Peter and the Wolf Leave the Public Domain – Supreme Court Holds Copyright Restoration Law is Constitutional

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On January 18, 2012, the U.S. Supreme Court held in *Golan v. Holder*, No. 10-545, 565 U.S. --- (2012), that a law bestowing U.S. copyright protection on certain foreign works that had previously been in the public domain is constitutional under both the Copyright Clause of the Constitution and the First Amendment. Justice Ginsburg authored the opinion. Justice Breyer wrote a dissenting opinion, joined by Justice Alito. Justice Kagan took no part in consideration or decision of the case.[1]

The Supreme Court's holding is important because it affirms the accession of the U.S. to a system of international IP protection under the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), the World Trade Organization (WTO), and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). It also clarifies the reach of Congress's authority under the Constitution to legislate in the copyright arena.

1. Background

In 1989, the U.S. joined the Berne Convention for the Protection of Literary and Artistic Works. Article 18 of the Berne Convention provides that "a work must be protected abroad unless its copyright term has expired in either the country where protection is claimed or the country of origin." *Golan*, at 3. The U.S., however, did not comply with Art. 18. Prior to 1998, U.S. copyright protection of foreign works was limited. A foreign work did not enjoy copyright protection in the U.S. for one of three reasons: (1) the U.S. did not protect works from the country of the origin at the time of the work's publication; (2) the U.S. did not protect sound recordings fixed before 1972; and (3) the work's author had not complied with certain statutory formalities relating to copyright notice, registration, and renewal, that were formerly required under U.S. copyright law. *See Golan* at 1, 4.

[1] A copy of the opinion and the dissent is available at: http://www.pattishall.com/pdf/golanscotusruling.pdf.

When the United States joined both the WTO and TRIPS, continued noncompliance with Art. 18 of the Berne Convention could have given rise to significant sanctions such as "tariffs or cross-sector retaliation." *Golan* at 8. To bring the U.S. into compliance with Art. 18, Congress in 1998 enacted Section 514 of the Uruguay Round Agreements Act (URAA), codified at 17 U.S.C. §§ 104A & 109(a). Section 514 "restores" copyright protection to foreign works that were not protected in the U.S. for one of the three reasons set forth above.[2] Specifically, "restored" copyrights in such works "subsist for the remainder of the term of copyright that the works would have otherwise been granted . . . if the work never entered the public domain." 17 U.S.C. § 104A(a)(1)(B).

Section 514 grants copyright protection to works that were previously available in the U.S. without such protection. In other words, it removes these works from the public domain. This has significant real-world effects. For example, prior to enactment of Section 514, orchestras could rent the sheet music for famous musical works such as Prokofiev's *Peter and the Wolf*, Stravinsky's *A Soldier's Tale*, or the great symphonies of Shostakovich for relatively low fees. With U.S. copyright in these works newly established, the rental fees became drastically higher, making it economically impossible for many ensembles to afford to perform these works. *See generally* Brief of the Conductors Guild as *Amicus Curiae* supporting Petitioners (filed Nov. 24, 2010).[3]

2. The Supreme Court's Analysis

The petitioners appealed from a Tenth Circuit ruling rejecting their argument "that Congress, when it passed the URAA [including Section 514], exceeded its authority under the Copyright Clause and transgressed First Amendment limitations." *Golan*, at 11. The Supreme Court disagreed, refuting each of the petitioners' arguments.

(a) Copyright Clause - "Limited Times"

The Copyright Clause states in relevant part that "Congress shall have Power . . . [t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors . . . the exclusive Right to their . . . Writings." Art. I, §8, cl. 8.

Petitioners argued that "removing works from the public domain . . . violates the 'limited [t]imes' restriction by turning a fixed and predictable period into one that can be reset or resurrected at any time, even after it expires." *Golan* at 14 (citations and quotation marks omitted). According to Petitioners, the works in question had enjoyed an initial "limited term" of "zero" duration, and it was unconstitutional to extend that term.

The Supreme Court made short work of the "zero" argument. "[S]urely a 'limited time' of exclusivity must begin before it may end." *Golan*, at 15. More generally, the Court held, the term "limited times" is "best understood to mean confined within certain bounds, restrained, or circumscribed." *Golan* at 14 (citations and quotation marks omitted). Section 514 provided a "restrained" and

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[2] The Supreme Court noted that "[r]estoration is a misnomer insofar as it implies that all works protected under Section 104A previously enjoyed protection. Each work in the public domain because of lack of national eligibility or subject - matter protection, and many that failed to comply with formalities, never enjoyed U. S. copyright protection." *Golan*, at 10 n. 15.

[3] The Conductors Guild's brief is available at: http://www.pattishall.com/pdf/Golan_Amicus.pdf.

