Written Statement

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“Policy Considerations Relating to Copyright Law’s ‘Making Available’ Right”

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The Scope of Copyright Protection

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Policy Considerations Relating to Copyright Law’s “Making Available” Right

David Nimmer

I. Framing the Issue

I thank the House Judiciary Committee for inviting me to address a critical question that goes to the essential functioning of copyright protection in the modern age—whether the act of placing (or “uploading”) a digital file containing a copyrighted work into an Internet-accessible resource, such as a filesharing folder, violates copyright law. More precisely, the issue at hand is whether that act of uploading should itself be considered to violate the copyright owner’s exclusive rights or, alternatively, whether the copyright owner should be required to shoulder the burden of proving, in addition, that a third party downloaded that particular digital file, before the person who uploaded it can be held responsible.

To confront the matter in a concrete posture, let us imagine that a user uploads a full copy of the motion picture *Avatar* to a share folder operated by a peer-to-peer (P2P) service. The consequence is that anyone else on that P2P network can watch *Avatar* at no charge. The issue under examination is whether the copyright owner should be able to state a claim for infringement against that individual by showing proof of the unauthorized upload—or conversely, should be forced to prove, as part of its case in chief, that other third parties subsequently downloaded that particular copy of *Avatar*.

To be clear at the outset, there is no stand-alone “making available” right. Instead, current copyright law accords proprietors various exclusive rights, including the right to distribute their works to the public. The item currently on the table is whether the activity of making a work available is one means by which a plaintiff can demonstrate that its existing distribution rights have been violated.

In resolving such matters posing the “making available” question as the above *Avatar* hypothetical, courts have ruled on both sides and there is no clear path towards resolution of this split of authority. The matter therefore becomes ripe for clarification by Congress. For the reasons set forth below, I respectfully suggest that the better course of congressional action is to reaffirm the existence of a “making available” right. That course of action streamlines judicial procedures, comports with our treaty obligations, and continues the sound policy adopted by Congress in past copyright enactments.

II. The Historic Basis for the “Making Available” Right

Before turning to the core policy analysis, I note that this issue arises largely as the result of an arcane jurisprudential twist that was long submerged in the 1976 Copyright Act’s turgid history, and only recently excavated. The matter has been the subject of confusion and controversy in the federal courts, the legal academy, the press, and among the public since it first rose to the fore more than a decade ago.
From the passage of the first federal copyright law in 1790 through the 1909 Act that
governed throughout most of the twentieth century, copyright law recognized the “twofold
right to make and to publish copies” as the “historic basis of copyright.” Had the 1976 Act
retained the terminology of “right to publish,” the “making available” question likely never
would have arisen, given that the act of “publication” entails no requirement that a
copyrighted work be received by a third person. Merely making a copyrighted work
available to the public without authorization would have violated the copyright owner’s
right to “publish” under the old regime.

In fact, though, the actual language adopted in the Copyright Act of 1976 rendered
the issue murky. That Act recast the historic right to publish as the right “to distribute.” Nonetheless, until the advent of file-sharing technology at the turn of the millennium,
whether actual receipt of a copy formulated an element of proof was of little significance.
Most copyright enforcement actions were premised on violations of the reproduction right; the relatively rare cases invoking the distribution right involved unusual scenarios, such as placing a copyrighted work in a library that was open to the public. NIMMER ON
COPYRIGHT, along with other treatises, reported on the sparse interpretations of the
distribution right, but did not delve into the legislative history that might reveal why
Congress shifted from a right to “publish” to a right to “distribute.” (More on that score is
explicated in Appendix 1 to this statement.)

It was only after record companies began suing music file-sharers en masse a decade
ago that this theoretical puzzle assumed salience. Lacking compelling guidance, some
courts construed the language of the 1976 Act to afford copyright owners the right to make
their works available as a construction of the statute’s distribution right, others reached the
opposite conclusion. In response to those divided rulings, Prof. Peter Menell (with whom I had co-authored several past copyright articles) mined the legislative history of the 1976 Act to develop insight into this fundamental question of how to construe the copyright owner’s
distribution right. As Prof. Menell’s exegesis details, the change in terminology from the
right to “publish” to the right to “distribute” in the 1976 Copyright Act stemmed not from
any legislative intention to narrow the historic publication right, but rather out of concern
over the confusing jurisprudence surrounding technical details inherent in the law of
“publication” (namely, the distinction between investive and divestive publication).
Examined closely, the legislative history of the 1976 Copyright Act confirmed that the
drafters intended to broaden protection beyond the historic publication right, in order “to

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1 U.S. Copyright Office, Report of the Register of Copyrights on the General
Revision of the U.S. Copyright Law 22 (July 1961) (emphasis added).
4 Compare Universal City Studios Prods, LLP v. Bigwood, 441 F. Supp. 2d 185 (D.
5 See Peter S. Menell, In Search of Copyright’s Lost Ark: Interpreting the Right to
Distribute in the Internet Age, 59 J. COPR. SOC’Y 1 (2011).
avoid any questions as to whether ‘publish’ or ‘vend’ is used in such a narrow sense that there might be forms of distribution not covered.”

That voluminous history affords no indication that Congress intended to impose an “actual receipt” requirement on the exercise of the distribution right. To the contrary, the general legislative history reveals that Congress drafted the Copyright Act’s exclusive rights in broad terms so that authors’ rights would not lose their value because of “unforeseen technical advances” that might unfold “10, 20 or 50 years” in the future. The particular legislative history looking “50 years” into the future actually was articulated 49 years ago—making return to it particularly timely today.

After examining the contemporaneous explanation behind the shift in terminology during the revision process of the Copyright Act that took place from the 1950s through 1971, as illuminated in Prof. Menell’s article, I invited him to collaborate in redrafting the sections of Nimmer on Copyright devoted to that subject matter. The revised treatise now reflects the conclusion—as a matter of statutory interpretation—that a prima facie case of infringing a copyright owner’s distribution right does not require proof of “actual distribution,” namely someone downloading a concrete file that another previously uploaded.

III. The Policy Underlying the “Making Available” Right

That history serves as prologue. The focus of today’s hearing is not on the proper interpretation of the words that were enacted as part of the 1976 Act, but instead on the optimal policy for Congress to adopt going forward with respect to this thorny and high-stakes question of copyright law.

