International intellectual property—Berne Convention—treaty implementation—Uruguay Round Agreements Act—Copyright Clause—First Amendment—freedom of speech

GOLAN v. HOLDER. 132 S.Ct. 873 (2012).
United States Supreme Court, January 18, 2012.

In *Golan v. Holder*,[1] the U.S. Supreme Court held that section 514 of the Uruguay Round Agreements Act (Uruguay Round Act),[2] which had been enacted to implement the Berne Convention for the Protection of Literary and Artistic Works (Convention),[3] neither exceeds Congress's authority under the Copyright Clause nor violates the First Amendment's free speech guarantees.

Section 514 belatedly granted foreign works currently in the public domain the copyright protection they would have enjoyed had the United States fully complied with its obligations after joining the Convention in 1989. Those obligations included agreement by the 165 member states to provide a minimum level of copyright protection to authors from other member states. The Convention further requires members to protect foreign works unless their copyright protection has expired and fallen into the public domain in the country of origin.[4] The United States, however, did not extend protection to many foreign works under the Convention until it became a member of the World Trade Organization (WTO) in 1994. The Agreement on Trade-Related Aspects of International Property Rights (TRIPS), annexed to the Agreement Establishing the WTO,[5] mandated the implementation of the Convention's first twenty-one articles. Accordingly, section 514 granted certain foreign works the protection they would have enjoyed if the United States had maintained copyright relations with the author's country or removed formalities (namely, notice, registration, and renewal requirements) incompatible with the Berne Convention.

In 2001, a group of artists and purveyors of art material who had formerly enjoyed free access to works that section 514 removed from the public domain filed suit in Colorado federal court to challenge the constitutionality of that provision. Under the new law, Lawrence Golan, the lead plaintiff, could no longer perform Prokofiev's *Peter and the Wolf* and Shostakovich's Symphony no. 14, for example, without paying royalties. The plaintiffs maintained that section 514 exceeded Congress's power under the Copyright Clause and infringed the First Amendment. The district court upheld the statute as consistent with both constitutional clauses.[6] The U.S. Court of Appeals for the Tenth Circuit agreed that Congress had not offended the Copyright Clause, but remanded the case to address the First Amendment implications of the statute's removal of work from the public domain.[7] On remand, the district court asked whether

[1] Golan v. Holder, 132 S.Ct. 873 (2012).

[2] Uruguay Round Agreements Act, Pub. L. No. 103-465, sec. 514, §104A, 108 Stat. 4809, 4976–81 (1994) (codified at 17 U.S.C. §§104A, 109(a) (2011)).

[3] Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, *as amended* July 14, 1967, S. TREATY DOC. NO. 99-27 (1986), 828 UNTS 221 [hereinafter Convention].

[4] *Id.*, Art. 18(1).

[5] Agreement on Trade-Related Aspects of Intellectual Property Rights, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Apr. 15, 1994, 1869 UNTS 299, 33 ILM 1197 (1994).

[6] Golan v. Gonzales, No. Civ. 01-B-1854 (BNB), 2005 WL 914754, at *17 (D. Colo. Apr. 20, 2005).

[7] Golan v. Gonzales, 501 F.3d 1179, 1187 (10th Cir. 2007).

section 514 was "narrowly tailored to serve a significant governmental interest."[8] It concluded that section 514 could not be justified by any of the asserted federal interests. The Tenth Circuit reversed on the ground that section 514 was narrowly tailored to advance an important government interest in securing protections for U.S. copyright holders abroad.[9] The Supreme Court granted certiorari on March 7, 2011.

Justice Ginsburg wrote the opinion for the six-person majority, with Justice Alito signing on to Justice Breyer's dissent. Justice Kagan did not participate in the case. In its ruling, the majority expressly chose to read the Copyright Clause "to permit full U.S. compliance with Berne" (p. 885) and declined to "second-guess the political choice Congress made between leaving the public domain untouched and embracing Berne unstintingly" (p. 887).

