center of the debate between utilitarianism and other deontologically oriented approaches.<sup>266</sup> The ideal of the good represents a commitment to

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260. See *Silvers v. Sony Pictures Entm't, Inc.*, 402 F.3d 881, 883–84 (9th Cir. 2005) (“[T]he only rights that exist under copyright law are those granted by statute.”).

261. See *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 661 (1834) (“Congress, then, by this act, [Act of 1790.] instead of sanctioning an existing right, as contended for, created it.”).

262. See sources cited *supra* note 159.

263. See *Chapman*, *supra* note 40, at 1512–20.

264. For more on the general idea of a legal wrong and its significance as a matter of positivism, see generally Goldberg & Zipursky, *supra* note 141.

265. *Wheaton*, 33 U.S. at 661–62.

266. See generally DAVID ROSS, *THE RIGHT AND THE GOOD* (2002); John Rawls, *The Priority of the Right and Ideas of the Good*, 17 PHIL. & PUB. AFF. 251 (1988).

consequences of a certain kind, whereas the ideal of the right represents the belief that there remains an unconditional or categorical moral virtue in actions or decisions that can and should be divorced from their consequences.<sup>267</sup> Whereas deontology emphasizes the priority of the right over the good, utilitarianism does just the opposite—by prioritizing the good over the right.<sup>268</sup> In adhering to the two-step sequence, copyright law can be seen to be following its foundational utilitarian purpose.

The inquiry's prioritization of the good over the right via a sequenced ordering of considerations should not, however, be taken to imply that the ideas of the right and the good are somehow converted into neat, watertight categories as a functional matter. Indeed, one of the earliest criticisms of Kant's theory of the "categorical imperative," in which he posited the superiority of the right over the good, was attacked precisely for its inability to demarcate the practical basis for the right independent of assessments of the good.<sup>269</sup> One thus should not expect the demarcation to become any clearer in copyright law just because the order is now reversed. If anything, the normative purity of the rights-based account is likely to be diluted as a result of the sequenced ordering, since the rights-based considerations are instantiated within a very limited domain.

For copyright, though, this should be viewed as more of a benefit than a cost. Instead of letting rights-based considerations have unbounded importance during the decision-making process—which in turn might run afoul of the Constitution's strong utilitarian mandate—conceptual sequencing limits their operation to the correlative domain, in the process forcing them to operate *within* the utilitarian framework of the institution. In so doing, it no doubt gives them a distinctively utilitarian purpose, something that even the most ardent supporters of rights-based considerations in copyright law acknowledge as necessary to ensure the system's compliance with the Constitution.<sup>270</sup>

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Reconceptualizing copyright's substantial-similarity analysis as a conceptually sequenced ordering of plural considerations in the

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267. Charles Larmore, *The Right and the Good*, 20 *PHILOSOPHIA* 15, 15–16 (1990).

268. See GERASIMOS SANTAS, *GOODNESS AND JUSTICE: PLATO, ARISTOTLE, AND THE MODERNS* 155 (2001).

269. See Larmore, *supra* note 267, at 19.

270. See, e.g., Kwall, *supra* note 191, at 1991.

infringement analysis reveals how copyright law is able to successfully accommodate both utilitarian and rights-based considerations. Instead of forcing the analysis to lexically prioritize one set of concerns over the other, or to balance them in some kind of direct tradeoff, it allows courts to restrict the prioritization to the temporal sequence and then give each set of concerns adequate attention at different stages of the inquiry.

Copyright's dominant explanatory theory is today no doubt utilitarian, according to which the institution exists principally to induce the production of creative works at minimal social cost via the market.<sup>271</sup> Yet, much like the economic explanation for tort law, this utilitarian account of copyright law is hard-pressed to explain copyright's intrinsic bipolarity constraint: the reality that the private-law-based plaintiff-defendant structure represents its chosen vehicle to realize its utilitarian goals.<sup>272</sup> If tort law is entirely about ensuring efficient deterrence, why tie a plaintiff's recovery to actual harm, rather than the level of deterrence necessary? In a similar vein, if copyright law is entirely about inducing creativity by allowing plaintiff-creators to recover for copying, why limit the recovery to the harm from a defendant's copying rather than the optimal inducement necessary for creation?<sup>273</sup> Indeed in copyright law, we might even go one step further and ask why the system should emphasize copying at all, instead of carving out a market monopoly for the creator. This bipolarity constraint is thought to represent the fact that copyright law, much like tort law, represents a private-law institution attempting to further public-oriented goals.<sup>274</sup> Consequently, its explanatory and functional accounts need to remain sensitive to both the public-purpose and private-law dimensions.<sup>275</sup> The sequenced introduction of utilitarian and rights-based values through substantial similarity is an important way by which this accommodation is achieved.

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271. See Balganes, *supra* note 156, at 1577–78 (“Copyright, it is argued, exists to provide creators with an incentive to create and disseminate their works publicly.”).

272. See PETER CANE, *THE ANATOMY OF TORT LAW* 11–12 (1997); JULES L. COLEMAN, *THE PRACTICE OF PRINCIPLE: IN DEFENCE OF A PRAGMATIST APPROACH TO LEGAL THEORY* 13 (2001). For a fuller discussion of bipolarity and its connection to broader public goals, see Hanoch Dagan, *The Limited Autonomy of Private Law*, 56 AM. J. COMP. L. 809, 811–13 (2008).

273. Balganes, *supra* note 1, at 1168–70.

274. See Balganes, *supra* note 229, at 20; Dagan, *supra* note 272, at 813 (making a similar claim about private law generally).

275. Balganes, *supra* note 229, at 23.

### III. THE BENEFITS OF SUBSTANTIAL SIMILARITY

Having seen how substantial similarity embodies an underappreciated structural dimension of the copyright entitlement and allows utilitarian and rights-based considerations to enter into the infringement analysis, we now move to identifying the benefits that are likely to flow from it. The advantages that are likely to accrue to the copyright system from this process are both *formal* and *substantive*. This Part identifies and discusses three such benefits of this analytical process: (i) it is likely to result in courts and judges exhibiting a greater degree of candor and forthrightness about the values that they are seeking to instantiate in the functioning of copyright law; (ii) it enables the bifurcation of copyright law's guidance for upstream and downstream actors; and (iii) it will allow the fair-use doctrine to focus on considerations unique to the defendant's actions, the core of a "defense."

#### A. *Fine Tuning Copyright's Upstream and Downstream Guidance*

As an incentive mechanism for creativity, copyright law is concerned with guiding behavior. Its promise of limited market exclusivity is thought to guide behavior by encouraging the very production of new creative works among authors.<sup>276</sup> Yet, this promise represents only one side of the story. As a mechanism of liability, copyright law is also about signaling to potential defendants the range of behavior that will be tolerated before liability is imposed.<sup>277</sup> It thus operates as an incentive not just for independent creativity but also for sequential or derivative creativity, in which defendants use and copy protected work in producing their own works. The distinction between the two incentive effects may usefully be characterized as "upstream" and "downstream," respectively.<sup>278</sup>

Copyright's upstream-guidance function seems to pose few problems in practice. Its promise of *some* protection for minimal amounts of creativity in expression forms a fairly robust signal to

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276. See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 477 (1984) ("Copyright is based on the belief that by granting authors the exclusive rights to reproduce their works, they are given an incentive to create . . .").

