HIGH-TECH TOOLS AND COPYRIGHT: What Are The Limits?

by Michael S. Oberman and Trebor Lloyd

Over one hundred years ago, the Supreme Court first confronted issues at the intersection of photography, new technology and copyright law. In 1884, the new technology was photography and the Court was called upon to decide whether a photograph was a "writing" of an "author" that could be protected under the Copyright Clause of the Constitution. Put another way, did a photographer who reproduced the exact features of his subject by means of a camera create a copyrightable work? The Supreme Court decided that a professional portrait photographer engaged in much more than a manual operation of a new machine. By posing his subject and selecting and arranging costume, background and lighting, the photographer produced a protectable expression "entirely from his own original mental conception." (*Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 59. [1884]). A photographer's choices have repeatedly been found to comprise a creative expression that makes a photograph more than a mechanical fixation lacking originality. The photographer's eye, in effect, reflects "the personal reaction of an individual upon nature [--] something irreducible, which is one man's alone." (*Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 [1903]).

Now, at the verge of a new century, a rich stock of photographic images can be appropriated and manipulated in ways that were previously unachievable. Digital scanning of a photograph, for instance, involves photographing an existing image with a special optical scanning or digital camera. The camera, operating something like a photocopy machine, translates photographic images into digital information by breaking the images into "pixels" or small dots which are imported from the scanner to the computer and stored in a binary file. These pixels are easily manipulable with tools provided in such popular software programs as Photoshop and CorelDraw. Digital scanning technology also makes it inexpensive and easy to obtain high quality copies of a photographer's works and to incorporate these photographs, or elements of these photographs, into new and different works.

This new capability raises new questions. Case law provides guidance—if only by analogy—as to what might constitute infringement in specific instances involving the new technologies. In particular, familiar concepts—including the exclusive rights given to an author by Section 106 of the Copyright Act of 1976 (the "Act") to control reproductions of, or derivative works based upon, a copyrighted work and the defense of fair use under Section 107 of the Act point the way.[1] This article discusses what has transpired so far in this largely undeveloped area and attempts to map out the contours of infringement of photographs in a new age.

SCOPE OF INFRINGEMENT

Subject to the fair use defense, appropriation of an existing photograph is likely to infringe the photographer's right to control reproduction of the photograph as well as the right to authorize derivative works based upon it. At the outset, the initial scanning of photographs is likely to constitute a copyright infringement in itself. Only a limited number of claims involving digital scanning of photographs have been publicly asserted to date—the *FPG v. Newsday* case among the most notable—and none has been judicially resolved (See *PDN*, "Newsday, FPG Settle Copyright Infringement Suit," January 1995).

However, it has been generally recognized that the initial input of material into a computer constitutes copying.[2] In one case, by illustration, a defendant publisher of databases for the legal profession used a computer scanner and optical character recognition software to scan West Publishing Company's copyrighted advance sheets of the *Southern Reporter*. The scanning process copied entire

West case reports, including West's copyrightable headnotes and synopses. While the protectable elements of the West publications were deleted before the cases were placed on defendant's databases, the temporary storage of the full case reports was found to be an intermediate copying that infringed West's copyrights.[3]

In *Curtis v. General Dynamics Corp.*, plaintiff's photograph, "Wheelchair on a Porch in Athens, Ohio," was copied on a Photostat machine, cropped, enlarged and placed into a "comprehensive" to be used as a model during the development of advertising based on the wheelchair image. A subsequent photographer used the comprehensive as a model for a new photograph and that second photographer's work was then used in the advertisement. The court first found that the making of a copy of the photograph on the Photostat machine was a copyright infringement in itself. It then found that the creation and use of the comprehensive were a second infringement. Finally the court found that the use of the second photographer's work in the advertisement was also an infringement of the original photograph. (18 U.S.P.Q.2d 1608 [W.D. Wash. 1990]. See *PDN*, "Swipe No More," January 1990.)

Suppose, unlike in the *Curtis* case, someone scans a protected photograph but creates a final product that is not substantially similar to the original work. Is an intermediate copy still infringing if used to make a final product that is substantially different from the original work? Although scanning of photographs in this context seems to be an unexplored question, again, case law presents close analogies.