In doing so, the majority relied heavily on the Court's earlier decision in *Eldred v. Ashcroft*.[10] The issue in *Eldred* was whether the Copyright Term Extension Act (CTEA), which extended existing copyright terms by twenty years, violates the Copyright Clause's "limited time" prescription and the First Amendment. Holding that the CTEA does not exceed Congress's power under the Copyright Clause, the Court rejected the inference from the text of the clause that "a time prescription, once set, becomes forever 'fixed' or 'inalterable.'"[11] The Court also held that First Amendment scrutiny was not necessary because the CTEA does not alter the traditional contours of copyright protection.[12]

In *Golan v. Holder*, the Supreme Court first considered whether Congress lacked the authority to enact section 514 under the Copyright Clause. The U.S. Constitution provides that "Congress shall have Power . . . [t]o promote the Progress of Science . . . by securing for limited Times to Authors . . . the exclusive Right to their . . . Writings."[13] Plaintiffs argued that the Copyright Clause poses an "impenetrable barrier" to the extension of copyright protection to works in the public domain. Removing works from the public domain violates the clause's limited-time restriction, plaintiffs argued, because it turns an expired limited time into one that could be resurrected, possibly indefinitely. The Court concluded that the clause does not preclude the restoration of copyright protection to works in the public domain (p. 884). The term of protection afforded the works restored by section 514 does not exceed the "limited Times" defined in *Eldred* because the restored copyrights would expire in the United States at the same time as they would expire in the works' country of origin. More important, the Court pointed out that many of the works in which copyright had been restored had never been under copyright protection in the United States (thereby rejecting the plaintiffs' suggestion that a limited time of "zero" constituted a valid period of copyright protection). A limited time of exclusivity could not pass if it had not yet begun (p. 885).

Golan worried that if Congress could restore copyright in works that had already entered the public domain, nothing could stop Congress from instituting successive "limited" periods of protection, in effect creating "perpetual copyright" (p. 885). But the majority rejected that

[8] Golan v. Holder, 611 F.Supp.2d 1165, 1170–71 (D. Colo. 2009) (quoting Ward v. Rock Against Racism, 491 U.S. 781, 791 (1989)).

[9] Golan v. Holder, 609 F.3d 1076 (10th Cir. 2010).

[10] Eldred v. Ashcroft, 537 U.S. 186 (2003).

[11] *Id.* at 199.

[12] *Id.* at 219–21.

[13] U.S. CONST. Art. I, §8, cl. 8.

argument, noting that "the hypothetical legislative misbehavior petitioners posit is far afield from the case before us" (*id.*).

The Court then turned to plaintiffs' argument that tradition had established that Congress lacks power to remove works from the public domain. The Court concluded, to the contrary, that there was historical precedent for such acts. As early as 1790, the First Congress had offered protections to work not protected by state copyright law (p. 886).[14] Similarly, in 1919 and 1941, foreign works that had fallen into the public domain were granted protection.[15] These subsequent congressional actions, in addition to some others, further affirmed Congress's ability to grant protection for existing works (pp. 885–87).

Finally, the Court rejected the claim that section 514 fails to promote the progress of science (understood at the time as "the creation and spread of knowledge and learning" (p. 888)),[16] as contemplated by the prefatory words of the Copyright Clause. Plaintiffs argued that section 514 impedes the progress of science by inhibiting the spread of existing works, reducing the material available for further creation, and destroying incentives to use unprotected materials remaining in the public domain. The Court noted that nothing in the Copyright Clause confines the progress of science exclusively to creating new works (*id.*). The clause empowers Congress to determine regimes that, "overall, in that body's judgment, will serve the ends of the Clause" (*id.*). Section 514 advances the ends of the clause because, among other things, it will induce stronger protection against piracy for U.S. works abroad.

The Supreme Court then addressed whether the First Amendment inhibits the restoration authorized by section 514. Plaintiffs had argued that section 514 calls for heightened First Amendment scrutiny because it altered the traditional contours of copyright protection by privatizing works in the public domain. Plaintiffs reasoned that section 514 fails such scrutiny because it substantially burdens core speech and expression rights of the public without adequate justification.[17] As in *Eldred*, the Court maintained that some restriction of expression is inherent in copyright (p. 890), but that the traditional contours of copyright protection include two built-in accommodations to the First Amendment—the idea/expression dichotomy and the fair use doctrine. The idea/expression distinction[18] distinguishes copyrightable expression from uncopyrightable facts and ideas in a copyrighted work, which are available for public exploitation upon publication (*id.*). The second traditional contour, the fair use doctrine,[19] permits the use of copyrighted works for limited purposes such as comments and scholarship (*id.*). The Court concluded that section 514 leaves these traditional contours undisturbed, making further First Amendment scrutiny unnecessary (pp. 890–91). Although Golan stressed the "vested and established public speech rights" involved in disturbing the public domain,[20] the Court held firm that "nothing in the historical record, congressional practice,

[14] Act of May 31, 1790, §1, 1 Stat. 124.

[15] Act of Dec. 18, 1919, Pub. L. No. 66-102, ch. 11, 41 Stat. 368 (amending Copyright Act of Mar. 4, 1909, §§8, 21) (repealed 1976); Act of Sept. 25, 1941, Pub. L. No. 77-258, ch. 421, 55 Stat. 732 (amending Copyright Act of Mar. 4, 1909, §8, "so as to preserve the rights of authors during the present emergency and for other purposes") (repealed 1976).

