



6-1-2001

Can't Get No Satisfaction: How Abkco v. Laverne Bowed to Pressure from the Music Industry

Benjamin Gemperle

Follow this and additional works at: <https://digitalcommons.lmu.edu/elr>



Part of the [Law Commons](#)

Recommended Citation

Benjamin Gemperle, *Can't Get No Satisfaction: How Abkco v. Laverne Bowed to Pressure from the Music Industry*, 22 Loy. L.A. Ent. L. Rev. 85 (2001).

Available at: <https://digitalcommons.lmu.edu/elr/vol22/iss1/3>

This Notes and Comments is brought to you for free and open access by the Law Reviews at Digital Commons @ Loyola Marymount University and Loyola Law School. It has been accepted for inclusion in Loyola of Los Angeles Entertainment Law Review by an authorized administrator of Digital Commons@Loyola Marymount University and Loyola Law School. For more information, please contact digitalcommons@lmu.edu.

NOTES & COMMENTS

CAN'T GET NO SATISFACTION: HOW *ABKCO V. LAVERE* BOWED TO PRESSURE FROM THE MUSIC INDUSTRY

I. INTRODUCTION

In copyright law, the moment of publication is crucial. Publication occurs when an artist's work is distributed to the public.¹ It determines the level of protection bestowed upon an artistic creation, which in turn determines the value of the copyright itself.² A controversial Supreme Court decision relating to publication, on the issue of whether piano rolls were a copy of the underlying work or merely a reproduced performance,³ helped prompt Congress to significantly revise the Copyright Act in 1909.⁴ Congress's reaction illustrates the importance of the publication issue in copyright law.

Since the contentious 1995 Ninth Circuit decision in *La Cienega Music Co. v. ZZ Top*,⁵ the question of whether phonograph records ("phonorecords") distributed before 1978 are publications of the underlying work has remained uncertain. In June 2000, the Ninth Circuit handed down a decision in *ABKCO Music, Inc. v. LaVere*,⁶ resolving a split between the Ninth and the Second Circuits that had caused a great deal of controversy within the music recording industry.⁷ Congress ultimately responded to this circuit split by amending the Copyright Act of 1909 (the

1. 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 4.01 n.1 (2000) (quoting WEBSTER'S NEW INT'L DICTIONARY 2005 (2d ed. 1954)).

2. *See id.* § 4.03.

3. *See* White-Smith Music Publ'g Co. v. Apollo Co., 209 U.S. 1, 17 (1908).

4. Copyright Act of 1909, Pub. L. No. 349, 35 Stat. 1075 (codified as amended in scattered sections of 17 U.S.C.).

5. 53 F.3d 950 (9th Cir. 1995).

6. 217 F.3d 684 (9th Cir. 2000).

7. *Compare* Rosette v. Rainbo Record Mfg. Corp., 354 F. Supp. 1183, 1193 (S.D.N.Y. 1973), *aff'd*, 546 F.2d 461 (2d Cir. 1976) (holding that the sale of phonorecords did not constitute publication of the underlying work), *with* *La Cienega*, 53 F.3d at 953 (declining to follow *Rosette*). All references to the *Rosette* decision are to the district court's published opinion as the circuit court merely affirmed the district court's ruling without any relevant discussion of the issues. 546 F.2d at 462-63.

“1997 amendment”).⁸ The Ninth Circuit justified its opinion by claiming that the *ABKCO* decision restored copyright law to its position before the Ninth Circuit’s divisive decision in *La Cienega*.⁹ However, the controversy over the rationale behind *ABKCO* still rages today.

Disputes over the ownership and use of music are nothing new.¹⁰ The idea that musical artists influence and inspire each other with their compositions is one of the cornerstones of creativity that helps to keep music a fundamental way to express thoughts and feelings.¹¹ Musicians, as well as other artists, have always integrated some of the works of their fellow artists into their own performances to create new and unique artistic works.¹² However, when musicians reproduce other artists’ exact or virtually exact works and pass them off as their own, the reproducing artist risks infringing on the original artist’s property rights.¹³

The creation of technology to reproduce musical compositions in a mechanical fashion to “perform” the underlying music immediately raised questions about the copyright issues surrounding these reproductions.¹⁴ Prior to the 1976 Copyright Act,¹⁵ once an artist published a work for the general public to see or hear, the general public could freely use the work, unless the artist specifically sought its statutory protection.¹⁶ This protection traded rights between the artist and the government.¹⁷ The artist promised to allow public use of the work in the future, and after publication the government promised the artist a limited monopoly on the distribution and subsequent profits from selling the work.¹⁸

Prior to the 1976 Copyright Act, the work’s publication date initiated this limited monopoly.¹⁹ Therefore, the determination of the date of publication for works published before 1978, if the artist published the

8. See 17 U.S.C. § 303(b) (Supp. V 1999).

9. *ABKCO*, 217 F.3d at 691.

10. See *White-Smith*, 209 U.S. at 17.

11. Robert Johnson’s works in particular have been a source of inspiration for many subsequent artists. See, e.g., *Robert Johnson*, at http://www.blueflamecafe.com/Robert_Johnson.html (last visited Oct. 16, 2001).

12. See *id.*

13. See, e.g., *ABKCO*, 217 F.3d at 684.

14. See *White-Smith*, 209 U.S. at 17.

15. Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified as amended in scattered sections of 17 U.S.C.).

16. 1 NIMMER, *supra* note 1, § 4.01[B].

17. See generally *id.*

18. *Id.* § 4.03. “On the one hand, the interest of authors in the fruits of their labor must be preserved. At the same time, due regard must be given to the interest of the public in ultimately claiming free access to the materials essential to the development of society.” *Id.*

19. *Brown v. Tabb*, 714 F.2d 1088, 1092 (11th Cir. 1983).

work at all, essentially determined the benefits accruing to the artist from the public's use of the work.²⁰ What can an artist do when using music from a recording distributed before 1978 that he reasonably, but erroneously, believed to be in the public domain because the music had no federal statutory copyright protection?

This Note proposes that *ABKCO*, as well as the 1997 amendment to the Copyright Act that precipitated *ABKCO*,²¹ are legal anomalies that frustrate the intent of the Constitution. Additionally, *ABKCO* further confuses the issue of publication of phonorecords published before 1978. This Note will also examine the public policy reasons surrounding the 1909 Copyright Act regarding the publication issue, by following court interpretations of this term over the last nine decades. Finally, this Note will contemplate the repercussions of *ABKCO* on the future of copyright jurisprudence in the music industry.

Part II of this Note provides a background on the relevant aspects of the applicable law. Part III describes *ABKCO*'s background, detailing the facts preceding *ABKCO* at the district and circuit court levels. Part IV analyzes the *ABKCO* parties' arguments on the issue of publication and ultimately argues that the Circuit Court made the wrong decision. Part V concludes with the potential impact of *ABKCO* and its relevance in the jurisprudential history of copyright law in the United States.

II. RELEVANT BACKGROUND LAW

A. *White-Smith Music Publishing Co. v. Apollo Co.*²²

White-Smith contemplated the copyright implications of the use of piano rolls, one of the earliest music reproduction technologies.²³ The fundamental flaw in *White-Smith*'s reasoning was that the court primarily compared copies of musical compositions to copies of literary compositions.²⁴ At the time the ability to mechanically reproduce music was a relatively new phenomenon²⁵ and the previous copyright law did not address mechanical reproductions of music.²⁶ Instead, the copyright statute limited its discussion of musical composition regulations to sheet music,

20. See, e.g., *White-Smith*, 209 U.S. 1.

21. 17 U.S.C. § 303 (1994 & Supp. V 1999).