A. The Need to Act

As noted above, district courts have reached conflicting rulings regarding the existence of a “making available” aspect of the copyright owner’s distribution right. As a result, both copyright holders and potential target defendants have been left wondering what

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6 Id. at 57.

7 See Appendix 2 to this statement, for the lengthy excerpt by the Register of Copyrights, from which that language was drawn.

8 For another expression that same year of the sentiment that “we must be prepared to live with any new copyright law for 50 years or more,” see Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831 and H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong (1965) (statement of Prof. Melville B. Nimmer, School of Law, University of California, Los Angeles), 7 Omnibus Copyright Revision Legislative History 1809-12 (George S. Grossman, ed., Wiilliam Hein & Co., Inc. 2001).

9 It took over two decades of study until the Copyright Act was enacted in 1976. The final contours of most issues—including the distribution right here at issue—were reached in 1965. The succeeding 11 years were spent working out ongoing disagreements about jukebox compulsory licenses, cable television, and other matters not relating to the core rights of the copyright owner.
the precise extent of their rights and liabilities might be. Last month, the first appellate court to confront the scope of the distribution right since the publication of Prof. Menell’s research endorsing the “making available” theory handed down its ruling. The Tenth Circuit agreed with both that article and the discussion of that issue in *Nimmer on Copyright*, relying on both sources.\(^{10}\)

In doing so, however, the court recognized the “dissensus, particularly among district courts,” regarding this issue.\(^{11}\) Other circuit courts may follow the Tenth Circuit’s lead—or may decline to do so. At the present time, uncertainty continues to cloud the legal rights and liabilities fundamental to the recording, motion picture, and publishing industries. As such, legislative clarification of the “making available” right is appropriate, if not imperative.

The Register of Copyrights has issued a clarion call for legislative reform.\(^{12}\) Attentive to that suggestion, this committee has scheduled a number of hearings.\(^{13}\) For today’s hearing, the committee specifically has asked for my views on the “making available” component of the copyright owner’s distribution right.

**B. Defining the “Making Available” Right to Serve Copyright Law’s Goals**

The premise of our copyright law is that enforcement of the Act’s exclusive rights generally promotes progress in the creative arts. Those considerations lead organically to recognition of the “making available” right. When a studio releases a current picture such as *The Wolf of Wall Street* in theaters, or an older film such as *Avatar* in Blu-ray, there is simply no valid reason for a P2P user to place the entirety of that work in a share folder accessible to the world-at-large. The issue is not “remixing” or generating other “user generated content,” as those aspects are inapplicable to the hypothesized upload of an entire motion picture. Neither is the issue the facilitation of third-party “sampling”—interested fans enjoy many legal avenues to view trailers for that film (or, in the case of music, to listen to a segment on iTunes, for example) without the work’s entirety being uploaded to a share folder.

\(^{10}\)“No consummated act of actual distribution need be demonstrated . . . to implicate the copyright owner's distribution right.” *Diversey v. Schmidly*, 2013 U.S. App. LEXIS 25506, 2013 WL 6727517, at *4 (10th Cir. Dec. 23, 2013) (quoting *Nimmer on Copyright* § 8.11[B][4][d]).

\(^{11}\)Id. n.7.


Both sides of the “making available” issue recognize that copyright owners enjoy the exclusive right to control distribution of their works; their only point of disagreement concerns the quantum of proof needed to demonstrate that distribution took place (simple uploading for proponents of the right, uploading plus proven downloading for its opponents). Thus, both should agree that deterring unauthorized distribution (properly defined) promotes progress in the creative arts by empowering creators to determine when and how to commercialize their works. To proponents of the “making available” right, its creation of effective enforcement against uploaders of entire films “will channel consumers into the marketplace for copyrighted works—increasing the ability of creators to appropriate a return to their efforts, competition, and incentives to develop improved dissemination technologies and platforms.”

To be sure, even for opponents of the “making available” aspect of the distribution right, the same consequences flow. The difference is that, under their scheme, there is much less certainty of reaching those consequences, and the need to slog through cumbersome legal maneuvering before reaching them. For the reasons set forth in the next subsection, that maneuvering carries heavy burdens without any corresponding gain that might justify its adoption.

C. Streamlining Judicial Proceedings

The salient difference between recognizing or denying the existence of a “making available” component as part of the copyright owner’s distribution right inheres in how P2P cases unfold in the courts. If that right is recognized, then proof of the plaintiff’s case becomes extremely straightforward: Once evidence has been presented that the plaintiff uploaded the totality of the copyrighted work in question, the plaintiff’s case in chief is complete. At that point, expeditious procedures, such as summary judgment, can quickly resolve the entire matter. Indeed, if Congress were to couple recognition of the “making available” right with the adjunct amendments offered below—tightening up damage awards and furnishing a “small claims” tribunal for resolution of P2P claims—the amount of judicial time saved in these matters promises to be immense.

By contrast, if the “making available” right is denied, then essentially every P2P upload case becomes a trying exercise in laborious discovery. The copyright owner, after identifying the uploader in question, would need to issue subpoenas to Internet Service Providers in order to furnish the identity of the subscribers behind the Internet Protocol addresses that have engaged in downloading from that user. Extensive monitoring would be required, in order to generate that list. After the subpoenas have issued, the copyright owners would still need to slog through the type of extensive discovery disputes that have punctuated these proceedings in the past. Among the issues that judges across the country have confronted in P2P proceedings are the following: improper joinder and severance in the context of “swarms” from which a given copyrighted work is accessed by numerous users;

14 Peter S. Menell, 59 J. COPR. SOC’Y at 64-65. In addition, discouraging infringement at the end-user level reduces the pressure to enforce copyright protection at the distribution level, thus relieving potential chilling effects on software developers. Id. at 65 (citing Mark A. Lemley & R. Anthony Reese, Reducing Digital Copyright Infringement Without Restricting Innovation, 56 STAN. L. REV. 1345 (2004)).
whether personal jurisdiction and venue are properly asserted in the district in question against numerous downloaders scattered across the country; the need for specially tailored protective orders; when intervention is permissive to challenge the scope of the copyright owners’ subpoenas; whether those subpoenas compromise their targets’ rights of due process; and a hornet’s nest of other procedural pitfalls (including the ones detailed in the next section).

