No. 10- 1337

IN THE

Supreme Court of the United States

AMERICAN SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS,

Petitioner,

v.

UNITED STATES OF AMERICA, *ET AL.*,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

BRIEF OF *AMICUS CURIAE* RALPH OMAN, FORMER REGISTER OF COPYRIGHTS OF THE UNITED STATES, IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Does an Internet company publicly perform a musical composition when it transmits to the public an electronic file containing a sound recording of a performance of that underlying composition in the form of a digital download?

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INTEREST OF THE *AMICUS CURIAE*

I am Ralph Oman, the former Register of Copyrights of the United States (1985-93), and, since 1993, the Pravel Professorial Lecturer in Intellectual Property and Patent Law at the George Washington University Law School.[1] I respectfully submit this *amicus curiae* brief because of my thirty-six year involvement in copyright law and my concerns for protecting the internal symmetry of the U.S. copyright law and its conformity with U.S. treaty obligations. As Register, I acted as principal advisor to Congress on copyright policy, and testified more than forty times on proposed copyright legislation and treaties, as well as the state of the Copyright Office. Within the past two years, I have twice testified before the House and Senate on pending copyright legislation—once before the House and once before the Senate. During my tenure as Register, I helped move the United States into the Berne Convention, a goal sought by U.S. Registers of Copyright for 100 years. Before my appointment as Register, I served as Chief Counsel on the Senate Subcommittee on Patents, Copyrights, and Trademarks. I also served as Chief Minority Counsel to the Subcommittee from 1975 to 1977, and I helped my boss, Senator Hugh Scott of Pennsylvania, the ranking member of the

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[1] Pursuant to Rule 37.6 of the Rules of the Supreme Court of the United States, no counsel for a party authored this brief in whole or in part. Further, no such counsel or a party made a monetary contribution intended to fund the preparation or submission of this brief.

All parties have consented to the filing of this brief.

subcommittee, draft and negotiate the final compromises that led to the enactment of the 1976 Copyright Act. Currently, I am an officer of the International Intellectual Property Institute, a Senior Fellow at George Washington's Creative and Innovative Economy Center, and a member of the governing council of the ABA's Intellectual Property Law Section. I also serve as the ABA's liaison to the World Intellectual Property Organization's Standing Committee on Copyright and Related Rights. In 1996, I attended the Diplomatic Conference in Geneva that drafted and adopted the WIPO Copyright Treaty. With this background, I have a unique perspective on the issues raised by this case.

As the United States continues its march towards an all-digital music marketplace, it is imperative that this Court grant certiorari to correct the Second Circuit's mistaken, and unnecessarily pinched, reading of U.S. copyright law and its legislative history, as well as the treaties to which the United States is a party. Accordingly, I submit this brief in support of a grant of the petition for writ of certiorari.

REASONS FOR GRANTING THE PETITION

This Court instructs *Amici*, through Rule 37, to refrain from duplicative arguments already marshaled by the above-captioned parties. With that admonition in mind, I will simply state that I endorse Petitioner's reading of the law and its legislative history, and I agree with their rationale in support of their petition for a writ of certiorari. On the international, as well as certain especially

important domestic, implications of the Second Circuit opinion, however, I have extensive personal experience as the former U.S. Register of Copyrights, and I respectfully request that the Court consider my views. I participated personally in the formulation of the three legal instruments at issue in this case—in the adoption of the 1976 Copyright Act, in U.S. adherence to the Berne Convention, and as an observer in the negotiation of the WIPO Copyright Treaty. In undertaking its international commitments, the United States assured its trading partners that U.S. copyright law, as written, guaranteed foreign authors the minimum protection required by the Berne Convention and the WIPO Copyright Treaty—including, among others, the public performance right, the distribution right, the reproduction right, and the public display right. The Second Circuit's holding narrows and removes important aspects of these rights, specifically the public performance right. With that background, I ask that the Court allow me to put the issues at dispute in the current suit in their historic and legal framework.