22. 209 U.S. 1 (1908).

23. See *id.* at 8–9.

24. *Id.* at 12.

25. *Id.* at 3.

26. *Id.* at 2.

the only known way of reproducing music at that time.²⁷

The court determined that because the piano rolls merely produced sound instead of copies of the actual notes in the form of sheet music, piano rolls were not copies of the original artist's work.²⁸

B. The Copyright Act of 1909

The Copyright Act has undergone a number of amendments since its revision in 1909.²⁹ The United States Supreme Court interpreted the Copyright Act of 1909 as proclaiming that mechanical recordings simply reproduced "performances" of the underlying musical composition.³⁰ Consequently, these recordings were not technically copies of the work and therefore could not be copyrighted.³¹ However, the sheet music (*i.e.*, the printed notes of the musical composition) could be copyrighted.³² Although the 1909 Copyright Act did not specifically define "publication,"³³ the concept was an important factor in determining whether statutory or common law copyright protection applied.³⁴

C. The Publication Issue

The concept of "publication" in copyright law jurisprudence underwent a number of changes over the last century.³⁵ When Congress first added the term "musical composition" to federal copyright statutes in 1831, mechanical reproduction of music was literally inconceivable.³⁶ The issue of whether the distribution to the general public of such mechanical reproductions constituted publication of the underlying work would become one of the most important and divisive issues in the history of copyright law.³⁷

27. *Id.* at 12.

28. *White-Smith*, 209 U.S. at 14.

29. *See, e.g.*, 17 U.S.C. § 303(b) (Supp. V 1999).

30. *Goldstein v. California*, 412 U.S. 546, 565 (1973).

31. *Id.*

32. *See id.* at 566.

33. 1 NIMMER, *supra* note 1, § 4.04 n.5. "Apparently a definition of publication was intentionally omitted because of the difficulty of defining the term with respect to works of art where no copies are reproduced." *Id.*

34. *Id.* § 4.01.

35. *See id.*

36. *See White-Smith*, 209 U.S. at 3-4.

37. *See generally* *ABKCO Music, Inc. v. LaVere*, 217 F.3d 684 (9th Cir. 2000); *Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183 (S.D.N.Y. 1973); *La Cienega Music Co. v. ZZ Top*, 53 F.3d 950 (9th Cir. 1995).

The Copyright Act of 1909 failed to adequately define the term “publication.”³⁸ Apparently recognizing the confusion surrounding the publication issue, legislators amended the Copyright Act of 1909 so that the Copyright Act of 1976 no longer included the term to indicate the type of copyright protection bestowed upon artistic works.³⁹ Despite the originally indistinct definition of “publication,” case law over the years has defined “publication” as follows:

[P]ublication occurs when by consent of the copyright owner, the original or tangible copies of a work are sold, leased, loaned, given away, or otherwise made available to the general public, or when an authorized offer is made to dispose of the work in any such manner, even if a sale or other such disposition does not in fact occur.⁴⁰

Today, as we find ourselves in the midst of the information age, the term “publication” has taken on an entirely new meaning.⁴¹ Posting music on the Internet has allowed people worldwide access to these artistic works.⁴² Although *ABKCO* involved actual phonorecords, the Copyright Act provides that the term “phonorecord” generally includes other media on which sound recordings are captured, including compact discs, audio cassettes, and probably even digital computer files.⁴³

As new and previously inconceivable methods of publication continue to emerge, determining whether phonorecords distributed before 1978⁴⁴ constitute publications of the musical compositions embodied therein remains a very important issue because of the potential impact on the rights of thousands of artists who distributed phonorecords before 1978.⁴⁵

38. See Pub. L. No. 349, 35 Stat. 1075 (codified as amended in scattered sections of 17 U.S.C.).

39. 1 NIMMER, *supra* note 1, § 4.04 n.5.

40. *Am. Vitagraph, Inc. v. Levy*, 659 F.2d 1023, 1027 (9th Cir. 1981) (quoting 1 NIMMER, *supra* note 1, § 4.04).

41. 1 NIMMER, *supra* note 1, § 4.01.

42. See *id.*

43. 17 U.S.C. § 101 (1994 & Supp. V 1999).

“Phonorecords” are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “phonorecords” includes the material object in which the sounds are first fixed.

Id.

44. The Copyright Act of 1976 took effect on January 1, 1978. Pub. L. No. 94-553, 90 Stat. 2541, 2598 (1976).

45. 143 CONG. REC. H9883 (daily ed. Nov. 4, 1997) (statement of Rep. Bono) (“[*La Cienega*] has jeopardized the private property rights for thousands of creative individuals who

This publication issue caught the attention of the music industry in 1995, when the Ninth Circuit decided in *La Cienega* that the distribution of phonorecords constituted a publication of the underlying music.⁴⁶ This Ninth Circuit decision conflicted with an earlier decision in the Second Circuit regarding the same issue.⁴⁷ Not surprisingly, the music industry agreed with the Second Circuit's decision that distribution and sale of phonorecords did not constitute publication of the underlying music for copyright purposes.⁴⁸ This idea of the effect of distribution and sale of phonorecords was based upon the established practice of the industry.⁴⁹ In 1997, Congress amended the Copyright Act of 1976 to make it consistent with the *Rosette* ruling.⁵⁰

ABKCO confirmed Congress' 1997 amendment, with the intent to resolve the issue once and for all.⁵¹ However, strong evidence indicates that both Congress and the Ninth Circuit bowed unnecessarily to pressure from the music industry.⁵² The Ninth Circuit wrongly decided *ABKCO*, rejecting the principle of *stare decisis* by overturning the Ninth Circuit's opinion in *La Cienega*. *La Cienega* is the best interpretation of the 1909 Copyright Act and the best rule for public policy reasons.

D. *Rosette v. Rainbo Record Manufacturing Corp.*⁵³

In 1973, the District Court for the Southern District of New York ruled that the distribution of phonorecords did not constitute "publication" of the underlying work.⁵⁴ The Second Circuit Court of Appeals subsequently affirmed this ruling in 1976.⁵⁵ The music industry immediately embraced *Rosette*, which maintained that distribution of phonorecords merely reproduced *performances* and thus were not publications of the underlying musical compositions.⁵⁶

live within the jurisdiction of the Federal Court of Appeals of the Ninth Circuit.").

46. See generally *La Cienega*, 53 F.3d at 953.

47. *Rosette*, 354 F. Supp. at 1193.

48. *ABKCO*, 217 F.3d at 690 (quoting CONG. REC. H9882 (1997) (statement of Rep. Berman)).

49. *Id.*

50. See 17 U.S.C. § 303 (1994 & Supp. V 1999).

51. See generally *ABKCO*, 217 F.3d at 691-92.

52. See 1 NIMMER, *supra* note 1, § 4.05[B][7] ("In response to that 1995 ruling [in *La Cienega*], affected songwriters lobbied Congress for an amendment to the Copyright Act.").

53. 354 F. Supp. 1183.

54. *Id.* at 1193.