D. Protecting User Privacy

Additional defenses have arisen in the raft of P2P cases just mentioned that implicate user privacy. Some challenge those subpoenas as a statutory matter under the Electronic Communications Privacy Act. Others, more broadly, invoke the Constitution to protect the anonymity interests of those targeted by subpoenas. As a matter of First Amendment doctrine, those challenges have proven largely unsuccessful in the past. Nonetheless, the broader policy implications of those challenges remain of the utmost concern at present and for the future.

History affords invaluable perspective here. Let us revert to the world of 1955, when Congress first embarked on the copyright reform that ultimately culminated in adoption of the 1976 Act. At that time, the copyright owner enjoyed the exclusive right to “publish, copy, [or] vend the copyrighted work.” Someone who published the work without authorization was therefore an infringer (absent affirmative defenses); likewise the vendor who purveyed a work produced by another. Accordingly, if we imagine a bookstore in 1955 featuring numerous copies of The Good Shepherd by C.S. Forester stacked up on a table near the front door, the case against the store owner was complete. In other words, copyright law at that time imposed no obligation to place undercover agents near the cash register to develop evidence that third-party customers actually walked out with copies of the book in hand.

Still, if such evidence had been affirmatively required in that era, the exercise at least could have been performed—it simply would have been a needless waste, and for that reason never formed part of the copyright owner’s case for copyright infringement. By contrast, if Congress were to adopt a new regime defining the distribution right not to incorporate the right of “making available,” the result would be to saddle copyright owners with the burden of developing evidence regarding third party downloads. Unlike the

15 A rundown of many such cases, and their conflicting rulings, is set forth in 4 NIMMER ON COPYRIGHT § 12B.09[A][4].


17 Again, a rundown of many such cases is set forth in 4 NIMMER ON COPYRIGHT § 12B.09[A][3].

18 Still, courts have recognized that there is “some limited First Amendment protection” associated with making files available to others via P2P networks, which “subject[s] the plaintiff’s subpoenas to somewhat heightened scrutiny.” London-Sire Records, Inc. v. Doe 1, 542 F.Supp. 2d 153, 162-63 (D.Mass. 2008).

hypothesized investigator standing unobtrusively in the corner of a 1955 store, the consequences in 2014 would be far more intrusive—and troubling. On the one hand, the exercise might require the type of after-the-fact investigation just described, of massive subpoenas served on ISPs to disclose subscriber identities. Alternatively, it could necessitate even more invasive measures—one can imagine systematic dragnets placed in advance on P2P systems, in order to identify everyone who is undertaking every transaction there, such that they can be identified later and charged with facilitating infringement. Given how unpopular and contentious this type of comprehensive electronic data-vacuuming has proven of late, we should powerfully disfavor “potentially offensive strategies that have deleterious implications for privacy, anonymity, and freedom of expression.”

One attempt to avoid this dilemma that prospective plaintiffs have employed in the past is to send their investigators to download copyrighted works directly from the defendant who uploaded it. If the opponents of a “making available” right would concede the adequacy of that procedure, it could at least be performed without engendering the invasion of numerous third parties’ privacy interests. Yet that expedient itself has been rejected by those defending P2P uploading cases, who have interposed the defense that the investigator’s conduct on behalf of the copyright owner “ratifies” the distribution in question, thus rendering it unable to sustain an infringement claim. The important point for the present is that the entire problem can be avoided simply by confirming the existence of the “making available” aspect of the copyright owner’s distribution right.

The Supreme Court has called the probable scope of P2P infringement “staggering,” and even those courts that construe the statutory language of the 1976 Act not to include a “making available” right agree with the proposition that “continuous, high-volume file sharing—offering exact duplicates to millions of peer-to-peer users for free—would negatively affect the market for these copyrighted works.” When vacating the damages component of that last ruling, the Court of Appeals added, “Between 1999 and 2008, the recording industry as a whole suffered a fifty percent drop in both sales and revenues, a figure plaintiffs attribute to the rise of illegal downloading.” Under those circumstances, it is difficult to imagine how sound policy could favor solicitude to file-sharers, allowing them to evade liability depending on the vicissitudes of evidence-gathering from third parties.

In sum, the only effect of rejecting “making available” is to unduly raise the costs of enforcing the copyright owner’s distribution right, with the unfortunate concomitant of

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24 Sony BMG Music Entm’t v. Tenenbaum, 660 F.3d 487, 492 (1st Cir. 2011).
reducing the deterrent effects of copyright enforcement. The better path of the law is to discourage unauthorized file-sharing of copyrighted works, channeling fans of such works into the marketplace, which thereby increases the rewards available to creators.25

E. Complying With Treaty Obligations

The foregoing considerations have focused on domestic concerns. When we broaden our perspective to encompass the requirements of international law, additional reasons emerge for Congress to adopt an explicit “making available” right into our copyright laws.

The U.S. adheres to several multilateral copyright treaties, which require all adherents (such as the United States) to embody such a provision. Indeed, the precise phrase of “making available” entered the copyright lexicon from the two WIPO Internet Treaties, which the United States was instrumental in formulating.26

The first treaty accords copyright owners a general “right of communication,” which includes “the exclusive right of … the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”27 The other treaty incorporates articles captioned “Right of Making Available of Fixed Performances” and “Right of Making Available of Phonograms.”28

Since those two treaties were formulated in 1996, the United States government has consistently taken the position that our domestic copyright law already includes the “making available” right within the existing distribution right.29 By the same token, the Register of Copyrights has stated to Congress that “making [a work] available for other users of [a] peer to peer network to download … constitutes an infringement of the exclusive distribution right….”30

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25 See Peter S. Menell, This American Copyright Life: Reflections on Re-Equilibrating Copyright for the Internet Age, J. COPR. SOC’Y (forthcoming 2014) (42nd Donald C. Brace Memorial Lecture).


29 33 COLUM. J.L. & ARTS at 146 (reflecting “consensus within the Copyright Office and the Patent and Trademark Office, the two expert agencies involved in the negotiations and the formulation of implementing legislation”).

Moving backwards and forwards in time from those 1996 treaties strengthens the treaty rationale for recognizing the “making available” right. Back in 1971, the United States ratified the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms.\(^{31}\) That treaty obligates member states to “protect the producers of phonograms . . . against the making of duplicates without the consent of the producer . . . and against the distribution of such duplicates to the public.”\(^{32}\) The last clause, in turn, is defined as “any act by which duplicates of a phonogram are offered, directly or indirectly, to the general public or any section thereof.”\(^{33}\)

Thus, in substance if not by name, the “making available” right of international copyright law dates back over forty years.