277. See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, (1994) ("Because copyright law ultimately serves the purpose of enriching the general public through access to creative works, it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible.").

278. Balganesch, *supra* note 142, at 69.

potential creators. On the downstream side, though, copyright's guidance for potential defendants has long been known to be problematic. Despite its being copyright's principal safety valve, the cost-benefit analysis that fair use entails is often largely unpredictable.<sup>279</sup> This in turn contributes to a significant degree of risk aversion, stifling what may be otherwise socially productive forms of using the protected work.<sup>280</sup> A sequenced ordering of copyright's goals through the substantial-similarity inquiry is likely to go some distance in alleviating this concern and in further fine tuning copyright's upstream incentives.

The second part of the substantial-similarity inquiry—the similarity analysis—can be seen as generating a distinct set of relational directives aimed exclusively at potential defendants—or, downstream creators. Unlike simple directives that operate in the nature of abstract prohibitions on certain kinds of conduct, for example, do not speed, relational directives are aimed at specific individuals, in an effort to protect their legal interests, for example, do not injure X.<sup>281</sup> Tort law is said to consist of relational directives that impose relational legal duties on individuals to act or refrain from acting in a certain way.<sup>282</sup>

It is crucial to appreciate the idea of a relational directive and to distinguish it from its simplistic characterization as a liability rule in the Calabresi-Melamed framework.<sup>283</sup> The law's mere imposition of liability for certain actions does not imply that individuals do not view themselves as being under an obligation to obey the law. In other words, individuals are very often motivated to comply with the law

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279. Gideon Parchomovsky & Kevin A. Goldman, *Fair Use Harbors*, 93 VA. L. REV. 1483, 1491–1502 (2007).

280. See Michael W. Carroll, *Fixing Fair Use*, 85 N.C. L. REV. 1087, 1092–1122 (2007) (“While the doctrine’s attention to context has many salutary attributes, it is so case-specific that it offers precious little guidance about its scope to artists, educators, journalists, Internet users, and others who require use of another’s copyrighted expression in order to communicate effectively.”).

281. Benjamin C. Zipursky, *Rights, Wrongs, and Recourse in the Law of Torts*, 51 VAND. L. REV. 1, 59–60 (1998).

282. For more on the idea of relational directives and their significance in tort law, see *id.* at 59–60; Goldberg & Zipursky, *supra* note 141, at 945–46.

283. See Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089, 1092 (1972) (“Whenever someone may destroy the initial entitlement if he is willing to pay an objectively determined value for it, an entitlement is protected by a liability rule.”).

because it is the law and it speaks to them as a set of directives.<sup>284</sup> In pioneering work, Professor Dale Nance showed how the simplified understanding of all tort law as liability rules failed to capture this distinction, which he classified as the distinction between “guidance rules” and “enforcement rules.”<sup>285</sup> Whereas enforcement rules are directed at recalcitrant actors, guidance rules are directed at individuals who seek to order their lives to remain in compliance with the law.<sup>286</sup> Thus the tort laws of battery or fraud no doubt remain structured as regimes of liability for certain actions, yet one would be hard-pressed to argue that they do not generate relational directives to individuals *not to* perform those actions. So it is with copyright too.

Although it is no doubt a regime of liability, copyright’s emphasis on copying operates as a relational directive to potential copiers. And the source of that relational directive originates in the similarity phase of the substantial-similarity analysis. By consciously refraining from rendering all forms of copying actionable, the analysis directs individuals to refrain from copying another’s protected expression *only when it amounts to an interference with that person’s interests*, which the similarity analysis in turn identifies in terms of the “substance” and “essence” of a work.<sup>287</sup> By identifying the plaintiff’s right in terms of the substance and essence of the work, the substantial-similarity analysis imposes its correlative duty as a relational directive on potential copiers.

One may wonder whether the relational directive communicated by the similarity analysis reduces the indeterminacy of the entitlement in any significant way at all. In practice, it indeed does—over time. In applying the similarity analysis to individual cases, courts have come to recognize that the substance and essence of different categories of works—those that are capable of taking color from rights-based considerations—are likely manifested in certain specific parts of the protected expression.<sup>288</sup> For instance, in relation

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284. Zipursky, *supra* note 281, at 58. For a detailed explication of this idea in copyright law, see Shyamkrishna Balganesh, *The Obligatory Structure of Copyright Law: Unbundling the Wrong of Copying*, 125 HARV. L. REV. 1664, 1674 (2012).

285. Dale A. Nance, *Guidance Rules and Enforcement Rules: A Better View of the Cathedral*, 83 VA. L. REV. 837, 861 (1997).

286. *Id.* at 858.

287. *See supra* Part I.C.

288. *See* OSTERBERG & OSTERBERG, *supra* note 13, §§ 4:1–4.9 (“The evaluation of the total concept and feel of the works at issue generally is an assessment of the protected expression revealed by examination of the seven concrete elements.”).

to literary and dramatic works of fiction, courts have over time come to focus on seven different factors to assess the substance and essence: plot and sequence of events, dialogue, characters, theme, mood, setting, and pace.<sup>289</sup> Similarly, for sculptures with human forms, the analysis tends to emphasize the portrayal of the human form, such as facial features and expression, in determining the essence of the work.<sup>290</sup>

None of this, to be sure, comes close to the certainty that might be offered by a bright-line rule. Yet it marks a major improvement over the guidance directives of fair use in two important respects. First, unlike the fair-use doctrine, the focus here remains on the works themselves rather than surrounding circumstances that may have no bearing on the creative process. A large part of the uncertainty surrounding fair use originates in these variables that are disconnected from the work itself, for example, market harm, potential market, purpose, and so forth.<sup>291</sup> Second, in contrast to fair use, the similarity analysis is frozen in time and fixed at the point in time that the work was created. Consequently, the predictive element that the similarity inquiry entails is static, unlike in the fair use context in which it is dynamic and capable of significant variation over time.<sup>292</sup>

Additionally, the thickness determination also serves to fine tune copyright's upstream incentive structure for creators. By granting greater protection to works that better serve copyright's utilitarian goals, the thickness requirement—at least in theory—sends a signal to creators to ensure that their works meet these goals in order to obtain maximally thick protection. It thus creates an incentive to be more creative, to produce more expressive—as opposed to ideational—content, and indeed to better meet any additional requirements that courts might introduce into the utilitarian calculus.<sup>293</sup>

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289. *Id.* § 4:1; *see also* *Stromback v. New Line Cinema*, 384 F.3d 283, 297 (6th Cir. 2004); *Towler v. Sayles*, 76 F.3d 579, 584 (4th Cir. 1996); *Shaw v. Lindhein*, 919 F.2d 1353, 1356 (9th Cir. 1990).

290. OSTERBERG & OSTERBERG, *supra* note 13, § 10:3.

291. *See* Carroll, *supra* note 280, at 1101–06.