55. See *Rosette*, 546 F.2d at 463.

56. 143 CONG. REC. S11, 301 (daily ed. Oct. 28, 1997) (statement of Sen. Hatch) ("*Rosette* comports with the nearly universal understanding of the music and sound recording industries and

Essentially, *Rosette* held that artists could protect their music in two ways.⁵⁷ If the music was unpublished, state common law copyrights on unpublished works protected the music until publication.⁵⁸ Once published, proper notice and registration according to federal copyright requirements protected the music.⁵⁹ Therefore, under *Rosette*, common law copyrights protected music as an unpublished work when an artist who distributed and sold phonorecords failed to give notice and file for federal copyright registration.⁶⁰

E. *La Cienega Music Co. v. ZZ Top*⁶¹

In 1995 the Ninth Circuit handed down a decision that caused a firestorm of controversy because it could have changed the rights of thousands of artists.⁶² Contrary to *Rosette*, *La Cienega* ruled that distribution of phonorecords did constitute “publication” under the meaning of the Copyright Act of 1909.⁶³ Under *La Cienega*, artists who distributed a phonorecord but failed to comply with federal copyright formalities, such as notice and registration, would see their work immediately pass into the public domain, where anyone could freely use the work without infringing on the artist’s rights.⁶⁴ Thus, under *La Cienega*, an artist could potentially lose out on millions of dollars in royalties that he or she would otherwise have received with proper notice and registration for federal copyright protection.⁶⁵

F. *The 1997 Amendment to the Copyright Act of 1909*

In 1997, Congress amended the Copyright Act of 1909, as embodied in the Copyright Act of 1976,⁶⁶ to exempt all songs embodied in

of the Copyright Office.”).

57. See *Rosette*, 354 F. Supp. at 1192.

58. *Id.*

59. *Id.*

60. *Id.* at 1193.

61. 53 F.3d 950.

62. 143 CONG. REC. H9883 (daily ed. Nov. 4, 1997) (statement of Sen. Hatch) (“The *La Cienega* decision took that settled law [of *Rosette*] and cast it on its head, threatening to thrust into the public domain hundreds of thousands of musical works which presently enjoy copyright protection.”).

63. *La Cienega*, 53 F.3d at 953.

64. See *id.*

65. See, e.g., Reed Branson, *Robert Johnson's Blues—Property Rights Law Suit Starts*, BLUESNEWS, at <http://www.blues.co.nz/news/article.php?id=55> (Oct. 13, 1998) (mentioning that Robert Johnson’s estate has built up a reservoir of more than \$1 million in royalties).

66. 17 U.S.C. § 303 (1994 & Supp. V 1999).

phonorecords distributed before 1978 from the status of “published” works.⁶⁷ By drafting this amendment, Congress most likely intended to overturn *La Cienega* and restore the law governing published works to the status it had held under *Rosette*.⁶⁸ Three years later, the Ninth Circuit’s decision in *ABKCO* attempted to resolve the circuit split and confirmed Congress’s 1997 amendment.⁶⁹

III. *ABKCO MUSIC, INC. V. LAVERE*⁷⁰

A. *Factual Background*

Robert Johnson helped pioneer the Delta blues, a form of music popular in the 1930s that influenced many generations of musicians.⁷¹ Johnson also inspired some of the most popular and successful musicians of all time, including Eric Clapton and the Rolling Stones.⁷²

Before his death in 1938, Johnson recorded twenty-nine songs during two sessions, one in San Antonio, Texas in November of 1936 and one in Dallas, Texas in June of 1937, including the songs “Love in Vain” and “Stop Breakin’ Down.”⁷³ He subsequently released these recordings on phonorecords in 1938 and 1939.⁷⁴ Neither Johnson nor his record label attempted to register these musical works for federal copyright protection in 1938 or 1939.⁷⁵

In 1969, the Rolling Stones released their own version of “Love in Vain” on the album “Let it Bleed.”⁷⁶ In 1972, the Rolling Stones also

67. *Id.* § 303(b) (“The distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein.”).

68. 143 CONG. REC. S11, 301 (daily ed. Oct. 28, 1997) (statement by Sen. Hatch) (“[O]verturning the *La Cienega* decision will restore national uniformity on this important issue by confirming the wisdom of the custom and usage of the affected industries and of the Copyright Office for nearly 100 years.”).

69. See *ABKCO*, 217 F.3d 691–92.

70. 217 F.3d 689 (9th Cir. 2000).

71. See *Robert Johnson*, at http://www.blueflamecafe.com/Robert_Johnson.html (last visited Oct. 16, 2001).

72. See *id.*

73. *Id.*

74. Janette Spencer-Davis, *Release of Phonorecords Did Not Publish Underlying Songs*, CCH Business and Finance Group, at http://business.cch.com/trade_regulations/default.asp?subframe=/trade_regulations/news/07-21-00.htm (2000).

75. *Court Rules Rolling Stones Illegally “Borrowed” Two Robert Johnson Tunes*, at http://www.infoculture.cbc.ca/archives/musop/musop_06282000_rollingstones.phtml (last updated June 28, 2000).

76. *ABKCO*, 217 F.3d at 686.

released a song adapted from Johnson's "Stop Breakin' Down" on the album "Exile on Main Street."⁷⁷ In May of 1970, the Rolling Stones' record label, the predecessor of ABKCO Music, Inc., filed for copyright registration for the musical work "Love in Vain."⁷⁸ In 1972, ABKCO filed for copyright registration for the musical work "Stop Breakin' Down."⁷⁹

In 1974, a man named Stephen LaVere became interested in Johnson's music.⁸⁰ LaVere tracked down Carrie Thompson, who LaVere understood was Johnson's only surviving heir.⁸¹ LaVere made a deal with Thompson whereby she agreed to give LaVere her ownership rights to Johnson's music in exchange for fifty percent of the royalties that LaVere would accumulate from Johnson's musical works.⁸² LaVere subsequently formed King of Spades Music to collect royalties from Johnson's songs.⁸³ LaVere eventually assigned his copyright interests to the record label, Mimosa, which later assigned the copyrights to another label, Delta Haze.⁸⁴

In 1990, Columbia Records released a boxed set of Johnson's complete recordings.⁸⁵ Columbia, as well as some popular artists who used Johnson's works, recognized the common law copyrights protecting Johnson's works.⁸⁶ However, ABKCO refused to do so.⁸⁷ In 1991, Delta Haze filed for federal copyright registration for the Columbia release of Johnson's complete recordings.⁸⁸

B. The District Court Decision

In 1993, Delta Haze demanded that ABKCO stop using Johnson's songs without permission or compensation.⁸⁹ In 1995, after years of negotiations, Delta Haze threatened to sue ABKCO for copyright infringement.⁹⁰ Relying on *La Cienega Music Co. v. ZZ Top*,⁹¹ ABKCO

77. *Id.*

78. *Id.*

79. *Id.*

80. *Id.*

81. *Id.*

82. *ABKCO*, 217 F.3d at 686.

83. *Id.*

84. *Id.*

85. *Id.*

86. *Id.*

87. *Id.*

88. *ABKCO*, 217 F.3d at 686.