"circumscribed" copyright term for these former public-domain works and thus does not violate the "limited times" clause. *Golan* at 14-15.

Moreover, the Court found ample historical precedent of Congress's removing works from the public domain and giving them copyright protection. Importantly, the Court noted, "the Copyright Act of 1790 granted protection to many works previously in the public domain." *Golan* at 16. In short, the Court held, "[g]iven the authority we hold Congress has, we will not second-guess the political choice Congress made between leaving the public domain untouched and embracing [the Berne Convention] unstintingly." *Golan* at 19.

(b) Copyright Clause – "Promote the Progress of Science and useful Arts"

Petitioners argued that the Copyright Clause mandates that any copyright laws passed by Congress must "promote the Progress of Science and useful Arts." *Golan* at 20. But a law providing new copyright protection to an existing work in the public domain cannot possibly incentivize the creation of new works. Therefore, according to Petitioners, such a law is unconstitutional. *Id*. The Supreme Court disagreed. "A well-functioning international copyright system would likely encourage the dissemination of existing and future works. . . . The provision of incentives for the creation of new works is surely an essential means to advance the spread of knowledge and learning. We hold, however, that it is not the sole means Congress may use "[t]o promote the Progress of Science." . . . Congress determined that exemplary adherence to Berne would serve the objectives of the Copyright Clause. We have no warrant to reject the rational judgment Congress made." *Id.* at 22-23.

3. First Amendment

Petitioners argued that they "enjoyed 'vested rights' in works that had already entered the public domain," and depriving them of these rights by withdrawing the works from the public domain violates petitioners' First Amendment rights. *Golan*, at 26. The fact that copyright law protects First Amendment interests via doctrines such as the idea/expression dichotomy or the fair use doctrines cannot, in Petitioners' view, compensate for Congress's "unprecedented foray into the public domain." *Id*. (quotation marks omitted).

The Supreme Court noted that this argument depends on a premise the Curt had already rejected, "namely, that the Constitution renders the public domain largely untouchable by Congress." *Id*. Moreover, the Court noted, granting copyright protection to Prokofiev's *Peter and the Wolf* or to Shostakovich's symphonies merely puts these works on equal footing in the marketplace with "music of Prokofiev's U.S. contemporaries: works of Copland and Bernstein, for example, that enjoy copyright protection, but nevertheless appear regularly in the programs of U.S. concertgoers." *Golan*, at 29. The Court stated that there is no "free speech principle [that would disarm Congress] from protecting works prematurely cast into the public domain for reasons antithetical to the Berne Convention." *Id*. at 28.

In short, "[b]y fully implementing [the Berne Convention], Congress ensured that most works, whether foreign or domestic, would be governed by the same legal regime." *Id*. at 30. Neither the Copyright Clause nor the First Amendment prevents Congress from determining "that U.S. interests were best served by our full participation in the dominant system of international copyright protection." *Golan*, at 32.

4. The Dissent

In dissent, Justice Breyer argued that the Copyright Clause embodies a strong "utilitarian view of copyrights and patents" and places "great value on the power of copyright to elicit new production." *Golan*, Breyer Dissent, at 5, 7. Therefore, since a law bestowing copyright on existing works that were – often for decades – in the public domain does not in any meaningful way elicit the production of new works, the law – Section 514 – is unconstitutional. *See id*. Justice Breyer also notes the "speech-related harms" arising from Section 514, such as "restricting use of previously available material; reversing payment expectations; [and] rewarding rent-seekers at the public's expense." *Id*. at 16.

The Court should therefore have scrutinized "with some care the reasons claimed to justify [Section 514] in order to determine whether they constitute reasonable copyright-related justifications for the serious harms, including speech-related harms, which [Section 514] seems likely to impose." *Id*. at 16-17. Applying such scrutiny, Justice Breyer concludes that "the Copyright Clause, interpreted in light of the First Amendment, does not authorize Congress to enact this statute." *Id*. at 24.

5. Conclusion

In *Golan v. Holder*, the Supreme Court strongly affirmed Congress's authority to legislate freely in the copyright area. "The judgment §514 expresses lies well within the ken of the political branches." *Golan*, at 32. Neither the Copyright Clause nor the First Amendment imposes strict or inflexible limitations on Congress's power.

From a political perspective, the Supreme Court's decision has the important effect of affirming the place of the United States within the legal structure of international intellectual property law. In deciding the case, the Supreme Court had Congress's intent to protect the United States' international interests firmly in mind. "Those interests include ensuring exemplary compliance with our international obligations, securing greater protection for U. S. authors abroad, and remedying unequal treatment of foreign authors." *Id*.

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