Notwithstanding the Second Circuit's narrow perception of the public performance right under U.S. law, a download of a sound recording and its underlying musical composition is a transmission of a performance of that composition to the public and implicates the public performance right. The Second Circuit relies on its self-generated "contemporaneous perceptibility" requirement to support its argument that a musical work must be performed audibly during the digital download in real time to be considered a public performance. This

requirement—forged by the lower courts out of gossamer—is unsupported by the plain language of the statute, the legislative history, or the copyright treaties. Rather than perpetuate this misreading of the Copyright Act and countenance a U.S. violation of its international obligations, this Court should grant the petition for writ of certiorari and reverse the findings below.

I. THE SECOND CIRCUIT'S DECISION WAS BASED ON AN IMPROPER READING OF THE COPYRIGHT ACT AND AN INCORRECT FORMULATION OF THE RELEVANT QUESTION AT ISSUE.

A. I will not plow again the legal fields Petitioner has already plowed, and with whose analysis I agree. I will, however, discuss briefly several points not made, or raised only in passing, by Petitioner.

The U.S. Copyright Act explains that "[t]o 'transmit' a performance . . . is to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent." 17 U.S.C. § 101. Therefore, according to the plain meaning of the relevant statutes, a download[2] is a public performance because it is a transmission of a

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[2] This brief uses the term download as defined in the Second Circuit's opinion below: A download is a transmission of an electronic file containing a digital copy of a musical work that is sent from an on-line server to a local hard drive. *United States v. ASCAP*, 627 F.3d 64, 69 (2d Cir. 2010) (citing *United States v. ASCAP*, 485 F. Supp. 2d 438, 441 (S.D.N.Y. 2007) (Application of Am. Online, Inc., RealNetworks, Inc., and Yahoo! Inc.)).

performance of a musical, or other, work (a singer's rendition of the underlying musical composition or an actor's recitation of a collection of poems) to the public by way of an electronic file "sent from an on-line server to a [consumer's] hard drive." *United States v. ASCAP*, 627 F.3d 64, 69 (2d Cir. 2010) (citing *United States v. ASCAP*, 485 F. Supp. 2d 438, 441 (S.D.N.Y. 2007) (Application of Am. Online, Inc., RealNetworks, Inc., and Yahoo! Inc.)).

Despite the plain meaning of the statute, the Second Circuit held that "[b]ecause the electronic download itself involves no recitation, rendering, or playing of the musical work encoded in the digital transmission . . . such a download is not a performance of that work . . . " *United States v. ASCAP*, 627 F.3d 64, 73 (2d Cir. 2010). First, the Second Circuit misses an important distinction. Although the performance of the underlying musical work is not playing during the transmission, the performance of that musical work is encoded in the download. The Second Circuit ignores the basic difference between the musical composition, which is often fixed and registered as sheet music on paper, and the public performance of that musical composition, which is the artist's rendition of that composition that becomes public upon transmission of the sound recording. Accordingly, the Second Circuit's holding eviscerates the transmit clause. It does not recognize the distinction between a performance and a public performance, specifically one that is transmitted or otherwise communicated to the public. In the process, the Second Circuit improperly imposes its "contemporaneous perceptibility" requirement on Clause (2) public

performances.

Granted, a public performance under the Clause (1) definition of Section 101 appears to require a live or real-time performance. On the other hand, Clause (2) is devoid of such a requirement. Accordingly, under Clause (2), the underlying musical work is publicly performed when a pre-recorded performance is "transmit[ted] or otherwise communicate[d] . . . to the public, by means of any device or process, . . . in the same place or in separate places and at the same time or at different times." 17 U.S.C. § 101.