[16] Quoting Brief for the Petitioners at 21, Golan v. Holder, 132 S.Ct. 873 (2012) (No. 10-545).

[17] Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 34 (2003).

[18] 17 U.S.C. §102(b) (2011).

[19] 17 U.S.C. §107 (2011).

[20] Brief for the Petitioners, *supra* note 16, at 45.

or our own jurisprudence warrants exceptional *First Amendment* solicitude for copyrighted works that were once in the public domain" (p. 891).

In his dissent, Justice Breyer concluded that section 514 exceeds the Copyright Clause's limitation because it seriously restricts dissemination without providing any additional incentive for creating new works (p. 900). Justice Breyer argued that the text and history of the clause and subsequent precedent reflect a different view from that of the majority: the Copyright Clause was influenced by a "utilitarian" view—one that understands copyrights to be limited conferrals of monopoly rights that serve "as an encouragement to men to pursue ideas which may produce utility" (p. 901).[21] Whether section 514 falls within the Copyright Clause depends on its ability to elicit new creation, under Justice Breyer's utilitarian view of the clause. Justice Breyer reasoned that because section 514 does not encourage the production of new works, it promotes no recognizable benefit that would outweigh the costs of copyright protection such as higher prices and restrictions on speech and dissemination (pp. 903–08).

Justice Breyer also argued that compliance with international obligations had not necessitated the enactment of section 514; the United States could have secured a reservation to exclude the foreign works already in the public domain because Article 18 of the Berne Convention explicitly authorizes members to negotiate exceptions.[22] He did not explain, however, why U.S. trade partners, having become accustomed to being chided by the United States for inadequately protecting the rights of U.S. creators, would have proved charitable in this regard.

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Golan v. Holder marks two paradigm shifts in American copyright law. First, it affirms the internationalization of this law after two centuries of either full (the first century) or partial (the second century) rejection of the rights of foreign creators. Second, it rejects the narrow, utilitarian understanding of incentives to create as the *sole* explanation for this law, upending the dominance of the law-and-economics account that has reigned supreme since the 1980s. While some may see these developments as related (for example, Justice Breyer characterized the Court's move away from incentives as the single-minded goal of copyright as the Europeanization of American copyright), the pluralist view of copyright law articulated by the Court is not particularly European but, rather, reflects an appreciation of the global context in which innovators today create, sell, and share their works.

While the United States would like to offer itself as an exemplar of the virtues of protecting intellectual property rights, it has been a relatively recent adherent to that view. The first Copyright Act offered copyright protections only for the author(s) of works "printed within these United States, being a citizen or citizens thereof, or resident within the same."[23] Describing the nineteenth-century copyright scheme, Siva Vaidhyanathan writes, "The United States, by virtue of not signing a reciprocal copyright treaty with the United Kingdom, was one massive

[21] Quoting Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), *in* 6 PAPERS OF THOMAS JEFFERSON 379, 383 (J. Looney ed. 2009).

[22] Convention, *supra* note 3, Art. 18(3) ("The application of [the retroactivity] principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union.").

[23] Act of May 31, 1790, §1, *supra* note 14.

public domain for British works."[24] Not recognizing the copyright claims of foreign authors benefited U.S. publishers in particular, who could profit from selling works by well-known authors such as Charles Dickens without having to pay royalties to them (except on a voluntary "courtesy" basis). In 1843, a copy of Dickens's *A Christmas Carol* sold for the equivalent of $2.50 in London, but merely $0.06 in the United States.[25]

Even at the end of the nineteenth century, when Congress began recognizing some foreign copyrights, it not only limited recognition to authors in certain countries, but required that the authors had published their works in the United States. Thus, in its own development phase, the United States followed the path that many developing countries would follow in the twentieth century: it freely copied the knowledge of the advanced world both to spread learning among its population and to spur its own industries. Yet today, when it comes to developing countries that offer generic versions of patented medicines and reproduce copyrighted U.S. textbooks, the United States labels them "pirates"—though even the Court's majority acknowledges that the United States was once "the Barbary coast of literature" and its people, the "buccaneers of books" (p. 879 n.2).[26]

By the turn of the twenty-first century, the world's leading exporter of copyrighted works[27] could ill afford to be an international scofflaw as regards protecting the intellectual property rights of foreigners. Continuing to flout the rights of some authors—simply because they were foreign—would prove to be a serious vulnerability for the United States in its international negotiations. Congress accordingly concluded that honoring U.S. trade commitments was necessary, despite the loss to the public domain.