292. *See* Justin Hughes, *Fair Use Across Time*, 50 UCLA L. REV. 775, 787–88 (2003).

293. *See* Parchomovsky & Stein, *supra* note 91, at 1534 (making a similar claim in relation to a tiered system of originality).

*B. Candor and Clarity in Copyright Reasoning*

In innumerable copyright-infringement suits, courts routinely confront a dilemma: on the one hand, it often is not clear that the plaintiff's work deserves full protection under copyright law. At the same time, though, the defendant's act of copying is palpably egregious: willful, anticompetitive, or a verbatim reproduction of the plaintiff's work in its entirety. In these situations, two of which are discussed below, denying the plaintiff all protection would fail to communicate the law's disapproval of the defendant's actions. But simply finding the defendant's actions to constitute infringement might have the effect of according the plaintiff's work more protection than it merits.

Copyright's binary mechanisms only serve to exacerbate this dilemma. The idea of copyrightability, even when measured through its various components such as originality or the idea-expression dichotomy, is often viewed as an all-or-nothing determination.<sup>294</sup> Additionally, the tendency among courts to view the copyright entitlement entirely in its abstract, nonrelational formulation also contributes to this. Copyright's entitlement is perceived to be attached exclusively to the work and rarely ever as equally influenced by the bipolar or correlative structure of the claim. Thus, in attempting to balance these competing concerns, courts are invariably forced to draw artificial distinctions or to create categories that run counter to copyright law's core principles. Two prominent infringement cases best illustrate this phenomenon and how the courts' uses of substantial similarity might have allowed each court to engage in significantly less idiosyncratic reasoning to reach its conclusion.

The first of these was a case decided by the Seventh Circuit, *American Dental Ass'n v. Delta Dental Plans Ass'n*.<sup>295</sup> The plaintiff association in the case had created a comprehensive code of dental procedures and nomenclatures. The code contained an encyclopedic index of all dental procedures and assigned each procedure a unique short description, a long description, and a number.<sup>296</sup> The defendant association, which had participated in the creation of the plaintiff's code, eventually created its own index of procedures, and in so doing

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294. See *supra* notes 196–197.

295. *Am. Dental Ass'n v. Delta Dental Plans Ass'n*, 126 F.3d 977 (7th Cir. 1997).

296. *Id.* at 977–78.



copied the descriptions—both long and short—and numbers from the plaintiff’s work.<sup>297</sup> Unhappy with this copying, the plaintiff commenced a copyright-infringement action against the defendant.<sup>298</sup>

The district court concluded that the plaintiff’s code was uncopyrightable.<sup>299</sup> Finding that it lacked any “modicum” of creativity, the court focused on the code’s utilitarian nature to conclude that it lost any semblance of originality once the form of the work was separated from its function.<sup>300</sup> Recognizing that copyright law contained no explicit rule disallowing protection for utilitarian literary expression analogous to its rule denying protection to useful designs, the court used copyright’s admittedly vague “originality” requirement to reach a similar conclusion.<sup>301</sup>

On appeal, Judge Frank Easterbrook took exception to this approach, which he viewed as conflating originality with functionality.<sup>302</sup> His majority opinion began by setting out the absurd, economically disastrous consequences that would result from the denial of protection to works simply because they were functional in nature.<sup>303</sup> Finding that there was indeed some amount of creativity in the plaintiff’s classification of dental procedures, he concluded that all three components of the plaintiff’s work were indeed copyrightable.<sup>304</sup>

An obvious undertone in Judge Easterbrook’s opinion, however, is his emphasis on the amount of work and effort that went into the plaintiff’s code and on the robust market that exists for taxonomic works of the same nature. After detailing the various kinds of cost-intensive, economically valuable taxonomies that exist in the market, he went to some pains to argue that “[c]lassification is a creative endeavor,” that the plaintiff’s choices in its classification weren’t dictated by logic, and that “[c]reativity marks the expression” even after these choices were made.<sup>305</sup> Indeed, at one point in his description of the plaintiff’s choices, he noted how “[b]lood is shed in the [plaintiff’s] committees” over the choice of how to describe a

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297. *Id.*

298. *Am. Dental Ass’n v. Delta Dental Plans Ass’n*, No. 92 C 5909, 1996 WL 224494 (N.D. Ill. May 1, 1996), *vacated*, 126 F.3d 977 (7th Cir. 1997).

299. *Id.* at \*17.

300. *Id.* at \*9–17.

301. *Id.* at \*8–9.

302. *Am. Dental*, 126 F.3d at 980.

303. *Id.* at 978–79.

304. *Id.* at 979.

305. *Id.*

procedure.<sup>306</sup> Intriguingly, he went on to draw a distinction between a “taxonomy” and a “compilation,” arguing that the former contains materials that are incapable of existing independently, unlike the latter, and he rejected the argument that a taxonomy is an unprotectible “system,” noting instead that it is capable of being put to multiple uses.<sup>307</sup>

Clearly important to Judge Easterbrook then was the fact that the defendant was a competitor of the plaintiff’s, rendering its actions anticompetitive in market terms, and the reality that the plaintiff had invested a good deal of effort and thought into its work, even if all of it wasn’t apparent on the face of the work itself. Yet explicitly acknowledging either of these concerns would have been problematic. Anticompetitive concerns are given no special emphasis in copyright law, and the plaintiff’s efforts alone render the work no more worthy of protection after *Feist*’s rejection of a “sweat of the brow” approach to copyrightability.<sup>308</sup>

In reality though, both the lower-court and appellate-court opinions are equally disingenuous. Whereas the district court had consciously conflated originality and functionality, the Seventh Circuit chose to conflate originality with effort and used it as a proxy for market consequences. Yet both courts were seemingly troubled by the binary nature of the originality determination. To conclude that the work was indeed original was problematic to the district court in light of there being no infusion of “personal taste or judgment” by an individual author.<sup>309</sup> But finding that there was no originality seemed just as problematic to the Seventh Circuit, from a purely consequentialist point of view, in light of the effects it might have had on the market for such indices and taxonomies—which Judge Easterbrook chose to place great emphasis on as a descriptive matter in his opinion.<sup>310</sup> Both approaches to copyright reasoning were in some sense, then, dictated by the outcome that the court wanted to reach in the case.

Had either court focused its attention on the substantial-similarity analysis and the conceptually sequenced structure that the

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306. *Id.*

307. *Id.* at 980.

308. *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 353 (1991).

309. *Am. Dental Ass’n v. Delta Dental Plans Ass’n*, 92 C 5909, 1996 WL 224494, at \*15 (N.D. Ill. 1996), *vacated*, 126 F.3d 977 (7th Cir. 1997).

