Deconstructing the Fair Use Doctrine: The Cost of Personal and Workplace Copying After American Geophysical Union v. Texaco, Inc.

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Deconstructing the Fair Use Doctrine: The Cost of Personal and Workplace Copying After American Geophysical Union v. Texaco, Inc.

Nicole B. Cásarez*

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INTRODUCTION

In 1974, then-Chief Justice Warren Burger admitted during oral
arguments in Williams & Wilkins Co. v. United States1 that he
occasionally photocopied copyrighted material for his own use or
to share with his colleagues on the bench.2 Was the Chief Justice

1. 487 F.2d 1345 (Ct. Cl. 1973), aff'd by an equally divided Court, 420 U.S. 376
   (1975). For a discussion of this case, see infra text accompanying notes 80-113.
2. A book by Professor Paul Goldstein documents the exchange between Chief
   Justice Warren Burger and William & Wilkins counsel Alan Latman:
   [Burger:] “It's not uncommon for judges, members of this Court and others, to
call on the Library of Congress for a book...of which they have only one or a
very few copies. At least I assume that, because frequently we get a request,
'Will you please return the book.' Well, sometimes instead of returning the
book if we are not finished with it, speaking personally, I have Chapter 13 or
Chapter 14 copied on the Xerox machine...". Is such a borrower, Burger want-
ed to know, "running up against this statute and these claims by making a copy
for his own use, copyrighted material?"
guilty of copyright infringement? At the time, the issue was neatly sidestepped: whether such copying constituted copyright infringement need not be addressed, the Chief Justice surmised, because no one would sue him based on the *de minimis* nature of the recovery involved.\(^3\)

Things have changed in the intervening years. Although the Chief Justice’s question has not been answered, one cannot be so sure he would not be sued. Nowadays, both Supreme Court Justices and ordinary individuals would be well advised to reconsider their personal and workplace photocopying practices in light of the Court of Appeals for the Second Circuit’s decision in *American Geophysical Union v. Texaco, Inc.*\(^4\) and the very real threat of copyright infringement litigation that it represents. Four years after Chief Justice Burger speculated on the legal status of personal photocopying in the workplace, a group of publishers in 1978 organized the Copyright Clearance Center ("CCC") as a clearinghouse to sell photocopy licenses to businesses, academic institutions, law firms, libraries, copy shops, and bookstores.\(^5\) Beginning in the

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\(^3\) Latman responded, “That is a harder question, which we think is quite different from this case.” After circling briefly, he gave his well-prepared answer: “Nobody would sue. And I think that’s quite significant here, because it’s impractical for anyone to sue.”

...The Chief Justice smiled, deciding not to press the point, deflecting it instead with what in the Supreme Court passes for humor. “Is it your opinion nobody would sue the Chief Justice or that nobody would sue anybody?” The courtroom burst into laughter.

Latman played it straight. “Nobody would sue the Chief Justice or an individual. No one would sue an individual. It’s an impractical medium—”

“It’s a damage claim,” Burger interjected. “Suppose I make ten copies to send to my colleagues so that we would all be sharing in that. The recovery might be *de minimis*, so that no one would have any incentive to sue.”


3. Id. at 118-19.


5. For a discussion about the formation of the CCC, see Goldstein, *supra* note 2, at 219-21; and A. F. Spilhaus, *The Copyright Clearance Center*, 9 SCHOLARLY PUB. 143, 150 (1978).
1980s, publishers instituted legal actions against some of the nation's more sizable corporations whose employees were known to make in-house photocopies of copyrighted works. Regular reward notices began appearing in periodicals, offering monetary compensation to those who could furnish conclusive evidence of unauthorized photocopying. And, in 1985, numerous CCC-member scientific and technical journal publishers sued Texaco, a company that purchased a CCC photocopy license but, according to the CCC, had failed to accurately report the extent of its photocopying.

In American Geophysical, the Second Circuit Court of Appeals found a Texaco research scientist guilty of copyright infringement for making single photocopies of eight scientific articles from various issues of a scholarly journal. Texaco relied, unsuccessfully, on the defense of "fair use," a doctrine that limits the seemingly absolute rights of copyright owners to control the use of their copyrighted works. Originally created by judges, the fair use excep-


For example, a Washington D.C. law firm was sued by Washington Business Information, Inc. (WBII) after WBII ran an advertisement in its Product Safety Newsletter offering $2,000 to anyone who could provide WBII with evidence of unauthorized photocopying of its publications. See David Margolick, When a Firm Cuts Corners, It is Caught in Copyright Embarrassment, N.Y. TIMES, Dec. 6, 1991, at B7.


9. Id. at 25 n.23.


11. American Geophysical, 60 F.3d at 931.

12. Id. at 914. 17 U.S.C. § 106 grants to the copyright owner the exclusive rights to reproduce the copyrighted work, to distribute copies of the copyrighted work to the
tion recognizes that the advance of science, education, and culture requires that the public be allowed a reasonable right to copy or otherwise use copyrighted material without providing payment to, or obtaining permission from, the copyright owner. Authors, artists, and scholars build upon the work of others when generating their own contributions to society. Without the fair use doctrine, copyright owners might thwart this building process by enforcing their rights so rigorously that copyrighted works could never be used as the basis for later creative works.

Congress codified the fair use doctrine in Section 107 of the
Copyright Act of 1976 ("1976 Act"), stating at the time that it did not intend either to define the doctrine conclusively or to change it as it had evolved in the courts. The statute sets out four nonexclusive factors that courts are instructed to consider in making fair use determinations: (1) the purpose and character of the use of the copyrighted material; (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.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Id.


19. The House Report on the Copyright Act explains that "since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts." H.R. REP. No. 1476, 94th Cong., 2d Sess. 65 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5679.

20. "Section 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way." Id. at 66, reprinted in 1976 U.S.C.C.A.N. at 5680.


23. See id. § 107(2).
copyrighted work as a whole, and (4) the effect of the use on the potential market for or value of the copyrighted work.24

In American Geophysical, the court's rejection of Texaco's claim of fair use relied, in part, on its consideration of the fourth statutory fair use factor—the effect of Texaco's copying on the potential market for the copyrighted work—and ultimately on the existence of the CCC.25 Because Texaco could have paid for its copies under a CCC photocopy license, the court reasoned that the journal publishers had demonstrated the existence of both a "workable" market in photocopy licenses and a substantial harm to the value of their copyrights based on lost licensing revenue attributable to unauthorized copying.26

In other words, the Second Circuit in American Geophysical embraced an "economic" or "market failure" approach to the fair use doctrine. Simply stated, this theory instructs courts to apply the fair use doctrine only to those unauthorized uses of copyrighted materials that result from a particular "market failure."27 According to this theory, as long as would-be users can purchase access to copyrighted works through consensual market transactions, they must pay the market price or face the consequences of infringement liability.28 By forming the CCC to license the photocopying of journal articles, journal publishers removed the justification under this theory for courts to treat such duplication as a fair use.

Furthermore, despite Chief Justice Burger's description of his

24. See id. § 107(3).
25. See id. § 107(4).
26. American Geophysical, 60 F.3d at 931.
27. Id. at 930-931.
28. See, e.g., Wendy J. Gordon, Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors, 82 COLUM. L. REV. 1600, 1605 (1982) (concluding that proof of market failure is and should be a threshold requirement for a judicial finding of fair use); William M. Landes & Richard A. Posner, An Economic Analysis of Copyright Law, 18 J. LEGAL STUD. 325, 357-58 (1989) (reasoning that fair use is only appropriate when the high transaction costs of obtaining a copyrighted work effectively proscribe a voluntary market exchange).

For a summary discussion of the economic theory of fair use, see CRAIG JOYCE, ET AL., COPYRIGHT LAW 822-23 (3d ed. 1993).

own copying as *de minimis*, subsequent Supreme Court decisions have established that the potential market effect of unauthorized reproduction is not judged by scrutinizing the copying activities of a lone infringer, but by examining the effect of widespread copying among all similarly situated users. The proper measure of the market impact of Chief Justice Burger’s copying, therefore, would include all significant copying by all present and former Supreme Court Justices, their clerks and secretaries, and perhaps all the remaining personnel of the entire federal judiciary.

While the economic approach to fair use has gained adherents over the past decade, it also has wide-ranging implications regarding the future of the fair use doctrine and public access to information in a world of changing technology. Taken to its logical extension, this market analysis would require the fair use doctrine to give way whenever marketers come up with new methods of exacting payment for the use of copyrighted information.

30. *See supra* text accompanying notes 1-3.
31. *See, e.g.*, *Campbell*, 114 S. Ct. at 1177 (stating that to determine the effect of the use upon the potential market for the copyrighted work, courts must “consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also ‘whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential markets’ for the original” (quoting 3 *Nimmer on Copyright* § 13.05[A][4] (1984)); *Harper & Row*, 471 U.S. at 568 (“To negate fair use one need only show that if the challenged use ‘should become widespread, it would adversely affect the potential market for the copyrighted work.’”) (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984)).
33. L. Ray Patterson, *Understanding Fair Use*, 55 *Law & Contemp. Probs.* 249,
In that regard, the Second Circuit's decision in *American Geophysical* carries special significance for two reasons. First, although Texaco originally challenged the decision in a petition for certiorari filed with the Supreme Court, Texaco decided against pursuing further appeals and instead agreed to pay a seven-figure settlement and retroactive licensing fee to the CCC. The CCC has cited the *American Geophysical* case in its promotional literature since the district court ruled in the publishers' favor, and the organization has capitalized on its victory against Texaco by using the ruling to increase sales of photocopy licenses. Chances appear remote that another entity will be disposed to take on the CCC in the name of fair use in a non-educational setting.

263 (1992). *But see* Princeton Univ. Press v. Michigan Document Servs., Inc., 74 F.3d 1512, 1524 (6th Cir.), *opinion withdrawn, vacated, and reh'g en banc granted*, 74 F.3d 1528 (6th Cir. 1996), where the Sixth Circuit Court of Appeals held that in an educational context, a commercial copy center's reproduction and sale of excerpts from copyrighted materials for student use qualified as a fair use. In so holding, the court described as circular the copyright owners' argument that the use was unfair because it deprived them of their standard permission fees. *Id.* at 1523. 74 F.3d 1528 (6th Cir. 1996). For a discussion of this case, see *infra* notes 49-69 and accompanying text.


36. *See, e.g.,* Copyright Clearance Center, Creating Copyright Solutions 9 (1993) ("The 1992 Texaco decision underscored CCC's unique and vital role in collective licensing of photocopying.")

37. A recent CCC brochure, intended to market CCC's Annual Authorization Service licensing system, states that "CCC participating publishers will not pursue unasserted claims of copyright infringement against licensed companies." Copyright Clearance Center, Annual Authorizations Service (AAS) brochure (1995) (on file with the author). *See* Goldstein, *supra* note 2, at 223 (describing CCC's marketing approach as a "carrot-and stick" strategy and reporting that CCC's estimated royalty payments in 1993 almost tripled from those received in 1992).

38. Following the *American Geophysical* decision both at the district and circuit court level, articles in various legal publications have recommended that lawyers counsel their clients to avoid copyright infringement liability by purchasing photocopy licenses. *See, e.g.,* H. Roy Berkenstock, *Will Your Fair Use Net a Foul?*, 13 ACCA DOCKET 62, 64 (March/April 1995) (stating that "wise counsel... will procure a license for the inevitable copying of copyrighted materials for internal use"); Brown & Koch, *supra* note 7 at 21 (advising periodical subscribers to consider joining the CCC); Michael F. Clayton, *Photocopies and Fair Use: How to Avoid Copyright Liability*, 40 PRAC. LAW. 81, 86 (June
Second, the market approach espoused by the Second Circuit in *American Geophysical* can easily be extended to the world of electronic technology—the information superhighway.\(^3\) Copyright owners naturally favor a “pay-as-you-go” approach to electronic transmissions of copyrighted works, an integral characteristic of what Professor Goldstein has described as “the celestial jukebox.”\(^4\) For its part, the CCC has been working to expand its licensing services into the electronic frontier by developing electronic copyright clearance and information metering on computer networks such as the Internet.\(^41\)

But are copyright owners’ rights in copyrighted works really as extensive as the CCC and other publishers claim? The Supreme Court has held that the ultimate goal of copyright law is not to promote new markets or economic growth, but rather to advance learning and thereby further the public good.\(^42\) As a mechanism to

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1994) ("[T]he only sure method of avoiding copyright liability is to seek a license either directly from the copyright owner or from the CCC.").

With respect to photocopying in an educational context, the Sixth Circuit Court of Appeals recently held that a commercial copy center’s reproduction and sale of excerpts from copyrighted materials for student use qualified as a fair use. See *infra* notes 49-77 and accompanying text (discussing in depth the *Michigan Document Services* case).


40. Goldstein, *supra* note 2, at 28. Goldstein describes how consumers will use this celestial jukebox as follows:

None of this will come free. The celestial jukebox will bill subscribers much as the telephone company does... Where the telephone company charges calls on the basis of length and time of day, the celestial jukebox will also be able to charge according to the value of the work transmitted.

*Id.*

41. *Folio Corporation and Copyright Clearance Center Create First Solution for Electronic Copyright Protection*, Copyright Clearance Center & Folio Corporation, March 6, 1995 (press release on file with the author).

42. The Supreme Court has clearly stated that the chief purpose of copyright is to promote learning. *See*, e.g., *Fogerty v. Fantasy*, Inc., 114 S. Ct. 1023, 1030 (1994) (stating that “copyright law ultimately serves the purpose of enriching the general public through access to creative works”); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499
achieve this goal, the copyright law provides financial incentives to encourage authors and artists to create and disseminate their original works. In applying the copyright law, then, courts must be careful not to favor the mechanism at the expense of the goal. A pure market approach to fair use could thwart copyright's purpose of advancing public knowledge and welfare by creating what has been called "a purchase tax on learning materials," where only those with the wherewithal to pay are allowed access to useful information. The resulting balance struck between authors' (read "publishers") and users' rights would be skewed so far in favor

U.S. 340, 349 (1991) (explaining that "[t]he primary objective of copyright is not to reward the labor of authors, but '[t]o promote the Progress of Science and useful Arts'" (quoting U.S. CONST. art. I, § 8, cl. 8)); Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975) (declaring that "[c]reative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts"); United States v. Paramount Pictures, Inc., 334 U.S. 131, 158 (1948) ("The copyright law, like the patent statute, makes reward to the owner a secondary consideration. . . . [R]eward to the author or artist serves to induce release to the public of the products of his creative genius.").

Commentators, however, have not always clearly understood copyright's ultimate purpose. See, e.g., Goldstein, supra note 2, at 3 ("[I]f the work has commercial value, copyright's aim is to put that value in the copyright owner's pocket."); Laurie C. Tepper, Copyright Law and Library Photocopying: An Historical Survey, 84 L. LIBR. J. 341, 341 (1992) ("Copyright . . . is designed to prevent the unauthorized copying of written works . . . .").

43. See, e.g., Mazer v. Stein, 347 U.S. 201, 219 (1954) ("The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'" (quoting U.S. CONST. art. I, § 8, cl. 8)).

44. Patterson, supra note 33, at 263.

45. Most creators assign all or at least a portion of their rights under the copyright law to publishers or other marketing agents. L. RAY PATTERSON & STANLEY W. LINDBERG, THE NATURE OF COPYRIGHT: A LAW OF USER'S RIGHTS 188-89 (1991). American copyright law recognizes this fact of life by granting rights to copyright "owners" rather than to authors or creators. See supra note 17 (for the complete text of 17 U.S.C. § 106); see also Goldstein, supra note 2, at 168-69 ("[T]he American culture of copyright centers on a hard, utilitarian calculus that balances the needs of copyright producers against the needs of copyright consumers, a calculus that appears to leave authors at the margins of its equations."); PATTERSON & LINDBERG, supra, at 20 ("[R]egardless of conventional wisdom, which has long viewed copyright as belonging to authors, copyright began and continues to function much the same as it did for its originators, that is, primarily to protect the publisher's marketing of works.").
of copyright holders as to practically eliminate fair use in the personal or business context. Users would still have access to copyrighted information—but only for a price.

This Article addresses the impact the market approach to fair use will have on individual and workplace user’s rights to copyrighted material, an inquiry not pursued by the court in American Geophysical. Part I briefly summarizes major judicial decisions concerning photocopying in various settings. Part II analyzes the particular facts and holding in the American Geophysical opinion. Part III identifies fundamental, unanswered, or insufficiently considered issues raised by American Geophysical, including whether intermediate copying should be considered transformative “research” within the meaning of Section 107 of the 1976 Act, whether copying one article from a collective work should be considered copying an entire work, and whether a personal use exemption exists under copyright law.

Finally, the Article concludes that either the courts must recognize, or Congress should enact, a personal use exemption that would allow workplace and other consumers of information to make single copies of copyrighted materials without obtaining the copyright owner’s permission or paying any royalty or licensing fees. Furthermore, courts should reject a purely economic approach to fair use for the doctrine to remain viable as a check against the marketing schemes of copyright owners.

I. PHOTOCOPYING AND THE COURTS

By the early 1960s, photocopying machines had evolved to the point where they could provide fast, cheap, and high quality copies.46 Since then, copyright owners have predicted that if left unchecked, copying technology could spell ruin for the value of their copyrights and cause many areas of the publishing industry to deteriorate.47 As shown in the following summary, courts have general-

46. See Goldstein, supra note 2, at 79. For a review of the history of reprography, see WILLIAM Z. NASRI, CRISIS IN COPYRIGHT 5-7 (1976).
47. See, e.g., Williams & Wilkins Co. v. United States, 487 F.2d 1345, 1369 (Ct. Cl. 1973) (Cowen, C.J., dissenting) ("A representative of Williams & Wilkins Company
ly, although not always, agreed with copyright owners that photoduplication technology constitutes an unacceptable threat to their exclusive rights.

A. Copying for Educational Purposes Favored as Fair Use

The preamble to Section 107 of the 1976 Act specifically includes teaching and "multiple copies for classroom use" within the boundaries of fair use. Accordingly, educational uses are generally favored under a fair use analysis, although the cases have been anything but uniform in reasoning or result.

In a recent and controversial decision of the Sixth Circuit Court of Appeals, Princeton University Press v. Michigan Document Services, Inc., the court applied the fair use defense to an instance of educational photocopying even when the resultant copies were

testified that in recent years there have been journals that have failed, and in the opinion of those at Williams & Wilkins, photocopying has played a role in these failures."), aff'd by an equally divided Court, 420 U.S. 376 (1975); Copyright Law Revision: Hearings Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong., 1st Sess. 1511-18 (1965) (statement of Williams & Wilkins Co., requesting language in the Copyright Revision Bill that would require users to obtain publisher permission before making photocopies that could interfere with publishers' revenues); Survey of Copyrighted Material Reproduction Practices in Scientific and Technical Fields, 11 BULL. COPYRIGHT SOC'Y 69, 86-87 (1963) (finding that larger publishers complained about photocopying of their copyrighted material, even if no economic harm could be shown); Melville B. Nimmer, New Technology and the Law of Copyright: Reprography and Computers, 15 U.C.L.A. L. REV. 931, 951 (1968) (stating that machine copying will create significant economic harm to authors).