89. *Id.*

90. *Id.*

91. 53 F.3d 950 (9th Cir. 1995).

responded by filing an action for declaratory relief, arguing that Johnson's songs were in the public domain as a result of their distribution and sale on phonorecords in the 1930s without federal statutory copyright protection.⁹²

Delta Haze counterclaimed, arguing that because Johnson never technically published the disputed musical works, common law copyrights protected them at the time the Rolling Stones released their versions.⁹³ Delta Haze also argued that they owned the copyrights to the two songs "Love in Vain" and "Stop Breakin' Down," pursuant to filing copyright notice and registration in 1991 on the Columbia release of Johnson's musical works.⁹⁴ Based on these claims, Delta Haze argued that ABKCO did not own the songs.⁹⁵

In 1997, while the *ABKCO* case was still pending in the district court, Congress amended the Copyright Act of 1976 to declare that distribution of phonorecords before 1978 did not constitute publication of the underlying musical compositions.⁹⁶ Delta Haze contended that the amended version of the Copyright Act of 1976 should control the district court's decision in *ABKCO*, instead of *La Cienega*.⁹⁷

However, the district court granted ABKCO's motion for summary judgment and denied Delta Haze's motion for summary judgment, holding that *La Cienega* controlled the issue.⁹⁸ The court ruled Johnson's two songs were in the public domain at the time the Rolling Stones recorded them.⁹⁹ Delta Haze appealed the district court's decision.¹⁰⁰

C. The Ninth Circuit Decision

On appeal, ABKCO argued that the amendment to the Copyright Act did not apply because Congress passed the amendment while the district court case was still pending.¹⁰¹ ABKCO argued that because the case began prior to the passage of the 1997 amendment to the Copyright Act, the amendment should not apply retroactively to its case.¹⁰²

92. *ABKCO*, 217 F.3d at 686.

93. *Id.*

94. *Id.*

95. *Id.*

96. 17 U.S.C. § 303(b) (Supp. V 1999).

97. *ABKCO*, 217 F.3d at 687.

98. *Id.* at 686.

99. *Id.*

100. *Id.* at 687.

101. *Id.*

102. *Id.*

1. Retroactivity

The Ninth Circuit closely examined the issue of retroactivity.¹⁰³ The court discussed whether Congress, through the amendment, intended to change or merely to clarify the Copyright Act of 1909.¹⁰⁴ The court explained that if the amendment clarified the Act, then the District Court did not err by applying the amendment retroactively in *ABKCO*.¹⁰⁵ If, on the other hand, Congress intended the amendment to change the law, then the amendment could not apply retroactively to the case without clearing significant constitutional hurdles, and *La Cienega* would instead apply.¹⁰⁶

Delta Haze contended that the appellate court did not need to decide the retroactivity issue because the 1997 amendment clearly allows no exceptions to the rule that classifies phonorecords as unpublished works.¹⁰⁷ Delta Haze maintained that *ABKCO*'s treatment of Johnson's songs as published musical works was therefore a clear violation of the Act as amended.¹⁰⁸ Delta Haze further claimed that even if retroactivity issues were relevant to this case, the court should apply the amendment retroactively because Congress intended it to clarify and not to actually change the law.¹⁰⁹

ABKCO responded by claiming that the amendment should not apply retroactively because it in fact constituted a change in the law.¹¹⁰ *ABKCO* reasoned that *La Cienega* was the prevailing law in the Ninth Circuit,¹¹¹ and that based on *La Cienega*, distribution of a phonorecord was a publication of the underlying work.¹¹² *ABKCO* further maintained that the 1997 amendment effectively changed this law by requiring that phonorecords distributed before 1978 were not to be considered publications of the underlying work.¹¹³ *ABKCO* also argued that because Congress failed to "clearly and unequivocally require retroactive application,"¹¹⁴ the court should not apply the amendment retroactively.¹¹⁵

103. See *ABKCO*, 217 F.3d at 689–92.

104. *Id.* at 689–90.

105. *Id.* at 689.

106. *Id.*

107. *Id.* at 687.

108. See *id.* at 688.

109. *ABKCO*, 217 F.3d at 687.

110. *Id.*

111. See *id.* at 686.

112. See *id.* at 689.

113. *Id.* at 690.

114. *Id.* at 691.

115. *ABKCO*, 217 F.3d at 691.

The question of whether the 1997 amendment applied to *ABKCO* was crucial. Even if the court determined that the amendment was the prevailing law, superceding *La Cienega*, the court still might have decided not to apply the amendment to this case because Congress passed the amendment while the case was still pending.¹¹⁶ The appellate court decided this retroactivity issue primarily by determining whether Congress intended that the amendment in question was to clarify the existing law or actually to change it.¹¹⁷

In analyzing the issue of retroactivity, the court disagreed with *ABKCO*'s contention that the amendment, by overturning *La Cienega*, changed the law.¹¹⁸ The court reasoned that, while *La Cienega* was controlling law in the Ninth Circuit at the time *ABKCO* filed the lawsuit,¹¹⁹ the Copyright Office and the music industry had always followed the rule of *Rosette v. Rainbo Record Manufacturing Corp.*¹²⁰ The court further explained that *La Cienega* was merely an aberration that caused a split between the Ninth and Second Circuits, ultimately leading Congress to amend the Copyright Act of 1909 and resolve the split.¹²¹ Therefore, the court explained, the amendment merely clarified the 1909 Act.¹²²

The court also disagreed with *ABKCO*'s assertion that because Congress did not expressly require retroactivity, the court should not have implied it.¹²³ The court reasoned that the 1997 amendment itself explicitly referred to conduct occurring before Congress passed the amendment and, therefore, applying the amendment only prospectively would not make sense.¹²⁴

Finally, the court also relied on *Mayhew v. Allsup*,¹²⁵ a Sixth Circuit decision concerning a similar problem, in which the *Mayhew* court retroactively applied the 1997 amendment.¹²⁶ Following *Mayhew*, the *ABKCO* court agreed with Delta Haze's contention that retroactive application of the 1997 amendment was appropriate.¹²⁷ After reviewing numerous quotes from senators, representatives, and the House Report on

116. *See id.* at 689.

117. *See id.*

118. *Id.* at 691.

119. *See id.*

120. *Id.* (citing 354 F. Supp. 1183 (S.D.N.Y. 1973)).

121. *ABKCO*, 217 F.3d at 691.

122. *Id.*

123. *Id.*

124. *Id.*

125. 166 F.3d 821 (6th Cir. 1999).

126. *Id.* at 824.

127. *ABKCO*, 217 F.3d at 692.

the amendment, the court determined that Congress intended the amendment to clarify rather than change the law.¹²⁸

Ultimately, the *ABKCO* court of appeals held that Johnson's songs were not in fact published when they were distributed on phonorecords in the 1930s.¹²⁹ Accordingly, the two songs, "Love in Vain" and "Stop Breakin' Down," never entered the public domain, and were thus not freely available for use by the Rolling Stones in the late 1960s and early 1970s.¹³⁰

IV. ANALYSIS

A. The Retroactivity Issue

1. ABKCO's First Argument: The 1997 Amendment Resulted in a Change of the Law in the Ninth Circuit

ABKCO argued that the 1997 amendment actually changed the law,¹³¹ precluding the amendment's retroactive application.¹³² ABKCO argued that the 1997 amendment effectively changed the law in the Ninth Circuit, because prior to the 1997 amendment, the law followed *La Cienega Music Co. v. ZZ Top*,¹³³ and the 1997 amendment expressly overruled *La Cienega*.¹³⁴ The court responded to this argument by claiming that the amendment clarified Congress' intentions before *La Cienega*.¹³⁵ However, the court's reasoning failed to answer the question ABKCO presented.¹³⁶

Contrary to the court's decision in *ABKCO*, ABKCO's assertion that *La Cienega* was controlling law in the Ninth Circuit from 1995 until the 1997 amendment took effect was absolutely correct. The court attempted to evade this reasoning by falling back on their "clarification argument," namely that it was wrong when it decided *La Cienega*, and was now

128. *Id.* at 691–92.