More recently, the United States has entered into free trade agreements (FTAs) with twenty other countries,\(^{34}\) obligating this nation to provide a “making available” right tracking the language of the WIPO Internet Treaties.\(^{35}\) Based on all the extensive history noted above, the General Counsel of the United States Copyright Office concluded that “the United States is obligated by a number of treaties and trade agreements to provide a making available right.”\(^{36}\)

F. Separating Out Issues that Do Not Bear on “Making Available”

To avoid confusion, it is essential not to be sidetracked by collateral issues that exert no effect on the current investigation. A number of hot-button issues can arise in the context of peer-to-peer services that, by themselves, may warrant redress—but because they do not bear on the “making available” right, they fall outside today’s scope.

For instance, a given individual might use only 15 seconds out of Avatar for the purpose of engaging in her own remix. If sued, she could defend herself by asserting the fair use doctrine. Although all the circumstances would need to be ventilated to determine the robustness of that defense, in the abstract, it seems likely to prevail. That fair use doctrine arises as an affirmative defense asserted by the defendant. The matter at hand, by contrast, concerns only the plaintiff’s prima facie case of infringement. If the “making available” right is recognized as part of the copyright owner’s distribution right, then the plaintiff’s

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\(^{32}\) Id., art. 2.

\(^{33}\) Id., art. 1(d) (emphasis added).


\(^{35}\) 33 Colum. J.L. & Arts at 148-49. Carson quotes the FTA with Australia as typical—its Article 17.5 mandates that “each Party shall provide to authors the exclusive right to authorise or prohibit the communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.” Id.

\(^{36}\) Id. at 150.
case is complete once proof is tendered that the defendant uploaded the file in question; at that point, the case can revolve around her fair use defense of remixing, which she remains free to develop in full. Conversely, if the “making available” right is not recognized, the plaintiff will have to separately prove the existence of a downloader; at that juncture, the case will still proceed to the fair use defense of remixing. Thus, remixing has nothing to do with the instant policy determination regarding the “making available” right.

The same considerations apply across the board to all other affirmative defenses. Let us imagine that a different user buys a DVD of Avatar and then uploads it to a P2P service, ostensibly in order to watch it at his vacation home. If sued, that hypothetical defendant might defend himself by asserting that his “space shifting” amounts to fair use or is otherwise defensible under the “first sale” doctrine. Again, all the circumstances would need to be ventilated to determine the robustness of those defenses but, in the abstract, they seem unlikely to prevail; after all, that individual could easily watch the movie at his vacation home without making it accessible to millions of others through a P2P network. The important point, once again, is that those putative defenses will arise regardless of whether the law recognizes a “making available” right.

In short, the question on the table is how much proof to require of a plaintiff whose works have been uploaded without permission, which is a matter of calibrating the case in chief. Affirmative defenses are, by definition, wholly independent of the case in chief. Therefore, the matter at hand should not be clouded with such distractions as fair use and the “first sale” doctrine, as they raise affirmative defenses that do not affect the “making available” right.

By the same token, the current investigation focuses on the case in chief for direct liability; it is not concerned with indirect liability, whether denominated vicarious liability, contributory infringement, or inducing infringement. The standards adopted for “making available” are therefore distinct from those doctrines, which remain unaffected by any clarification that the copyright owner’s distribution right extends to the unauthorized uploading of protected works. One may add that online services that are sought to be held accountable for works made available through their instrumentality enjoy an additional statutory safe harbor from liability. As yet another affirmative defense, that aspect falls outside the current investigation, for the reasons already articulated.

To belabor what is not at issue in the current investigation, there should be no relitigation of any copyright cases posing issues other than proof of the copyright owner’s distribution right. As already noted, there is no stand-alone “making available” right. Therefore, no new causes of action should be permitted under the self-standing rubric of making works available; neither individual users of copyrighted works nor online service providers should be concerned about facing new-fangled theories of liability. Instead, the only matter under scrutiny at present is how a copyright owner can prove violation of its distribution right—proponents of the “making available” right believe that proof of that violation occurs by showing that the subject work has been uploaded; opponents maintain that additional proof is required that the copy in question was subsequently downloaded. Anything beyond that question falls outside the scope of today’s hearing.

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Another aspect that should not be conflated with the current inquiry arises out of the large number of P2P suits that have arisen against those who obtain access to pornographic material. A flood of such complaints has been filed; individual cases often target thousands of individual defendants in a single pleading. 38 Typically, those cases arise in the mirror-image of such cases as our Avatar hypothetical above, in which the copyright owner files suit against an uploader for unauthorized exploitation of its distribution right through making the work available. In the pornography context, by contrast, it is usually the copyright owner itself who uploads the work in question, in the hopes of ensnaring numerous parties as downloaders who have engaged in unauthorized exploitation of its distribution right. 39

The vice of those pornography cases is that, after a particular downloader has been identified by his ISP, “To save himself from embarrassment, even if he is not the infringer, the subscriber will very likely pay the settlement price. And if the subscriber is a business, it will likely pay the settlement to save itself from the hassle and cost of complying with discovery—even though one of its customers or employees is the actual infringer.” 40

One judge has condemned the filing of those sort of P2P complaints as “essentially an extortion scheme” in which “many Does will send back a nuisance-value check to the plaintiff.” 41 For current purpose, the vital feature is that each John Doe who sends back a check has already been identified through discovery as a downloader of the particular file in question. Therefore, even if the law were modified to eliminate any “making available” right, that unfortunate spate of pornography cases would continue unabated. In other words, the same mischief would continue to unfold in those cases, which arise only after the plaintiff has issued subpoenas to “the ISPs to obtain the identities of these Does.” 42 Therefore, imposing a burden on the plaintiffs beyond proof of the “making available” of its works cannot shut down any of those “extortion schemes.”