Courts and commentators have made the same prediction. See, e.g., American Geophysical, 60 F.3d at 917 ("As with the development of other easy and accessible means of mechanical reproduction of documents, the invention and widespread availability of photocopying technology threatens to disrupt the delicate balances established by the Copyright Act."). cert. dismissed, 116 S. Ct. 592 (1995); Goldstein, supra note 2, at 29 (arguing that technological developments such as xerography threaten to undermine the copyright law's system of incentives); MELVILLE B. NIMMER & DAVID NIMMER, 3 NIMMER ON COPYRIGHT § 13.05[E][1], at 13-246 (1995) [hereinafter NIMMER] (warning that "unrestricted photocopying practices could largely undercut the entire law of copyright").

48. 17 U.S.C. 107; see also supra note 17.

49. 74 F.3d 1512 (6th Cir.), opinion withdrawn, vacated, and reh'g en banc granted, 74 F.3d 1528 (6th Cir. 1996). As this Article went into publication, the Sixth Circuit had vacated and withdrawn its opinion and granted a rehearing en banc.
sold for a profit. In that case, several publishers sued Michigan Document Services ("MDS"), a copy shop operator, for copyright infringement relating to MDS's its compilation and sale of "coursepacks." By producing these coursepacks, MDS allowed college professors to create personalized, albeit photocopied, anthologies for their students. Pursuant to the professor's instructions, MDS would photocopy selected excerpts from copyrighted and uncopyrighted materials, bundle the copies into course packets, and sell the packets directly to students. The plaintiffs argued that by copying and reselling copyrighted excerpts without either obtaining authorization or paying the standard permission fees, MDS engaged in a nontransformative, commercial, competitive, and therefore infringing use.

The Sixth Circuit disagreed, characterizing the primary purpose of the use as "nonprofit educational." According to the court, the professors and their students could have copied the material themselves without violating the copyright law. Therefore, the court reasoned, the ultimate users are free to delegate the duplication task to a third party without changing the nature of the use. Although MDS profited by performing this task, the court, nevertheless, found that MDS did not "exploit" the plaintiff's copyrights because the copy shop charged the same per-page fee to reproduce both copyrighted and uncopyrighted material.

Having determined that the defendant's use of the copyrighted material was noncommercial, the court placed the burden of proof on the plaintiffs to show economic harm under the fourth fair use factor. The court concluded that the defendant's use created no

50. Id. at 1515.
51. Id. at 1516.
52. Id. at 1517.
53. Id. at 1516. Specifically at issue in the case were six excerpts, ranging from 17 to 95 pages in length and constituting as much as 30 percent of an entire book, to which the plaintiffs owned the copyrights. Id.
54. Id. at 1517.
55. Id. at 1521.
56. Id.
57. Id.
58. Id.
59. Id. at 1523.
damage to the market for the original works despite the plaintiffs' evidence of lost permission fees.\textsuperscript{60} Proof of lost permission fees, the court said, is irrelevant regarding market effect because "[i]t is circular to argue that a use is unfair, and a fee therefore required, on the basis that the publisher is otherwise deprived of a fee."\textsuperscript{61} MDS had obtained affidavits from the professors who chose the excerpts at issue, stating that they would not have assigned the original copyrighted works to their classes had course packs been unavailable.\textsuperscript{62} As a result, the court held that the publishers had failed to show any damage to the market for the original copyrighted works.\textsuperscript{63}

As an additional factor in its fair use analysis, the court relied on declarations from more than 100 authors to the effect that pecuniary reward does not constitute the major incentive for their work.\textsuperscript{64} Accordingly, the court said that the copy shop's actions in duplicating and reselling the excerpts without compensating the copyright owners would not discourage, but instead would actually stimulate the production of scholarly works.\textsuperscript{65}

The Sixth Circuit's holding in \textit{Michigan Document Services} stands in stark contrast to a 1991 holding by a Manhattan district court on almost identical facts. In \textit{Basic Books, Inc. v. Kinko's Graphics Corp.},\textsuperscript{66} the court rejected defendant Kinko's argument that the anthologies were compiled for educational purposes.\textsuperscript{67} Instead, the court determined that Kinko's chief purpose in creating course packets was to profit from the sale of the unauthorized copies.\textsuperscript{68} Furthermore, the court noted that Kinko's did not use the copyrighted materials in a "productive" or "transformative" way, in the sense that the copy shop added nothing of value to the original works.\textsuperscript{69} The court thus concluded that the photocopying did

\textsuperscript{60.} \textit{Id.}
\textsuperscript{61.} \textit{Id.}
\textsuperscript{62.} \textit{Id.} at 1522.
\textsuperscript{63.} \textit{Id.} at 1523.
\textsuperscript{64.} \textit{Id.} at 1524.
\textsuperscript{65.} \textit{Id.}
\textsuperscript{67.} \textit{Id.} at 1530-31.
\textsuperscript{68.} \textit{Id.} at 1531.
\textsuperscript{69.} \textit{Id.} at 1530. By comparison, the Sixth Circuit in \textit{Michigan Document Services
not qualify as a fair use because the copies both substituted for and competed with the original copyrighted works, with "the intended purpose of supplanting the copyright holder's commercially valuable right." 70

Although *Michigan Document Services*, being a court of appeals decision, is theoretically entitled to more precedential weight than the district court decision in the *Kinko's* case, immediate response to the Sixth Circuit's ruling has been negative. 71 In fact, the weight of prior case authority dealing with educational copying supports the *Kinko's* analysis. For example, in an early case involving educational copying, *Wihtol v. Crow*, 72 a music teacher/church choir director was found guilty of copyright infringement under the Copyright Act of 1909 ("1909 Act") 73 for making a choral arrangement of a copyrighted song, and then making forty-eight copies on a school duplicating machine of this arrangement for choir members and students. 74 Although the district court agreed with the choirmaster that his use of the song for educational purposes and without intent to infringe was a fair use, 75 the Court of Appeals reversed. 76 While acknowledging that the defendant's infringement was unintentional, the appellate court nevertheless exclaimed that "it is not conceivable to us that the copying of all, or substantially all, of a copyrighted song can be held to be a 'fair use' merely because the infringer had no intent to infringe." 77

Another similar case involving educational copying, although not photocopying *per se*, *Marcus v. Rowley*, 78 held that a teacher's

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72. 309 F.2d 777 (8th Cir. 1962).
76. *Wihtol*, 309 F.2d at 783.
77. *Id.* at 780.
78. 695 F.2d 1171 (9th Cir. 1983).
retyping of a substantial portion of another teacher’s copyrighted booklet was not a fair use, even though the copies were intended for the classroom.\(^7\) In both cases, the fact that the copies were made for educational purposes was not, by itself, sufficient to qualify the copying as a fair use. In light of these precedents, it is unclear how much weight should be accorded to the *Michigan Document Services* decision.

**B. Library Photocopying For Research Purposes Held to be Fair Use**

In another case brought under the 1909 Act, and the only photocopying case to be considered\(^8\) by the Supreme Court, *Williams & Wilkins Co. v. United States*,\(^9\) a publisher of medical journals claimed that the National Institute of Health (“NIH”) and the National Library of Medicine (“NLM”) violated its copyrights by systematically making unauthorized photocopies of periodical articles for free distribution to scientists and researchers.\(^10\) Despite copying limits imposed by both libraries for each requester,\(^11\) the total amount of photocopying done by each entity was extensive.\(^12\) Characterizing the defendants’ activities as “wholesale copying” that met “none of the criteria for ‘fair use,’”\(^13\) the trial commissioner of the Court of Claims\(^14\) ruled for the publisher.

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79. Id. at 1179.
80. Although the Court heard oral arguments in the case, it did not render a decision of precedential value. See infra notes 111-12 and accompanying text.
81. 487 F.2d 1345 (Ct. Cl. 1973), aff’d by an equally divided Court, 420 U.S. 376 (1975).
82. Id. at 1347. The NIH supplied photocopies only to its own employees, id. at 1354-55, while the NLM responded to requests from other libraries, government agencies, and some commercial entities such as private drug companies. Id. at 1349. The court noted that the researchers who received photocopied articles from the NIH generally kept the copies in their files for later reference. Id. at 1348.
83. For example, both libraries would provide only one copy of a journal article per request and both generally imposed a page limit of about fifty pages, although exceptions were granted. Id. at 1348.
84. In 1970, the NIH filled 85,744 requests for copies of articles, totalling approximately 930,000 pages. Id. In 1968, the NLM supplied about 120,000 requests for photocopies. Id. at 1349.
86. Because the publisher was suing the government, the case was heard in the Court
The full seven-judge Court of Claims, however, rejected the commissioner's recommendation and, in a 4-3 decision that emphasized the public interest in free access to medical knowledge, found that the defendants' copying activities qualified as a fair use.\textsuperscript{87} In reaching its decision, the court weighed not only the four fair use criteria,\textsuperscript{88} but also a "multiplicity of factors"\textsuperscript{89} including custom and practice.\textsuperscript{90} Considering the nature of the use, the court stressed that the copying was performed by non-profit institutions for the purpose of furthering the personal, scientific research of the requesters.\textsuperscript{91} The nature of the use, therefore, was "untainted by any commercial gain"\textsuperscript{92} because neither the libraries nor the requesters attempted to sell the duplicated articles.\textsuperscript{93}

Because the libraries' photocopying activities furthered scientific progress, the court concluded that disallowing the

\textsuperscript{87} Williams & Wilkins, 487 F.2d at 1362.
\textsuperscript{88} See supra notes 17-25 and accompanying text. Although Williams & Wilkins was decided under the 1909 Act, the Court of Claims applied the four fair use criteria that were then part of the copyright revision package before Congress and are now codified in Section 107 of the 1976 Act. Williams & Wilkins, 487 F.2d at 1361.
\textsuperscript{89} Williams & Wilkins, 487 F.2d at 1353.
\textsuperscript{90} Id. The court stated that library photocopying had been widely accepted in the industry for at least 50 years, and concluded as follows:
The fact that photocopying by libraries of entire articles was done with hardly any (and at most very minor) complaint, until about 10 or 15 years ago, goes a long way to show both that photoduplication cannot be designated as infringement \textit{per se}, and that there was at least a time when photocopying, as then carried on, was "fair use."
\textsuperscript{91} Id. at 1356.
\textsuperscript{92} Id. at 1354. With respect to the personal nature of the copying involved, the Court of Claims presaged Chief Justice Burger's thoughts during oral arguments in the same case when it stated:
We cannot believe . . . that a judge who makes and gives to a colleague a photocopy of a law review article, in one of the smaller or less available journals, which bears directly on a problem both judges are then considering in a case before them is infringing the copyright, rather than making "fair use" of his issue of that journal.
\textsuperscript{93} Id. at 1353; see supra notes 1-3 and accompanying text.
\textsuperscript{92} Williams & Wilkins, 487 F.2d at 1354.
\textsuperscript{93} Id.
photoduplication would impair the advance of medical research.\textsuperscript{94} Back issues of, and reprints from, these rarely used medical journals were scarce, and if photocopying were not permitted, the court did not believe that either the scientists or the libraries would purchase additional subscriptions.\textsuperscript{95} Instead, the court assumed that many researchers would simply "do without . . . many of the articles they now desire, need, and use in their work."\textsuperscript{96} As a result, the court found the publisher had shown neither actual damages nor that it would suffer substantial harm by the defendants' photocopying practices.\textsuperscript{97} In reaching this conclusion, the court discounted evidence provided by the publisher regarding the effect of photocopying on its journals,\textsuperscript{98} and looked instead to the publisher's overall general increases in revenues and subscription sales.\textsuperscript{99} The court noted that the creators of the journal articles at issue certainly were not harmed by the libraries' photocopying: almost none of the authors who contributed to the plaintiff's journals were paid for their work, and at least some of the authors said they supported photocopying as a means to disseminate scientific data.\textsuperscript{100}

Concerning royalty income, the court gave several justifications for rejecting the publisher's argument that loss of licensing fees should be included in the court's calculation of harm. As a threshold issue, the court reasoned that loss of royalty income could not be a cognizable harm to plaintiff unless the defendants' photocopying activities were first found not to qualify as a fair use.\textsuperscript{101} The publisher here had no right to issue licenses, the court said, unless the defendants' photocopying constituted copyright

\textsuperscript{94} \textit{Id.} at 1356. The plaintiffs had asked the defendants to purchase a photocopy license, however, critics of the decision have pointed out that the Court of Claims was not being asked to stop the library's photocopying. \textit{Id.} at 1360; see \textsc{Patry}, supra note 13, at 180-81.

\textsuperscript{95} \textit{Williams \\& Wilkins}, 487 F.2d at 1357.

\textsuperscript{96} \textit{Id.}

\textsuperscript{97} \textit{Id.}

\textsuperscript{98} The dissenters in the case noted that some of the plaintiff's journals had lost both subscribers and revenues during the time period at issue. \textit{Id.} at 1370 (Cowen, C.J., dissenting).

\textsuperscript{99} \textit{Id.} at 1357.

\textsuperscript{100} \textit{Id.} at 1359.

\textsuperscript{101} \textit{Id.} at 1357 n.19.
infringement and was not a fair use. If it accepted plaintiff's argument that lost royalties should figure into the market effect component of fair use, the court would be engaging in circular reasoning.

Second, the majority doubted whether a workable licensing system could be devised without legislation. Structuring a photoduplication licensing mechanism would raise manifest "economic, social, and policy factors which are far better sifted by a legislature."  

Finally, the court believed it lacked the power to impose compulsory licensing under the 1909 Act. Therefore, any licensing system developed without Congressional intervention would have to be voluntary between the parties. The court said it was loath to "turn the determination of 'fair use' on the owner's willingness to license—to hold that photocopying (without royalty payments) is not 'fair use' if the owner is willing to license at reasonable rates ... Until Congress chose to clarify the "problems of photocopying," the court suggested publishers raise subscription rates for institutions such as libraries that perform extensive photocopying.

After hearing oral arguments in the case, the Supreme Court split four-to-four to affirm the Court of Claims' decision, without creating either a written opinion or a precedent. Although the

102. Id.
103. Id. at 1357-58.
104. Id. at 1360. However, the dissent pointed out that the plaintiff had already licensed the Institute of Scientific Information to provide copies of out-of-print articles for a fee. Id. at 1370 (Cowen, C.J., dissenting).
105. Id. at 1360.
106. Id. But see NIMMER, supra note 47, at § 13.05[E][4][e], at 13-265 (stating that the Court of Claims "may issue a mandatory license providing for just compensation to the copyright claimant").
107. Williams & Wilkins, 487 F.2d at 1360.
108. Id.
109. Id. at 1363.
110. Id. at 1360.
111. Williams & Wilkins Co. v. United States, 420 U.S. 376 (1975). Justice Blackmun did not participate in the decision. Id.
112. When the Supreme Court deadlocks in this manner, the lower court decision is automatically affirmed, although the affirmation has no precedential value. See Neil
Williams & Wilkins decision has never been overruled, it has been soundly criticized by both judges and commentators.\textsuperscript{113} Congress addressed the library photocopying problem in at least a limited way when it enacted the 1976 Act.\textsuperscript{114}

C. Newsletters Entitled to Greater Copyright Protection Than Other Periodicals

In the first published opinion concerning the photocopying of newsletters,\textsuperscript{115} \textit{Pasha Publications Inc. v. Enmark Gas Corp.},\textsuperscript{116} a...
federal district court in 1992 found a for-profit gas company guilty of copyright infringement for making unauthorized, multiple, cover-to-cover photocopies of "Gas Daily." The business, Enmark Gas Corporation, received one copy of the newsletter by subscription at its Dallas office. Not only did the company make a practice of circulating photocopies of the newsletter among its Dallas employees, it also transmitted copies by facsimile to employees in two branch offices.

In applying the four statutory factors to determine if Enmark's photocopying constituted fair use, the court concluded that none of the criteria favored Enmark. First, regarding the nature and purpose of the use, the court found that Enmark, a commercial entity, made the photocopies "in furtherance of its commercial pursuits." The use of copyrighted works for commercial, as opposed to educational, scientific or research, purposes traditionally has not been favored as a fair use.

Second, the court emphasized that the nature of the copyrighted work was a newsletter—a type of publication given more protection against copyright infringement than other periodicals or journals. In the legislative history of Section 107, the House drafting committee indicated that although photocopying a newsletter did not automatically constitute copyright infringement, the relatively firm's agreement to cease photocopying WBII's newsletter and to make a cash settlement, the lawsuit was settled and dismissed. Copyrights: Law Firm is Sued for Copying Newsletter for In-House Use, PAT., TRADEMARK & COPYRIGHT J. (BNA) No. 1021, at 389 (March 7, 1991) (discussing Washington Bus. case). For reports of this and other lawsuits brought by newsletter publishers, see Don J. DeBenedictis, Saving on Subscriptions, A.B.A. J., May 1991, at 32.

117. Id. at 2062-63.
118. Id.
119. Id.
120. See supra notes 17-25 and accompanying text.
122. Id. The judge did not inquire into the ultimate use of the photocopies, but instead assumed that they were used for commercial purposes based on the for-profit status of the defendant. Id.
123. See infra notes 272-90 and accompanying text.
small size, narrow focus, and modest circulation of newsletters made them especially vulnerable to mass duplication.\textsuperscript{125} Therefore, the committee concluded that the fair use exception should be narrower for newsletters than for other types of publications.\textsuperscript{126}

Because Enmark photocopied the entire newsletter, the court held that the third fair use factor—amount and substantiality of the use—also cut against fair use.\textsuperscript{127} Finally, the court stated that Enmark avoided purchasing additional subscriptions of the newsletter by its photocopying, thereby creating "an obvious detrimental effect on the potential market for 'Gas Daily.'"\textsuperscript{128} For these reasons, and despite the finding that Enmark was an unintentional infringer,\textsuperscript{129} its copying activities did not qualify as a fair use.\textsuperscript{130} The court permanently enjoined Enmark, its officers, directors, agents, and employees from any further copyright infringement with respect to plaintiff's publications.\textsuperscript{131}

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In summary, these judicial decisions show how unsettled the law remains regarding the photocopying of copyrighted material. Although \textit{Michigan Document Services} expanded the doctrine of fair use in an educational context, it is unclear whether the decision will prove to be a long-lasting victory for copy shop operators.

\begin{itemize}
\item \textsuperscript{125} H.R. REP. NO. 1476, \textit{supra} note 19, at 73-74, \textit{reprinted in} 1976 U.S.C.C.A.N. at 5687. The House Report goes on to address newsletter photocopying and fair use as follows: Whether the copying of portions of a newsletter is an act of infringement or a fair use will necessarily turn on the facts of the individual case. However, as a general principle, it seems clear that the scope of the fair use doctrine should be considerably narrower in the case of newsletters than in that of either mass-circulation periodicals or scientific journals. The commercial nature of the user is a significant factor in such cases: Copying by a profit-making user of even a small portion of a newsletter may have a significant impact on the commercial market for the work. \textit{Id.}
\item \textsuperscript{126} \textit{Id.}
\item \textsuperscript{127} \textit{Pasha Publications}, 19 Media L. Rep. at 2063.
\item \textsuperscript{128} \textit{Id.}
\item \textsuperscript{129} \textit{Id.} at 2062.
\item \textsuperscript{130} \textit{Id.} at 2063. In fact, the court stated that "[r]egardless of the number of photocopies reproduced, Enmark Gas' repeated, unauthorized, cover-to-cover photocopying of 'Gas Daily'... did not qualify as a fair use." \textit{Id.}
\item \textsuperscript{131} \textit{Id.}
\end{itemize}
Other cases, such as *Kinko's* and *Wihtol*, have denied fair use treatment to photocopying even in the educational setting. Library photocopying for scientific research purposes was held to be a fair use in *Williams & Wilkins*; however, this case has also been described as dubious authority.  