310. *Am. Dental*, 126 F.3d at 979–80.

analysis represents, it might have gone a long way in alleviating their respective concerns and perhaps rendering their respective reasoning less convoluted. This is not to imply that if both courts had focused on substantial similarity they would have reached the same conclusion. Rather, it would have brought their real concerns to the forefront of their analyses instead of masking them behind faux formalism. The district court's concern was that the plaintiff's work, the taxonomy, was not sufficiently creative, even though it had been copied in large measure (indeed, at times verbatim) by the defendant.<sup>311</sup> The Seventh Circuit was, on the other hand, more concerned by the egregious nature of the copying, which appeared to be nothing more than the defendant free riding on the plaintiff's labor-intensive efforts. Instead of forcing the work to be classified in a binary way as either original or unoriginal, substantial similarity—in its thickness determination—would have had both courts focus on *how original* the work was, independent of the defendant's copying. Here, it remains likely that both courts might have found the work to be minimally original and therefore entitled to very “thin” protection. This in turn would have set the standard of scrutiny for the similarity analysis at its strictest.<sup>312</sup> Yet, the facts revealed that the works were virtually identical, with the copying being very extensive.<sup>313</sup> The district court opinion described the copying as “striking.”<sup>314</sup> The copying was of the most labor-intensive parts of the work—its essence and value—giving effect to Judge Easterbrook's concerns about protecting the plaintiff's “endeavor” as well.<sup>315</sup>

The effect of this sequenced and partitioned approach would have been that the plaintiff's taxonomy obtained minimal protection against copying but certainly protection against anticompetitive copying, which forms the focus of the standard of scrutiny under thin copyright protection. Both the district and appellate courts might have had their concerns addressed—and explicitly so—in the process.

A second case involves the merger doctrine, which also operates principally in binary terms. Either the idea and expression in a work are merged and the work is denied all protection, or the two are not

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311. *Am. Dental*, 1996 WL 224494, at \*8–9.

312. *See supra* notes 93–94 and accompanying text.

313. *Am. Dental*, 1996 WL 224494, at \*4–5.

314. *Id.* at \*4.

315. *Am. Dental*, 126 F.3d at 978–79.

merged and the work obtains full protection.<sup>316</sup> In *Kregos v. Associated Press*,<sup>317</sup> the plaintiff had created a form comprising various statistics on baseball pitchers, which the defendant was alleged to have copied in its own similar forms.<sup>318</sup> The district court found for the defendant, and concluded that the plaintiff's work was insufficiently original and creative to qualify for protection and that the idea and expression had "merged" in the work, which rendered it unprotectible under the merger doctrine.<sup>319</sup> On appeal, the Second Circuit disagreed with the district court on both grounds. First, it found that the plaintiff's selection of statistics to include in its form was sufficiently creative to meet the *Feist* standard.<sup>320</sup> On the issue of the merger doctrine however, the court adopted something of a midway approach.

On the one hand, the court was confronted with the argument that the plaintiff's creative selection of statistical data represented its idea, and not its expression.<sup>321</sup> The district court had found the plaintiff's idea to be "an outcome predictive pitching form," which had merged with the expression in the actual form.<sup>322</sup> The Second Circuit chose to construct the plaintiff's idea in more abstract terms, and in the process found there to be multiple ways of expressing the idea—overcoming the merger doctrine. All the same, in abstracting to a higher level of generality, the court worried that it was in effect according protection to the plaintiff's idea, theoretical distinctions aside.<sup>323</sup> To overcome this, it then chose to distinguish between different kinds of ideas: those involving "matters of taste and personal opinion" and those that are more mundane, or run-of-the-mill.<sup>324</sup> In relation to the former, it concluded that the costs of overprotection were minimal—because the idea was in some sense original—and therefore of less concern under the merger doctrine. In essence, the court created a new category of "original ideas" that

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316. See 4 NIMMER & NIMMER, *supra* note 3, § 13.03[B][3].

317. *Kregos v. Associated Press*, 731 F. Supp. 113 (S.D.N.Y. 1990), *aff'd in part, rev'd in part*, 937 F.2d 700 (2d Cir. 1991).

318. *Id.* at 114–16.

319. *Id.* at 119.

320. *Kregos v. Associated Press*, 937 F.2d 700, 704–05 (2d Cir. 1991).

321. *Id.* at 706.

322. *Kregos*, 731 F. Supp. at 119.

323. *Kregos*, 937 F.2d at 706–07.

324. *Id.*

could now obtain protection despite the merger doctrine.<sup>325</sup> Other courts have since built on this classification and extended it to new contexts.<sup>326</sup>

Undoubtedly, the Second Circuit's concerns were legitimate. On the one hand, characterizing the plaintiff's contribution as an idea would result in it being denied protection, despite the reality that the plaintiff had in some sense invested his own personality into the work and which the defendant had seemingly copied. Denying it protection would thus legitimate the defendant's copying of what was original to the plaintiff, even if in the realm of ideas. On the other hand, according it full protection ran the risk of neglecting the merger doctrine, which had strong roots in copyright's utilitarian concern with minimizing monopoly costs.<sup>327</sup>

Once again, a focus on substantial similarity might have alleviated these concerns to a large degree and avoided the creation of an altogether new category, which now at least on the face of things pits the idea-expression dichotomy and the originality requirements at odds with each other, even though they both originate in the same set of utilitarian concerns. The court might have begun with the understanding that the work was entitled to a "highly discerning" standard of protection because it consisted of original and nonoriginal material and indeed its idea and expression were far from being clearly distinguishable. Adopting this standard of scrutiny would have protected the work against copying by the defendant if such copying was shown to be of the most qualitatively significant and protectible parts of the work, which the plaintiff would have had little problem establishing. The defendant's copying had extended to parts of the work—the selection and coordination—that had been infused with the plaintiff's own "taste and personal opinion," which according to the court represented the most valuable parts of the plaintiff's work.<sup>328</sup> Indeed, the court might have even found the defendant's copying to be so extensive as to satisfy the heightened standard of scrutiny under the standard of "thin" protection.

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325. *Id.*

326. *See, e.g.,* CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61, 70–73 (2d Cir. 1994).

327. *See supra* note 192.

328. *Kregos*, 937 F.2d at 707.

Interestingly enough, after remand, both the district court<sup>329</sup> and the court of appeals<sup>330</sup> adopted precisely this approach, and focused their analyses on the defendant's substantial similarity. Although neither court made explicit reference to the thickness of the plaintiff's entitlement in the compilation, the concept of thickness seems pervasive in both opinions. On remand, the district court began by noting the defendant's concession that one of its works was "virtually identical" to the plaintiff's—a likely allusion to the thin copyright doctrine.<sup>331</sup> In relation to the other work, the court decided to examine the existence of the requisite "legal similarity" between the two works, and on dissecting the work and weighing its parts differently, that is, applying a discerning standard, found for the defendant because the similarity, if any, related entirely to the unprotectible parts of the work.<sup>332</sup> Somewhat surprisingly, on appeal from this decision, the Second Circuit affirmed.<sup>333</sup> The "unease" that had motivated its creation of a new category in its previous opinion<sup>334</sup> had now—with the focus shifting from the absolute copyrightability of the plaintiff's work to the relative wrongfulness of the copying—disappeared altogether.

Both these cases together reveal how the substantial-similarity analysis is capable of balancing the competing concerns that courts routinely encounter in a copyright dispute, principally as a result of the dispute's bilateral structure. A more extensive use of substantial similarity is thus likely to imbue the copyright decision-making process with a significantly greater degree of candor than before.