But the cost of imposing that burden on non-pornography copyright plaintiffs in general would be to make enforcement geometrically more complicated in their non-extortionate cases. In a universe containing no “making available” aspect of the distribution right, the complaint filed against those who upload Avatar to P2P sites for no legitimate reason would be transmuted into an inherently complex proceeding. That change represents a loss with no corresponding gain. For all these reasons, the best policy is for Congress to

39 The issue of what might be called “attempted copyright entrapment” sweeps far more broadly than P2P exploitation and affects works across the board, not only pornography. See Field v. Google Inc., 412 F. Supp. 2d 1106 (D. Nev. 2006). Nonetheless, any necessary redress for those problems occupies its own domain, far afield from today’s “making available” investigation.
41 Id. at *3.
42 Id.
recognize that the copyright owner’s distribution right includes a “making available” component.

IV. Changes Adjunct to Clarification of the “Making Available” Right

Of course, any amendment to the Copyright Act must fit into its larger fabric. In that spirit, I would like to broaden our current focus, to consider alterations to other aspects of copyright law that fit naturally with a recognition of the “making available” right.

A. Rationalization of Statutory Damages

In the case of the “making available” right, the same district judges who rejected that doctrine also systematically overturned the jury verdicts rendered against file-sharers as unconscionably large. See Capitol Records Inc. v. Thomas-Rasset, 799 F. Supp. 2d 999, 1001 (D. Minn. 2011), vacated, 692 F.3d 899 (8th Cir. 2012); Sony BMG Music Entm’t v. Tenenbaum, 721 F.Supp.2d 85, 121 (D.Mass. 2010), vacated in part, 660 F.3d 487 (1st Cir. 2011). The affected trial judges viewed the conduct of file-sharing as wrongful, but nonetheless “fairly low on the totem pole of reprehensible conduct” such that defendants who made no personal profit from such file-sharing should not saddled with multi-million dollar judgments. The dilemma that those judges faced is that Congress set the level of statutory damages in 1999—prior to the full onslaught of the P2P era—to allow recovery of up to $150,000 per infringed work. Given that one individual may share many thousand files, the theoretical multiplication of damages becomes astronomical.

The potential of such stratospheric statutory damages seems to have functioned as the proverbial “elephant in the room” when it came time for those district judges to construe whether the 1976 Act incorporates a “making available” component of the distribution right.45 The unpalatability of those mega-awards may have influenced them to deny the existence of a “making available” right, whereas they very well may have recognized the existence of that same right, had it been prone to give rise to more reasonable recoveries.

The time is ripe for Congress to confront the appropriate level of statutory damages for the digital age. An individual file-sharer should face meaningful recovery, far more than the amount that could have been paid at the outset to obey the law or a slap on the wrist reflecting a modest increase over that amount. Sitting as a district judge, Justice Sotomayor captured the essential features that a sensible law must embody: Statutory damages “serve the dual purposes of the Copyright Act—compensation and deterrence.” At the same time that the amount of statutory damages “should bear some relationship to the actual damages

44 Menell, 59 J. COPR. SOC’Y at 19.
suffered,” they must not be “calibrated to favor a defendant by merely awarding minimum estimated losses to a plaintiff.”

On the other hand, statutory damages against an individual file-sharer should not ramify to the level of a small nation’s gross national product. It is not necessary for a Jamie Thomas-Rassett to face a multi-billion dollar award in order to deter her infringement and provide just compensation to the plaintiffs. In sum, at the same time that Congress reassesses the “making available” right, it should appropriately calibrate recovery of statutory damages.

B. Institution of Small Claims Courts for Routine P2P Cases

Some years ago, the Copyright Office reported to this committee, “we believe that consideration of new procedures, such as establishment of a ‘small claims’ or other inexpensive dispute resolution procedure, would be an important issue for further study by Congress.” In 2012, the Office completed two series of hearings on the subject. Its report should be issued in the near future.

The raft of P2P cases in which no cognizable affirmative defense is presented seems ideal for summary disposition. If the range of available damages is limited, as proposed above, then there should be little impediment to their orderly resolution. Therefore, as part of the full parcel of reforms, Congress may wish to consider the appropriate shuttling of those cases to a newly established tribunal for resolution by a type of copyright “small claims” court.

C. Attention to Other Aspects of the Distribution Right

Today’s hearing is devoted to the “making available” right, which is a subspecies of the copyright owner’s distribution right. In the context of fine-tuning the distribution right, it only makes sense to examine all of its components. That exercise could reasonably lead, in turn, to at least two other contested aspects of the distribution right, apart from its “making available” component.

The first concerns the interplay between the copyright owner’s distribution right (insofar as it is incorporated into a coordinate importation right) and the exception to the

47 Id.


50 Pursuant to the 1976 Act, “Importation into the United States or exportation from the United States, without the authority of the owner of copyright under this title, of copies
distribution right for particular copies that have been lawfully made, colloquially called the “first sale” doctrine. In short, the question arises whether “gray market” goods lawfully manufactured abroad may be imported into the United States, or conversely may be excluded at the border. After decades of divided rulings on the subject from lower tribunals, the United States Supreme Court last year adopted a scheme of “international exhaustion,” effectively allowing such importations. The dissent complained that the Court’s ruling placed the United States out of sync with our trading partners and contravened the U.S. government’s position in negotiating international treaties. The majority responded that the determination whether copyright owners should have the “commercial power to divide international markets is a matter for Congress to decide.” This issue forms part of the constellation of the copyright owner’s distribution right, and hence is live for review in the broader context of the matters at issue in today’s hearing.

The second also concerns the reach of the “first sale” doctrine, but this time solely in the domestic context. The flash point in past cases has arisen with regard to software. In 1980, Congress defined computer programs as a type of “literary work” in the eyes of the Copyright Act. Just as old novels and textbooks can be freely sold at second-hand shops or lent out by libraries, the same status applies to old diskettes, CD-ROMs, and the like. But Congress tweaked that treatment in 1990, by prohibiting the rental of copies of computer programs, at the same time continuing to allow their untrammeled sale.

The legal consequence of that progression is that extant law allows resale equally of old books and old CD-ROMs. In practice, nonetheless, most courts have drawn a line between those two domains. The majority rule has banned copies of computer programs from resale on the secondary market, with some decisions ruling to the contrary. At present, Congress therefore has the option of clarifying its intent: barring resale of books and ROMs alike; allowing their resale alike; or constructing one rule for “literary works” in the nature of software and another for literary works that more traditionally fit that moniker. The matter obviously requires considerable finesse, to formulate the optimal resolution.