Finally, the legislative history of Section 107 grants newsletters special protection against photocopying, making it unlikely that any cover-to-cover duplication of a newsletter would qualify as fair use. These cases leave unaddressed, however, the question of whether spontaneous copying of single articles by a scientist employed by a for-profit corporation would constitute copyright infringement. That question was presented to the Second Circuit Court of Appeals in the *American Geophysical* case.

II. **AMERICAN GEOPHYSICAL UNION V. TEXACO, INC.**

In the early 1980s, Texaco's in-house library at its Beacon, New York research center circulated scientific journals among its researchers in a manner that is most likely familiar among law firms and corporations. Those Texaco scientists interested in reviewing specific journals put their names on the appropriate routing lists, and as the journals were received, the library staff circulated the journals to the listed employees. At least one Texaco researcher, Dr. Donald Chickering, II, photocopied or had his secretary photocopy four articles, two notes, and two letters to the editor from various issues of the *Journal of Catalysis* ("Catalysis"), published by Academic Press.

In 1985, a group of CCC-member journal publishers (including

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132. See supra note 113 and accompanying text.
134. Speaking from personal experience, I know that this was standard practice at Vinson & Elkins' Houston office when I worked there at approximately the same time.
Academic Press) filed a class action copyright infringement lawsuit against Texaco, claiming Texaco’s employees were making unauthorized photocopies of journal articles to use in their research. By stipulation, the parties agreed to focus on the photocopying of one Texaco researcher chosen at random—Dr. Chickering—and selected from his files the photocopies of the eight items from *Catalysis*. The district court held that Dr. Chickering’s photocopying was not a fair use, and therefore found Texaco guilty of copyright infringement. The Second Circuit Court of Appeals affirmed, stating that its decision did not reach the issue of “photocopying for personal use by an individual,” but rather was limited to “the institutional, systematic, archival multiplication of copies revealed by the record.” In reaching its conclusion, the Court of Appeals found that three of the four statutory fair use factors supported the publishers.

Section 1976 Act by its language requires courts to consider at least all four statutory factors in making fair use determinations. Although approximately ten years ago the Supreme Court stated that the effect on the potential market for the copyrighted work constituted the most important of the four fair use factors, it has more recently backed away from that position. According to the Court in *Campbell v. Acuff-Rose Music, Inc.*, “[a]ll [four factors] are to be explored, and the results weighed together, in light of the purposes of copyright.” The following section of this Article assesses each of the four fair use factors in turn and reviews the

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138. *American Geophysical*, 60 F.3d at 915.
140. *American Geophysical*, 60 F.3d at 931.
141. *Id.*
142. The statute indicates that these four factors are not necessarily exhaustive. This is the case because the preamble to Section 107 states that in determining whether a use is fair, the factors to be considered shall “include” those listed in the statute. 17 U.S.C. § 107. The term “including” is defined in Section 101 as “illustrative and not limitative.” 17 U.S.C. § 101.
144. 114 S. Ct. 1164 (1994).
145. *Id.* at 1171.
Second Circuit’s analysis in the American Geophysical case.

A. Factor 1: The Purpose and Character of the Use

The first fair use factor directs that courts evaluate the purpose and character of the secondary use, including whether the use is “commercial” in nature. In considering the purpose and character of Dr. Chickering’s use of the photocopied materials, the court gave primary importance to the concept of “transformative use.”

Noting the Supreme Court’s 1994 decision in Campbell, the Second Circuit stated that transformative uses—those that build on or add something new to the original work—promote the advance of knowledge and further the goals of copyright. On the other hand, nontransformative uses—uses that do no more than duplicate the original work—generate no new “value” and therefore provide little justification for a finding of fair use.

In evaluating Dr. Chickering’s duplicating practices, the court focused on what it called the “archival” nature of the copying.

147. American Geophysical, 60 F.3d at 920. Courts and commentators have used the phrase “productive use” interchangeably with “transformative use.” Compare Universal City Studios, Inc. v. Sony Corp. of Am., 659 F.2d 963, 970 (9th Cir. 1981) (stating that “fair use has traditionally involved what might be termed the ‘productive use’ of copyrighted material”), rev’d, 464 U.S. 417 (1984) with Basic Books, Inc. v. Kinko’s Graphics Corp., 758 F. Supp. 1522, 1530 (S.D.N.Y. 1991) (equating “transformative value” with the phrase “productive use”); see also Leval supra note 21, at 1111 (defining transformative use as one that is “productive and . . . employ[s] the quoted matter in a different manner or for a different purpose from the original”). For simplicity’s sake, this Article uses the phrase “transformative use” as including “productive use.”

148. American Geophysical, 60 F.3d at 923. In Campbell, the Supreme Court stated that a proper inquiry into the first fair use factor involved asking “whether and to what extent the new work is ‘transformative.’” 114 S. Ct. at 1171. However, in Campbell, which was a parody case, a new work was in question. Id.

149. American Geophysical, 60 F. 3d at 923-24. This approach echoes Judge Leval’s belief that to be a fair use, “[t]he use must be productive and must employ the quoted matter in a different manner or for a different purpose from the original.” Leval, supra note 21, at 1111.

For a history and criticism of the Transformative Use doctrine, see generally Laura G. Lape, Transforming Fair Use: The Productive Use Factor in Fair Use Doctrine, 58 ALB. L. REV. 677 (1995).

150. American Geophysical, 60 F.3d at 919-20. Although the court said that some instances of archival copying might qualify as fair use, Dr. Chickering’s copying did not because it was “part of a systematic process of encouraging employee researchers to copy
Dr. Chickering photocopied the articles, the court said, to file within easy reach should he need them for future reference. The court deemed this type of copying to be nontransformative because the duplicated articles simply sat on Dr. Chickering’s shelf as extra, free clones of the original subscription copies. Although the court admitted that Dr. Chickering converted the articles into a more useful format by photocopying them, the court said the primary purpose of the copying remained archival, and therefore, nontransformative.

The court also considered Texaco’s for-profit status as influential in evaluating the nature and purpose of Dr. Chickering’s use of the copyrighted works. Although Texaco argued that Dr. Chickering copied the works to advance his research, a use that the preamble to Section 107 lists as presumptively fair, the court looked instead to the profit motivation behind the research. Noting that Section 107(1) distinguishes between commercial and non-commercial uses.”

articles so as to multiply available copies while avoiding payment.” Id. at 920.

151. Id. at 918-19. The court found it significant that Dr. Chickering had not yet had opportunity to use five of the eight articles. Id.


153. “[P]hotocopying the article separated it from a bulky journal, made it more amenable to markings, and provided a document that could be readily replaced if damaged in a laboratory. . . .” Id. at 920.

154. Id. at 923-24. Had Dr. Chickering purchased his own copy of Catalysis (or had Texaco bought it for him) and photocopied a chart or formula to take with him into the laboratory rather than to keep in his files, the court said he might have been engaging in the kind of “spontaneous” copying that would qualify as a fair use. Id. at 919. However, the court did not explain why the purchase of an additional subscription would change the nature of the use; clearly, the use in both instances remains the same.

155. Id. at 921-22.

156. In pertinent part, the preamble to Section 107 states that: “Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies . . . for purposes such as criticism, comment, news reporting, teaching . . . scholarship, or research, is not an infringement of copyright.” 17 U.S.C. § 107.

157. American Geophysical, 60 F.3d at 922. (“[I]t is overly simplistic to suggest that the ‘purpose and character of the use’ can be fully discerned without considering the nature and objectives of the user.”).
profit educational use, the court said the proper inquiry involves whether "a secondary user makes unauthorized use of copyrighted material to capture significant revenues as a direct consequence of copying the original work."  

Recognizing that Dr. Chickering's copying could eventually "serve a broader public purpose," the court concluded that his copying did not amount to pure "commercial exploitation" of the copyrighted articles. However, the court refused to consider the copying as pure research either, for two reasons. First, the link between Dr. Chickering's copying and his scientific investigations was seen as too indirect for the court to consider the copying as any more than an "intermediate use"—a mere step in the research chain. According to the court, too many maybe's, might's, and could's existed between Dr. Chickering's copying and any measurable scientific progress. Second, because Dr. Chickering

158. Section 107(1) lists "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes" as a factor to be considered in a fair use determination. 17 U.S.C. § 107(1).

159. American Geophysical, 60 F.3d at 922. In evaluating Texaco's for-profit status in its fair use analysis, the court noted that the Supreme Court in Campbell, 114 S. Ct. at 1171, did away with the notion that any commercial use is presumptively unfair, and instead explained that the commercial nature of the user simply "tends to weigh against a finding of fair use." American Geophysical, 60 F.3d at 921 (citing Campbell, 114 S. Ct. at 1174).

160. American Geophysical, 60 F.3d at 922.

161. Id.

162. Id. at 921. In using this phrase, the court quoted Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1522-23 (9th Cir. 1992), where a software manufacturer's copying of a competing computer program was held to be a fair use because the copying constituted an intermediate step in the development of the company's own, original product. For a further discussion of this case, see infra notes 247-56 and accompanying text.

163. "Texaco's photocopying served, at most, to facilitate Chickering's research, which in turn might have led to the development of new products and technology that could have improved Texaco's commercial performance." American Geophysical, 60 F.3d at 921 (emphases added).

In a footnote, the court further explained its reasoning as follows: Though Texaco claims that its copying is for "research" as that term is used in the preamble of section 107, this characterization might somewhat overstate the matter. Chickering has not used portions of articles from Catalysis in his own published piece of research, nor has he had to duplicate some portion of copyrighted material directly in the course of conducting an experiment or investigation. Rather, entire articles were copied as an intermediate step that might abet
conducted research in hopes of developing profitable products for Texaco, the court characterized his photocopying as just another production expense for the company.\textsuperscript{164} Texaco developed new products to reap private economic rewards; any benefits that may have filtered to the public were merely incidental.\textsuperscript{165} "Conceptualized in this way," the court said, "it is not obvious why it is fair for Texaco to avoid having to pay at least some price to copyright holders for the right to photocopy the original articles."\textsuperscript{166} Ultimately, the court related Texaco’s for-profit status back to the distinction between transformative and nontransformative use. Quoting again from \textit{Campbell}, the court said that "the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."\textsuperscript{167} Archival photocopying does not become a transformative use just because it is done in the course of conducting research, despite the wording of the preamble to Section 107.\textsuperscript{168} That language, according to the court, refers "to the work of authorship alleged to be a fair use, not to the activity in which the alleged infringer is engaged."\textsuperscript{169} Here, where the court regarded Dr. Chickering’s photoduplication as having produced no original work of authorship,\textsuperscript{170} the importance of Texaco’s commercial nature in the fair use mix was apparently quite significant.\textsuperscript{171}

Finally, Texaco relied on \textit{Williams & Wilkins}\textsuperscript{172} to argue that the widespread practice of photocopying of journal articles consti-
tuated a reasonable and customary use for the purposes of the first factor.\textsuperscript{173} The court swiftly disposed of this claim, stating that although the practice may have been reasonable and customary in 1973 when \textit{Williams & Wilkins} was decided, such was no longer the case.\textsuperscript{174} The court attributed the difference squarely to the dawn of photocopying licensing systems, a development that the court felt rendered Texaco's "everybody does it" argument irrelevant.\textsuperscript{175}

In his dissenting opinion, Judge Jacobs took issue with the court's conclusion that Dr. Chickering's photocopying did not rise to the level of "research" as that term is used in the preamble to Section 107.\textsuperscript{176} Judge Jacobs said that scientific research means more than just laboratory experiments, and necessarily begins and continues with an evaluation of what others have done through a literature review of the relevant journals.\textsuperscript{177} According to the dissent, making single photocopies to assist with research and scholarship qualified as a reasonable and customary use that served Dr. Chickering as the functional equivalent of note-taking.\textsuperscript{178} As such, the dissent characterized Dr. Chickering's copying as a necessary first step in any scientific enquiry, done by him for a transformative purpose, rather than a commercial one.\textsuperscript{179}

\textbf{B. Factor 2: The Nature of the Copyrighted Work}

Under the second statutory fair use factor, "the nature of the copyrighted work,"\textsuperscript{180} the court noted that the extent of copyright protection generally is broader with respect to fictional than to factual works.\textsuperscript{181} Despite the publishers' argument that the eight
Catalysis articles were examples of intensely creative and original thought, the court characterized the articles as primarily factual.\textsuperscript{182} Therefore, the court concluded that the second fair use factor favored Texaco.\textsuperscript{183}

C. \textit{Factor 3: The Amount and Substantiality of the Portion Used}

The third statutory factor requires an assessment of "the amount and substantiality of the portion used in relation to the copyrighted work as a whole."\textsuperscript{184} To determine how much of the copyrighted work Dr. Chickering used by photocopying the eight articles, the court looked first at what made up the "copyrighted work."\textsuperscript{185} Because Catalysis is sold only in issue format, Texaco argued that the copyrighted work in this instance should be the relevant issues of Catalysis\textsuperscript{186}—in which case, the amount of Dr. Chickering's copying in each issue (one article of between two-to-twenty pages) would be relatively slight compared to an average issue size of 200 pages.\textsuperscript{187} While the court described this argument as "superficially intriguing,"\textsuperscript{188} the court considered it more important that as a condition of publication, each author was required to transfer his or her copyright to Academic Press.\textsuperscript{189} Citing Williams \& Wilkins, the court sided with the publishers' claim that each article in the journal was a separate, copyrighted work.\textsuperscript{190} Because each article was regarded as an original, copyrighted work of authorship, and be-

\textsuperscript{182} American Geophysical, 60 F.3d at 925.
\textsuperscript{183} Id.
\textsuperscript{184} 17 U.S.C. \S 107(3); see supra note 17.
\textsuperscript{185} American Geophysical, 60 F.3d at 925.
\textsuperscript{186} Id.
\textsuperscript{187} Id. at 915.
\textsuperscript{188} Id. at 926.
\textsuperscript{189} Id.
\textsuperscript{190} Id. "The only other appellate court to consider the propriety of photocopying articles from journals also recognized that each article constituted an entire work in the fair use analysis." Id. (citing Williams \& Wilkins, 487 F.2d at 1353).
cause Dr. Chickering copied the eight articles in their entireties, the court found the third factor was detrimental to Texaco.¹⁹¹

D. Factor 4: Effect of the Use Upon Potential Market or Value

The fourth fair use factor addresses "the effect of the use upon the potential market for or value of the copyrighted work."¹⁹² The court began its analysis of the fourth fair use factor by noting that writers of scholarly journal articles often neither receive nor expect any reward for their work besides prestige, personal satisfaction, and the chance for professional advancement.¹⁹³ In this instance, therefore, the court recognized that the financial returns offered by copyright law did not encourage the creation of new works—these authors will continue their research and writing with or without payment.¹⁹⁴ However, the incentives provided by copyright law indirectly achieve the advance of science, the court said, by motivating publishers to produce journals that disseminate the authors' work.¹⁹⁵ As a result, the court considered the monetary effect of the photocopying on potential markets for the publisher, not the author, of scholarly articles.¹⁹⁶

The court looked at two potential publishers' markets for journal articles in calculating the market effect of Texaco's photocopying: (1) the market in additional journal subscriptions, back issues, and back volumes; and (2) the market in licensing revenues and fees.¹⁹⁷ Evidence presented at trial established that, had Texaco been prohibited from photocopying the articles in question, it would have purchased no more than a small number of additional subscriptions to Catalysis.¹⁹⁸ According to the court, this minimal

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¹⁹¹ Id.
¹⁹² 17 U.S.C. § 107(4); see supra note 17.
¹⁹³ American Geophysical, 60 F.3d at 927. In fact, Catalysis paid nothing to the authors of the eight articles in question. Id. at 915.
¹⁹⁴ Id. at 927.
¹⁹⁵ Id.
¹⁹⁶ Id.
¹⁹⁷ Id.
¹⁹⁸ Id. at 928. Because the court saw the primary purpose of Dr. Chickering's copying as archival, the court said it was reasonable to conclude that Texaco would buy a few additional subscriptions to provide certain researchers with personal copies of
market effect, by itself, would tilt the fourth factor only somewhat
in the publishers’ favor. 199

The court found a very different result, however, when it con-
sidered the market effect of photocopying on publishers’ potential
licensing revenues. The dissent, supporting Texaco, argued that by
considering these licensing revenues as part of the fair use analysis,
the court erroneously assumed the ultimate question in issue—that
Dr. Chickering’s photocopying was not a fair use. 200 The court
disagreed, saying that because Section 106 of the 1976 Act gives
the copyright owner the exclusive right to reproduce and distribute
copies of copyrighted works, 201 the copyright owner has an “indis-
putable” right to demand royalties for licensing others to use those
works. 202 Although the court allowed that not every adverse effect
on potential licensing schemes should figure into the evaluation of
the fourth factor, the court said that the impact on potential licens-
ing revenues for “traditional, reasonable, or likely to be developed
markets” was appropriate. 203

Did a traditional, reasonable, or likely to be developed market
exist for Texaco to purchase the right to photocopy individual arti-
cles from the Catalysis? The court said it did, pointing primarily
to the CCC. 204 Fully embracing the economic theory of fair use, 205
the court stated that what once may have been a fair use of copy-
righted material becomes “less fair” when a way to pay for the use
develops. 206 Essentially because the photocopying resulted in lost

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199. Id. at 929 n.15.
200. Id. at 929, 937 (Jacobs, J., dissenting).
201. 17 U.S.C. § 106(1),(3) (1994); see infra note 375.
202. American Geophysical, 60 F.3d at 929.
203. Id. at 929-30.
204. Id. The court repeated the district court’s language that Texaco could have: (1)
obtained articles from document delivery services; (2) negotiated individual photocopy
licenses directly from various publishers; or (3) purchased a photocopying license from
the CCC. Id. at 929.
Although the court admitted that the publishers had not created a “conventional”
market for individual articles, the court characterized the licensing scheme developed by
the CCC as both “workable” and “viable.” Id. at 930.
205. See supra note 32 and accompanying text.
206. American Geophysical, 60 F.3d at 931.
licensing revenue to Academic Press, a loss that the court felt constituted a "substantial harm" to the value of the publishers' copyrights, the court held that the fourth factor did not support a finding of fair use.\footnote{207}

The dissent disagreed regarding the viability of the market in photocopy licenses.\footnote{208} It noted that only about 30 percent of the journals subscribed to by Texaco would be covered under a CCC license, and that not every article in CCC-member publications were copyrighted at all.\footnote{209} Regarding Dr. Chickering's photocopying, the dissent found it significant that Academic Press already received additional revenue from Texaco by charging institutional users twice the regular subscription rate for its journals.\footnote{210} Furthermore, the dissent noted that the imposition of an additional charge on scientific inquiry to benefit journal publishers would not stimulate the creativity of the original authors, who give away their work in search of professional recognition and satisfaction.\footnote{211}

\footnote{207. \textit{Id.} (quoting \textit{American Geophysical}, 802 F. Supp. at 21). The court also found legislative support for the legitimacy of photocopying licenses, first by arguing that because Congress explicitly limited the right of libraries to make photocopies in Section 108 of the 1976 Act, it thereby implied that journal publishers may restrict the photocopying activities of other entities by charging royalties. \textit{Id.} Second, the court noted that the CCC was formed upon the suggestion of Congress. \textit{Id.} (citing S. REP. NO. 983, 93d Cong., 2d Sess. 122 (1974); S. REP. NO. 473, 94th Cong., 1st Sess. 70-71 (1975); H.R. REP. NO. 83, 90th Cong., 1st Sess. 33 (1968)).}

\footnote{208. \textit{Id.} at 937 (Jacobs, J., dissenting).}

\footnote{209. \textit{Id.} ("It follows that no CCC license can assure a scientist that photocopying any given article is legal."). Even should Texaco purchase a photocopy license, the dissent pointed out, it will still have to negotiate separately with many individual publishers before its scientists are free to copy all materials in the Texaco library. \textit{Id.} For this reason, the dissent characterized the photocopy license market as "cumbersome and unrealized." \textit{Id.} at 939.}

\footnote{210. \textit{Id.} at 936. ("The publisher must therefore assume that, unless they are reading Catalysis for pleasure or committing it to memory, the scientists will extract what they need and arrange to copy it for personal use before passing along the institutional copies.").}

\footnote{211. \textit{Id.} at 939-40. To the dissent, the growth in the scientific journal industry indicated that current incentives were sufficient to ensure the continued publication of journals, without additional compensation to publishers through photocopy royalties. \textit{Id.} at 940.}
In sum, the court found three of the four fair use factors—the nature of the work, the amount copied, and the effect on the potential market for the copyrighted work—to favor the publishers' claim of copyright infringement. Although the court said that the existence of a photocopy license system was not conclusive on its findings, careful examination shows that the court applied a market analysis to each of these three factors. As will be shown in the next section of this Article, the court in effect "triple-counted" the fourth fair use factor, the effect of the use on the potential market for the copyrighted work, and virtually ensured that Texaco's use was not a fair one.