In *Walker v. University Books*, the narrow question before the Ninth Circuit was whether plaintiff's copyrighted work—a set of 72 "I Ching" or fortune-telling cards-could be infringed by defendant's blueprints for cards defendant had not yet produced. The court below had decided that plans, preparations, or blueprints of a final product were not tangible reproductions of a work that could give liability for damages. The Ninth Circuit disagreed (602 F.2d 859 [9th Cir. 1979]). It held that an intermediate copy of a protected work could itself be infringing. If there was infringement, the plaintiff could recover statutory damages (and possibly attorney's fees) despite the fact that the defendants had realized no economic gain from the intermediate copy.

1. Where an infringement involves a numbered, limited set of photographs, a defendant may also violate the so-called moral rights of the photographer—the rights of attribution and integrity set forth in 17 U.S.C. 106A.

2. See *Micro-Sparc, Inc. v. Amtype Corp.*, 592 F. Supp. 33, 35 (D. Mass. 1984) (placement of a work into a computer is the preparation of a copy, citing Final Report of the National Commission on New Technological Uses of Copyrighted Works ("CONTU Re-port") at 31). See also 2 Nimmer on Copyright 1 8.08 (1995) (inputting a computer program into a computer is the preparation of a copy).

3. *West Publishing Co. v. On Point Solutions, Inc.*, Civ. A. No. 1:93-CV2071, 1994 WL 778426 (N.D. Ga. Sept. 1, 1994).

In *Sega Enterprises v. Accolade*, another Ninth Circuit decision, the court held that intermediate copying of computer object code through reverse engineering could infringe regardless of whether the end product also infringed. While the court found that the particular intermediate copying before it was a fair use, it reaffirmed the general holding of *Walker* that intermediate copying could be an infringement in and of itself. (977 F.2d 1510 (9th Cir. 1992)).

Taking the reasoning of these cases together, there appears to be little doubt that the optical scanning of a photograph alone may infringe. The photographer has the right to decide whether—and, if so, the terms upon which—use of an original photograph is to be authorized. Consequently, it would appear that a photographer could be potentially entitled to some measure of damages where an original work has been scanned without authorization, even if the infringer's final product bears little resemblance to the original work and even if the intermediate work had no commercial use.

Familiar principles of copyright law should govern whether an end use, such as publication, of a scanned photograph constitutes infringement. The basic test for copyright infringement is access plus substantial similarity. Where the photograph has been scanned and altered, the issue to be answered is whether the original work is qualitatively important in the allegedly infringing work. If a central or important image of the original work gives rise to the commercial or esthetic appeal of the allegedly infringing work, substantial similarity should be found.[4] Thus, absent fair use or another defense, infringement should be found.

> The basic test for copyright infringement is access plus substantial similarity.

Aside from the infringement issues raised by copying of photographs by scanning and the making of derivative works through computer manipulation, at least one court has specifically held that the display of photographic images on a computer screen and the downloading or uploading of those images may be an infringement of the photographer's or copyright holder's rights of display and distribution. There, the defendant operator of a subscription computer bulletin board displayed copyrighted *Playboy* photographs on the bulletin board. Subscribers to the service both transferred the photographic images from the bulletin board to their own personal computers ("downloading") and transferred the images from these personal computers to other persons ("uploading"). (See *Playboy Enterprises v. Frena*, 839 F.Supp. 1552-57 (M.D. Fla. 1993).)

The court first ruled that supplying a product that contained unauthorized copies of the *Playboy* photographs was a "distribution" in violation of the right to public distribution guaranteed to copyright holders. In addition, the court held that the display of the photographic images on a computer screen was a showing of photographic images by means of a device or process to a substantial enough audience that the display constituted a "public display." Such a public display was, again, a violation of a right reserved to the copyright holder.

4. See. e.g., *Rogers v. Koons*, 960 F.2d 301 (2d Cir.), cert. denied, 113 S. Ct. 365 (1992). In this case, defendant's sculpture "String of Puppies" was closely modeled after plaintiff's photograph "Puppies." The Second Circuit found the sculpture to be an infringing use and further held the fair use defense inapplicable despite defendant's contention the primary purpose of the work was for social commentary. (See *PDN*, " 'String of Puppies' Deemed Improper Copy," April 1991 and PDNews, "Art Rogers Gains Court Victory," July 1992.) See also *Steinberg v. Columbia Pictures Indus., Inc.*, 663 F. Supp. 706, 713 (S.D.N.Y. 1987) (poster infringed artist's work even though only a small portion of poster's design could be considered similar).

attempts to circumvent an available license —or to override an author's preference not to grant a license—should be found to interfere with the potential market of the original photograph.[8] Specific claims are likely to turn on issues such as the following:

1. To what extent does the second use transform the original photograph and what is the purpose of the use? In *Rogers v. Koons*, for example, a photograph was transposed to an entirely different medium (sculpture) purporting to be fine art replete with social commentary; the court found that the copying of the photograph "was done in bad faith, primarily for profit-making motives and did not constitute a parody of the original work." (960 F.2d at 310.)