### C. Streamlining Fair Use

An increased reliance on substantial similarity by courts is also likely to indirectly streamline the fair-use doctrine and introduce a measure of coherence into its operation. Although it remains copyright's primary safety valve, fair use is routinely described by courts and scholars as copyright law's "most troublesome" doctrine.<sup>335</sup>

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329. *Kregos v. Associated Press*, 795 F. Supp. 1325 (S.D.N.Y. 1992), *aff'd*, 3 F.3d 656 (2d Cir. 1993).

330. *Kregos v. Associated Press*, 3 F.3d 656 (2d Cir. 1993).

331. *Kregos*, 795 F. Supp. at 1332.

332. *Id.* at 1332–34.

333. *Kregos*, 3 F.3d at 663–64.

334. *Kregos v. Associated Press*, 937 F.2d 700, 707 (2d Cir. 1991).

335. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 475 (1984); *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939) (per curiam).

Fair use originated as an equitable rule of reason that vested a good degree of discretion in courts to relax the stringency of the copyright entitlement whenever circumstances demanded.<sup>336</sup> Yet, in due course it came to be understood as an affirmative defense, the burden for which lay with the defendant.<sup>337</sup> Accordingly, in a copyright-infringement suit, the plaintiff is expected to establish the requirements of a *prima facie* case without any mention of fair use, after which the defendant bears the burden of establishing that the copying ought to be classified as fair use.<sup>338</sup> On the face of things, fair use seems to introduce an additional layer of defeasibility into the copyright entitlement—along the lines of the common law’s traditional rules on pleadings and presumptions.<sup>339</sup>

The problem, however, is that the fair-use determination—at least as codified today—makes use of factors and variables that are legitimately examined as part of the substantial-similarity determination.<sup>340</sup> This sits rather oddly with its structure as an affirmative defense. If fair use is indeed no more than a defense to infringement—implying that it only ever enters the picture *after* a *prima facie* entitlement is found to exist for the plaintiff and the defendant specifically invokes it—then having courts reconsider some of the same issues that they did under their preliminary analysis of the entitlement seems highly redundant and palpably illogical.<sup>341</sup>

The second and third fair-use factors are prime examples of this problem. The second factor requires courts to examine the “nature of the copyrighted work,” while the third asks them to consider “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.”<sup>342</sup> To this day, few courts have used the second factor in any meaningful way.<sup>343</sup> They instead use it to summarily differentiate between purely factual and creative works, but then go on to place little weight on the factor in the overall analysis.<sup>344</sup> In functional terms, this factor continues to remain the

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336. H.R. REP. NO. 94-1476, at 65–66 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5679.

337. *Stewart v. Abend*, 495 U.S. 207, 236 (1990); 4 NIMMER & NIMMER, *supra* note 3, § 13.05.

338. 4 NIMMER & NIMMER, *supra* note 3, §§ 13.01, 13.05.

339. *See* Richard A. Epstein, *Pleadings and Presumptions*, 40 U. CHI. L. REV. 556 (1973).

340. *See* 17 U.S.C. § 107 (2006).

341. *See* *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1542 n.22 (11th Cir. 1996).

342. 17 U.S.C. § 107(2)–(3).

343. *See* 4 NIMMER & NIMMER, *supra* note 3, § 13.05[A][2][a].

344. *Id.*

least useful. What is interesting is that the thickness prong of the substantial-similarity inquiry has courts ask the exact same question as part of the prima facie case.<sup>345</sup> The difference is that there, unlike in fair use, courts actually attach consequences, that is, the application of the appropriate standard of scrutiny, to their conclusion.<sup>346</sup>

Although the third fair-use factor does have some functional significance, its overlap with the substantial-similarity inquiry is pervasive. Recall that the similarity analysis requires courts to examine the quantity and quality of the defendant's copying in light of the copyrighted work as a whole.<sup>347</sup> Yet this is exactly the inquiry demanded by the third fair-use factor.<sup>348</sup> Recognizing this, the Eleventh Circuit has tried to restructure the inquiry as an examination of "whether the amount taken is reasonable in light of the purpose of the use and the likelihood of market substitution."<sup>349</sup> Unsatisfactorily, this formulation does little more than redirect the third factor toward the first and fourth factors—producing a redundancy within the fair-use factors themselves!

One solution to this overlap is to collapse fair use into the adjudication of the prima facie entitlement and to place the burden for it on the plaintiff—an idea that some have suggested before.<sup>350</sup> Given that this development is highly unlikely in light of the position that both Congress and the Supreme Court have taken on the issue,<sup>351</sup> a more pragmatic approach lies instead in streamlining the fair-use inquiry by having it focus on variables and elements for which the defendant is indeed best positioned to bear the burden. Leaving aside for a moment the issue of the overlap between fair use and substantial similarity, an additional problem in the structure of the second and third fair-use factors lies in its requiring the defendant to introduce

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345. *Id.* § 13.05[A][4]; *see also supra* Part I.B.

346. *See supra* Part I.B.

347. *See supra* Part I.B.

348. 4 NIMMER & NIMMER, *supra* note 3, § 13.05[A][3].

349. *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1314 n.30 (11th Cir. 2008).

350. For previous suggestions along these lines, see 3 NIMMER & NIMMER, *supra* note 3, § 12.11[F]; Christina Bohannon, *Copyright Harm, Foreseeability, and Fair Use*, 85 WASH. U. L. REV. 969, 1028 (2007) ("Under the harm-based approach to fair use . . . the plaintiff should bear the burden in such cases to prove that such harm has occurred or is likely to occur."); Harry N. Rosenfield, *The Constitutional Dimension of "Fair Use" in Copyright Law*, 50 NOTRE DAME L. REV. 790, 801 (1975).

351. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994); H.R. REP. NO. 102-836, at 3 n.3 (1992), *reprinted in* 1992 U.S.C.C.A.N. 2553, 2555 n.3.



evidence on issues about which the plaintiff holds all the information. The nature of the copyrighted work—if understood as an examination of the originality or creativity inherent in the work—entails examining, among other things, the creative process involved in the production of the work. Similarly, the substantiality of the work as a portion of the copyrighted work as a whole is a question about the essence or heart of the copyrighted work, which the defendant may know very little about. It is inefficient and unproductive to have the defendant bear the burden of gathering information in the first instance about the plaintiff's actions, simply as a procedural matter. Thus, in addition to the issue of redundancy, the second and third fair-use factors remain grossly inefficient, given the information asymmetry between the plaintiff and the defendant on the matters being examined.