Taking the matter one step further, we stand at the cusp of a major paradigm-shift today. The advent of “cloud computing” portends a world in which books, records, videos, or phonorecords ... is an infringement of the exclusive right to distribute copies or phonorecords...” 17 U.S.C. § 602(a).

51 Notwithstanding that label, the doctrine applies not only to first “sales” but also other authorized transfers. See 17 U.S.C. § 109(a).


53 Id. at 1385 (Ginsburg, J., dissenting).

54 Id. at 1375 (majority opinion of Breyer, J.).


ROMs, and other physical media are no longer sold. Instead, users will be able to obtain temporary access via their computer screens to the bestsellers they wish to read, the hits they wish to hear, the blockbusters they wish to watch, and the software they wish to run. In that world of The Cloud, there is no “owner of a particular copy” able to assert a “first sale” defense. Notwithstanding that “United States copyright law historically has carved out important exceptions to the rights of copyright owners,” that history faces its potential end in the storm of The Cloud. Fair use could be rendered into “fare” use, as every private utilization of protected expression becomes transformed into a revenue-generating opportunity.

Confronting these questions, Congress could determine, at one extreme, that the “first sale” doctrine was only needed ancillary to the legal doctrine of alienation of physical chattels, and therefore has no purchase in the world of The Cloud. Or it could determine, at the opposite end, that the “first sale” doctrine has served as an essential counterbalance to proprietors’ rights since it was articulated in 1908 and remains necessary even today and tomorrow to guard against “a ‘pay per use’ society.” It could also choose an intermediate point on the spectrum as the ideal compromise. As deep waters swirl here whose depths have not been remotely plumbed, the matter can only be identified at present as a fitting item for further study.

57 See DEPT. OF COMMERCE INTERNET POLICY TASK FORCE, COPYRIGHT POLICY, CREATIVITY, AND INNOVATION IN THE DIGITAL ECONOMY 79-80 (July 2013).


59 The full quotation, made in the context of the Digital Millennium Copyright Act (DMCA), is as follows:

As copyrighted works are afforded more protection, they will be encrypted in “digital wrappers” that make them impenetrable to anyone other than those who are willing to pay the going rate. While that may sound like the American way, it is not. United States copyright law historically has carved out important exceptions to the rights of copyright owners.


62 At passage of the DMCA, the committees charged with formulating the bill incorporated into it various safeguards designed to mitigate “the risk that enactment of the bill could establish the legal framework that would inexorably create a ‘pay-per-use’
V. Possible Alternative Directions

The subject matter of today’s hearing is recognition of the copyright owner’s distribution right as including the right of “making available.” Nonetheless, because we stand at the very start of the process of copyright reform, it is possible that new directions will emerge with the passage of time. When Congress started to consider reform of the 1909 Act, it took more than two decades to reach fruition. Many changes of directions are therefore possible, as Congress grapples with the best avenues to reform the 1976 Act.

A. Defining Rights More Broadly than “Distribution”

One possibility is to carve up rights differently. At its adoption in 1976, the Act accorded five exclusive rights to copyright owners. Dissension has arisen over all five of those rights, not solely as to distribution—witness Circuit Judge Chin’s scathing critique of a recent Second Circuit construction of the performance right not to apply to a service offering its subscribers the ability to view over-the-air shows on demand.63 One can find equal dissension concerning the other rights of the copyright owner.

In 1995, Congress added a sixth right, in an amendment designed to accommodate the digital age—the Digital Performance Right in Sound Recordings Act of 1995.64 Unfortunately, technology moves quickly, often faster than lawmaking. In fact, the hermetic boundaries separating distribution from performance and from reproduction had already broken down by the time that amendment was adopted, rendering suspect much of that 1995 handiwork.65 Accordingly, the question arises whether the unitary flow of digits in the society.” H.R. Rep. No. 105-551, Part 2, 105th Cong., 2d Sess. 25 (1998). Nonetheless, their handiwork fell short of its goal, as the actual safeguards incorporated into the law do little to guard against that specter. See 4 NIMMER ON COPYRIGHT § 12A.06[B][3]. The advent of The Cloud brings new threats of creating “a ‘pay-per-use’ society.” Thus, the matter with which Congress grappled in 1998 now returns to the fore.

63 WNET, Thirteen v. Aereo, Inc, 712 F.3d 676, 697 (2d Cir. 2013) (Chin, J., dissenting) (“the system is a Rube Goldberg-like contrivance, over-engineered in an attempt to avoid the reach of the Copyright Act and to take advantage of a perceived loophole in the law”); WNET, Thirteen v. Aereo, Inc., 722 F.3d 500 (2d Cir. 2013) (Chin & Wesley, JJ., dissenting from the denial of rehearing en banc).


65 Consider that amendment’s definition of one type of distribution:

A “digital phonorecord delivery” is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the transmission is also a public performance of the sound recording or any nondramatic musical work embodied therein.

17 U.S.C. § 115(d) (emphasis added). That definition contemplates that a “delivery” (seemingly implicating copyright law’s distribution right) will be accomplished via “transmission” (a species of copyright law’s performance right) resulting in a “reproduction”
current world would be better suited by one omnibus right under copyright, as opposed to the five-fold division adopted a half-century ago (or its six-fold enumeration elaborated two decades ago).

The 1996 WIPO Copyright Treaty takes a step in that direction. One of its articles accords a “right of communication to the public.”\(^\text{66}\) It is possible that variations on that wording could set the framework for a better scheme than attempting artificial separation between the current six-fold enumeration of rights. But it is important to realize that even that Treaty provision is drafted to explicitly “includ[e] the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”\(^\text{67}\) Thus, even with a reformulation of rights, it appears likely that any well-drafted copyright law will include a “making available” right as part of the copyright owner’s arsenal. Without prejudging the issue, it would therefore appear that the subject matter of today’s hearing will continue to form part of the backbone of any revised Copyright Act.

B. Defining Distribution as Other Than a “Right”

Of course, even more radical revisions to the Copyright Act are conceivable. Rather than according copyright owners the legal right to control unauthorized distribution of their works, the concept of superdistribution turns the legal scheme on its head by making all works of authorship made publicly available in encrypted form and encouraging their widespread dissemination.\(^\text{68}\) Besides that strategy, other commentators have proposed a variety of new approaches to solve the P2P phenomenon, ranging from imposition of levies to “entertainment taxes” to governmental subventions of the arts.\(^\text{69}\)

These proposals face obstacles in terms of both feasibility and treaty incompatibility.\(^\text{70}\) None has gained sufficient traction to make it an obvious candidate for legislative reform. Nonetheless, it is impossible at present to predict what twists and turns the future legislative process may assume. In the event that one of those options were to

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\(^{66}\) WIPO Copyright Treaty, art. 8.