As noted, the sound recording itself contains a performance of the underlying musical composition, as the recording artist renders the underlying composition, which is fixed onto the Master Recording.[3] However, in order to constitute a copyrightable performance under Section 106(4), the performance must be public. *See* 17 U.S.C. §106(4). While not all digital downloads encompass the type of public performance envisioned in Clause (1) of the definition, digital downloads do constitute a public performance under the transmit clause—Clause (2). As stated above, "[a] download is a transmission of an electronic file containing a digital copy of a musical work that is sent from an on-line server to a local hard drive." *See supra* note 2. Therefore, an Internet download of a sound recording is a public performance of the musical work captured in the recording.

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[3] *See e.g.*, *SoundExchange, Inc. v. Librarian of Congress*, 571 F.3d 1220, 1222 (D.C. Cir. 2009) ("A "sound recording is a performance of a musical work that is affixed to a recording medium[.]").

Accordingly, the question that the Second Circuit needed to ask and answer was whether or not a download was a transmission to the public of a performance of a musical work, which it is. It should not have asked whether the download itself performs a "contemporaneously perceptible" public performance, a requirement that the songwriter need not satisfy under Clause (2). Clause (2) does not require the download to constitute a performance; all that is required is that the download either transmit or communicate the performance to the public, which it does. *See* 17 U.S.C. § 101.

The Second Circuit holding also prevents songwriters from exercising their exclusive right over an actual live concert performance of their works. For example, when Judy Garland publicly performed numerous songs during her famous concert at Carnegie Hall in 1961, the songwriters received compensation for the public performance of their music. However, under the Second Circuit's interpretation, when a customer digitally downloads the musical works embodied in the album "Judy at Carnegie Hall", the songwriters receive no royalties for that public performance of Ms. Garland's public performance because it is not contemporaneously perceptible. We reach this result despite the fact that it is a transmission to the public of a public performance of the underlying musical work. As Chief Minority Counsel of the Subcommittee responsible for drafting the 1976 Act, I am confident that Congress did not intend such an inequitable result. Therefore, to correct this misinterpretation, this Court should grant certiorari and reverse the

decision below to ensure a proper reading of the statute going forward.

B. In light of the foregoing, the statutory language establishes that a download transmits a performance (and frequently public performances of live concert performances) of the underlying musical works. The legislative history of the issue also confirms that Congress intended such an outcome. Congress stated that "the concepts of public performance . . . cover not only the initial rendition or showing, but also any further act by which that rendition or showing is transmitted or communicated to the public." H.R. Rep. 94-1476, at 63 (1976). Moreover, "any act by which the initial performance . . . is transmitted, repeated, or made to recur would itself be a 'performance' . . . " *Id.* Further, the legislative history states:

> A performance may be accomplished 'either directly or by means of any device or process,' including all kinds of equipment for reproducing or amplifying sounds or visual images, any sort of transmitting apparatus, any type of electronic retrieval system, and any other techniques and systems not yet in use or even invented.

Id. Absent from this explanation, and from the entirety of the legislative discussion, is the Second Circuit's evanescent "contemporaneous perceptibility" requirement. I also note that Abraham Kamenstein, the legendary former Register of Copyrights, in the run-up to the enactment of the 1976 Act, wrote that "[t]he general approach adopted [in the draft legislation] . . . is to

indicate, first of all, what the basic acts of performing . . . a work consists of, and then to make clear that any further act by which the initial performance or exhibition is transmitted or reproduced constitutes an additional performance . . . " Supplementary Register's Report on the General Revision of the U.S. Copyright Law: 1965 Revision Bill, Copyright Law Revision Part 6 at 21-22, 89th Cong., 1st Sess. (Comm. Print 1965). To these explanations, which were thoroughly briefed in the courts below, the Second Circuit's response was – silence.