One way for fair use to remain an affirmative defense, while simultaneously avoiding the redundancies and inefficiencies identified above, is to have it share its role with substantial similarity. The second fair-use factor—the nature of the copyrighted work—performs no meaningful role in the fair-use analysis, even when the factor is found to weigh in favor of the defendant.<sup>352</sup> Yet, it is precisely the nature of the work on which the thickness prong of the substantial-similarity analysis focuses. And there, as we noted, it is routinely translated into a meaningful outcome: namely, a variation in the standard of scrutiny fixed for the similarity analysis. Courts applying the substantial-similarity analysis might thus legitimately ignore the second fair-use factor altogether, recognizing that all of what it constitutes is undertaken during the thickness analysis—something that courts already do more-or-less expressly.<sup>353</sup> The third fair-use factor can in turn be converted into a meaningful mechanism for courts to assess the extent to which the defendant relies on the copyrighted work in producing its own work. In other words, the third factor might be used to measure the amount and substantiality of the portion of the protected work used in relation to the defendant's work as a whole.<sup>354</sup> This move would allow the court to contextualize

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352. See 4 NIMMER & NIMMER, *supra* note 3, §13.05[A][2][a].

353. See, e.g., *Campbell*, 510 U.S. at 586 (observing how the second factor is not of much help when the copying is of an expressive work); *FMC Corp. v. Control Solutions, Inc.*, 369 F. Supp. 2d 539, 579–80 (E.D. Pa. 2005).

354. For an example of a court actually using the factor this way, see the Second Circuit's opinion in *Harper & Row, Publishers, Inc. v. Nation Enterprises.*, 723 F.2d 195, 208 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985). For a fuller discussion, see *infra* Part IV.B.3.

the defendant's copying within the broader context and purpose of the copying, precisely along the lines alluded to by the Tenth Circuit.<sup>355</sup> It would also in the process emphasize the idea, routinely operationalized by courts, that in some situations even the copying of a protected work in its entirety may constitute fair use.<sup>356</sup> Looking to the defendant's work in its entirety as a denominator for the inquiry would cause courts to instantiate this principle more fully on a regular basis.

In turn, this structural bifurcation is likely to result in a more equitable and efficient sharing of burdens between the plaintiff and the defendant in copyright-infringement claims. It would also ensure that courts pay sufficient attention to both parties' works rather than just the plaintiff's. The thickness inquiry would have courts focus only on the plaintiff's work, the similarity analysis on a comparison of the two works, and the fair-use inquiry exclusively on the defendant's work and the values that it implicates. Although this streamlining will not eliminate all of the confusion that today surrounds fair use, it will at the very least serve to provide a fair bit of structural integrity to the fair-use doctrine, something that it currently lacks altogether.

#### IV. THE SEQUENCED SUBSTANTIAL SIMILARITY ANALYSIS IN ACTION

Having examined the structure of substantial similarity as a mechanism of entitlement delineation and analyzed its virtues, this Part illustrates its functioning of substantial similarity by applying it to a landmark copyright law case decided by the Supreme Court, *Harper & Row, Publishers, Inc. v. Nation Enterprises*.<sup>357</sup> In the decade-and-a-half since it was handed down, *Harper & Row* has come to be understood as having adopted an excessively narrow, market-oriented approach to fair use.<sup>358</sup> Scholars have struggled to make sense of the competing concerns that seemed to motivate the Court's fair-use and free-speech reasoning.<sup>359</sup> In this Part, I argue that the real failure in

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355. See *Campbell*, 510 U.S. at 587.

356. 4 NIMMER & NIMMER, *supra* note 3, § 13.05[A][3].

357. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).

358. See, e.g., NETANEL, *supra* note 1, at 64 (“[T]he Court adopted a crabbed, decidedly property-centered view of fair use.”).

359. See, e.g., *id.* at 64–65; Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 354, 395–96 (1999); William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1659, 1789 (1988).

*Harper & Row* was architectural. The Court's fundamental problem lay in its focusing on fair use as the copyright entitlement's exclusive safety valve. Had it understood the entitlement to be a multilayered defeasible one—along the lines suggested in this Article—its reasoning would have been more streamlined, and its real motivations would have become more apparent. This is hardly to suggest simply that by employing the substantial-similarity analysis the Court would have necessarily reached a different result. It is very likely that the final outcome of the case would have remained the same—but for more cogent and defensible reasons.

A. *Moving Beyond Fair Use in Harper & Row*

The facts of *Harper & Row* are well known to any student of copyright law. President Gerald Ford had authored a memoir, titled *A Time to Heal*,<sup>360</sup> for which he entered into a publishing agreement with the plaintiffs, Harper & Row. The memoir was meant to contain his personal account of the Watergate crisis, the pardoning of President Richard Nixon, and other connected events. The plaintiffs in turn entered into a prepublication agreement with *Time* magazine, under which the latter agreed to publish short excerpts from the memoir in its magazine about a week before the memoir was to be released publicly. Two or three weeks before the memoir was to be released, the defendant's editor received an unauthorized copy of the final manuscript from an anonymous source.<sup>361</sup> Knowing the material to be highly confidential and time sensitive, but nonetheless sensing a news opportunity, he hastily put together a news story of about 2250 words, excerpting various quotes, details, paraphrases, and facts from the manuscript.<sup>362</sup> When the defendant published its story, *Time* magazine immediately cancelled its prepublication agreement with the plaintiffs, and the plaintiffs in turn commenced an action for copyright infringement—together with other state law claims—against the defendant.<sup>363</sup>

Discussions of *Harper & Row* today invariably focus on the Supreme Court's opinion in the case and its conclusion that the defendant's use did not constitute a fair use, despite the journalistic importance of the material and the allied First Amendment issues

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360. GERALD R. FORD, *A TIME TO HEAL* (1979).

361. *Harper & Row*, 471 U.S. at 542–43.

362. *Id.* at 543.

363. *Id.*

involved.<sup>364</sup> What is more relevant for our purposes is *how* the Court reached the question of fair use, an affirmative defense, and for which it would have had to reach a decision on the plaintiff's prima facie entitlement. And here we see an unusually rich discussion of copyright's basic architecture in the disagreement among the lower courts, which the singular focus on the Supreme Court's opinion almost always ignores.

After setting out the facts of the case, the district court moved almost immediately to the issue of fair use.<sup>365</sup> Its discussion of the prima facie entitlement was limited to the observation that the work was "protected by copyright," a proposition for which it cited the definition of a literary work and the fact that the transfer from the author to the publisher had been recorded.<sup>366</sup> Moving to fair use, and running through the various factors enumerated in the statute, the district court then concluded that the defendant's copying was not privileged as a fair use and found for the plaintiffs.<sup>367</sup>

On appeal, the Second Circuit disagreed with the lower court's failure to analyze the prima facie entitlement altogether.<sup>368</sup> Yet, its opinion argued that the real focus of the dispute ought to have been on whether the plaintiff's work was fundamentally "copyrightable" rather than on the defendant's fair use.<sup>369</sup> Its observation in this regard is telling:

The trial court began its opinion on copyright infringement by considering whether *The Nation* article was news reporting and, if so, whether *The Nation* had made a "fair use" of the memoirs. As a result, it did not face, at the outset, the threshold issue whether the material used by the magazine was copyrightable. We commence this part of our discussion, then, by turning our attention to that question, putting aside the matter of "fair use" until we have decided if any use of copyrighted expression did, in fact, occur.<sup>370</sup>

Turning to the issue of copyrightability, the Second Circuit concluded that the plaintiff's work consisted of both protected and

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364. See *supra* notes 358–359.