III. UNSETTLED ISSUES AFTER AMERICAN GEOPHYSICAL

While the Second Circuit Court of Appeals purported to evaluate Texaco's copying activities in light of the Supreme Court's decision in Campbell, this section of the Article argues that the American Geophysical court instead emphasized market factors in its fair use analysis. In applying a strictly economic approach to copyright, the court left various questions unaddressed or, at least, insufficiently answered. This section examines those unexplored or inadequately addressed issues, including whether intermediate copying should be considered transformative "research" within the meaning of Section 107, whether copying one article from a collective work should be considered copying an entire work, and whether a personal use exemption exists under copyright law. In resolving these issues, this Article takes the position that the purpose of copyright law—the advancement of learning—must be considered in the context of personal and workplace copying, as well as the market effect of the unauthorized use. The Article concludes that the court's marketplace approach distorted the fair use balance in

212. Id. at 931.
213. Id. at 918, 921. In Campbell, the Supreme Court applied a "sensitive balancing of interests" standard with respect to fair use, rather than a purely economic approach. 114 S. Ct. 1164, 1174 (1994) (citing Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 455 n.40 (1984)).
favor of the economic interests of the copyright owners, giving insufficient regard to the purposes of copyright.

A. Assessing the Intermediate/Transformative Dichotomy

The preamble to Section 107 lists certain examples of fair use purposes, including "criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research."\textsuperscript{214} In American Geophysical, Texaco argued that Dr. Chickering photocopied articles as part of his ongoing research, a use singled out by the preamble as a favored one.\textsuperscript{215} The Second Circuit dismissed this argument in a footnote, saying that Dr. Chickering's copying did not rise to the level of true research because it was merely an intermediate step in his investigations.\textsuperscript{216} The court then devoted the bulk of its analysis under factor one to discussing whether Dr. Chickering's copying constituted a transformative use, holding that it did not.\textsuperscript{217} In the court's opinion, the nontransformative nature of the use increased the importance of Texaco's for-profit status.\textsuperscript{218} Because the photocopying assisted Texaco in developing profitable products, the court said it was reasonable to require Texaco to provide extra compensation to the copyright owners.\textsuperscript{219}

Three flaws are apparent in the court's reasoning. First, the court assumed that photocopying is too far removed from scholarly writing or laboratory experimentation to be part of legitimate research. Second, the court failed to consider thoroughly whether such an intermediate step could be transformative—that is, instrumental in either creating new works of authorship, or in serving a socially beneficial purpose. Finally, the court wrongly categorized Dr. Chickering's workplace photocopying as a commercial use, based not on the nature of the use itself, but rather on the for-profit status of the user.

\textsuperscript{214} 17 U.S.C. § 107. \\
\textsuperscript{215} American Geophysical, 60 F.3d at 920. \\
\textsuperscript{216} Id. at 920 n.7. \\
\textsuperscript{217} Id. at 922-24. \\
\textsuperscript{218} Id. at 922-23. \\
\textsuperscript{219} Id. at 922.
1. Photocopying as "Research"

"Research" has been defined as "careful, systematic, patient study and investigation in some field of knowledge, undertaken to discover or establish facts or principles."\textsuperscript{220} Library research is an integral part of any scientific investigation; in fact, scientific journals have been called the "life blood of research."\textsuperscript{221} For instance, graduate students are taught that a thorough literature review is the first step in any original research project.\textsuperscript{222} The district court opinion in \textit{American Geophysical} summarized the symbiotic relationship between scientific journals and creative research as follows:

Learned journals play an important part in scientific research. They serve to disseminate broadly and with reasonable rapidity the results of scientific research being conducted in many places. It is of great importance for scientists doing research to keep abreast of the publication of such articles for many reasons. The reasons include awareness of new learning, suggestion of new ideas and approaches, avoidance of duplication of experimentation that have been demonstrated to be fruitless, adoption for productive research of findings that have resulted from the research of others, and other valuable uses too numerous and varied to mention.\textsuperscript{223}

In rejecting Texaco's claim that Dr. Chickering photocopied journal articles as part of his ongoing research, the Second Circuit emphasized that Dr. Chickering had not yet used the articles in his own writings or laboratory work.\textsuperscript{224} This raises the question of whether research includes photoduplication of articles only if the

\textsuperscript{220} Webster's New World Dictionary 1208 (2d College ed. 1978).
\textsuperscript{221} Nasri, supra note 46, at 101. Nasri's book goes on to quote a witness in the case of Williams & Wilkins who testified that "[r]esearch without communication is useless," and stressed the importance of "consulting the prior literature." \textit{Id.} (citation omitted).
\textsuperscript{223} American Geophysical, 802 F. Supp. at 4.
\textsuperscript{224} American Geophysical, 60 F.3d at 920 n.7.
articles are actually used. If so, what would constitute a "use" of the copyrighted material? Would Dr. Chickering’s photocopying have risen to the level of research had he made marginal notes or underlined significant bits of the articles’ text?225 Or would he have had to actually cite the work in a piece of his original writing?

None of these questions were posed or answered by the court. Clearly, scholars who make handwritten notes from journal articles are unquestionably engaged in research, whether or not they use the notes in their work, file them for future reference, or discard them.226 Even if certain scholars hand copy entire articles, these scribes are unlikely to be charged with copyright infringement.227 As the dissent in American Geophysical pointed out, researchers today use the photocopier as a mechanical note-taker—a faster and more efficient method of study than old-fashioned, hand written notes, but just as much a part of genuine research.228

Today’s scientists use photoduplication in their investigations, and researchers often copy material they believe to be relevant at the beginning of their investigations, but that turns out to be useless

225. At least one commentator has argued that an annotated and highlighted copy of an article is more likely to be a fair use than a pristine copy placed in someone’s files. See Martin, supra note 32, at 371.

226. “Basic research” has been defined as “find[ing] out as much about something as you can, and if that path leads to something useful, all the better.” IRA FLATOW, THEY ALL LAUGHED 148 (1992).

227. In Williams & Wilkins, the Court of Claims made the following statement about hand copying:

It is almost unanimously accepted that a scholar can make a handwritten copy of an entire copyrighted article for his own use, and in the era before photoduplication it was not uncommon (and not seriously questioned) that he could have his secretary make a typed copy for his personal use and files. 487 F.2d at 1350. But see Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 467 n.16 (1984) (Blackmun, J., dissenting) (stating that no reported case holds hand copying to be permissible, and citing an early American treatise asserting that hand copying is not exempt from rule of copyright infringement) (citing A. WEIL, AMERICAN COPYRIGHT LAW § 1066 (1917)). Justice Blackmun’s dissent also noted, however, that reported cases regarding hand copying may be nonexistent because copyright owners do not view litigation as cost effective in these circumstances. Id. at 467 (Blackmun, J., dissenting).

228. American Geophysical, 60 F.3d at 934 (Jacobs, J., dissenting).
or extraneous at the end. Obviously, researchers do not know in advance which materials will ultimately prove meaningless—if they did, they would not waste time at the copy machine. But if copying qualifies as “research” under Section 107 only when the material is actually “used,” scientists gathered around the photocopier will be forced to play a guessing game as to whether they are vile copyright infringers or blameless fair users. This incongruous result cannot be what the court and Congress intended. Instead, the court should have recognized that good research necessarily involves gathering more material than may be employed, and that the photocopying of journal articles as part of an ongoing examination of scientific literature qualifies as “research” within the meaning of the preamble to Section 107.

Had the Second Circuit agreed with Texaco that Dr. Chickering’s photocopying constituted part of his research, what impact should that fact have had on the court’s evaluation of the nature and purpose of Texaco’s use? Some courts have maintained that when copyrighted material is used in one of the ways described by Section 107’s preamble, it should be presumed that the first fair use factor favors the defendant. However, although

229. For example, in writing this Article, I photocopied many judicial opinions and law review articles that I believed at the time to be on point, but that eventually turned out to be irrelevant.

230. In Williams & Wilkins, the court determined that library photocopying of journal articles qualified as medical research despite evidence that researchers usually kept the photocopied articles “in their private files for future reference.” Williams & Wilkins, 487 F.2d at 1348, aff’d by an equally divided Court, 420 U.S. 376 (1975).

231. Although Section 107 does not specify that the listed uses should be considered as part of a factor one analysis, logically that is the factor to which the examples must pertain. Courts typically assume that the preamble examples are meant to be considered with respect to factor one. See, e.g., Campbell v. Acuff-Rose Music, Inc., 114 S. Ct. 1164, 1171 (1994) (stating that a factor one inquiry should be guided by the examples given in Section 107’s preamble); Harper & Row, Publishers, Inc., v. Nation Enters., 471 U.S. 539, 561 (1985) (considering the preamble uses under the heading “Purpose of the Use”); Salinger v. Random House, Inc., 811 F.2d 90, 96 (2d Cir. 1987) (considering whether biography qualified as criticism, scholarship, or research under factor one), cert. denied, 484 U.S. 890 (1987).

232. See, e.g., Arica Inst., Inc. v. Palmer, 970 F.2d 1067, 1077 (2d Cir. 1992) (explaining that when the defendant’s use is for the purposes of criticism, comment, scholarship, or research, a presumption exists that factor one favors fair use); Wright v. Warner
the Supreme Court in \textit{Campbell} stated that a factor one analysis should be "guided by the examples given in the preamble to Section 107,"\textsuperscript{233} the Court went on to say that the named uses should not be presumed fair.\textsuperscript{234} Instead, the Court suggested that a factor one inquiry should focus on "whether and to what extent the new work is 'transformative.'"\textsuperscript{235}

This analysis completely ignores the named statutory examples in making fair use determinations. If the only relevant question with regard to the purpose and character of the use is whether the use qualifies as transformative, then the illustrative fair uses listed in the statute are rendered meaningless.\textsuperscript{236} They provide no guid-

\textsuperscript{233} Books, Inc., 953 F.2d 731, 736 (2d Cir. 1991) (stating "there is a strong presumption that factor one favors the defendant if the allegedly infringing work fits the description of uses described in section 107"); New Era Publications Int'l v. Henry Holt & Co., 873 F.2d 576, 583 (2d Cir. 1989) (evaluating whether defendant's use was criticism, scholarship or research), \textit{petition for reh'g denied}, 884 F.2d 659, 660 (2d Cir. 1989) (Miner, J., concurring) (asserting that "[i]f a book falls into one of these categories [listed in the preamble to Section 107], assessment of the first fair use factor should be at an end"), \textit{cert. denied}, 493 U.S. 1094 (1990).

\textsuperscript{234} \textit{Id.} at 1171.

\textsuperscript{235} \textit{Id.} at 1172. The Court explained as follows:

Like a book review quoting the copyrighted material criticized, parody may or may not be fair use, and petitioner's suggestion that any parodic use is presumptively fair has no more justification in law or fact than the equally hopeful claim that any use for news reporting should be presumed fair.

\textit{Id.} (citation omitted).

\textsuperscript{236} \textit{Id.} at 1171. Of course, the Court's statement presumes that a "new work" is involved, which was true in the \textit{Campbell} case. In \textit{American Geophysical}, however, the copying was an intermediate step in the creation of a new work. See \textit{infra} notes 245-67 and accompanying text.

Additionally, the Supreme Court noted in dictum in \textit{Campbell} that "[t]he obvious statutory exception to this focus on transformative uses is the straight reproduction of multiple copies for classroom distribution." 114 S. Ct. at 1171 n.11. For a discussion of photocopying in an educational context, see \textit{supra} notes 48-79.

\textsuperscript{236} This would not be true if the listed uses were presumed, instead, to be transformative uses. Some judges and scholars have made this argument. \textit{See}, e.g., Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 478 (1984) (Blackmun, J., dissenting) (stating that each use listed in the preamble to Section 107 is a "productive use, resulting in some added benefit to the public beyond that produced by the first author's work"); Dratler, \textit{supra} note 113, at 291 (declaring that almost all the uses mentioned in the statute are productive); Nimmer, \textit{supra} note 47, \S 13.05[A][1][b], at 13-162 (explaining that the listed uses usually involve the creation of derivative works). \textit{But cf.} Lape, \textit{supra} note 149, at 700 (asserting that teaching, scholarship, and research could
ance to a court whatsoever. This unreasonable result could be
avoided if courts gave some weight (although perhaps not a pre-
sumption) in favor of fair use to the examples listed in the stat-
ute.237 Therefore, the American Geophysical court should have
accorded Dr. Chickering’s photocopying some advantage with re-
spect to factor one because it was part of his ongoing research, a
use specifically selected by Congress as a potentially fair one.

2. Photocopying as “Transformative”

Even if the American Geophysical court had recognized that Dr.
Chickering photocopied the eight journal articles as part of his
ongoing research, that by itself would probably not have been suffi-
cient for the court to rule that factor one favored Texaco. Accord-
ing to the Supreme Court in Campbell, a factor one evaluation
should also consider whether the defendant’s use of the copyrighted
work was transformative in nature.238 Courts, including the Su-
preme Court, however, have been inconsistent in what
“transformative” means, using the term in at least two different
ways.239 Most recently, the Court in Campbell equated a
easily involve nonproductive uses).

237. The Sixth Circuit took this approach to factor one in Princeton Univ. Press v.
Michigan Document Servs., Inc., 74 F.3d 1512 (6th Cir.), opinion withdrawn, vacated,
and reh’g en banc granted, 74 F.3d 1528 (6th Cir. 1996). In that case, the court found
that the primary purpose of the copying at issue was “nonprofit educational.” Id. at 1521.
Therefore, the court concluded that factor one favored a finding of fair use despite the
minimally transformative nature of the use. Id. at 1520.

238. Campbell, 114 S. Ct. at 1171 (1994). Prior to the Campbell case, the Supreme
Court had not given the transformative use doctrine such a ringing endorsement. See,
e.g., Sony Corp., 464 U.S. at 455 n.40 (relegating discussion of productive use to a
footnote, where the court explained that although “[t]he distinction between ‘productive’
and ‘unproductive’ uses may be helpful in calibrating the balance . . . it cannot be wholly
determinative”); Harper & Row, 471 U.S. at 561 (devoting one sentence to productive
aspect of defendant’s article, and stating that “a productive use is simply one factor in a
fair use analysis”).

239. Compare the Supreme Court’s discussion of transformative use in Campbell v.
Acuff-Rose Music, Inc., 114 S. Ct. 1164, 1171 (1994), with the Court’s treatment of
productive use in Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 455
n.40 (1984). Professor Lape has noted that some courts have explained “tranformative”
in a third way, as those uses which serve a different purpose from that furthered by the
original work. See Lape, supra note 149, at 711. Indeed, the American Geophysical court
also used the term in this manner. See supra notes 147-54 and accompanying text.
transformative use with the production of a new, original work of authorship.\textsuperscript{240} Ten years earlier, however, the Court in \textit{Sony Corp. of America v. Universal City Studios, Inc.}\textsuperscript{241} focused on examples of productive use that resulted in a public benefit, such as copying by a teacher for professional or personal education.\textsuperscript{242}

Since the \textit{Sony} decision, most courts have implemented the "new work" definition of transformative use rather than the "social benefit" definition.\textsuperscript{243} Given that copyright law's function is to encourage creativity and production of original works for the ultimate benefit of society at large,\textsuperscript{244} both meanings of the term "transformative" appear helpful in the appropriate circumstances. Properly, the "new work" definition should be interpreted as a subset of the "social benefit" position, and not as a limitation to exclude socially beneficial uses that do not involve the production

\footnotesize{\textsuperscript{240} Campbell, 114 S. Ct. at 1171.\textsuperscript{241} 464 U.S. 417 (1985).\textsuperscript{242} Id. at 455 n.40. In his dissent, Justice Blackmun appeared to embrace both of these concepts, stating that a productive use results "in some added benefit to the public beyond that produced by the first author's work . . . . [I]n other words . . . for 'socially laudable purposes.'" Id. at 478-79 (Blackmun, J., dissenting) (citation omitted).\textsuperscript{243} See, e.g., Twin Peaks Prod., Inc. v. Publications Int'l, Ltd., 996 F.2d 1366, 1375 (2d Cir. 1993) (explaining that the addition of significant criticism or comment to defendant's book would have resulted in a transformative use); Maxtone-Graham v. Burchael, 803 F.2d 1253, 1255, 1260 (2d Cir. 1986) (using "productive" to mean the outlay of original effort to develop a new work), cert. denied, 481 U.S. 1059 (1987); Pacific & S. Co. v. Duncan, 744 F.2d 1490, 1496 (11th Cir. 1984) (videotaping of news programs not considered transformative because defendant failed to add anything creative to original broadcasts), cert. denied, 471 U.S. 1004 (1985); Basic Books, Inc. v. Kinko's Graphics Corp., 758 F. Supp. 1522, 1530 (S.D.N.Y. 1991) (stating that the defendant's copying did not "transform" the copyrighted materials through interpretation or the addition of anything new).\textsuperscript{244} See supra notes 42-43 and accompanying text.}
of an additional work.\textsuperscript{245}

In \emph{American Geophysical}, the court determined that Dr. Chickering’s copying did not qualify as a transformative use because it merely duplicated the original work without "making some contribution of new intellectual value."\textsuperscript{246} Despite the court’s reference to \textit{Sega Enterprises Ltd. v. Accolade, Inc.}\textsuperscript{247} in describing Texaco’s copying as “more appropriately labeled an ‘intermediate’ use,”\textsuperscript{248} the court failed to follow through with the \textit{Sega} court’s analysis to recognize photocopying as a first step in the creation of a new work.