129. *Id.* at 692.

130. *Id.*

131. *ABKCO Music, Inc. v. LaVere*, 217 F.3d 684, 687 (9th Cir. 2000).

132. *See Beverly Community Hosp. Ass'n. v. Belshe*, 132 F.3d 1259, 1265 (9th Cir. 1997) ("If [the statute] were to be characterized [as a 'substantial change in the law'], its retroactive application would pose a series of potential constitutional problems.").

133. 53 F.3d 950 (9th Cir. 1995).

134. *ABKCO*, 217 F.3d at 691.

135. *Id.*

136. *See id.*

changing the law.¹³⁷ This tactic amounted to an attempt on the part of the Ninth Circuit to act as if *Rosette v. Rainbo Record Manufacturing Corp.*¹³⁸ was really the law in the Ninth Circuit during those years instead of *La Cienega*.

The court claimed that *La Cienega* was merely an aberration—a bump in the road that could be brushed aside.¹³⁹ However, assuming that *La Cienega* was incorrectly decided, the fact remains that *La Cienega* was controlling case law in the Ninth Circuit from 1995 to 1997, and other courts cited it as precedent in those years.¹⁴⁰

Although the Ninth Circuit's opinion validly may claim that the decision in *La Cienega* was wrong, its assertion that the 1997 amendment did not change the law regarding publication in the Ninth Circuit¹⁴¹ is entirely unconvincing. In fact, the 1997 amendment flipped the law 180 degrees by deliberately overruling *La Cienega*.¹⁴² The court alluded to this fact at the beginning of its reasoning on this issue when it admitted that ABKCO's argument was "literally true."¹⁴³

The Ninth Circuit's reasoning was further weakened by evidence that *La Cienega* represented the majority position while *Rosette* represented the minority.¹⁴⁴ The court implied that *La Cienega* was an irrational mistake of judgment and asserted that *Rosette* was really the decision that represented the intent of the framers of the 1909 Copyright Act.¹⁴⁵ However, a quick look at the jurisprudential history of this issue before *Rosette* reveals that, in fact, most courts felt that distribution and sale of phonorecords did publish the underlying music.¹⁴⁶ The decision in *Rosette* actually appeared to be more of a reflection of the intent of the music industry than anything

137. *See id.*

138. 354 F. Supp. 1183 (S.D.N.Y. 1973), *aff'd*, 546 F.2d 461 (2d Cir. 1976).

139. *See ABKCO*, 217 F.3d at 691.

140. *See, e.g., Mayhew v. Gusto Records, Inc.*, 960 F. Supp. 1302, 1307 (M.D. Tenn. 1997) (stating that the *La Cienega* decision properly rejected the rule outlined in *Rosette*).

141. *See ABKCO*, 217 F.3d at 691.

142. H.R. REP. NO. 105-325, at 5 (1997) (stating that § 303(b) reverses the *La Cienega* decision and affirms in the Copyright Act that a phonorecord released before 1978 did not constitute a "publication" under the 1909 Copyright Act).

143. *ABKCO*, 217 F.3d at 691.

144. *La Cienega*, 53 F.3d at 953 ("*Rosette* is the minority rule; our research fails to reveal any other circuit which has followed it.>").

145. *ABKCO*, 217 F.3d at 691 ("It is evident that Congress believed *La Cienega* was aberrational, that *Rosette* was the accepted and controlling interpretation, and that § 303(b) was enacted to make this clear.>").

146. *La Cienega*, 53 F.3d at 953 ("The majority of district courts considering this question have adopted ZZ Top's view [that distribution of phonorecords before 1978 constituted publication of the underlying work].").

else.¹⁴⁷

2. ABKCO's Second Argument: Congress Did Not Intend the 1997 Amendment to Apply Retroactively

ABKCO argued that because Congress did not expressly require the 1997 amendment to apply retroactively to cases pending on the date of its enactment, the *ABKCO* court had no power to imply a retroactive application.¹⁴⁸ The court's reasoning in response simply confused the issue. The court explained that because the amendment specifically referred to past conduct in regulating distribution of phonorecords before 1978, Congress obviously intended the amendment to apply retroactively.¹⁴⁹

The court's entire discussion of the issue (whether the amendment clarified the law or changed the law) completely missed the point. In its attempt to apply the statute retroactively,¹⁵⁰ the court confused the retroactivity issue with the substantive law. The time frame provided in the statute¹⁵¹ and the actual application of the statute are two entirely different frames of reference. Here, the statute explicitly regulates works of art produced before 1978.¹⁵² However, to which cases the statute should apply was a separate issue.¹⁵³

Under the court's logic, the amendment only should have applied to cases brought before 1978.¹⁵⁴ If this were the situation, the amendment would not have applied to *ABKCO*.¹⁵⁵ Based on the language of the statute, Congress did not intend this result.¹⁵⁶ The date to which the statute referred would not address the question of retroactive or prospective application of that law unless the statute made that explicitly clear.¹⁵⁷ The amendment explicitly states that the date in question (January 1, 1978) refers to the date that applies to the subject of the statute (when the phonorecords in question

147. See 1 NIMMER, *supra* note 1, § 4.05[B][4] ("The heart of the difficulty that surrounds the issue of publication . . . may be found in the business practice of the music industry.").

148. *ABKCO*, 217 F.3d at 691.

149. *Id.* (citing *Mayhew*, 166 F.3d 821).

150. See generally *id.* at 687-92.

151. 17 U.S.C. § 303 (1994 & Supp. V 1999).

152. *Id.*

153. 1 NIMMER, *supra* note 1, § 4.05[B][7] n.101.1 ("The question is not whether the amendment casts the long-ago acts of distribution in a new light; rather, it is whether infringing conduct, to be actionable under the 1997 amendment, can pre-date its enactment.").

154. *Id.* (citing *Mayhew*, 166 F.3d 821).

155. See *id.*

156. 17 U.S.C. § 303 (1994 & Supp. V 1999).

157. 1 NIMMER, *supra* note 1, § 4.05[B][7] n.101.1.

were distributed) and not to the application of the statute itself.¹⁵⁸

Evidence that Congress deliberately intended the statute to apply prospectively further undermines the court's argument for applying the statute retroactively. The court evidently failed to examine the notes following the statute because had it done so, it would have found the words "effective on enactment"¹⁵⁹ following the statute in the notes.¹⁶⁰ These words are unequivocal evidence that Congress intended the statute to take effect only after the statute passed.¹⁶¹ Had Congress intended for the statute to apply to pre-enactment actions, or actions pending as of the enactment, it could easily have included such words in the Act itself or in the notes following the Act.¹⁶² The absence of any language suggesting a retroactive application of the law indicates that Congress only wanted to apply the law prospectively.¹⁶³

Furthermore, in examining the legislative history of the enactment of the amendment, the court missed an earlier version of the bill that also provided that its effective date would be the date of its enactment.¹⁶⁴ This earlier bill included language to indicate that prospective enforcement of the statute was intentional, and Congress contemplated such language from the beginning of the legislative process.¹⁶⁵

Additionally, language contained in a separate but related bill¹⁶⁶ clearly applied to Congress' intent to ensure prospective enforcement of copyright infringement statutes.¹⁶⁷ The court's lengthy discussion of the difference between amendments that clarified existing statutes and amendments that actually changed the law was irrelevant and lacking a diligent legislative analysis. This discussion also misrepresented Congress'

158. *See* 17 U.S.C. § 303.