\(^{67}\) Id.


\(^{70}\) Id.
gain consideration, its effect on copyright law’s “making available” right would need to be evaluated.
APPENDIX 1

The bulk of my written statement confronts the policy implications of the “making available” right. In the past, I have written up the doctrinal basis for that right under the language adopted as part of the Copyright Act of 1976. The additional considerations set forth below flesh out that aspect of the matter.

1. A number of cases have construed the Copyright Act of 1976 not to include any “making available” component of the distribution right, and have cited my writings to support that proposition. Illustrative is a 2008 case so holding:

The general rule, supported by the great weight of authority, is that “infringement of [the distribution right] requires an actual dissemination of either copies or phonorecords.” * * * 2 DAVID NIMMER & MELVILLE B. NIMMER, NIMMER ON COPYRIGHT § 8.11[A], at 8-149 (2007) (“Infringement of [the distribution right] requires an actual dissemination of either copies or phonorecords.”). 71

That analysis in NIMMER ON COPYRIGHT § 8.11[A] attempts to vindicate the language of the distribution right as enacted in the 1976 Act. By contrast, the instant written statement focuses on the policy implications of a prospective amendment to the 1976 Act. The two tasks are distinct. Nonetheless, it is worth sketching the genesis of the sentence as quoted from the treatise. Its background arose out of a suit that was filed two decades ago.

In the early 1990s, a man named Michael Agee contended that Paramount violated the distribution right in his Laurel & Hardy sound recordings by transmitting those works. The Southern District of New York issued a tortured opinion about the performance right that threatened to set the law on the wrong path. 72 The Second Circuit stopped that approach in its tracks, as can be observed from the following excerpt:

3. Distribution Right. Agee contends that Paramount infringed his exclusive right to distribute his sound recording when it transmitted Hard Copy, including his work, by satellite to the TV stations because such a transmission constituted a distribution of one or more copies of his recording “to the public” under 17 U.S.C. § 106(3). His contention is meritless.

* * * *

We find no basis for concluding that Paramount’s transmission of Agee’s recording to viewers via the TV stations, rather than directly, was a “distribution.” In a slightly different context, a number of courts have held that “transmissions by a cable network or service to local cable companies

who in turn transmit to individual cable subscribers constitute ‘public performances’ by the network under [the Copyright Act].”

* * * *

It is clear that merely transmitting a sound recording to the public on the airwaves does not constitute a “distribution”; otherwise, sound recording copyright owners would have the performance rights expressly denied to them under the statute. For this reason, distribution is generally thought to require transmission of a “material object” in which the sound recording is fixed: a work that is of “more than transitory duration.” *See* 17 U.S.C. § 101 (defining “copy”); David Nimmer & Melville B. Nimmer, 2 *NIMMER ON COPYRIGHT*, § 8.11[A] (1993) (distribution right is right “publicly to sell, give away, rent or lend any material embodiment of copyrighted work”). *See also* House Report at 138 (“any form or dissemination in which a material object does not change hands—performances or displays on television, for example—is not a publication no matter how many people are exposed”).

Although we are unwilling to say that disseminations must always be in physical form to constitute “distributions,” *see*, e.g., *Playboy Enterprises, Inc. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (unauthorized uploading of copyrighted images onto computer bulletin board with knowledge that images would be downloaded by other bulletin board subscribers), in the broadcasting context, the distinction between material and non-material embodiments, and the fact that Paramount, like most television and radio broadcasting networks, transmitted its program for broadcast to the public, are relevant factors in determining whether Paramount engaged in broadcasting rather than distribution. We conclude that Paramount’s transmission of Agee’s recording constituted a performance of that recording and not a distribution. 73

After that decision was handed down, I revised the text and footnotes of § 8.11[A], as cited by the Second Circuit, to reflect the developments of that case. The 1996 edition of *NIMMER ON COPYRIGHT* therefore included a paragraph as follows:

Infringement of this right requires an actual dissemination of either copies or phonorecords. A public performance of a work is not a publication and hence, even if unauthorized does not infringe the distribution right. Given that transmissions qualify as public performances, liability for that conduct lies outside the distribution right. 74

The footnote accompanying that text cited *Agee*. It is the first sentence of that excerpt that is quoted out of context by decisions such as the one noted above.

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74 *2 NIMMER ON COPYRIGHT* § 8.11[A] (1996).
To appreciate what that excerpt conveyed and did not convey, it is useful to posit two propositions of law:

- **Proposition 1:** To violate the copyright owner’s distribution right, plaintiff must show that a tangible copy of the work passed hands, rather than to show the existence of a volatile instantiation by which the public got to experience the work. In other words, there had to be “actual distribution” of the work, not its constructive “distribution” over the airwaves.

- **Proposition 2:** To violate the copyright owner’s distribution right, plaintiff must show not only that the subject work was offered to the public, but also that the transaction was consummated. In other words, there had to be an “actual distribution” of a given copy to a proven individual.

These propositions are wholly distinct. The former contrasts 17 U.S.C. §106(3) with 106(4). The latter, solely within the ambit of 17 U.S.C. §106(3), makes an evidentiary point about how much proof is required.

The 1996 write-up of Agree contained in NIMMER ON COPYRIGHT purported to address only Proposition 1. It had nothing to do with Proposition 2. Indeed, at that juncture, the phrase “actual distribution” only had the sense of Proposition 1, and it did not occur to me at that time that there could be a distinct evidentiary point using the same nomenclature.