As the 1976 Act gave creators multiple divisible[4] and separately compensatable rights, the Respondents' "double dipping" argument in the courts below misses the point. *See e.g.*, C.A. Br. of Yahoo!, at 54. When a work is publicly performed, the songwriter must authorize the performance and be compensated. If he or she authorizes and is compensated for the exploitation of that right, that authorization and compensation does not render other payments for the exploitation of other rights moot. Congress recognized in the 1976 Act that the author could individually license each of the various rights that comprise the copyright in the work as a whole. Section 201(d)(2) permits the author to sell individual rights to different buyers. *See* 17 U.S.C. § 201(d)(2). For example, a songwriter can sell the public performance right to a motion picture company and the reproduction right to a music

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[4] *See New York Times Co. v. Tasini*, 533 U.S. 483, 484 (2001) (quoting 17 U.S.C. §§ 106, 201(d)(2)).

publisher to print sheet music of the composition. Congress enacted this pro-author divisibility provision to allow authors to maximize revenue from their creative efforts. Respondents suggest that songwriters should be satisfied with revenues from the reproduction right, and that their effort to collect money for the public performance right amounts to "double-dipping." The House Report on the 1976 Act, however, makes clear that this double, and sometimes triple or even quadruple, recovery is exactly the result that Congress intended. *See* H.R. Rep. 94-1476, at 123 (1976).

C. The Second Circuit's "contemporaneously perceptible" requirement, based on misinterpretation of the relevant U.S. statutes and precedent, is an unworkable distinction that ignores the newest developments in technology.

The Second Circuit correctly noted that streaming a sound recording implicates the public performance right. *See United States v. ASCAP*, 627 F.3d 64, 67 (2d Cir. 2010). But this finding ignores the mix-and-match nature of state-of-the-art Internet delivery systems.[5] Internet music services often employ a process referred to as "buffering" that downloads a copy of the work to the device to maintain continuity in service in the event that a connection is lost or degraded. Similarly, some "streaming services" utilize a technical measure referred to as "caching," by which the main server transmits a number of sound recordings (and their

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[5] The WIPO refers to these systems as "hybrids." *See* Mihaly Ficsor, *Guide to Copyright and Related Rights Treaties* 207 (2003).

underlying musical compositions) to a customer's device in advance of a users' actual selection of specific songs. This process allows for a continuous service despite a degraded or non-existent wireless signal or Internet connection. In that scenario, after the sound recordings are downloaded to the device, the user would push the "next" button to hear the next song, or the song would automatically play at the conclusion of the prior song. However, because the songs were transmitted to the device prior to their playing, the song is not heard as it is being transmitted and it is not contemporaneously perceptible. Accordingly, "contemporaneously perceptible" streaming is often a myth and is more akin to a download.

In addition, the Second Circuit's "contemporaneously perceptible" requirement could drastically reduce the number of public performances, and the amount of public performance royalties generated, on the Internet. Consulting their engineers and copyright lawyers, the Internet delivery companies will devise technological measures to ensure that their services do not transmit "contemporaneously perceptible" sound recordings, and thus effectively evade the public performance right on the Internet—a grave outcome, which I am sure that Congress did not intend. This type of online music delivery regime would leave songwriters with only the meager royalty for the mechanical right. For these reasons, the Second Circuit's "contemporaneously perceptible" requirement is not rooted in the statute, is not rooted in the real world of mixed-bag digital deliveries, and must be overruled.

II. THE SECOND CIRCUIT'S HOLDING PLACES THE UNITED STATES IN VIOLATION OF ITS TREATY OBLIGATIONS.

In addition to misinterpreting domestic copyright law, the Second Circuit also places the United States in violation of several intellectual property treaties of which it is a member. Accordingly, I urge this Court to grant the petition for writ of certiorari to ensure U.S. compliance with its obligations to foreign authors, and to prevent the filing of complaints, or the imposition of penalties, against the United States by our foreign trading partners.