2. To what extent will the original photograph be viewed as a highly creative work? Referring again to *Rogers v. Koons*, this second factor militated against a finding of fair use where the original photograph was a "creative [and] imaginative ... published work of art" by an author who made his living as a photographer. As a general rule, a creative work is insulated from the fair use defense more than a factual work. Photographs should typically be treated as creative even when they capture public sights. Indeed, photographers with a good eye who are in the proper place at the proper time have given us scores of indelible images that mark the course of recent history.[9]

3. To what extent does the second work quantifiably and qualitatively utilize the original photograph? Even the use of a small portion of a photograph may defeat a fair use claim where the use constitutes a wholesale or verbatim replication of significant elements of the photograph.[10]

4. To what extent does the second use fit within the customary markets for the original photograph? If the market in which a defendant used an allegedly infringing work is a market the copyright owner could have entered, the use would not be fair because it denied the copyright owner a licensing fee, a factor clearly diminishing the value of the original work. At least one court has found that the potential value of a photograph may be diminished where the plaintiff may have wanted to release a numbered and limited edition of the photograph and the defendant has diluted the value of that limited edition by an unauthorized use of the photograph.[11]

CONTRIBUTORY INFRINGEMENT

Manufacturers of digital scanning devices risk possible lawsuits over contributory infringement. In *Sony Corp. of America v. Universal City Studios, Inc.*, owners of copyrights in television programs and films brought suit against Sony, the manufacturer of the Betamax video recording machine, asserting that Sony was contributorily liable for producing the technology consumers used to make unauthorized copies of copyrighted works. Sony, in defense, contended that the potential for infringement posed by the Betamax was out-

8. See, e.g., American Geophysical Union v. Texaco Inc., 60 F.3d 913, 930-31 (2d Cir. 1995).

9. Fair use particularly pertinent to a "factual photograph has been found under one narrow scenario. Where an amateur's film captured a momentous and otherwise inadequately recorded, event in history, the public's interest in viewing the pictorial record of that event was found to outweigh the photographer's copyright interests. *Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130, 146 (S.D.N.Y. 1968) (film of Kennedy assassination).

10. Cf. *Curtis v. General Dynamics Corp.*, 18 U.S.P.Q.2d at 1615 (holding that copying of less than one percent of defendant's entire work may be infringement and not fair use (citing Meeropol v. Nizer, 560 F.2d 1061 (2d Cir. 1977).

11. *Richard Anderson Photography v. Brown*, No. 85-0373-R, 1990 U.S. Dist. LEXIS 19846, at *3 (W.D. Va. Apr. 16, 1990).

weighed by the beneficial uses of the machine, most notably "timeshifting—that is, the copying of programs for later viewing when owners of the Betamax were unable to watch a program at the time it was scheduled for broadcast." (464 U.S. 417 [1984]). The Supreme Court—ultimately holding that time-shifting was a fair use of copyrighted works—gave this test for contributory infringement:

The sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial non-infringing uses. (464 U.S. 442 [1984]).

Legitimate industrial uses of digital imaging are apparent. Imaging services are regularly used now by the legal and medical professions for easy storage, access and display of documents, diagrams and other images. By use of digital imaging, ruined photographs can be restored to their original luster with colors again vibrant and images enhanced. Manufacturers of scanning devices could point to these uses in the face of any claims of contributory infringement.

While a manufacturer of a digital scanning device may escape liability under the rule of Sony, an operator of such a device may incur liability even if that operator is not the end user. Should, for example, a business scan copyrighted photographs and put them on computer discs for customers who then use images on the disc in an infringing way, the business could be liable for facilitating an infringement.[12] Moreover, an operator of a computer service that makes unauthorized copies of photographs available to others who may download or upload them to or from their own computers may be liable for infringement even if that operator did not make the copies itself on the grounds that, while there was no copying, the display and distribution was an infringement for which the operator was liable.[13]

CONCLUSION

When photography itself was the new technology, the Supreme Court found that traditional copyright principles warranted statutory protection for photographs under the Copyright Clause of the Constitution. With new technologies today making possible uses of photographs that were unimagined even a short time ago, existing copyright doctrines should once again control and should comfortably distinguish between infringing and non-infringing uses of photographs. o

Michael S. Oberman is a partner in New York's Kramer, Levin, Naftalis, Nessen & Frankel, where he practices intellectual property and commercial litigation. Trebor Lloyd, an associate at Kramer Levin, also practices intellectual property and commercial litigation. Wendy Stryker, a third year law student at New York University who was a summer associate at Kramer, Levin, assisted in the preparation of this article. This article originally appeared in slightly different form in The National Law Journal.