365. Harper & Row, Publishers, Inc. v. Nation Enters., 557 F. Supp. 1067, 1069–70 (S.D.N.Y.), *rev'd*, 723 F.2d 195 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985).

366. *Id.* at 1069–70 & n.3.

367. *Id.* at 1070–72.

368. Harper & Row, Publishers, Inc. v. Nation Enters., 723 F.2d 195, 202 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985).

369. *Id.*

370. *Id.*

unprotected expression.<sup>371</sup> Using this finding as its basis, it concluded that the defendant's copying was of no more than three hundred protected words from the plaintiff's work, and it used this conclusion in its own fair-use analysis.<sup>372</sup> Thus, despite its avowed focus on copyrightability, the Second Circuit engaged in what was effectively a "filtration" exercise of eliminating unprotected material from the analysis altogether, without using this to vary the entitlement.<sup>373</sup>

It is ironic that the court—at this stage of the analysis at least—seemed to be on the right track. In making the move from copyrightability to fair use directly, though, it glossed over the question of copying, which it merged with the fair-use analysis. Thus, in its analysis of the second fair-use factor, the Second Circuit noted how protection for the work was "narrow," without hinting at the consequence or manifestation of such narrow protection.<sup>374</sup> Applying the fair-use factors to the defendant's "infinitesimal" copying, the court concluded that the defendant had a valid fair-use claim in the case.<sup>375</sup>

Given that the two lower courts had oscillated between fair use and copyrightability, one might have thought that the Supreme Court would choose to steer a midway position and focus on the question of "copying." Instead, it dismissed the lower courts' disagreement in overly simplistic terms as being about "originality" and observed early on that it did not need to "reach [those] issues" because the defendant had "admitted to lifting verbatim quotes of the author's original language totaling between 300 and 400 words and constituting some 13% of [the defendant's] article."<sup>376</sup> In this cryptic observation, the Court was conflating the questions of actual copying and substantial similarity—and treating the defendant's admission on the former as going to the latter.

Nonetheless, as part of the third fair-use factor, the Court did scrutinize the defendant's copying.<sup>377</sup> There, in examining the "amount and substantiality" of the work used by the defendant, the Court concluded that even though the copying was of a very small

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371. *See id.* at 203.

372. *Id.* at 206.

373. *See id.*

374. *Id.* at 208.

375. *Id.* at 209.

376. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 548 (1985).

377. *Id.* at 564–65.

fraction of the work, it related to material that constituted the “heart” of the work—endowing it with qualitative significance.<sup>378</sup> In so doing, the Court was merely echoing the district court’s findings.<sup>379</sup> What is interesting here is that the Court completely sidestepped the Second Circuit’s disagreement with the district court on this question—that is, whether the “heart” of the work could include unoriginal, and thus unprotected, materials. The Second Circuit had concluded that the “heart” of the work—even when copied by the defendant—comprised factual material that was unprotected.<sup>380</sup> The Court, on the other hand, completely ignored this discrepancy, thereby implicitly endorsing the position that the “heart” or “essence” of the work, during the analysis of copying, could consist of parts of the work other than the most original or creative parts—parts that the author considered the core, even if they were independently unprotectible. As discussed earlier, this position is more tenable under the substantial-similarity analysis owing to its sequenced, partition-dependent structure,<sup>381</sup> yet surprisingly, the Court adopted this position as part of its fair-use analysis.

None of the three opinions, then, seem to have paid sufficient attention to the various moving parts of the plaintiff’s prima facie entitlement. The Second Circuit came closest, in describing the plaintiff’s protection as “narrow”—but then conflated the issues of copyrightability and copying. The district court unthinkingly moved directly to fair use. And the Supreme Court seems to have assumed the issue away in its analysis. Had substantial similarity been taken as a core part of the prima facie entitlement, each of the courts would have been forced to consider the issue of copying directly, regardless of what outcome they might have reached. The next Section details how this might have occurred.

### B. Harper & Row Through Copyright’s Sequenced Mechanisms

Had the courts paid closer attention to delineating the plaintiff’s prima facie entitlement, it is very likely that they would have had to confront more directly the question of *how much* protection the memoir was entitled to receive. In so doing, they would have also

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378. *Id.* at 565.

379. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 557 F. Supp. 1067, 1072 (S.D.N.Y.), *rev’d*, 723 F.2d 195 (2d Cir. 1983), *rev’d*, 471 U.S. 539 (1985).

380. *Harper & Row*, 723 F.2d at 208.

381. *See supra* Part II.

eliminated much of the confusion that seems to have informed their fair-use analyses, allowing for a more coherent decision. Applying the substantial-similarity analysis would have allowed the courts to separate their inquiries into three separate steps: (i) thickness; (ii) similarity; and (iii) fair use.

1. *Thickness.* As the Court in *Harper & Row* noted, the defendant conceded that it did in fact copy from the plaintiff's work.<sup>382</sup> Consequently, the question of probative copying could have been avoided. Yet the Court would have been called upon to determine the thickness of copyright protection that the work would obtain. And for this determination, it would have had to dissect—as opposed to filter—the work into its constituent elements. We saw how the Second Circuit attempted something similar—except that it went on to whittle down the plaintiff's entitlement to its protectible parts.<sup>383</sup> Instead, the Court might have simply examined how much of the plaintiff's work consisted of copyrightable expression, and how much of it contained unprotectible material. From the Second Circuit's own analysis, it appears as though the work contained a significant amount of unprotectible content<sup>384</sup>—which, as noted earlier, would have necessitated the court's application of an intermediate standard of scrutiny to the analysis of the defendant's copying, or the approach of a “more discerning ordinary observer.”<sup>385</sup> Instead of eliminating the unprotected materials from the analysis, the court would have simply accorded them negligible importance in the overall analysis.

In so applying the thickness prong, the court might have thus indirectly given effect to copyright's utilitarian mandate of ensuring that unoriginal, factual, or abstract content does not obtain protection—and is instead to remain in the public domain.<sup>386</sup> The Ford memoir relied extensively on information and facts available in the public domain, and the original contribution lay in the author's own personal reflections on these events.<sup>387</sup> The work, in other words, furthered copyright's utilitarian mandate only partially and thus would have been legitimately entitled to no more than an intermediate level of protection.

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382. *Harper & Row*, 471 U.S. at 548.

383. *Harper & Row*, 723 F.2d at 206.

384. *Id.* at 205–06.

385. *See supra* Part I.B.

386. *See supra* Part II.C.1.

387. *Harper & Row*, 471 U.S. at 542.

It is worth mentioning that the district court was likely alluding to this approach when it referred to the “totality” of the work that was protected by copyright law.<sup>388</sup> On appeal, the Second Circuit thought this was “erroneous,” because it would have accorded the copyright holder a monopoly over unprotected materials.<sup>389</sup> The Second Circuit’s logic seemed plausible only because it was looking at the issue of copyrightability and not at the defendant’s copying. Had it rightly focused on the question of copying—and the thickness of protection to which the work was entitled—the Second Circuit might have seen the logic in the district court’s totality argument, which the Supreme Court eventually accepted, but without sufficient reasoning.