As a member of the Berne Union, the United States, in its national law, is obligated to provide foreign authors of musical works the exclusive right of authorizing "the public performance of their works, including such performance by any means or process . . . [and] any communication to the public of the performance of their works." Berne Convention art. 11(1)(i),(ii), Sept. 9, 1886 (Paris Text 1971), S. Treaty Doc. No. 99-27.[6] "Any communication to the public . . . most typically and importantly, means communication to the public by wire (cable)[.]" Mihaly Ficsor, *Guide to Copyright and Related*

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[6] Although the Berne Convention is not a self-executing treaty, Congress implemented the treaty in 1988. *See* Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853, § 2(3) (1988) ("The amendments made by this Act, together with the law as it exists on the date of the enactment of this Act, satisfy the obligations of the United States in adhering to the Berne Convention and no further rights or interests shall be recognized or created for that purpose.")

Rights Treaties 69 (2003). Crucial to the discussion here, Dr. Ficsor notes that "it is not an indispensable condition that members of the public be, in fact, present, or that they watch and/or listen to the performance. It is sufficient that the performance . . . is communicated . . . to the public." *Id.*

In addition to the Berne Convention, the United States is a Contracting Party to the World Intellectual Property Organization Copyright Treaty ("WIPO Copyright Treaty"). *See* Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998). Article 8 of the WIPO Copyright Treaty affords:

> [A]uthors of . . . [musical] works . . . the exclusive right of authorizing *any* communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

WIPO Copyright Treaty art. 8, S. Treaty Doc. 105-17 (Dec. 20, 1996) (emphasis added). "This right [of communication to the public] especially refers to [among others] *the individual download of works via networks such as the Internet* and the transmission via mobile phone networks and Wireless Local Area Networks (WLANs)." WIPO, *WIPO Guide on the Licensing of Copyright and Related Rights* 34 (2004) (emphasis added). Therefore, as understood by the WIPO, an individual download is by definition a public performance of the underlying musical work. The Guide makes no mention of a contemporaneous

perceptibility requirement. Accordingly, the Second Circuit's decision places the United States in contravention of its treaty obligations by erroneously ruling that only certain downloads qualify as Clause (2) public performances, and foreign authors, and their governments, have cause for concern.

The Second Circuit chose not to address these treaty obligations. Instead, it merely mentions Petitioner's concerns in a footnote. *See United States v. ASCAP*, 627 F.3d 64, 75 n. 11 (2d Cir. 2010). The Second Circuit merely provided a conclusory statement, without providing a legal rationale for its position. "To the extent that a download implicates these [reproduction and distribution] rights, the conclusion that a download does not also trigger the public performance right does not infringe on Article 8 of the WIPO Copyright Treaty." *Id.* Accordingly, this Court must grant cert to ensure that the United States law complies with its treaty obligations and its obligations to foreign authors.

I vividly recall one topic that engendered discussion in the negotiation of the WIPO Copyright Treaty at the diplomatic conference in Geneva in 1996—and that is, which right or rights to apply to interactive digital transmissions. The choice was between, among others, the right of distribution (advocated by the United States), and the right of communication to the public (advocated by the European Commission).

As is always the case in international negotiations, the United States diplomats recognize that the most difficult promise to make and keep is the promise that the U.S. Congress will change our law in a way that will allow the United States to

ratify the treaty on the table. The same was true during the Geneva negotiations. The U.S. mantra – "you change your law because we can't change our law" – had important ramifications for the public performance provision of the WIPO Copyright Treaty.

Because they wanted to avoid at all costs a required change in U.S. law (and perhaps for other reasons), our diplomats contended that the right of distribution in Section 106(3), in conjunction with other rights under U.S. law, could be tweaked with explanatory language so it would effectively cover the same rights, with the same consequences, as the European Commission's right of communication to the public. The Commission, wanting to use terminology that was already in use under the Berne Convention, which was familiar to all copyright practitioners and had well-established legal interpretations, continued to insist on its language. To resolve the stalemate in the formulation of the public performance/communication to the public right, the delegations adopted the so-called umbrella solution. Under that solution, the parties would describe interactive transmissions in a technologically neutral way and would not incorporate a specific "legal characterization" of the exclusive right to be covered by the WIPO Copyright Treaty public performance provision. The United States was not arguing that interactive transmissions were simply reproductions and distributions, as if they were physical copies. The United States seemed to be saying that the entire fabric of the U.S. copyright law covered the same acts and activities that other countries protect under

their national laws. Dr. Ficsor's *Guide to Copyright and Related Rights Treaties* confirms that understanding. *See generally* Mihaly Ficsor, *Guide to Copyright and Related Rights Treaties* 208-09 (2003). With that understanding, the United States would not have to change its law.