159. *Id.*

160. *Id.*

161. *See id.*

162. *See id.*

163. *See id.*

164. H.R. 1967, 105th Cong. § 2 (1st sess. 1997).

165. *See id.*; *see also* 1 NIMMER, *supra* note 1, § 4.05 n.96.

166. Copyright Term Extension Act, H.R. 1621, 105th Cong. § 5(b) (1997). The act ultimately became the Sonny Bono Copyright Term Extension Act. 1 NIMMER, *supra* note 1, § 4.05 n.96.

167. 1 NIMMER, *supra* note 1, § 4.05 n.96.

The bill also provided that it would not apply to "any action pending on the date of enactment in any court in which a party, prior to the date of enactment, sought dismissal of, judgment on, or declaratory relief regarding a claim of infringement by arguing that the adverse party had no valid copyright in a musical work by virtue of the distribution of phonorecords embodying it."

Id. (quoting H.R. 1621, 105th Cong. § 5(b) (1997)).

intent, and was therefore misleading.

B. Publication

1. *White-Smith Music Publishing Co. v. Apollo Co.*¹⁶⁸ Confused the Publication Issue

If the *White-Smith* Court had possessed the foresight to realize that mechanical reproductions of music would soon become a commonplace medium, it may have ruled differently. Unfortunately, the court erroneously applied rules created for written works of art to a medium that involved sound.¹⁶⁹

White-Smith repeatedly emphasized that the existing copyright statute protected tangible works of art, and not intangible works.¹⁷⁰ The court reasoned that the sounds of musical notes, when reproduced mechanically, were intangible and thus not copyrightable.¹⁷¹

The *White-Smith* Court clearly did not understand the new technology. Neither party argued that the mere sounds of music themselves were copyrightable.¹⁷² The argument, rather, concerned whether piano rolls represented legitimate copies of the underlying music.¹⁷³ The court failed to realize that piano rolls are tangible products, just as sheet music or books are tangible products.¹⁷⁴ A piano roll, like a phonorecord, is a medium that reproduced the artist's work—in this case the artist's work was music.¹⁷⁵ This is arguably no different from a book that reproduced a literary artist's work—in that case the artist's work was a story.

Before writing was developed, when stories were passed on from person to person by memory, the stories themselves were intangible products because they were not stored in a physical medium.¹⁷⁶ However, most people would agree that a book represents a copy of the underlying

168. 209 U.S. 1 (1908).

169. *Id.* at 3 (“This court [is] adopting [the] definition of the subject of property in a book or literary composition as being ‘the order of the words in the author’s composition.’ And the same thing must also be true as to the notes of a musical composition.”).

170. *Id.* at 7.

171. *Id.*

172. *See id.* at 12.

173. *Id.* at 11.

174. *White-Smith*, 209 U.S. at 12.

175. *See generally id.* at 1.

176. *See Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183, 1189 (S.D.N.Y. 1973), *aff’d*, 546 F.2d 461 (2d Cir. 1976).

story embodied in paper and ink. It would be absurd for a court to hold that, because a book reproduces an intangible product (a story), it does not constitute a copy of that product. The reasoning in *White-Smith* with respect to phonorecords is similarly weak. A phonorecord is just as much a tangible product of the underlying musical work as a book is a tangible product of the underlying literary work.¹⁷⁷ Both products store an intangible work of art in a physical medium.¹⁷⁸

White-Smith also ignored the fundamental difference between literary compositions and audible musical compositions.¹⁷⁹ Literary compositions are perceived with the eyes, while audible musical compositions are perceived with the ears.¹⁸⁰ An audible copy of a musical work of art (e.g., that which is embodied in a piano roll or a phonorecord) must be heard to be determined a copy, while a copy of a literary work of art must be seen to be determined a copy.¹⁸¹ It logically follows that a piano roll, which reproduced the sound of the original musical work, was a legitimate and tangible copy of that original work.

By applying the standard for determining copyright infringement of literary works to musical works,¹⁸² the *White-Smith* court made a fatal mistake. This misunderstanding led to almost a century of confusion and conflict over the issue of publication.¹⁸³ The resulting interpretation of the *White-Smith* opinion was that if phonorecords, like piano rolls, were not considered copies of the original work, then their distribution could not have constituted a publication of such work.¹⁸⁴

2. *Rosette* Contravened the Constitutional Monopoly Limitation

The *Rosette* decision encouraged artists to delay copyrighting their musical works by allowing the artists to profit from their work's release on phonorecords, without a requirement that the artists properly give notice and register for federal copyright protection in exchange for this profit.¹⁸⁵ *Rosette* offered the artists no incentive to comply with the Copyright Act by giving notice and registering their works for federal copyright

177. See *White-Smith*, 209 U.S. at 11.

178. See *id.* at 14.

179. See *id.* at 5.

180. *Id.* at 11.

181. *Id.* at 12–14.

182. See *id.* at 1.

183. See, e.g., *ABKCO*, 217 F.3d at 688.

184. *Id.*

185. *La Cienega*, 53 F.3d at 953.

protection.¹⁸⁶

According to the rule established in *Rosette*, an artist could distribute music on phonorecords or other recording media to millions of people for profit, while retaining protection over the composition as an “unpublished” work.¹⁸⁷ By delaying “publication,” the artist could effectively extend the profits and monopoly of the work longer than if the artist had complied with the original Copyright Act requirements.¹⁸⁸ This result would defeat the purpose of the Copyright Act, namely, that copyrights should be an agreement between the artist and the government to give the artist a monopoly for a limited time, followed by the release of the work to the public for the benefit of society.¹⁸⁹

Rosette allowed artists to take advantage of a loophole in the law and to reap extraordinary profits at the expense of the public.¹⁹⁰ Although the *Rosette* court acknowledged the potential problems their ruling presented,¹⁹¹ they claimed that such a ruling was necessary because it was consistent with the common practice in the music industry.¹⁹² The court claimed that the music industry did not consider distribution and sale of phonorecords to constitute publication of the underlying work.¹⁹³ *Rosette* demonstrated the same music industry influence on copyright law¹⁹⁴ as did the 1997 amendment and *ABKCO*.

Clearly, the music industry desperately wanted to hold on to the *Rosette* definition of publication because it benefited the industry significantly. By allowing artists (and their record labels) to distribute and sell millions of records without first obtaining statutory copyright protection, Congress and *ABKCO* effectively extended the length of time within which artists could claim a monopoly on the benefits from their

186. *Id.*

187. *Id.*

188. *Shapiro, Bernstein & Co. v. Miracle Record Co.*, 91 F. Supp. 473, 475 (N.D. Ill. 1950) (“The Copyright Act grants a monopoly only under limited conditions. If plaintiff’s argument [that distribution and sale of phonorecords does not constitute a publication of the underlying composition] is to succeed here, then a perpetual monopoly is granted without the necessity of compliance with the Copyright Act.”).

189. 1 NIMMER, *supra* note 1, § 4.01[B].

190. *See La Cienega*, 53 F.3d at 953. *See generally Rosette*, 546 F.2d 461.

191. *Rosette*, 354 F. Supp. at 1189 (admitting that “there is distaste for the perpetual monopoly that sustaining common law rights unlimited in time involves”).