12. See by analogy *RCA Records, a Division of RCA Corp. v. All-Fast Sys. Inc.*, 594 F.Supp. 335, 339 (S.D.N.Y. 1984). Here the defendant was in the business of copying cassette tapes for its customers and copied copyrighted materials. The court specifically rejected the notion that the rule of Sony might shield a "middleman" from liability.

13. *Playboy Enterprises Inc. v. Frena*, 839 F.Supp. at 1556 and in text *supra* at 6-7. See also *Religious Technology Center v. Netcom On-line Communication Services, Inc.*, 1995 WL 707167* 6-7 (N.D. Cal. Nov. 1, 1995) (acknowledging that even absent direct liability for infringement of copyright, a copyright bulletin board operator may be liable for contributory infringement or may be vicariously liable).

FAIR USE

Even if the copying and use of a photograph are otherwise infringing, liability might still be avoided under the "fair use" doctrine. This doctrine recognizes that at times the "competing interest of society in the untrammeled dissemination of ideas"[5] may outweigh the interest of the copyright holder. Under Section 107 of the Act, the courts consider four factors: 1) the purpose and character of the second use (including whether such use is of a commercial nature or is for nonprofit educational purposes), 2) the nature of the copyrighted work, 3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole and 4) the effect of the use upon the potential market for or value of the copyrighted work. It is within the area of fair use that the user's desire to exploit the new technologies and the photographer's interest in the control and marketing of the original work are likely to be resolved.

The Supreme Court most recently explored fair use in *Campbell v. Acuff-Rose Music*, where the question was whether 2 Live Crew's parody of Roy Orbison's song, "Oh, Pretty Woman," was a fair use. From the point of view of the photographer concerned about digital scanning, the most important pronouncement in *Acuff-Rose* is that a "transformative" derivative work which incorporates substantial elements of pre-existing works might be a fair use, even if that use was a concededly commercial one. A "transformative" work was described as a work that "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." (114 S. Ct. 1164 [1994].) Such a work, according to the Court, promotes the goals of copyright, i.e., to promote science and the arts.

One commentator has suggested that *Acuff-Rose* has significantly shifted the fair use balancing test to favor those who use significant portions of the unlicensed, pre-existing copyrighted works of others to form "new creative, commercial 'derivative works,' " particularly creators of digital and multimedia works.[6] However, the Court's view of transformative use was articulated particularly in the context of parody—a species of comment and criticism. The Court noted that works of parody by their very nature must copy the heart of the pre-existing work. It also pointed out that a parody, unlike other derivative works, is unlikely to harm a copyright holder's market in the sense that the parodic work is likely to be a market substitute for the copyright holder's original work. Outside the area of parody, moreover, the purpose for substantial borrowing should be more carefully scrutinized. Verbatim copying may reveal a lack of transformative character in the new derivative work. If the underlying work is being copied merely to "avoid the drudgery in working up something fresh," the other factors, such as the commercial nature of derivative work and the derivative work's ability to serve as a market substitute for the copyright holder's work, "loom larger." (114 S. Ct. at 1172.)

Fair use is, to be sure, a fact-intensive analysis and it is difficult to predict how specific claims will be resolved without a full fact pattern. Appropriation of an existing photograph for a computer-generated new work is nonetheless unlikely to be found to be a fair use, especially if the new work borrows heavily from its source. Photographs are commonly licensed and stock agencies are beginning to make their works available for authorized multimedia uses.[7] A use that

5. *Sony Corp. of Am. v. Universal City Studios Inc.*, 464 U.S. 417, 430-31 n.12 (1984) (quoting foreword to B. Kaplan, An Unhurried View of Copyright, vii-viii (1967)).

6. Richard R. Wiebe, "Deriving Markets from Precedent," *The Recorder*, Mar. 21, 1994, at page 10.

7. Susan Orenstein, "Digital Multimedia Madness," *Legal Times*, Sept. 13, 1993.