In \textit{Sega}, the software manufacturer Accolade, Inc. disassembled rival Sega Enterprises Ltd.’s copyrighted Genesis computer programs and, in the disassembly process, made a complete copy of Sega’s computer object code.\textsuperscript{249} The copied code then served as a base from which Accolade created its own Genesis-compatible video game cartridges.\textsuperscript{250} Sega sued Accolade for copyright infringement, arguing that Accolade had disassembled entire programs and used its copyrighted code to produce competing products that reduced sales of Sega’s games.\textsuperscript{251}

The court disagreed, holding that Accolade’s copying was a fair use under Section 107\textsuperscript{252} because the copying was merely an intermediate step in the creation of legitimate, original products.\textsuperscript{253} Regarding the first fair use factor, the court emphasized that Acco-

\begin{itemize}
\item \textsuperscript{245} Professor Lape, on the other hand, takes the position that the "new work" theory of transformative use should be eliminated, and that courts should instead consider (1) whether the use is one listed in Section 107 of the 1976 Act; and (2) whether the use has social utility. Lape, \textit{supra} note 149, at 722. This approach, she argues, would ensure that a work of little social value, such as a pornographic movie based on a copyrighted novel, would not be favored under factor one just because it qualified as a new work. \textit{Id.} at 715, 722. However, any determination of "no social value" under this theory implicates First Amendment issues, at least in as far as the new work consists of protected speech.
\item \textsuperscript{246} \textit{American Geophysical}, 60 F.3d at 923.
\item \textsuperscript{247} 977 F.2d 1510 (9th Cir. 1992).
\item \textsuperscript{248} \textit{American Geophysical}, 60 F.3d at 921.
\item \textsuperscript{249} \textit{Sega}, 977 F.2d at 1514-15.
\item \textsuperscript{250} \textit{Id.} at 1515.
\item \textsuperscript{251} \textit{Id.} at 1516-17.
\item \textsuperscript{252} \textit{Id.} at 1527-28.
\item \textsuperscript{253} \textit{Id.} at 1522-23.
\end{itemize}
lade’s use served the public interest by ensuring the availability of independently designed video games. Therefore, because of the intermediate nature of the copying and the clear public benefit served by the use (including the ultimate production of new games), the court held that the first statutory factor weighed in favor of Accolade. Both definitions of transformative use were met: the use ultimately resulted in both a new creative work and a social good.

Had the Second Circuit continued with its comparison between Texaco’s copying and the copying involved in Sega, it would have considered Dr. Chickering’s photoduplication as an intermediate step in the development of his own original research. Like Accolade’s copying of the computer code, Dr. Chickering copied with the intent to generate new works of authorship; his copying cannot lose its transformative purpose because the new works had yet to be produced. According to the legislative history of the 1976 Act, the language of Section 107 regarding “reproduction in copies or phonorecords or by any other means” was “intended to make clear that the [fair use] doctrine has as much application to photocopying and taping as to older forms of use.” Any photocopying done for the purpose of comment, criticism, news reporting,

254. Id. at 1523.
255. Id. In another case, Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832, 844 (Fed. Cir. 1992), the U.S. Court of Appeals for the Federal Circuit stated that making an intermediate copy of object code for reverse-engineering purposes is a fair use. However, because the users in that case had obtained an unauthorized copy of the source code from the Copyright Office in violation of that office’s regulations, the court held that any copying from that source code was not a fair use. Id. at 843.
256. The district court record showed that Texaco scientists were actively creating their own works of authorship. From 1986 to 1991, Texaco researchers published more than 130 scientific papers. American Geophysical, 802 F. Supp. at 16.
257. In Sega, for example, it can be assumed that the defendant’s copying of the computer code and the development of new computer games were not simultaneous. If, as the court held, the copying of the computer code was a fair use, it must have qualified as such from the moment of copying. See Dratler, supra note 113, at 291 (stating that uses are transformative “if they are intended to produce new works of authorship, whether or not they actually do so”).
258. 17 U.S.C. § 107. For the complete text of this section, see supra note 17.
research, or scholarship will always be no more than an intermediate use; photocopying by itself never creates a new work of authorship, but rather only assists in its creation. All photocopying for research purposes will, by its nature, involve a certain time lag between the making of the copy and the completion of the original work.260

The Second Circuit, however, denied the notion that copying for research purposes constituted a transformative use, stating that "[t]he purposes illustrated by the categories listed in section 107 refer primarily to the work of authorship alleged to be a fair use, not to the activity in which the alleged infringer is engaged."261 As an example, the court noted that a newspaper could not "line the shelves" with photocopies of journalism texts by arguing that the copies were made in the course of news reporting.262 The court's reasoning presents two problems. First, the words of Section 107 explicitly pertain to activities and not to works of authorship; otherwise, Congress would have referred to "news articles" and "scientific treatises" rather than "news reporting" and "research."263 Second, even where a photocopied article clearly relates to a work of authorship, the copying by necessity must start out as an intermediate step in the creative process. For example, if an investigative reporter preparing an in-depth article about acid rain photocopied a scientific journal article about the subject, the reporter's copying would be done in anticipation of a work of authorship, rather than

260. One commentator has posited that although an attorney who duplicated a copyrighted article "for the file" would not be engaging in a transformative use, the result would be different if the attorney copied an excerpt for incorporation by reference into a legal brief or a second article. See Steven D. Smit, "Make a Copy for the File...": Copyright Infringement by Attorneys, 46 BAYLOR L. REV. 1, 15 (1994). However, this analysis overlooks the fact that an attorney may copy an article and then file it until such time as he or she has opportunity to cite it in a new work of authorship. Whether the copying constitutes a transformative use should depend on the purpose of the copying, not how quickly the user travels from the photocopier to the word processor.

261. American Geophysical, 60 F.3d at 924.

262. Id.

263. In pertinent part, Section 107 says that "the fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research" is not an infringement of copyright. 17 U.S.C. § 107; see supra note 17. See Lape, supra note 149, at 700 n.122.
just as a part of the activity of news reporting. Similarly, Dr. Chickering’s photcopying was done in expectation of preparing his own conference papers, books, and articles. Instead of recognizing the intermediate nature of Dr. Chickering’s copying, however, the American Geophysical court described Dr. Chickering’s use as nontransformative because he archived the copies—he put them in his personal files. The court characterized this archival copying as nontransformative because it “serv[ed] the same purpose for which additional subscriptions are normally sold, or ... for which photocopying licenses may be obtained.” In other words, Dr. Chickering could have bought his own subscription to Catalysis. Because Dr. Chickering photocopied the articles instead, the court viewed him as acquiring a windfall—getting something for nothing and depriving the publisher of deserved income in the process.

Of course, Texaco, had already purchased three subscriptions to the journal at the institutional rate; Academic Press was hardly denied reasonable compensation for allowing Dr. Chickering access to the articles. In granting the publisher an apparently unlimited revenue stream from its periodical, the court used its definition of transformative to ignore the purpose of the use. Instead, effect on the potential market for the copyrighted work—factor four—became the touchstone for factor one as well. This analy-

265. American Geophysical, 60 F.3d at 923-24.
266. Id. at 924-25.
267. In fact, the court suggested that had Dr. Chickering bought his own subscription to Catalysis, he could have made a spontaneous, single copy of a chart or diagram from the journal to take directly into the lab without being guilty of copyright infringement. Id. at 919. Still, the actual use of the photocopy would not be determinative; rather, the important fact to the court is that Dr. Chickering would have purchased an additional copy of the journal.
268. Id. at 922.
269. In 1989, Academic Press charged $828 for one institutional subscription to Catalysis, which was double the individual rate. American Geophysical, 802 F. Supp. at 7. Thus, since 1989, Texaco had been paying Academic Press almost $2,500 per year for three subscriptions to the monthly journal.
270. The following statement by the court clearly shows its reliance on the economic effect of the copying in ruling that factor one favored the publishers:
We do not mean to suggest that no instance of archival copying would be fair use, but the first factor tilts against Texaco in this case because the making of
sis inappropriately focused on the market impact of the copying, and substituted factor four considerations for any meaningful evaluation of the purpose of the use.\textsuperscript{271}

3. Photocopying as "Commercial"

The first factor of Section 107 requires courts to determine not only the purpose and character of an alleged fair use, but also to consider "whether such use is of a commercial nature or is for nonprofit educational purposes."\textsuperscript{272} As with the distinction between transformative and nontransformative uses, the importance of the commercial/nonprofit dichotomy in a fair use analysis necessarily starts by comparing the Supreme Court's pronouncements in \textit{Sony}\textsuperscript{273} with those made in \textit{Campbell}\textsuperscript{274}

Even though \textit{Sony} presented the Court with a noncommercial use\textsuperscript{275} the Court nevertheless made the sweeping assertion that copies made "for a commercial or profit-making purpose... would presumptively be unfair."\textsuperscript{276} This presumption against commercial use drew scholarly criticism,\textsuperscript{277} at least in part because it was not

\begin{footnotesize}
\textsuperscript{271} copies to be placed on the shelf in Chickering's office is part of a systematic process of encouraging employee researchers to copy articles so as to multiply available copies while avoiding payment. \textit{American Geophysical}, 60 F.3d at 920.

\textsuperscript{272} This observation has also been made by Professor Lape. \textit{See} Lape, \textit{supra} note 149, at 716-17.

\textsuperscript{273} 17 U.S.C. § 107(1).


\textsuperscript{275} 114 S. Ct. 1164 (1994).

\textsuperscript{276} The case involved videotaping of copyrighted television broadcasts by individuals for home use. \textit{Sony}, 464 U.S. at 449; \textit{see infra} notes 271-74 and accompanying text.

\textsuperscript{277} \textit{Sony}, 464 U.S. at 449. The Court restated the presumption when considering the fourth fair use factor, saying that "every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright." \textit{Id.} at 451.

\textsuperscript{277} \textit{See} Dratler, \textit{supra} note 113, at 263, 279 (commenting that the commercial/nonprofit use presumption was created by the Court "out of thin air"); Fisher, \textit{supra} note 32, at 1672-73 (warning that commercial/nonprofit dichotomy results in "double counting" market impact analysis of factor four); \textit{see also} Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 592 (1985) (Brennan, J., dissenting) (noting that most of the illustrative fair uses listed in the preamble to Section 107 "are generally conducted for profit in this country, a fact of which Congress was obviously aware").
\end{footnotesize}
clearly supported by prior case law.\textsuperscript{278} When confronted with a commercial parody case, however, the Court in \textit{Campbell} reconsidered its blanket presumption against commercial use, insisting instead that “[t]he language of the statute makes clear that the commercial or nonprofit educational purpose of a work is only one element of the first factor enquiry into its purpose and character.”\textsuperscript{279} Although acknowledging that a commercial use “tends to weigh against a finding of fair use,”\textsuperscript{280} the Court said that the weight given to the commercial nature of a use would change from case to case, depending on other circumstances.\textsuperscript{281} According to the Court, primary consideration should be given to whether the use qualifies as transformative, because “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”\textsuperscript{282} The court in \textit{American Geophysical} classified Dr. Chickering’s photocopying as a nontransformative use, and therefore concluded it could not ignore Texaco’s for-profit status in its fair use inquiry.\textsuperscript{283} By doing so, the court committed two errors. First, as already discussed, it miscategorized Dr. Chickering’s photocopying as nontransformative, instead of following through with its more accurate description of the photocopying as an intermediate use.\textsuperscript{284} Based on this misidentification, the court accorded too much significance to Texaco’s for-profit status and “commercial” motivations.

\textsuperscript{278} See, e.g., Consumers Union of United States v. General Signal Corp., 724 F.2d 1044, 1049 (2d Cir. 1983) (finding commercial nature of use not controlling in fair use determination); Iowa State Univ. Research Found., Inc. v. American Broadcasting Cos., 621 F.2d 57, 61 (2d Cir. 1980) (holding that a user’s commercial motive was not enough by itself to negate fair use); Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc., 626 F.2d 1171, 1175-76 (5th Cir. 1980) (asserting that fair use defense not defeated by user’s commercial purpose); Meeropol v. Nizer, 560 F.2d 1061, 1069 (2d Cir. 1977) (stating that commercial nature of use relevant but not decisive in fair use analysis); Rosemont Enters., Inc. v. Random House, Inc., 366 F.2d 303, 307 (2d Cir. 1966) (describing author’s or publisher’s commercial motive as “irrelevant” with respect to fair use).

\textsuperscript{279} \textit{Campbell}, 114 S. Ct. at 1174.

\textsuperscript{280} \textit{Id.} (citing Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 562 (1985)).

\textsuperscript{281} \textit{Id.}

\textsuperscript{282} \textit{Id.} at 1171.

\textsuperscript{283} \textit{American Geophysical}, 60 F.3d at 921-25.

\textsuperscript{284} \textit{Id.} at 923-24; see \textit{supra} notes 229-51 and accompanying text.
Again, a more appropriate analysis was provided by the Ninth Circuit in *Sega*.[285] There, Accolade, a for-profit company, copied Sega’s video games with the commercial intent to manufacture competing products.[286] Although the court recognized that Accolade benefited monetarily by virtue of its copying, the court found this to be of “minimal significance” in its fair use determination.[287] According to the court, Accolade’s commercial gain was outweighed by the public benefit achieved by the production of independently designed video games.[288] Similarly, the Second Circuit in *American Geophysical* should have considered potential social benefits of Dr. Chickering’s research, and not just Texaco’s profit motive in encouraging his scientific work. The court’s second error regarding the importance of Texaco’s for-profit status with respect to factor one is a more fundamental one, one that involves the meaning of “commercial” as used in Section 107. The Second Circuit in *American Geophysical* gave great weight to Texaco’s status as a for-profit organization in holding that Dr. Chickering’s photocopying was a commercial use.[289] In fact, the court’s opinion indicated that had the photocopying not been conducted by someone employed by an “institution”, the court might have been reached the opposite result.[290] The court again applied market factors, this time to evaluate the nature of the user (rather than the purpose of the use), stating that because Texaco eventually profited from Dr. Chickering’s research, Texaco should be required to pay for his photocopying.[291]

What exactly does the term “commercial” mean as it is used in Section 107? Unfortunately, courts, including the Supreme Court, have not provided a simple answer to this question. Two major

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285. 977 F.2d 1510 (9th Cir. 1992). For a discussion of the facts of this case, see supra notes 246-55 and accompanying text.
286. *Id.* at 1522-23.
287. *Id.* at 1523.
288. *Id.*
289. *American Geophysical*, 60 F.3d at 921-22 (stating that nature and objectives of user must be considered in factor one determination).
290. *Id.* at 931 (stating that “[o]ur ruling is confined to the institutional, systematic, archival multiplication of copies revealed by the record”).
291. *Id.* at 922.
definitions of the term have been suggested. First, copying has been described as commercial when the unauthorized copies are sold on the market, in competition with the copyrighted work itself.\(^292\) For example, the Supreme Court in *Sony*\(^293\) held that the videotaping of copyrighted television programs by VCR owners for later home viewing was not a commercial use.\(^294\) Had the videotapes been made for a "profit-making" purpose such as resale, then the Court suggested that the copying would have been "commercial."\(^295\) It should be noted, however, that the Court used the term "profit-making" to refer to the competitive sale of videotapes on the marketplace, and not with respect to the for-profit or not-for-profit status of the user.\(^296\)

The Supreme Court provided a second interpretation of the term "commercial" in its 1985 decision in *Harper & Row, Publishers, Inc. v. Nation Enterprises.*\(^297\) In that case, Justice O’Connor wrote for the Court that "[t]he crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price."\(^298\) This more expansive understanding of commercial would make copying by any for-profit entity in effect a "commercial" use, because by definition, those who claim a fair use privilege have not paid the "customary

\(^{292}\) See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 449 (equating "commercial" under Section 107 with "profit-making").


\(^{294}\) Id. at 449.

\(^{295}\) Id.

\(^{296}\) Id. at 450 n.33. This kind of competitive commercial use also occurred in both *Princeton Univ. Press v. Michigan Document Servs., Inc.*, 74 F.3d 1512 (6th Cir.), *opinion withdrawn, vacated, and reh'g en banc granted*, 74 F.3d 1528 (6th Cir. 1996) and *Basic Books, Inc. v. Kinko’s Graphics Corp.*, 758 F. Supp. 1522, 1530-31 (S.D.N.Y. 1991), where copy shops profited from selling unauthorized photocopies of copyrighted works to students. The Sixth Circuit in *Michigan Document Servs.* found that the copy shop’s copying was performed primarily for educational purposes, and therefore qualified as a fair use, 74 F.3d at 1521, whereas the federal district court in *Kinko’s* held that the copying was an infringing commercial use. 758 F. Supp at 1530-31. For a discussion of these cases, see *supra* notes 46-79 and accompanying text.

\(^{297}\) 471 U.S. 539 (1985).