What a difference an enforcement mechanism makes! Acceding to the Berne Convention in 1989 did not necessarily mean actually complying with its obligations. At least when it comes to respecting foreign copyrights, even the most closely watched country in the world may choose to ignore an international law obligation if no one can call it to account. The Court acknowledged this deficiency, observing that the Berne Convention lacked "a potent enforcement mechanism" because it "specifies no sanctions for noncompliance" (pp. 880–81). Not faced with the prospect of effective enforcement, Congress simply "evade[d]" the Convention (p. 881)—until the dawning of the WTO dispute resolution mechanism.

On the domestic front, law-and-economics scholars have cast the Copyright Clause as exclusively devoted to promoting the creation of new works. The plaintiffs in both *Golan* and *Eldred* pressed this utilitarian interpretation, which would have barred additional copyright protections for existing work. Golan argued that the Uruguay Round Act, which protects old works, exceeded the mandate of the Copyright Clause, which should be limited to new works.

The Supreme Court rejected this narrow reading of the clause, instead declaring its mandate to be "broad[]" (p. 888). Observing that "[n]othing in the text of the Copyright Clause confines the 'Progress of Science' exclusively to 'incentives for creation,'" the Court concluded that

[24] SIVA VAIDHYANATHAN, COPYRIGHTS AND COPYWRONGS: THE RISE OF INTELLECTUAL PROPERTY AND HOW IT THREATENS CREATIVITY 36 (paperback 2003) (2001).

[25] *Id.* at 50, *quoted in* Peter K. Yu, *The Copyright Divide*, 25 CARDOZO L. REV. 331, 342 n.74 (2003).

[26] Quoting S. REP. NO. 50-622, at 2 (1888). The worry that the United States might become a Barbary Coast for nefarious international activity appeared recently in another Supreme Court case, but there the Court dismissed the concern. Morrison v. Nat'l Austl. Bank Ltd., 130 S.Ct. 2869, 2886 (2010).

[27] SENATE COMM. ON JUDICIARY, THE BERNE CONVENTION IMPLEMENTATION ACT OF 1988, S. REP. NO. 100-352, at 2 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3707.

"[t]he creation of at least one new work . . . is not the sole way Congress may promote knowledge and learning" (*id.*). The Court cited "[e]vidence from the founding" that suggests, for example, that "inducing *dissemination*—as opposed to creation—" was also considered an important means of promoting learning (*id.*). The majority ruled that Congress had acted within its authority under the Copyright Clause in determining that a variety of actions, including putting foreign authors on an equal footing with domestic authors, could promote the broad ends of knowledge and learning, including the dissemination of works, by making foreign markets more accessible to U.S. authors.

Can a concern for fairness fall outside the bounds of the constitutional imperative to promote learning and knowledge? The government had defended the statute as, inter alia, correcting "disparities"[28] and "historic inequities."[29] The Supreme Court saw nothing wrong with rectifying a historical wrong in the exercise of the copyright power. It observed, "Authors once deprived of protection are spared the continuing effects of that initial deprivation; §514 gives them nothing more than the benefit of their labors during whatever time remains before the normal copyright term expires" (p. 893). Some of the interests that justified the statute, according to the Court, "include ensuring exemplary compliance with our international obligations, securing greater protection for U.S. authors abroad, and remedying unequal treatment of foreign authors" (p. 894).

Whatever their constitutional merits, *Eldred* and *Golan* mark the whittling away of the public domain. But taking fairness into account need not require a cavalier attitude toward the public domain. Even if the recent legislation at issue in these cases is constitutionally permissible, Congress would do well to keep in mind the crucial role of the public domain in enabling innovation and learning.

In 1838, the Philadelphia publisher Philip Nicklin argued that, given due recognition, foreign "[a]uthors would soon consider themselves as fellow-citizens of a glorious republic, whose boundaries are the great circles of the terraqueous globe."[30] Section 514 of the Uruguay Round Agreements Act may not result in such a glorious worldwide republic, but it undoubtedly marks increased respect for foreign authors.

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[28] Brief for the Respondents at 54, Golan v. Holder, 132 S.Ct. 873 (2012) (No. 10-545).

[29] Golan v. Holder, 611 F.Supp.2d 1165, 1177 (2009).

[30] PHILIP H. NICKLIN, REMARKS ON LITERARY PROPERTY 84 (Philadelphia, P.H. Nicklin & T. Johnson 1838), *quoted in* RICHARD ROGERS BOWKER, COPYRIGHT, ITS HISTORY AND ITS LAW 345 (1912).