2. *Similarity*. Having concluded that the work was entitled to an intermediate level of protection and was copyrightable as a whole, the analysis might have then moved to actually applying that “more discerning” standard to examine what exactly the defendant had copied and its quantitative and qualitative significance.<sup>390</sup> Here, it seems likely that the Second Circuit’s focus on the quantity of the defendant’s appropriation would have been insufficient because the similarity prong necessitates a holistic comparison of the works and an examination of whether the appropriation was of the substance and value of the protected work.

As noted earlier, substance and value are not always synonymous with the most original or creative parts of the work, but can instead derive from the parts of the work that are most heavily infused with the author’s personality, judgment, or effort.<sup>391</sup> Using the similarity prong in this fashion would have allowed the court to deal directly with the fact that the defendant had indeed copied the “heart” of the plaintiff’s work, even though that “heart” was not individually copyrightable, being factual in nature. The conflict between the lower courts on the question of copyrightability—which the Supreme Court simplistically referred to as one that revolved around “originality”—might have been usefully resolved by recognizing that variables independent of the standard utilitarian ones can and do enter the equation during the similarity analysis, and

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388. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 557 F. Supp. 1067, 1072 (S.D.N.Y.), *rev’d*, 723 F.2d 195 (2d Cir. 1983), *rev’d*, 471 U.S. 539 (1985).

389. *Harper & Row*, 723 F.2d at 208.

390. *See supra* note 94.

391. *See supra* Part II.B.



that this is far from giving the plaintiff a monopoly over otherwise uncopyrightable material because the inquiry and protection at this stage are entirely relational.

It is hard to know how exactly a court might have come out on the similarity analysis, given its structure as a factual determination. The Supreme Court is likely to have found for the plaintiffs under this formulation too, given how heavily it weighed the material actually copied. This is in contrast to the Second Circuit, which emphasized the quantitative rather than the qualitative dimension—perhaps erroneously. On balance, though, the similarity analysis is likely to have come out in favor of the plaintiffs under the substantial-similarity analysis, principally as a result of the defendant's copying of the "essence" of the memoir. The plaintiffs were thus likely to have shown the existence of a *prima facie* entitlement, even if not a particularly robust one.

3. *Fair Use*. Should the court have found the plaintiffs to have a *prima facie* entitlement after all, then the defendant's fair-use argument does become central. Note that unlike the actual opinions in the case, in the substantial-similarity analysis, a court would reach the fair-use stage only after confirming that the plaintiff does indeed have a valid exclusionary entitlement of some thickness, and that the defendant's copying is similar to the plaintiff's work when seen through the measure of thickness warranted by the work. Given what the court is likely to have examined in the previous two steps, the fair-use analysis becomes significantly more streamlined, and it can legitimately focus on the *defendant's* side of things, rather than on rehashing the plaintiff's entitlement all over again.

The second fair-use factor—the "nature" of the protected work—may be disregarded because its content was effectively adjudicated during the thickness inquiry.<sup>392</sup> Similarly, on the third fair-use factor—the "amount and substantiality" of the taking—the court could now examine this to contextualize the defendant's copying. It would thus examine the amount taken as a proportion of the defendant's—and not the plaintiff's—work.<sup>393</sup> The Second Circuit adopted precisely this approach.<sup>394</sup> For the Second Circuit's

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392. See *supra* Part III.D.

393. See *supra* Part III.C.

394. Harper & Row, Publishers, Inc. v. Nation Enters., 723 F.2d 195, 208 (2d Cir. 1983), *rev'd*, 471 U.S. 539 (1985).

reformulation to have been meaningful, though, the analysis of the significance of the appropriation needs to have already been completed; this analysis had not been undertaken in *Harper & Row*. The substantial-similarity analysis, on the other hand, does this under its similarity prong, rendering the reformulation of the third factor necessary in order to avoid a redundancy. This leaves us with the two remaining fair-use factors—both of which the court might have used to examine the defendant’s actions more closely in terms of its motivations and effects.

Once again it is hard to predict what the outcome is likely to have been, owing to the detail-rich nature of the dispute and the multiple moving parts. At the very least, the Court might have adopted a far more streamlined approach to fair use, focusing exclusively on the defendant’s copying and conduct, and would have weighed the defendant-side factors against each other, without having to intersperse the analysis with details about the plaintiff’s entitlement—something that served to create an added layer of complexity and confusion in the Court’s actual opinion in *Harper & Row*.

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In summary then, it is not clear that a court would have necessarily reached a different outcome in *Harper & Row* using the two-step substantial-similarity analysis. It is, however, very likely that a court would have been forced to pay closer attention to copyright’s underlying analytical framework and separate the plaintiff’s prima facie entitlement from the defendant’s actions in its analysis before deciding the case. In so doing, the Court could have stayed clear of its lofty rhetoric about copyright’s purposes or its structure as a “marketable” “property” right—assertions that seemed to play no role other than obfuscating the overall analysis.<sup>395</sup>

#### CONCLUSION

Scholars and courts remain divided over the fundamental questions of whether and to what extent copyright is a form of property or whether it is instead an entitlement more closely aligned with tort law. And yet, neither side has paid sufficient attention to the precise analytical structure of the copyright entitlement to shed light on these questions. Copyright law’s emphasis on copying remains a

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395. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 554, 558 (1985).

rich and underappreciated source of normativity for the institution. Specifically, the inquiry into the wrongfulness of such copying under the rubric of substantial similarity affords courts the opportunity to calibrate a plaintiff's entitlement to the peculiarities of the work in question, and then instantiate protection relationally by examining the defendant's conduct and its relationship to the plaintiff's entitlement. Beyond its obvious flexibility, its structure as a conceptually sequenced mechanism also renders the entitlement-delineation process pluralistic, allowing it to incorporate both utilitarian and rights-based considerations into the determination.

Discussions of copyright's entitlement structure have come to focus primarily on its statutory dimensions. Indeed, reform initiatives in the area look primarily to Congress for instantiation.<sup>396</sup> To the extent that courts and the common-law process are thought to have a role in the institution, they are relegated to the all-encompassing fair-use doctrine. All of these discussions ignore the fundamental role of courts and the common-law method in shaping copyright's *prima facie* entitlement via the doctrine of substantial similarity, an idea that—in principle, at least—applies to the vast majority of copyright cases and, not surprisingly, finds no mention whatsoever in the copyright statute.

Reformulating copyright's substantial-similarity inquiry in the manner argued for here would serve two immediate purposes. First, it would solve much of the confusion associated with the idea of substantial similarity that has in turn encouraged calls for its complete annihilation. It would in the process reveal that there is indeed a perfectly rational method in the ostensible madness of the idea, one worth preserving and developing. Second, it would force courts to engage more directly with copyright's goals, purposes, and analytical structure as equal partners in the copyright-law-making exercise—a dynamic that sadly enough, seems to have been all but lost.

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396. See, e.g., Litman, *supra* note 137, at 52.