\(^{298}\) Id. at 562.
price.\footnote{299}{299} As noted by Justice Brennan in his dissent, such a definition would effectively negate Congress' list of illustrative fair uses in the preamble to Section 107, because nearly all those who engage in comment, criticism, news reporting, research and scholarship do so for profit.\footnote{300}{300} This overbroad conception of "commercial" has led other courts and commentators to conclude that a for-profit company's unauthorized photocopying constitutes a commercial use because it is conducted in the course of a profit-making enterprise, with little or no attention given to the ultimate purpose of the use.\footnote{301}{301} Which definition, if either, is the correct one? By looking to public policy and the purposes of copyright law, the answer becomes clear. The proper definition of "commercial use" should encompass those uses that have a negative effect on the creation and dissemination of original works of authorship.\footnote{302}{302} This ap-

\footnote{299}{For this reason, this standard has been criticized as both circular and useless. See, e.g., Dratler, supra note 22, at 281; Fisher, supra note 32, at 1674 n.66.\footnote{300}{Harper & Row, 471 U.S. at 592 (Brennan, J., dissenting). Most recently, in the Campbell case, the Supreme Court cited this passage of Justice Brennan's Harper & Row dissent for the proposition that the for-profit nature of the user does not necessarily make the use unfair. Campbell v. Acuff-Rose Music, Inc., 114 S. Ct. 1164, 1174 (1994) (citing Harper & Row, 471 U.S. at 592 (Brennan, J., dissenting)).\footnote{301}{American Geophysical, 802 F. Supp. at 15-16 (holding that Texaco's copying was a commercial use because it was done for commercial gain); Rogers v. Koons, 960 F.2d 301, 309 (2d Cir.) (explaining that the first factor "asks whether the original was copied in good faith to benefit the public or primarily for the commercial interests of the infringer"), cert. denied, 113 S. Ct. 365 (1992); Pacific and S. Co., v. Duncan, 744 F.2d 1490, 1496 (11th Cir. 1984) (holding that news clipping service used copyrighted news broadcast for commercial purposes because "profit is its primary motive"), cert. denied, 471 U.S. 1004 (1985), see also Goldstein, supra note 2, at 222 (stating that Texaco's for-profit status makes it subject to the Sony presumption of unfair use); Patry, supra note 13, at 416-17 (maintaining that the nature of the user affects the character of the use); William S. Strong, The Copyright Book: A Practical Guide 146 (3d ed. 1990) (asserting that most business copying is not a fair use because it is done for commercial gain); Smit, supra note 260, at 21-22 (describing photocopying by individuals employed by for-profit companies as a commercial use). But see Princeton Univ. Press v. Michigan Document Servs., 74 F.3d 1512, 1521 (6th Cir.) (holding that copy shop's reproduction of copyrighted excerpts was not a commercial use because the copies ultimately were used for educational purposes), opinion withdrawn, vacated, and reh'g en banc granted, 74 F.3d 1528 (6th Cir. 1996).\footnote{302}{See supra notes 40-41 and accompanying text.}
proach emphasizes the ultimate purpose of the use rather than the profit/nonprofit status of the user. Unauthorized copies made to compete with the original work by sale on the primary market, for example, would obviously constitute a commercial use. If, however, unauthorized copies are made during the course of scientific research with no thought to eventual resale, then the use should be considered noncommercial, even if the copies were made by an employee of a for-profit organization. Would Dr. Chickering’s photoduplication frustrate the copyright incentives for either the authors or the publishers of the copyrighted articles? Concerning the authors, the answer is clearly not. Academic Press did not pay any of the Catalysis authors for their writings; therefore, a decision that their publisher would not receive photocopy royalties should not have any effect on the authors’ motivation to publish. As noted by the district court, scholarly authors “have a far greater interest in the wide dissemination of their work than in royalties.” In fact, the district court record showed that many scientific authors supported Texaco’s photocopying practices, and favored allowing broad access to journal articles through photoduplication.

303. The Sixth Circuit Court of Appeals recently held that the unauthorized copying and sale by a copy shop of anthologies containing copyrighted materials qualified as an educational rather than a commercial use. Michigan Document Servs, 74 F.3d at 1521. However, the court had determined that the excerpts in question did not compete with the original works on the primary market. Id. at 1523; see supra notes 46-74 and accompanying text.

304. American Geophysical, 60 F.3d at 915.

305. This point was made by the dissent in American Geophysical. 60 F.3d at 941 (Jacobs, J., dissenting).

306. American Geophysical, 802 F. Supp. at 27; see also, NASRI, supra note 46, at 156 (stating that in fields of science and technology, the principal reason for publication is the dissemination of research findings).

307. American Geophysical, 802 F. Supp. at 27. The district court called this fact “completely irrelevant,” however, because the authors had assigned their copyrights to Academic Press. Id. Contra Michigan Document Servs., 74 F.3d at 1524, where as an additional fair use factor, the court of appeals considered evidence that scholarly authors desire wide dissemination of their works.

Given the purposes of copyright law, the effect of the use on the works’ authors cannot be considered less important than the effect on the publishers. Although the publisher plays a role in disseminating an author’s work to the public, this role is necessarily a secondary one. For the system of copyright incentives to work, the creative mind behind the marketer must not be disregarded. Therefore, the correct approach would take
Regarding the effect of photocopying on publishers' incentives to continue producing scientific journals, any effect will be the same whether the copying is conducted by a for-profit researcher or by a not-for-profit scientist. Consider the following example: imagine that a university researcher, funded with a grant from Texaco, photocopied the same eight articles from Catalysis that were duplicated by Dr. Chickering. Is the university professor engaged in scientific or educational research, a favored use under factor one, or is he or she a commercial user because Texaco is sponsoring the investigation?

If the purpose of the use is, in fact, used to answer the question, then the for-profit/nonprofit/subsidized status of the researcher should make no difference. In any of these scenarios, the purpose of the use continues to be the furthering of science and the advancement of learning. Breakthrough discoveries and life-changing inventions are just as likely to be made by scientists employed by for-profit corporations as by those who work for nonprofits or are unemployed. The greater public benefit provided by the use consistently outweighs any commercial disincentive suffered by journal publishers when the use involves photocopying for research purposes. Research, whether conducted by a well-paid corporate employee, a government technician, or a starving genius, constitutes the primary purpose of the use; the use should not be considered commercial in nature.

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308. The district court record revealed that Texaco finances university research, and Texaco scientists collaborate with university researchers in shared areas of interest. American Geophysical, 802 F. Supp. at 16.

309. For example, important scientific discoveries, inventions, and advances made by corporate researchers include things such as fiberglass (developed by the Owens Illinois Glass Co., U.S., 1931), nylon (developed by Du Pont, U.S., 1937), the xerographic copying machine (developed by Haloid Co., U.S., 1950), FORTRAN computer language (developed by IBM, U.S., 1957); silicon 32-bit computer chip (developed by Hewlett-Packard, U.S., 1981), and CD-ROM (developed by Hitachi, Japan, 1985). THE NEW YORK PUBLIC LIBRARY, DESK REFERENCE 104-07 (1989); see also Flatow, supra note 226, at 149-51 (detailed account of the development of nylon); id at 111-18 (detailed account of the development of xerography).

310. Commentators have quoted the Court of Claims statement in Williams &
On the other hand, if either the corporate researcher, the university professor (working pursuant to a corporate grant or not), or the impoverished welfare recipient made the photocopies for profitable resale, the purpose of the use should no longer qualify as research.\footnote{\textsuperscript{311}} In this instance, the photocopiers are competing with the publishers in the primary market for the journals, without providing an offsetting benefit.\footnote{\textsuperscript{312}} All these copiers should now be considered

Wilkins, Co. v. United States, 487 F.2d 1345, 1354 (Cl. Cl. 1973), that "scientific progress, untainted by any commercial gain from the reproduction, is the hallmark of the whole enterprise of duplication" for the proposition that the copying in that case was not commercial because it was conducted by employees of two not-for-profit government libraries. See, e.g., Goldstein, supra note 2, at 222 (distinguishing Williams & Wilkins from American Geophysical by describing Texaco as a "commercial enterprise"); Smit, supra note 260, at 25 n. 125 (equating commercial/noncommercial dichotomy with for-profit/non-profit status of user); Tepper, supra note 42, at 351 (stating that the copying in Williams & Wilkins was not a commercial use because "both libraries were nonprofit institutions existing for the advancement and dissemination of medical knowledge").

This is a misreading of the case, however, for the Court of Claims earlier explained that it was not the non-profit status of the photocopiers that made the use noncommercial, but rather the fact that "[t]he medical researchers . . . have no purpose to reduplicate [the articles] for sale or other general distribution." Williams & Wilkins, 487 F.2d at 1344-45. Therefore, the court emphasized not that the photocopiers were employees of non-profit institutions, but that the ultimate users did not resell or otherwise use the photocopied material for "forbidden ends." \textit{Id}. In fact, the actual article users in the case consisted of government employees, private practitioners, and for-profit drug companies. \textit{Id}. at 1349, 1355.

\textsuperscript{311} See supra notes 255-85 and accompanying text.

\textsuperscript{312} It should be noted that Dr. Chickering's photocopying did not cause Academic Press any financial harm in the primary market for its journal in any event. Texaco already purchased three institutional subscriptions to Catalysis, and the company maintained it would not purchase any additional subscriptions to the journal regardless of the court's holding. American Geophysical, 60 F.3d at 928-29 n.15. Dr. Chickering did not want a subscription to or bulky back issues of the relevant volumes of Catalysis; he wanted photocopies of the articles that he could highlight, annotate, take home, and place in his files with ease. In fact, by using the Catalysis articles in his research, Dr. Chickering might in fact have improved the primary market for Catalysis. It is not unreasonable to believe that another researcher might see citations to Catalysis in Dr. Chickering's work, and decide to purchase an issue of, or a subscription to, the journal.

The Sixth Circuit Court of Appeals followed this reasoning in Michigan Document Servs., stating that "use of the excerpted materials enhanced the prospect that the original works might later be of interest to the student." 74 F.3d at 1523-24; see also NASRI, supra note 46, at 142 (photocopying study showed that some researchers subscribed to scientific journals after photocopying items from those journals).
commercial users under factor one.³¹³

This approach to factor one places greater weight on how the nature and purpose of the use relate to the public welfare than to any commercial benefit that the user may acquire from the use. Because the public, rather than the copyright owners, constitute the favored beneficiary under copyright law,³¹⁴ this analysis accurately reflects the ultimate purposes of the statute. The Second Circuit in American Geophysical, however, left the public interest out of its factor one balance by treating Texaco as a commercial user because its researchers were employed to develop profitable products for the company.³¹⁵ By overstressing Texaco's profit-making nature, the court again employed market factors—the publisher's purported loss of income and Texaco's chance of future profit³¹⁶—rather than relevance to the public welfare in determining the nature and purpose of the use.

B. Evaluating the Extent of Permissible Copying: Does One Article an Entire Work Make?

The third fair use factor, the "amount and substantiality of the portion used in relation to the copyrighted work as a whole,"³¹⁷ forbids unauthorized users from exploiting copyrighted materials by using "too much" of them.³¹⁸ The measure of how much is too much, however, changes from case to case because, according to the Supreme Court, "the extent of permissible copying varies with the purpose and character of the use."³¹⁹ For example, although the Supreme Court in Sony³²⁰ stated that the reproduction of an entire copyrighted work ordinarily would "militat[e] against a finding of

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314. See supra notes 40-41 and accompanying text.
315. American Geophysical, 60 F.3d at 922.
316. Id. Interestingly, the court viewed Dr. Chickering's copying as too far removed from real productive inquiry to constitute "research," but considered Texaco's ability to profit from this "nonresearch" sufficiently definite to deem Texaco a commercial user. See supra notes 206-221 and accompanying text.
318. Fisher, supra note 32, at 1675.
fair use," the Court nonetheless held that videotaping entire copyrighted television broadcasts for home viewing qualified as a fair use. On the other hand, in Harper & Row, the Supreme Court held that the taking of approximately 300 words from President Ford's memoirs was qualitatively substantial because those words made up "the heart of the book." Measuring the amount of the taking both quantitatively and qualitatively, courts apply a flexible standard in evaluating this factor rather than any mechanical rules.

The Second Circuit in American Geophysical began its evaluation of the third factor by identifying each individual journal article as a "copyrighted work." As a result, the court held that by photoduplicating complete articles, Dr. Chickering had copied entire copyrighted works. Although recognizing that the Supreme Court in Sony and the Court of Claims in Williams & Wilkins Co. both held that copying of entire works does not necessarily preclude a finding of fair use, the Second Circuit, nonetheless, concluded that the third factor weighed against Texaco in the fair use balance. In its analysis, however, the court gave insufficient attention to Texaco's argument that Academic Press sold the individual articles only in issue format. Furthermore, the court inadequately addressed the nature and purpose of Dr. Chickering's copying in evaluating the significance of the amount copied. By

321. Id. at 450.
322. Id. at 454-55.
324. Id. at 564-65 (quoting the district court, 557 F. Supp. 1067, 1072 (S.D.N.Y. 1985)).
325. See, e.g., Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1263 (2d Cir. 1986) (stating that "[t]here are no absolute rules as to how much of a copyrighted work may be copied and still be considered a fair use"), cert. denied, 481 U.S. 1059 (1987); Fisher, supra note 32, at 1676-77 (referring to "stubborn vagueness" and "notorious fuzziness" of third factor).
326. American Geophysical, 60 F.3d at 926.
327. Id.
328. Sony, 464 U.S. at 449-50; Williams & Wilkins, 487 F.2d at 1353.
329. American Geophysical, 60 F.3d at 926.
330. Instead, the court cited the amount of Dr. Chickering's copying to bolster its conclusion that his copying was archival rather than transformative under factor one. Id. In other words, the court used the substantiality of the copying to assist with its factor one determination, rather than using the purpose of the use to assist with its factor three
viewing Dr. Chickering's photoduplicating as archival instead of as an intermediate, transformative use, the court allowed the third factor to function as a stand-in for factor four, and looked only to the effect of the copying upon the market for the original work.

1. Market Availability of Copyrighted Work

The *American Geophysical* case involved both collective works—entire issues of *Catalysis*—and individual copyrighted articles within those periodicals. Dr. Chickering photocopied 100 percent of the articles in question, but only a small percentage of the complete journals in which those articles appeared. Texaco maintained that the relevant issues of *Catalysis*, rather than the individual articles, constituted the "copyrighted work" for factor three purposes because Academic Press traditionally marketed *Catalysis* only in issue form. The Second Circuit dismissed this argument in two words, calling it "superficially intriguing" before concluding that because the articles were separately authored, they each stood alone as separate, copyrighted works. Once the court defined "copyrighted work" as the articles themselves, its conclusion that Dr. Chickering had copied "too much" of the copyrighted material was almost inevitable.

The Second Circuit, certainly, had the weight of precedent behind it in defining "copyrighted work" as the underlying articles. As the court noted, the Court of Claims in *Williams & Wilkins* had reached the same conclusion, finding that the two medical libraries were guilty of photocopying entire copyrighted works for their patrons when copying complete journal articles. In a variety of evaluation. *Id.* Of course, because the court characterized the copying as archival, it determined that Texaco should pay for the copies pursuant to a photocopy license. *Id.* at 919-20.

331. *Id.* at 925-26.

332. At the district court level, Texaco argued that photocopying one eight-to-ten page *Catalysis* article was equal to reproducing approximately four percent of an average *Catalysis* issue. *American Geophysical*, 802 F. Supp. at 17.


334. *Id.* at 926.

335. *Williams & Wilkins*, 487 F.2d at 1353; see also Consumers Union of United States, Inc. v. General Signal Corp., 724 F.2d 1044, 1050 (2d Cir. 1983) (measuring amount taken with length of magazine article, not entire magazine, without discussion of
other contexts, courts have held that portions of collective works can stand alone under the third fair use factor.\textsuperscript{336}

Nevertheless, Texaco's argument regarding marketability is far from trivial. Any factor three evaluation of the amount and substantiality of the use necessarily becomes entangled with factor four market considerations. If the user has copied more than a small portion of a work, the implication is that the user should have purchased the material; using "too much" of a work is unfair because of its detrimental economic effect on the copyright owner.\textsuperscript{337} In this way, market ramifications ultimately become the thrust of factor three.

Therefore, it seems manifestly unfair to ignore whether the copyrighted work was separately marketed as opposed to being available for purchase only within the collective work. In \textit{American Geophysical}, Academic Press did not sell individual articles from \textit{Catalysis}; rather, it marketed only complete issues, back issues and article reprints in quantities of 100 or more.\textsuperscript{338} As a matter of copyright policy, Dr. Chickering's photoduplication of entire articles would hardly reduce the publisher's market incentives: copying an entire article will not diminish the market for that article if it cannot be separately purchased.\textsuperscript{339} And the argument that

\textsuperscript{336} See, e.g., \textit{Hustler Magazine, Inc. v. Moral Majority, Inc.}, 796 F.2d 1148, 1154-55 (9th Cir. 1986) (holding that one-page parody qualified as entire copyrighted work); \textit{Pacific & S. Co., Inc. v. Duncan}, 744 F.2d 1490, 1497 (11th Cir. 1984) (ruling that segment of news broadcast constituted whole copyrighted work), \textit{cert. denied}, 471 U.S. 1004 (1985). \textit{But see Triangle Publications v. Knight-Ridder Newspapers, Inc.}, 626 F.2d 1171, 1177 (5th Cir. 1980) (holding that cover of a magazine was not an entire copyrighted work because it did not embody the "essence" of the magazine).

\textsuperscript{337} A number of commentators have made this observation. See, e.g., \textit{Dratler, supra} note 113, at 313 (stating that the "primary evil of a predominantly borrowed work lies not in the amount it has taken, but in its likely market effect"); \textit{Fisher, supra} note 30, at 1678 (noting that the "principal function" of the third factor "seems to be that of a proxy for the amount of injury sustained by the copyright owner").

\textsuperscript{338} \textit{American Geophysical}, 802 F.Supp. at 7.

\textsuperscript{339} In considering the fourth fair use factor, the Second Circuit admitted that "evidence concerning the effect that photocopying individual journal articles has on the traditional market for journal subscriptions is of somewhat less significance than if a market existed for the sale of individual copies of articles." \textit{American Geophysical}, 60 F.3d at 927.
Texaco should have purchased a photocopy license is irrelevant at this stage of the analysis. Selling a license to photocopy an article is not the same as making the article available on the market: the license assumes that the user has already purchased the article in question.\textsuperscript{340}

Therefore, although the Second Circuit correctly determined that the underlying articles each constituted separate "copyrighted works" for the purpose of Section 107,\textsuperscript{341} the court should have accorded less weight to this factor because Dr. Chickering's photocopying caused Academic Press to suffer no market disincentives. When users can be allowed access to copyrighted materials without cost or loss to copyright owners, courts should favor the use in the interest of broad dissemination of information and the promotion of learning.

2. Intermediate Use of Entire Copyrighted Work

A factor three analysis should not stop with the determination that the defendant reproduced entire copyrighted works; rather, the inquiry necessitates a return to factor one considerations of whether the defendant's use of the material was reasonable in light of his or her purpose.\textsuperscript{342} By comparing the amount taken with the defendant's justification for the use, courts can ensure that factor three does more than duplicate factor four's market harm investigation.