192. *Id.*

193. *Id.*

194. *See Tempo Music, Inc. v. Famous Music Corp.*, 838 F. Supp. 162, 171 (S.D.N.Y. 1993) (“[T]he *Rosette* opinion is a creative attempt to deal with the problem of industry practice in such a manner as to save a great number of musical compositions from the public domain.” (quoting 1 NIMMER § 4.05[B][2] n.30)).

work.¹⁹⁵ As a direct result, changes in this law immediately awarded enormous profits to the music industry.¹⁹⁶

The *Rosette* view of publication translated into tremendous wealth for the music industry as a whole.¹⁹⁷ Thus, it is not surprising that the music industry levied substantial pressure on the government whenever someone challenged its favored definition of "publication."¹⁹⁸ The district court in *Rosette* acknowledged this pressure when it stated that "the practicing copyright bar has voiced its objection to relinquishing what they consider *stare decisis*"¹⁹⁹

However, the problem with *Rosette* is that just because the practice of profiting from distributed phonorecords without federal statutory copyright protection is a common one in the industry does not make it good public policy. In upholding this practice, the *Rosette* court essentially proclaimed, "we know this is wrong, but given that it has been going on for so long, we will allow it to continue."²⁰⁰ *Rosette* did not solve the problem of allowing artists to unfairly extend the limited monopolies on their works, but rather passed the buck to the next court to hear the same problem.²⁰¹ The holding in *Rosette* prevents the public from using these artists' works for a longer period of time. Therefore, the *Rosette* holding is against public policy.

The *Rosette* case referred to the Universal Copyright Convention's ("UCC") definition of publication, which held that publication is "the reproduction in tangible form and the general distribution to the public of copies of a work from which it can be read or otherwise visually perceived."²⁰² The *Rosette* court further stated that the UCC agreed on this definition so as not to conflict with U.S. copyright law.²⁰³ Essentially, *Rosette* employed a circuitous method of defining publication similar to the U.S. Copyright Act.²⁰⁴

195. See generally *Shapiro*, 91 F. Supp. at 475 ("The Copyright Act grants a monopoly only under limited conditions. If plaintiff's argument [that distribution and sale of phonorecords does not constitute a publication of the underlying composition] is to succeed here, then a perpetual monopoly is granted without the necessity of compliance with the Copyright Act.").

196. See *id.*

197. See *id.*

198. See 1 NIMMER, *supra* note 1, § 4.05[B][7].

199. *Rosette*, 354 F. Supp. at 1189.

200. See *id.*

201. See *id.*

202. *Id.*

203. *Id.*; see also ARPAD BOGSCH, UNIVERSAL COPYRIGHT CONVENTION, AN ANALYSIS AND COMMENTARY 83 (1958) ("It was believed that a contrary provision in the Convention would require an amendment of the U.S. Copyright Statute unlikely to be accepted by Congress.").

204. BOGSCH, *supra* note 203, at 83–84.

Rosette invoked the UCC definition to lend more credence to its publication theory.²⁰⁵ *Rosette* claimed that because a phonorecord did not allow one to “read or otherwise visually perceiv[e]” the underlying work of art, a phonorecord did not constitute a “copy” of the underlying work, as defined by the UCC.²⁰⁶ Therefore, the underlying work of art embodied in a phonorecord could not be “published” by the distribution and sale of that phonorecord.²⁰⁷

Rosette's argument fails, in part, because of its reliance on the flawed definition of “publication” in *White-Smith*.²⁰⁸ *Rosette*'s assertion that phonorecords were not “copies” of the underlying musical composition, and thus were not copyrightable, stemmed from *White-Smith*'s theory that phonorecords were merely reproductions of live performances of the underlying work.²⁰⁹ *Rosette* held that because live performances were not copyrightable, phonorecords were not copyrightable either.²¹⁰

3. *ABKCO*'s Interpretation of Publication

In its decision in *ABKCO*, the Ninth Circuit relied on the theory that *La Cienega* conflicted with the settled expectations of the Copyright Office and the music industry.²¹¹ Therefore, the *ABKCO* court intended to confirm the intent of Congress and restore uniformity to this area of the law.²¹² Through interpretation of statements made by members of Congress regarding the 1997 amendment, the court also implied that *Rosette* represented the “settled law” in this area.²¹³ However, nothing could be further from the truth.

On the contrary, *La Cienega* was the majority rule, representing the common knowledge of what constituted publication,²¹⁴ and the Second

205. 354 F. Supp. at 1189.

206. *Id.* (alteration in original).

207. *Id.*

208. *See Rosette*, 354 F. Supp. at 1189. *See generally White-Smith*, 209 U.S. 1.

209. *See generally White-Smith*, 209 U.S. 1.

210. *Rosette*, 354 F. Supp. at 1189.

211. *See ABKCO*, 217 F.3d at 690–91; *see also* 143 CONG. REC. S11, 301 (daily ed. Oct. 28, 1997) (statement by Sen. Hatch) (“Overturning the *La Cienega* decision will restore national uniformity on this important issue by confirming the wisdom of the custom and usage of the affected industries and of the Copyright Office for nearly 100 years.”).

212. *ABKCO*, 217 F.3d at 691–92.

213. *Id.* at 690 (“[*La Cienega* overturned] a long-time understanding of copyright law [which] has been ratified and reaffirmed by the Second Circuit. The *La Cienega* decision took that settled law [of *Rosette*] and cast it on its head.” (quoting 143 CONG. REC. H9882 (1997) (statement by Rep. Berman))).

214. *La Cienega*, 53 F.3d at 953 (“[T]he relatively few courts which considered the question

Circuit's decision in *Rosette* was the minority rule.²¹⁵ *Rosette* took a backseat primarily because the *Rosette* court lacked stable reasoning in holding that distribution and sale of phonorecords was not considered to be a "publication" of the underlying musical compositions embodied therein.²¹⁶ The *Rosette* court based its decision on the assumption that phonorecords were not copies of the underlying music.²¹⁷ This assumption stemmed from the fact that phonorecords were so new when Congress passed the 1909 Act²¹⁸ that legislators and judges did not fully understand how to define them.²¹⁹ Instead of classifying them as copies of the underlying music, *Rosette*, along with other courts, followed *White-Smith's* lead and classified phonorecords as "frozen performances" that did not warrant copyright protection.²²⁰

Unfortunately, because record companies potentially could have lost a tremendous amount of money under *La Cienega*, their pressure may have motivated Congress' 1997 amendment overturning that decision.²²¹ This same pressure from the music industry also may have influenced the *ABKCO* court's decision to confirm the 1997 amendment. However, for legal and public policy reasons, *La Cienega* should have been upheld as good law.

4. Public Policy from *White-Smith* to *La Cienega*

In the early years of the twentieth century, phonorecords were relatively novel and not widely distributed.²²² Record labels primarily

were almost unanimous in determining that public sale or other distribution of phonorecords does constitute a publication and hence a divestment of common law rights in the works recorded." (quoting 1 NIMMER, *supra* note 1, § 4.05[B])).

215. *Jones v. Virgin Records, Ltd.*, 643 F. Supp. 1153, 1158 (S.D.N.Y. 1986) ("[W]e are aware that *Rosette* is not without its critics and is not followed by a majority of district courts in other circuits . . ."). Note that *Jones* was decided by the same court that handed down the *Rosette* decision. *See id.*

216. *See Tempo Music*, 838 F. Supp. at 171 ("[T]he *Rosette* opinion is a creative attempt to deal with the problem of industry practice in such a manner as to save a great number of musical compositions from the public domain." (quoting 1 NIMMER § 4.05[B][2] n.30)).