Let us imagine a case arising in 1997 in which the treatise language became operative. It could not have been a peer-to-peer case, as Napster (the first P2P service) still lay another two years in the future. But one could imagine a publisher suing a bookstore for violating the public distribution right by having 20 piratical copies of *Into Thin Air* offered for sale on a table near the front window. The defendant could thereupon remonstrate,

“\[\text{\textquoteleft\text{\textquoteleft}I can’t be held culpable for infringing the copyright, as the proof shows only that I was offering those copies for sale to the public. Notably absent is any proof that a customer actually came in and plopped down $15.00 to purchase one of the infringing copies. As NIMMER ON COPYRIGHT clearly indicates, ‘Infringement of this right requires an actual dissemination of either copies or phonorecords.’ There is no such evidence here, so I deserve summary judgment.\text{\textquoteleft\text{\textquoteleft}}}\]

If a court had adopted that proposition, I would have written up the decision as conflating two different propositions. In actuality, though, the issue did not arise until much later, when the P2P cases came down. At that point, many of those cases quoted the one treatise sentence above in isolation. They did so for the analytically incorrect proposition just ventilated.

I was not sufficiently attentive to the conflation until I had the chance to review the comprehensive research undertaken in the interim by Prof. Peter Menell.75 His article amply

75 See Peter S. Menell, In Search of Copyright’s Lost Ark: Interpreting the Right to Distribute in the Internet Age, 59 J. COPR. SOC’Y 1 (2011).
proved that the correct resolution of Proposition 2 is to reject the heightened evidentiary burden. When the treatise wrote up those cases in 2011, it made exactly that point, based on his outstanding article. At the same time, the revision preserved the old paragraph from the treatise, to show how courts in the interim had taken that simple proposition out of context. See 2 NIMMER ON COPYRIGHT § 8.11[C][I][a] n.116 (Release 85).

2. Four months later, the treatise turned to another aspect of the distribution right. Again, its concern was to vindicate the language of the 1976 Act, not to advocate optimal policy resolutions for future possible amendments to the statute. Specifically, the treatise discussed three decisions from a Ninth Circuit panel, which construed the distribution right in the context of the “first sale” defense. See 2 NIMMER ON COPYRIGHT § 8.12[B][I][d][i][III] (Release 86).

In that section, the treatise offered its view on each of those cases. One Ninth Circuit ruling upheld the defense and ruled against the copyright owner. The treatise agreed with its statutory construction. The other two Ninth Circuit decisions rejected the defense and ruled in favor of the copyright owners as to the distribution right. The treatise registered its respectful disagreement with those rulings. Thus, in all three instances, the treatise construed the 1976 Act to “limit” the distribution right of the copyright owner. That stance marks a counterpoint with the foregoing discussion of the “making available” aspect, in which the treatise construed the 1976 Act to “expand” the distribution right of the copyright owner.

The overarching lesson is that each domain must be treated on its own merits. The treatise has no a priori stance towards expanding or limiting the distribution right. It attempts to interpret the Copyright Act faithfully and independently as to each case it considers.

3. During the interval noted above (1996-2011), I represented a variety of clients, ranging from Verizon to Disney to Amazon.com to numerous individuals. I did not spend any significant amount of time during those decades representing any record company or other entities in the music business.

The work noted above in Releases 85 and 86 was performed in my scholarly role. By the same token, Prof. Menell’s composition of In Search of Copyright’s Lost Ark: Interpreting the Right to Distribute in the Internet Age, which furnished the backbone for the treatise’s discussion of the “making available right” in Release 85, likewise took place in his scholarly role. Neither he nor I ran the contents by any client or industry representative for approval. Indeed, during that general time-frame, Prof. Menell consulted for the plaintiff in a case adverse to a subsidiary of Universal Music Group,76 as he discusses in his Brace Lecture.77

4. Supplementing my Disclosure Form to the Committee, I would like to add that my receipt of federal funds has occurred exclusively for participation in the Federal

76 F.B.T. Prods., LLC v. Aftermath Records, 621 F.3d 958 (9th Cir. 2010).
77 See This American Copyright Life, supra.
Judicial Center’s Intellectual Property in the New Technological seminar, which has taken place annually over the past two decades in Berkeley, California. For lecturing about copyright law to federal judges, I have received reimbursement of my travel expenses from Los Angeles.
APPENDIX 2

Excerpt from 1965 Report of the Register of Copyrights

The basic legislative problem is to insure that the copyright law provides the necessary monetary incentive to write, produce, publish, and disseminate creative works, while at the same time guarding against the danger that these works will not be disseminated and used as fully as they should because of copyright restrictions. The problem of balancing existing interests is delicate enough, but the bill must do something even more difficult. It must try to foresee and take account of changes in the forms of use and the relative importance of the competing interests in the years to come, and it must attempt to balance them fairly in a way that carries out the basic constitutional purpose of the copyright law.

Obviously no one can foresee accurately and in detail the evolving patterns in the ways author’s works will reach the public 10, 20, or 50 years from now. Lacking that kind of foresight, the bill should, we believe, adopt a general approach aimed at providing compensation to the author for future as well as present uses of his work that materially affect the value of his copyright. As shown by the jukebox exemption in the present law, a particular use which may seem to have little or no economic impact on the author’s rights today can assume tremendous importance in times to come. A real danger to be guarded against is that of confining the scope of an author’s rights on the basis of the present technology so that, as the years go by, his copyright loses much of its value because of unforeseen technical advances.

For these reasons, we believe that the author’s rights should be stated in the statute in broad terms, and that the specific limitations on them should not go any further than is shown to be necessary in the public interest. In our opinion it is generally true, as the authors and other copyright owners argue, that if an exclusive right exists under the statute a reasonable bargain for its use will be reached; copyright owners do not seek to price themselves out of a market. But if the right is denied by the statute, the result in many cases would simply be a free ride at the author’s expense.

We are entirely sympathetic with the aims of nonprofit users, such as teachers, librarians, and educational broadcasters, who seek to advance learning and culture by bringing the works of authors to students, scholars, and the general public. Their use of new devices for this purpose should be encouraged. It has already become clear, however, that the unrestrained use of photocopying, recording, and other devices for the reproduction of authors’ works, going far beyond the recognized limits of “fair use,” may severely curtail the copyright owner’s market for copies of his work. Likewise, it is becoming increasingly apparent that the transmission of works by nonprofit broadcasting, linked computers, and other new media of communication, may soon be among the most important means of disseminating them, and will be capable of reaching vast audiences. Even when these new media are not operated for profit, they may be expected to displace the demand for authors’ works by other users from whom copyright owners derive compensation. Reasonable

adjustments between the legitimate interests of copyright owners and those of certain nonprofit users are no doubt necessary, but we believe the day is past when any particular use of works should be exempted for the sole reason that it is “not for profit.”