The Second Circuit in \textit{American Geophysical} purported to undertake this appraisal, and concluded that because Dr. Chickering

\begin{itemize}
\item \textsuperscript{340} The facts presented in the \textit{American Geophysical} case are very different from the situation where a journal publisher makes individual articles available through an online database. Depending on the terms of the contracts between the various parties (publisher, database provider, and user) or pursuant to a judicial determination of who owns the "new-use rights" to the material, a new market may now have been created for individual articles. \textit{See generally} Sidney A. Rosenzweig, Comment, \textit{Don't Put My Article Online!: Extending Copyright's New-Use Doctrine to the Electronic Publishing Media and Beyond}, 143 U. Pa. L. Rev. 899 (1995) (suggesting that rights to new uses of copyrighted materials may be granted to publishers for all contracts that preceded commercialization of a new medium).
\item \textsuperscript{341} \textit{American Geophysical}, 60 F.3d at 926.
\item \textsuperscript{342} Addressing factor three, the Supreme Court stated "the enquiry will harken back to the first of the statutory factors, for . . . we recognize that the extent of permissible copying varies with the purpose and character of the use." \textit{Campbell}, 114 S. Ct. at 1175.
\end{itemize}
copied complete works, he must have been doing so for "archival" purposes.\textsuperscript{343} The fact that Dr. Chickering engaged in verbatim copying of various articles reinforced the court's inference that he was merely developing a personal collection of materials without paying for them.\textsuperscript{344} Because the court emphasized what it perceived to be a market effect (despite the fact that no market existed for individual articles), it refused to excuse Dr. Chickering for using an entire work without purchasing it, or at least without purchasing a license to photocopy it.\textsuperscript{345}

Again, by classifying Dr. Chickering's photoduplication as archival, the court ignored the true, underlying purpose of his copying.\textsuperscript{346} Dr. Chickering made photocopies as an intermediate step in his research.\textsuperscript{347} Ultimately, he was unlikely to use much of any particular article—perhaps a quotation or a footnote—in his own, original authorship.\textsuperscript{348} Rather than make detailed notes regarding the articles, or keep the library volume in his office, Dr. Chickering found it quicker, easier, and more accurate to make use of the photocopier.\textsuperscript{349}

As with its factor one analysis, the court should have looked to \textit{Sega}\textsuperscript{350} for the proper approach regarding intermediate copying. Although Accolade copied complete computer programs written by Sega, it did so as a preliminary step in the development of its own computer games.\textsuperscript{351} Therefore, although the defendant in that case copied entire copyrighted works, it used very little copyrighted material in its final products.\textsuperscript{352} The court observed that "where the ultimate (as opposed to direct) use is as limited as it was here, the

\begin{itemize}
\item \textsuperscript{343} \textit{American Geophysical}, 60 F.3d at 926.
\item \textsuperscript{344} Id.
\item \textsuperscript{345} Id.
\item \textsuperscript{346} See \textit{supra} notes 237-58 and accompanying text.
\item \textsuperscript{347} \textit{American Geophysical}, 802 F. Supp. at 6.
\item \textsuperscript{348} Of course, Dr. Chickering would still be subject to a claim of copyright infringement if, in one of his original works, he reproduced an extensive amount of any one or more of the eight articles at issue without authorization.
\item \textsuperscript{349} \textit{American Geophysical}, 60 F.3d at 918-19.
\item \textsuperscript{350} 977 F.2d 1510 (9th Cir. 1992). For a discussion of the facts of this case, see \textit{supra} notes 231-38 and accompanying text.
\item \textsuperscript{351} Id. at 1523.
\item \textsuperscript{352} Id. at 1526-27.
\end{itemize}
[third] factor is of very little weight.\footnote{353} Although the Sega court emphasized it was dealing with the unique realm of computer software,\footnote{354} the court’s reasoning applies equally well to the intermediate photocopying of traditional, written, copyrighted material.

Dr. Chickering can also be compared by analogy to the “time-shifting” videotaper in Sony\footnote{355} In that case, the Supreme Court held that the videotaping of entire, copyrighted television broadcasts for home viewing constituted a fair use because the taping merely allowed viewers to see something they could have seen for free anyway, but at a more convenient time.\footnote{356} Similarly, Dr. Chickering photocopied articles he could have referred to in their entireties at any time without charge in the Texaco library.\footnote{357} By reproducing the articles, he gained the ability to review them at a more opportune time, even at home.\footnote{358} Although the Supreme Court in Sony recognized that many VCR owners used their video recorders to build libraries of tapes for repeated viewing, the Court found that the primary purpose of the taping was for “time-shifting.”\footnote{359} Likewise, although Dr. Chickering’s copying could be described as archival because he did not use the material immediately, his primary purpose in copying remained that of time-shifting: to use the material in his research at a later date.

Texaco raised the “time-shifting” argument at the district court level, where the court admitted that the analogy carried “some force.”\footnote{360} However, the district court went on to distinguish Sony from American Geophysical, saying that “Texaco uses three subscriptions to Catalysis to furnish copies to hundreds of scientists. That is a far cry from the single user’s one-time viewing hypothesized in Sony.”\footnote{361} The lower court seemed to be saying that the

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\footnote{353} Id.
\footnote{354} Id. at 1527.
\footnote{356} Id. at 450.
\footnote{357} At the time the suit was brought in 1985, Texaco purchased two subscriptions to Catalysis for its library at the facility at which Dr. Chickering worked. In 1988, the number of subscriptions was increased to three. American Geophysical, 60 F.3d at 915.
\footnote{358} Id. at 918-19.
\footnote{359} Sony, 464 U.S. at 423.
\footnote{360} American Geophysical, 802 F. Supp. at 22.
\footnote{361} Id.
time-shifting argument should not apply in *American Geophysical* for two reasons: first, because the tapes in *Sony* would be erased after they were viewed while Dr. Chickering could refer to the copied articles more than once; and second, because *American Geophysical* involved a greater magnitude of potential copying than did *Sony*.³⁶²

Both of these lines of reasoning contain flaws. First, it is important to keep the purpose of the use in mind when evaluating the repeated-use argument. The research process necessarily entails study over time; therefore, copies of articles made for research purposes are likely to be retained for reference until their research value is exhausted. In contrast, a television viewer is less apt to need or want to view a taped program more than once.³⁶³ In each instance, the proper question asks not how long the copied material is kept or how often it is referred to, but rather what the copiers do with it after their purposes have been accomplished. Once a research project is complete, researchers may file their copies, at least until the need for more filing space necessitates that the copies be thrown away.³⁶⁴ Similarly, even one-time home viewers of entertainment programs generally preserve the copies at least until they run out of tape, at which point another program may be taped over the first.³⁶⁵ It is unlikely that most viewers erase their tapes immediately after watching them, just as researchers do not throw their research materials away after reading them. More importantly, neither researchers nor home-viewers resell the copied material after they have finished with it.³⁶⁶

The second argument, contrasting the magnitude of potential

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³⁶². *Id.*

³⁶³. At least, this is what the Supreme Court assumed in *Sony*, 464 U.S. 417, 450 n.33 (1984), although it recognized that a significant number of viewers were also engaged in accumulating libraries of tapes. *Id.* at 423.

³⁶⁴. Of course, the copies could be placed in storage, however, in my experience, one is unlikely to refer to documents that are not readily available, whether they have been archived at a remote location or placed in a box in one's attic.

³⁶⁵. This is my personal experience and that of my acquaintances. See *Sony*, 464 U.S. at 423-24 n.3 (providing an example of a VCR owner who retained taped programs before erasing and reusing the tapes).

³⁶⁶. *Sony*, 464 U.S. at 449.
copying in *American Geophysical* to that in *Sony*, compares apples and oranges. The extent of potential copying in either case can be properly examined in one of two ways: by comparing the copying performed by one home viewer with that executed by one scientist; or by comparing copying performed by millions of home viewers with that done by Texaco’s 300 scientists. When accurately contrasted, the universe of potential copyright infringers is actually smaller in *American Geophysical* than that presented in *Sony*. In fact, one noteworthy difference between the two cases relates to compensation made to the copyright owners: while the viewer in *Sony* paid Universal City Studios nothing to record its copyrighted movies off their television screens, Texaco purchased its three subscriptions to *Catalysis*. Texaco scientists, as time-shifters, did not acquire something for nothing; rather, Academic Press demanded additional compensation.

Furthermore, the district court’s argument suggests that some acceptable ratio exists regarding number of subscriptions versus number of potential copiers for a use to qualify as time-shifting. Put another way, would the district court have sanctioned Dr. Chickering’s copying as time-shifting had Texaco employed only twenty scientists to share the three subscriptions? The Court in *Sony* made no distinction between taping done by a single viewer or a family of five. Clearly, the number of potential copiers sharing a particular subscription (or broadcast) should make no difference in the characterization of their copying as time-shifting or not.

In summary, although the court accurately considered the individual *Catalysis* articles entire “copyrighted works” for the purposes of factor three, the court should have accorded this factor very

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367. Texaco employed 400 to 500 research scientists nationwide. *American Geophysical*, 60 F.3d at 915. In contrast, in 1984, Justice Blackmun estimated that “millions” of Americans owned and used VCRs. *Sony*, 464 U.S. at 457 (Blackmun, J., dissenting).


369. *American Geophysical*, 60 F.3d at 915.


371. The Supreme Court in *Sony* noted the testimony of Fred Rogers regarding taping of children’s programs by families. 464 U.S. at 445.
little weight in its fair use analysis. The court should have recognized that although Dr. Chickering copied the complete articles as a preliminary step in his research, ultimately he would use very little of the original copyrighted works. Furthermore, by reproducing the complete articles, Dr. Chickering was engaged in time-shifting—making copies to review for research purposes at a later, more convenient time. Instead, the court improperly relied on the market effect of the copying, concluding that Dr. Chickering should have purchased the materials because he "used" them in their entirety. By doing so, the court refused to consider the nature and purpose of the use in evaluating whether the extent of Dr. Chickering's copying was reasonable.

C. Searching for a Personal Use Exemption

Nine months after issuing its decision in *American Geophysical*, the Second Circuit amended its opinion to include the following assertions:

We do not deal with the question of copying by an individual, for personal use in research or otherwise (not for resale), recognizing that under the fair use doctrine or the *de minimis* doctrine, such a practice by an individual might well not constitute an infringement. In other words, our opinion does not decide the case that would arise if Chickering were a professor or an independent scientist engaged in copying and creating files for independent research, as opposed to being employed by an institution in the pursuit of his research on the institution's behalf.  

Later in the opinion, the court again emphasized that the ruling "does not consider photocopying for personal use by an individual." The court's language leads to two related questions: (1) does (or should) personal copying of copyrighted material enjoy favored status under the copyright law, either as a separate exemption or as part of fair use?; and if so, (2) under what circumstances does (or should) the personal use exemption apply? This Article

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372. *American Geophysical*, 60 F.3d at 916.
373. Id. at 931.
concludes both that limited photocopying for personal use does not constitute an infringement, and that Dr. Chickering’s copying in American Geophysical should have qualified for this personal use exemption.

1. Personal vs. Fair Use

By adding those few sentences noted above to its opinion, the Second Circuit weakly attempted to address the private use issue in the American Geophysical case. While the court’s statement that “copying by an individual . . . might well not constitute an infringement”\(^{374}\) was intended to be no more than dicta, the statement highlighted the court’s reluctance to deny categorically the existence of some form of personal use exemption. That such an exemption exists, however, is neither certain nor clear. Although some commentators argue that limited personal use of copyrighted materials should be allowed under copyright law as a noninfringing use,\(^{375}\) courts have rarely addressed the issue. The problem stems from the statutory language itself—or more precisely, from the lack thereof.

The 1976 Act includes no specific mention of personal use. Instead, Section 106 purports to grant copyright owners a bundle of exclusive rights, including the right to reproduce the work in copies.\(^{376}\) This broad package of rights appears to be subject only to

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374. Id. at 916.
375. See, e.g., NASRI, supra note 46, at 88-89 (stating that copying for private use should qualify as a fair use); Patterson & Lindberg, supra note 45, at 193-96 (concluding that the existence of a personal use exemption is implied pursuant to the goals and policies of copyright).
376. 17 U.S.C. § 106. Section 106 provides as follows:
Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;
(2) to prepare derivative works based upon the copyrighted work;
(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease or lending;
(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and
(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individu-
the 1976 Act's narrow exceptions, including the fair use\textsuperscript{377} and first sale\textsuperscript{378} doctrines.

Two opposite conclusions can be drawn from the statute's silence regarding personal use: first, that unauthorized, private copying infringes on the copyright owner's rights granted under Section 106 to the extent that such copying does not fall under a specific, statutory exemption; and second, that the 1976 Act's provisions were simply not intended to cover the behavior of individuals who make copies for their personal use. It has been observed that members of the public commonly hold the second point of view, believing that while the copyright law forbids anyone but the copyright owner from commercially exploiting a copyrighted work, the law does not proscribe private, personal copying.\textsuperscript{379} On the other hand, copyright owners take the opposite tack, arguing that had Congress intended personal use to be noninfringing, it would have said as much.\textsuperscript{380}

Professor Litman, by showing that Congress relied on representatives of those industries affected by copyright issues to draft the 1976 Act,\textsuperscript{381} has argued persuasively that it is impossible to determine the legislative intent regarding the copying of copyrighted material for personal use.\textsuperscript{382} The 1976 Act grants broad rights to

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\textsuperscript{1} 17 U.S.C. § 106 (1994).

\textsuperscript{377} See supra notes 12-25 and accompanying text.

\textsuperscript{378} The "first sale doctrine" is codified in Section 109(a) of the 1976 Act, and provides as follows:

\begin{quote}
Notwithstanding the provisions of Section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.
\end{quote}

\textsuperscript{17} U.S.C. § 109(a) (1994).

\textsuperscript{379} Litman, supra note 39, at 35.

\textsuperscript{380} This position is thoroughly argued in Justice Blackmun's dissent in Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 464-75 (1984) (Blackmun, J., dissenting).

\textsuperscript{381} See generally Jessica Litman, Copyright Legislation and Technological Change, 68 OR. L. REV. 275 (1989).

\textsuperscript{382} Litman, supra note 381, at 315; see also GOLDSTEIN, supra note 2 at 132-33. Professor Goldstein has described the 1976 Act's legislative history surrounding the issue
copyright owners, tempered only by specific exemptions tailored to appease the interests of different classes of copyright users who participated in the conference sessions. According to Professor Litman, the private copying issue received no mention in the 1976 Act not because Congress carefully considered and then rejected a personal use exemption, but rather because individual, private users—i.e., the public—were neither represented nor consulted in these negotiations.383

Although the 1976 Act includes no specific provision exempting private copying from infringement liability, it can be argued that the 1976 Act's Section 108 library exemption384 implies the existence of a corresponding personal use exemption.385 Under Section 108, libraries and their employees may make a single copy of a copyrighted work for a patron's "private study, scholarship, or research."386 It makes no sense to hinge the availability of the exemption on who makes the copy—a library employee versus the patron.387 Logically, because the library employee can make the

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385. See Patterson & Lindberg, supra note 45, at 195.
386. 17 U.S.C. §§ 108(d)(1), 108(e)(1). No reported cases define the meaning of the term "private" as used in the statute. Professor Nimmer has advanced two possible meanings: (1) that "private" is used to distinguish government or government-funded research from research conducted and funded by the private sector; and (2) that "private" is used to mean the opposite of "commercial." NIMMER, supra note 47, § 8.03[E][2][3], at 8-37 to 8-38. Another commentator has suggested that "private" means individual, as compared to group or shared use. Martin, supra note 45, at 358.

For a discussion of the meaning of "personal use," see infra notes 352-65 and accompanying text.
387. See Princeton Univ. Press v. Michigan Document Servs., Inc., 74 F.3d 1512,
copy under Section 108 as agent for the patron, it follows that the library patron can both make and possess the copy without triggering copyright liability.\textsuperscript{388}

Furthermore, in a situation like the one presented in \textit{American Geophysical} where the individual making the copies owns the underlying original copyrighted work, a personal use exemption makes a logical corollary to the first sale doctrine.\textsuperscript{389} Under that doctrine, the copyright owner's right to sell is extinguished upon the first sale of the work.\textsuperscript{390} This provision ensures that second-hand booksellers and people who sell their unwanted books and magazines at garage sales are not breaking the copyright law. Similarly, after a subscriber has purchased a copy of a journal, he or she should be free to copy it, resell it, give it or throw it away without obtaining permission or paying a fee to the copyright owner. If the owner of a magazine may lawfully sell it for commercial gain at a garage sale or pass it along to a friend, it is absurd to require him or her to pay a royalty to copy an article within the magazine for his or her personal use.\textsuperscript{391}

\textsuperscript{388} Congress explicitly noted that "[i]solated, spontaneous making of single photocopies by a library in a for-profit organization, without any systematic effort to substitute photocopying for subscription or purchases, would be covered by section 108, even though the copies are furnished to the employees of the organization for use in their work." H.R. REP. NO. 1476, supra note 19, at 75, reprinted in 1976 U.S.C.C.A.N. at 5689. In \textit{American Geophysical}, Texaco did not argue that Dr. Chickering's copying was exempt under Section 108 of the 1976 Act, presumably because Texaco's library did not qualify as an open facility under Section 108(a)(2). However, the Second Circuit clearly had this portion of the 1976 Act's legislative history in mind when it described Texaco's photocopying activities as "institutional, systematic copying [that] increases the number of copies available to scientists while avoiding the necessity of paying for license fees or for additional subscriptions." \textit{American Geophysical}, 60 F.3d at 916.

\textsuperscript{389} 17 U.S.C. § 109(a).

\textsuperscript{390} \textit{Id.}

\textsuperscript{391} Professors Patterson and Lindberg have expressed the same thought as follows: \textit{[T]he subscriber to a periodical owns the pages on which the work is printed, and such a dubious [photocopy] "license" being offered is an attempt to impose
The state of the law, then, regarding personal copying is unclear at best. Superficially, the 1976 Act appears to give copyright owners the exclusive right to reproduce copyrighted material. However, because Congress looked primarily to representatives of affected industries for guidance in drafting the 1976 Act, it gave no serious consideration to the issue of private use; therefore, the statute's silence cannot be said to rule out a private use exemption. Furthermore, the library exemption contained in Section 108 of the 1976 Act and the first sale doctrine in Section 109 logically would indicate that personal copying does not constitute copyright infringement.

Apart from the statute itself, the weight of public opinion supports the notion that personal and workplace copying does not violate the copyright law, as evidenced by the ubiquitous presence of photocopy machines in offices, libraries, grocery stores, and even homes. The making of single, spontaneous photocopies of magazine and journal articles and book excerpts for personal use is standard practice among doctors, lawyers, accountants, public relations executives, scientific researchers, teachers, and homemakers. Public opinion with respect to copyright law and its development should not be ignored for two reasons: first, because customary procedures and popular notions of what constitutes a reasonable use can be influential in determinations of fair use; and second, because laws that violate popular notions of fairness and

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a restraint on one's use of his or her own chattel. The restraint has virtually the same effect as saying that a subscriber must destroy a periodical after reading it, cannot transfer title to it (either by gift or sale), or must return it to the owner.

Patterson & Lindberg, supra note 45, at 185.

392. 17 U.S.C. § 106(1); see supra note 375.