Respondents, in their arguments, seem to be arguing that the United States, by agreeing to the terms of the umbrella solution, was saying that only the right of reproduction would apply to a digital download. In other words, Respondents contend that the United States, in the debate over the nature of the public performance right for digital downloads in the WIPO Copyright Treaty, said that there is no public performance right for underlying musical works in digital downloads. That contention seems at odds with the United States effort to reach a compromise in the public performance section of the treaty. In accepting the umbrella solution, the United States acknowledged that it would grant foreign authors rights that matched the minimum standards that WIPO Copyright Treaty required and that the Commission was insisting on in its concept of communication to the public. If they were not equivalent rights, the treaty would be unworkable. The umbrella solution did not cut songwriters and the PROs out of the approval process for deciding whether or not to permit public performances of their music online. And the United States government, by assuring its trading partners that the umbrella solution as applied under the totality of existing U.S. law, would give foreign songwriters the same level of protection in the United States as they would enjoy in Europe under the right of

communication to the public. To think otherwise would suggest a treaty with different minimum standards that varied from country to country. I have to believe that the U.S. negotiators find the Second Circuit opinion as much of a surprise as I do. To me, it is inconceivable that France, with its reverence for authors and authors' rights, would agree at the diplomatic conference to cede total control over the digital delivery of downloads of performances of musical works to record producers, who in most of Europe are viewed as subsidiary players in the creation and exploitation of works of authorship. As true authors, songwriters are venerated. Record producers are not. They are protected with a regime of "neighboring" rights, shunted off to the side, not allowed to enter the holy temple of copyright with real authors. I do not share this bias, but it is the reality that our trading partners had in mind when they agreed to accept U.S. assurances on the umbrella solution, and the United States knew it.

Respondents, in their arguments below, also contend that U.S. obligations under the Berne Convention and the WIPO Copyright Treaty to give songwriters an exclusive right to communicate their works to the public, without any caveats, is covered in U.S. law by the reproduction right and the distribution right. And they further contend that the Second Circuit limitation on the public performance right – that it be contemporaneously perceptible – is not at odds with either treaty. Based on my international experience, I would say that our trading partners would be surprised by this contention and would be prepared to challenge it at

the World Trade Organization. By unilaterally imposing a "contemporaneously perceptible" requirement on digital downloads of performances of musical works, and thereby circumventing the full coverage of the treaty provision under U.S. law, the Second Circuit has not afforded songwriters the minimum level of protection required by the WIPO Copyright Treaty, and has put the United States crosswise with its international obligations. Accordingly, I respectfully urge this Court to grant certiorari and reverse the Second Circuit. Were this Court to recognize that a digital download does in fact implicate the public performance right even if it is not contemporaneously perceptible—a result mandated by a fair reading of the Copyright Act, and a result counseled by the *Charming Betsy* Doctrine—this Court would once again restore United States compliance with its obligations to foreign authors under the Berne Convention and the WIPO Copyright Treaty. *See Murray v. The Schooner Charming Betsy*, 6 U.S. 64, 118 (1804).

CONCLUSION

Given the growing importance of Internet downloads, I respectfully urge this Court to grant the writ of certiorari and to reverse the decision below in order to ensure a proper reading of the Copyright Act, to preserve the full panoply of rights under U.S. copyright law, and to stave off adverse international repercussions that could result in retaliation against U.S. songwriters in foreign markets.

Respectfully submitted,

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