393. See Brown & Koch, supra note 7, at 3; Clayton, supra note 38, at 81-82; Martin, supra note 32, at 346.

394. Not all commentators agree that custom should be considered in determining fair use. Compare Weinreb, supra note 21, at 1140 (stating that customary practice should play a role in determinations of fair use) with Leval, supra note 21, at 1125 (concluding that considerations other than the four statutory fair use factors are "false").

predictability foster disrespect for our system of justice.\textsuperscript{395} Although Justice Steven's majority opinion in \textit{Sony}\textsuperscript{396} never specifically alludes to customary practice, the fact that millions of VCR owners were happily engaged in video-recording television broadcasts before the case even reached the Supreme Court undoubtedly played a role in the Court's decision.\textsuperscript{397}

Neither the 1976 Act nor the case law provide clear answers to the question of photocopying for personal use; therefore, we must fall back on the policies and purpose of copyright law to resolve the issue. As noted earlier, the fundamental purpose of copyright is not to ensure a guaranteed income stream to copyright owners, but rather to foster the public good through the advancement of knowledge.\textsuperscript{398} The copyright law protects against unauthorized commercial exploitation of copyrighted material to encourage authors to create and disseminate their works, and publishers to publish them.\textsuperscript{399} However, the copyright law should not be used to grant publishers unlimited powers without regard for the rights of consumers. If the 1976 Act is read to require an individual user to purchase a license or pay a royalty before he or she can duplicate a copyrighted article for personal use, then the copyright law is being applied not to enhance but rather to inhibit that user's ability to learn. Likewise, such an interpretation of the copyright law creates a tax on learning—and only those wealthy enough to pay the tax will reap the advantage provided by access to information.

The imposition of such a tax on a user who has already purchased a copy of the work—like Texaco, which bought several subscriptions to \textit{Catalysis} but nevertheless was forced ultimately to

\textsuperscript{397} For a fascinating report of the behind-the-scenes debate among the Justices in the \textit{Sony} case based on the papers of the late Justice Thurgood Marshall, see GOLDSTEIN, supra note 2, at 149-57. According to this account, Justice Stevens originally not only took customary practice into account in formulating his position, but also favored finding a statutory exemption for private copying, rather than relying on fair use to exonerate the VCR manufacturer. \textit{Id.} at 150.
\textsuperscript{398} See \textit{supra} notes 39-40 and accompanying text.
\textsuperscript{399} See \textit{supra} notes 40-41 and accompanying text.
acquire a CCC license for its scientists to make single photocopies from that journal—seems particularly egregious, especially when extrapolated to analogous situations. Imagine the following scenario: a law firm buys numerous valuable, copyrighted, works of art to decorate its offices. To document the collection for insurance purposes, the firm’s business manager takes single photographs of each painting. Has the business manager violated the copyright owners’ exclusive right to reproduce the copyrighted works? The intuitive answer is “certainly not”; after all, the law firm owns the paintings. If nothing else, the business manager’s actions should qualify as a fair use. But according to reasoning announced in the American Geophysical case, copyright owners need only to band together and form a cooperative licensing organization to require photographers to purchase photography licenses before taking snapshots of copyrighted works of art.\textsuperscript{400} Under the court’s market approach to fair use, the fact that the law firm owned the underlying works would have no importance because the artists (or, more likely, their agents) had created a new market in photography licenses. Because the business manager, employed by a for-profit business, copied one hundred percent of the copyrighted works for a nontransformative purpose instead of purchasing the appropriate license, the case for fair use appears shaky, indeed. Applied this way, the copyright law no longer protects the creator’s right to profit from his or her work, but instead rewards marketers for devising new merchandising strategies.

This does not mean, however, that the intuitive answer was incorrect. Rather, it means that making single copies of copyrighted works for personal use should be a separate exemption in the copyright law, not left to be squeezed into the fair use doctrine.\textsuperscript{401} Fair use developed as a method of allowing users to make limited commercial use of copyrighted works without obtaining the consent

\textsuperscript{400} See American Geophysical, 60 F.3d at 929-31.

\textsuperscript{401} This is not a new observation. See, e.g., Patterson & Lindberg, supra note 45 at 193-96 (calling for recognition of the “rule of personal use”); Stephen Breyer, The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs, 84 HARV. L. REV. 281, 337 (1970) (suggesting Congress enact a personal use exemption).
of the copyright owner; the statutory fair use factors make sense with respect to cases involving commercial uses, but can be problematic when applied to personal use like the law firm example given above.

The Supreme Court's decision in *Sony* illustrates how poorly personal use of copyrighted material fits into the fair use doctrine. Rather than recognize an implied personal use exemption, the Supreme Court in *Sony* labored mightily to conclude that home taping of television broadcasts constituted a fair use. To reach the proper result—that such home-taping did not violate the plaintiffs' copyrights—the Court distorted the fair use doctrine by devising the much-criticized presumption against commercial use. That this presumption against all unauthorized commercial uses contradicted the fair use doctrine's raison d'être became clear even to the Court when it was presented with a commercial parody case in *Campbell*. In *Campbell*, the Court withdrew from its presumption against commercial use, stating that the commercial nature of the parody was only one element to consider under the first fair use factor. To avoid this doctrinal confusion, and to ensure that fair use continues to fulfill its intended purpose of allowing limited commercial uses of copyrighted material, courts must recognize, or Congress must enact, a personal use exemption to the 1976 Act.

2. What Constitutes "Personal Use"?

Private or personal use has been defined as the unauthorized use of copyrighted materials by an individual for his or her own

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402. Three of the four fair use factors—the nature of the copyrighted work, the amount used, and the potential market effect of the use—originated from Justice Story's opinion in *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841). That case involved a competing use of copyrighted material. See generally Patterson & Lindberg, supra note 45, at 67-68.


405. See supra note 257.

406. The Court stated that copies made "for a commercial or profit-making purpose ... would presumptively be unfair." *Sony*, 464 U.S. at 449.


408. *Id.* at 1174.
personal reasons—whether for business, pleasure, education, or to share with a co-worker or friend.\textsuperscript{409} The Second Circuit in \textit{American Geophysical} tried to avoid the personal use question by stating that the case did not present an instance of "photocopying for personal use by an individual.\textsuperscript{410} The court alluded to two reasons why it did not consider Dr. Chickering’s copying a personal use: first, that it was “institutional”; and second, that it was “systematic.”\textsuperscript{411} Both of these characterizations hinge on Dr. Chickering’s employment by a large corporation.

Regarding the institutional nature of the copying, any distinction between photocopying done by a scientist employed by a big company and that done by an “independent” researcher should be irrelevant as long as the decision to make a copy remains an individual one. The term “institutional photocopying” brings to mind a company manager making multiple copies of one article to distribute throughout the institution—something that did not occur in the \textit{American Geophysical} case. If a scientist makes an individual decision to photocopy a particular article—as did Dr. Chickering—that decision is just as “independent” whether the scientist works alone in a garage or in the research department of a multinational conglomerate.\textsuperscript{412}

Similarly, photocopying does not become “systematic” just because a company employs many researchers, all of whom from

\textsuperscript{409} Patterson & Lindberg, \textit{supra} note 45, at 193; \textit{see also} Litman, \textit{supra} note 381, at 348. \textit{Cf.} Office of Technology Assessment, U.S. Congress, Intellectual Property Rights in an Age of Electronics and Information 194 (1986) (defining “private use” as “the unauthorized, uncompensated, noncommercial and noncompetitive use of a copyrighted work by an individual who is a purchaser or user of that work”).

The fact that an individual makes a copy at the office rather than at home does not make the copying any less “personal.” \textit{See} Goldstein, \textit{supra} note 2, at 130. Similarly, there should be no distinction between photocopying done by an individual to further his or her job and that done for personal enjoyment. For example, I could photocopy an article about business attire because I am interested in fashion, or because I want to advance in my career. In either example, my photocopying qualifies as “personal.”

\textsuperscript{410} \textit{American Geophysical}, 60 F.3d at 931.

\textsuperscript{411} \textit{Id.}

\textsuperscript{412} The dissent recognized that the “determinative issue” was “whether the decision to photocopy individual articles is made by the individual researcher, as Dr. Chickering did here.” \textit{Id.} at 936 (Jacobs, J., dissenting).
time to time independently choose to photocopy certain articles.\textsuperscript{413} Again, the important question is whether each researcher—four or four hundred\textsuperscript{414}—makes a separate, spontaneous decision to copy an article, as compared with the situation where a certain publication is always duplicated \textit{en masse} to avoid the purchase of extra subscriptions. \textit{Pasha Publications, Inc.}\textsuperscript{415} presented an instance of the latter. In that case, a company routinely made multiple cover-to-cover copies of a newsletter for its employees in three branch offices, a practice that was found to constitute true systematic copying.\textsuperscript{416} In \textit{American Geophysical}, however, Dr. Chickering made his own, spontaneous decisions as to which articles he might find useful in his research;\textsuperscript{417} therefore his copying, and the similar copying practices of his fellow researchers at Texaco, should not be characterized as systematic.

Clearly, the number of copies made by an individual should make a difference in determining whether the copying should be considered “personal.” When an individual makes a single copy of an article, there is little doubt that his or her copying should qualify as a personal use. Where, then, should the line be drawn regarding number of copies? Suppose Dr. Chickering had made 50 copies of one article to distribute to all the researchers involved in a particular project. Now his copying begins to look more like the “institutional” copying decried by the court.

By definition, personal use does not include competitive use.\textsuperscript{418} Once an individual begins making multiple copies, his or her copying presents more serious commercial implications. For example, the researcher who makes 50 copies of an article for an entire department perhaps should consider purchasing additional subscrip-

\textsuperscript{413} In the words of the dissent, “the selection by an individual scientist of the articles useful to that scientist’s own inquiries is not systematic copying, and does not become systematic because some number of other scientists in the same institution—four hundred or four—are doing the same thing.” \textit{Id.} at 935 (Jacobs, J., dissenting).

\textsuperscript{414} \textit{Id.}


\textsuperscript{416} \textit{Id.} For a discussion of this case, see \textit{supra} notes 108-22 and accompanying text.

\textsuperscript{417} \textit{American Geophysical}, 60 F.3d at 936 (Jacobs, J., dissenting).

\textsuperscript{418} See \textit{supra} notes 378-81 and accompanying text.
tions, reprints or even a CCC photocopy license. A multiple-copying situation like this creates a real danger of market harm to the copyright owner; therefore, it is properly a question of fair use rather than personal use.

Accordingly, it has been suggested that the personal use exemption should allow individuals to make no more than one copy of copyrighted materials within a certain time period,\(^{419}\) and only as long as the copying is done for noncompetitive purposes.\(^{420}\) This limitation would not mean, however, that an individual who makes more than one photocopy of a journal article automatically becomes a copyright infringer; multiple photocopying simply would be subject to fair use restraints.\(^{421}\) So, for example, a Supreme Court Justice who made eight photocopies of a law review article for his or her colleagues on the bench would not qualify for the personal use exemption, but could be excused from infringement liability under a fair use analysis.

Additionally, Professors Patterson and Lindberg have rightly noted that certain copyrighted works—such as blueprints, architectural plans, and computer programs—have what they call a "functional purpose other than the dissemination of knowledge."\(^{422}\) In other words, one is not likely to copy these type of works without making use of the copies—actually employing them to run a computer, or build a building.\(^{423}\) As such, the copies serve not to advance scholarship or learning, but only substitute for the purchase of the original.\(^{424}\) As with multiple photocopying, the personal use

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\(^{419}\) See Breyer, supra note 401, at 337.
\(^{420}\) See Patterson & Lindberg, supra note 45, at 193-94.
\(^{421}\) Id.
\(^{422}\) Id. at 194-95.
\(^{423}\) Id.
\(^{424}\) Personal photocopying of articles or books is different because, although the copying may substitute for a purchase, at the same time it promotes the constitutional purpose of copyright—the advancement of learning.
Some commentators have suggested that the photocopying of an entire book should qualify either as a personal use or as a fair use of the copyrighted material. See, e.g., Dratler, supra note 113, at 338. I disagree, and believe that a consumer should be allowed to make one copy of an entire book as a personal use if he or she so desires. As Professors Patterson and Lindberg have noted, the possibility that consumers may photo-
exemption should not cover even single copies made of this kind of work.\textsuperscript{425} When these types of functional works are copied, the commercial ramifications of the copying are left unbalanced by any corresponding public benefit in increased access to information or the encouragement of personal education and growth. For example, the personal use exemption should not allow one to make a copy of Windows 95\textsuperscript{TM}\textsuperscript{426} to give to a friend so that he or she is spared the expense of purchasing it. To be exempt from infringement liability, such copying would have to qualify as a fair use.\textsuperscript{427}

An unavoidable question centers on how a personal use exemption would apply to copies made from electronic databases. Suppose, for example, that Texaco cancels its paper subscriptions to \textit{Catalysis} and, instead, subscribes to an on-line service to provide its scientists instant access to many different periodicals. Can a Texaco researcher download a copyrighted journal article to an off-line printer without violating the copyright law?\textsuperscript{428} The answer is

\begin{quote}
Some would say that simply by retrieving the article into a computer’s random access memory to view it on-screen, an electronic database user has made an unauthorized reproduction under Section 106 of the 1976 Act. \textit{See, e.g.}, \textit{Mai Sys. Corp. v. Peak Computer, Inc.}, 991 F.2d 511 (9th Cir. 1993), \textit{cert. denied}, 114 S. Ct. 671 (1994); \textit{Information Infrastructure Task Force, Intellectual Property and the National Information Infrastructure: A Preliminary Draft of the Report of the Working Group on Intellectual Property Rights} (July 1994) [hereinafter Green Paper]. A better analysis, it seems to me, is presented by Professor Litman, who concludes that
\end{quote}
an easy one. Absent any contractual provisions governing the right to copy present in the subscription agreement between the user and the database provider, the personal use exemption should apply to single copies of articles made by individuals regardless of whether the articles are obtained in a traditional or electronic library and copied by a photocopy machine or a computer printer. Similarly, additional reproduction beyond a single copy, whether by printing from the computer or photocopying, should be governed by the rules of fair use. By applying the personal copying exemption to the electronic context, copyright owners will be denied the power to make information users pay over and over again for electronic access to information, and ensure that copyright law is not used to stifle the dissemination of knowledge.

CONCLUSION

Knowledge is power. Though a cliche, it remains true nonetheless. Copyright law promotes universal access to knowledge by rewarding authors and artists for disseminating their works to the public.429 Although providing a monetary reward to copyright owners is an important aspect of copyright law, this right to profit must remain secondary to the paramount Constitutional objective of furthering “the Progress of Science and useful Arts.”430 Two avenues exist to balance the consumer's right to obtain information with the copyright owner's desire to secure a profit. The first—the fair use doctrine—was created to allow competitive users to employ portions of a copyrighted work in the creation of new works.431 The second—the personal use exemption—guards the right of a non-competitive consumer to use a copyrighted work for learning purposes.432 Unfortunately, and because at least in part

429. See supra notes 40-41 and accompanying text.
431. See supra notes 14-16 and accompanying text.
432. See supra notes 371-85 and accompanying text.
of an absence of language in the 1976 Act dealing with personal use, courts have generally refused to recognize a personal use exemption.\(^4\) As a result, courts have decided the few reported cases involving personal use of copyrighted materials by resorting to, and consequently distorting, the fair use exemption.\(^4\)

*American Geophysical*\(^4\) presents such a situation. The case could and should have been resolved in favor of Texaco on the grounds that the copying at issue—single, spontaneous copies made of isolated journal articles for research purposes—was exempt from copyright infringement liability as a personal use. The Second Circuit, however, declined to apply a personal use exemption and instead analyzed the case from a fair use perspective. Even still, the court could have reached the correct result, albeit for the wrong reason, had it properly applied the fair use doctrine to the facts of the case.

However, the court erred again by deciding the case based on an overly economic approach to fair use. In holding that the researcher's copying did not constitute a fair use, the court reasoned that only the second fair use factor—the nature of the copyrighted work—favored Texaco.\(^4\) By concluding that the photocopying was "archival" rather than transformative under factor one, the court failed to recognize the gathering and accumulation of data as the first step in scientific research. Instead, the court stated that because Dr. Chickering merely "archived" the copies, Texaco ought to pay for those copies again pursuant to a photocopy license.\(^4\) Furthermore, the court relied on Texaco's for-profit status to classify Texaco as a commercial user of the material that could clearly afford a photocopy license, and failed to consider the relevance of the use to the public welfare.

Similarly, regarding factor three, the amount and substantiality of the use, the court disregarded the nature and purpose of the use.

\(^4\) See supra notes 366-71 and accompanying text.
\(^4\) See *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984); see also supra notes 352-66 and accompanying text.
\(^4\) 60 F.3d 913 (2d Cir. 1995).
\(^4\) *Id.* at 925, 931.
\(^4\) *Id.* at 919-20.
in evaluating whether the extent of the copying was reasonable. Rather, the court used the magnitude of Dr. Chickering’s copying to support its conclusion that the copying was archival in nature, for which Texaco should have purchased a photocopy license. By applying a pure market approach to factors one and three, the court in effect read those factors out of its fair use analysis, and triple-counted the fourth fair use factor, the market effect of the use. As a result, the court favored the publisher’s desire for profit, and overlooked the fundamental copyright objective of promoting learning and scholarship.

The case raises serious implications regarding the future of fair use in non-educational settings such as the workplace. According to the Second Circuit, a use becomes “less fair” whenever copyright owners develop a way to make users pay for the use. Already, some commentators have suggested discarding the fair use doctrine altogether with respect to photocopying now that licensing organizations such as the CCC are in place. Both the court and these commentators have failed to understand that the creation of new revenue streams for publishers is not copyright’s ultimate purpose. Rather, fair use is intended to balance copyright owners’ right to reasonable compensation with the public need for wide dissemination of information. A pure market approach to fair use balances the public interest right out of the fair use equation by creating a user’s tax on access to information. Significantly, the market rationale of American Geophysical can easily be applied to electronic data collection. Should this occur, copyright owners will be able to impose ever-increasing tolls on the information superhighway.

Courts can help achieve a proper balance between the rights of copyright owners and those of information consumers by truly considering non-economic factors in applying the fair use doctrine.

438. Id. at 925-26; see supra note 329 and accompanying text.
439. Id. at 926.
440. Id. at 919-20.
441. Id. at 931.
442. See Barry, supra note 32, at 412-14; Martin, supra note 32, at 392.
443. See supra notes 40-41 and accompanying text.
Furthermore, courts must either recognize or Congress must enact a personal use exemption that would allow consumers to make single copies of copyrighted materials without obtaining the copyright owner's permission or paying any royalty or licensing fees. Lately, much discussion has centered on whether the 1976 Act should be amended to protect copyright owner's rights in light of new technology.444 The need for corresponding protection for users' rights is crucial. Whether through a personal use exemption or correct application of the fair use doctrine, the protection of users' rights is necessary to fulfill the fundamental goal of copyright law—the advancement of learning.

444. See, e.g., Green Paper, supra note 428, at 120-34; Freddie Baird, Legal Issues and the Internet: Heading West Along the Information Superhighway, 58 TEX. B.J. 1138 (1995); Ron Coleman, Copycats on the Superhighway, A.B.A. J., July 1995, at 68, 68-71; Robert Holleyman, Law Has Not Kept Up With Technology, NAT'L J., Apr. 17, 1995, at C46, C46-47. For a perceptive article by Professor Litman urging that the public interest as well as that of the copyright owners be represented in the 1976 Act revision process, see generally Litman, supra note 330.