217. *See Rosette*, 354 F. Supp. at 1193.

218. 143 CONG. REC. H9882 (daily ed. Nov. 4, 1997) (statement of Rep. Frank) ("When the phrase 'phonorecords' first went into the law in 1909, there were not very many because they were too new.").

219. *See generally White-Smith*, 209 U.S. 1.

220. *See Rosette*, 354 F. Supp. at 1190-91 (citing several cases that independently followed the decision of *White-Smith*).

221. *See* 1 NIMMER, *supra* note 1, § 4.05[B][7] ("In response to that 1995 ruling [in *La Cienega*], affected songwriters lobbied Congress for an amendment to the Copyright Act.").

222. *See supra* text accompanying note 218.

distributed music by printing the notes to a song on sheets of paper.²²³ Actual phonorecords sold relatively poorly at the time,²²⁴ presumably because the medium was so new.

Today, the opposite is true. Phonorecord sales, including compact discs and audiotapes, vastly outstrip sheet music sales.²²⁵ Therefore, public policy considerations point towards upholding *La Cienega*. Because of the decline in the sale of sheet music and the rise in the sale of phonorecords over the years since the *White-Smith* decision,²²⁶ it makes much more sense to begin applying the *La Cienega* interpretation of what constitutes publication. *La Cienega* took a realistic, practical, and (most importantly) contemporary view of the publication issue in light of the current methods of disseminating music to the public.²²⁷

Instead of relying on a decision from over ninety years ago, when mechanical reproductions of music were in their infancy, courts should rely on a more recent decision that reviewed over ninety years of the music industry's abuse of the antiquated publication law.²²⁸ The *La Cienega* court understood the implications of allowing artists to profit from the distribution and sale of their phonorecords without first obtaining statutory copyright protection, then later allowing the artist to apply for statutory protection to extend their monopoly on the profits from their work.²²⁹ *White-Smith* should no longer be followed, because the decision emerged at a time when the medium of phonorecords was so new to the country that the concept of the medium,²³⁰ and therefore the definition of it, was misunderstood.

The very words by which the UCC defined publication demonstrated this misunderstanding.²³¹ The fact that a work had to be "read or otherwise visually perceived"²³² to constitute a copy of the original belies the fact that sound reproductions were relatively unheard of, both literally and figuratively.²³³ Today, after a century of familiarity with phonorecords and similar media, and with society's understanding that these phonorecords

223. 1 NIMMER, *supra* note 1, § 4.05[B][4].

224. *See id.*

225. *See id.*

226. *See id.*

227. *See generally La Cienega*, 53 F.3d 950.

228. *Id.*

229. *Id.* at 953.

230. *Shapiro*, 91 F. Supp. at 475 ("Modern recording has made possible the preservation and reproduction of sound which theretofore had disappeared immediately upon its creation.").

231. *See BOGSCH*, *supra* note 203, at 81.

232. *See id.*

233. *Shapiro*, 91 F. Supp. at 475.

are tangible copies of the underlying intangible work, it is difficult to argue that distribution of these forms of art does not constitute publication.²³⁴

The 1976 Copyright Act recognized that the distribution and sale of a phonorecord published the underlying work.²³⁵ A contradiction therefore exists. Whereas Congress now acknowledges that distribution of phonorecords logically constitutes a publication of the underlying work, it is unwilling to apply this rule to pre-1978 recordings.²³⁶

Distribution and sale of literary works clearly constitutes publication, so why should pre-1978 musical works be treated differently? Courts recognize that when an artist distributes and sells millions of phonorecords, a publication has taken place.²³⁷ The *ABKCO* decision suggests that pre-1978 artists, who were lucky enough to get away with selling millions of albums without ever having to register for federal copyright protection, are entitled to a windfall of epic proportions.²³⁸

It is fundamentally unfair to contemporary artists to provide this enormous benefit to pre-1978 artists. This demonstrates an unequal application of copyright law. Essentially, this is no different than allowing an artist to distribute and sell millions of copies of sheet music without obtaining federal statutory copyright protection, and then further allowing that artist to prevent others from using that sheet music in their own works.²³⁹ Pre-1978 artists benefit from the *ABKCO* decision and the 1997 amendment, while post-1978 artists do not.²⁴⁰ Congress has effectively singled out a specific group of people (post-1978 artists) and placed a substantial burden on them by not allowing them to profit from their work to the same extent as pre-1978 artists.²⁴¹

In addition to the injury to the post-1978 artists, the public is also injured. The extended copyright protection set forth in the 1997 amendment and affirmed by the *ABKCO* decision denies the public its right

234. *Id.* ("When phonograph records of a musical composition are available for purchase in every city, town and hamlet, certainly the dissemination of the composition to the public is complete, and is as complete as by sale of a sheet music reproduction of the composition.").

235. 17 U.S.C. § 101 (1994).

236. 17 U.S.C. § 303(b) (Supp. V 1999).

237. *See, e.g., Shapiro*, 91 F. Supp. at 475 ("It seems to me that publication is a practical question and does not rest on any technical definition of the word 'copy.'").

238. *See generally ABKCO*, 217 F.3d at 692 (explaining that § 303(b) applies retroactively, which effectively allows artists to maintain a monopoly that exceeds the usual statutory period).

239. *Shapiro*, 91 F. Supp. at 475 ("It seems to me that production and sale of a phonograph record is fully as much a publication as production and sale of sheet music. I can see no practical distinction between the two. If one constitutes an abandonment, so should the other.").

240. *See* 17 U.S.C. § 303(b).

241. *See id.*

under the U.S. Constitution²⁴² to benefit from the use of these works.

C. The 1997 Amendment to the Copyright Act is Unconstitutional

In enacting the 1997 amendment, which was intended to uphold *Rosette*,²⁴³ Congress gave pre-1978 artists much more protection than *Rosette* originally did.²⁴⁴ Because the 1997 amendment is overinclusive and underinclusive, it may be unconstitutional.²⁴⁵ If so, the *ABKCO* decision, which relies primarily on the 1997 amendment,²⁴⁶ should not stand as precedent. *La Cienega*, which both the 1997 amendment and *ABKCO* struck down, could therefore be restored to its rightful position as controlling law.

The 1997 amendment may be underinclusive because it refers solely to musical works embodied in phonorecords.²⁴⁷ However, other works, such as literary or dramatic readings, are also recorded and distributed on phonorecords.²⁴⁸ Because the 1997 amendment only refers to musical works, these phonorecords of other works fall outside the relatively narrow scope of the statute, and presumably enter the public domain under the majority rule outlined in *La Cienega*.²⁴⁹

Congress' focus on the copyrights of musical works embodied on phonorecords and its exclusion of any mention of the copyrights of literary or dramatic works embodied on phonorecords demonstrates the tremendous lobbying power of the music industry.²⁵⁰ Congress claimed that the distribution of phonorecords before 1978 did not constitute a publication of the underlying musical work.²⁵¹ It is notable that Congress did not apply this rule to dramatic and literary works recorded on phonorecords.²⁵² The issue of publication by phonorecord distribution should not be limited only to musical works.

242. See U.S. CONST. art. I, § 8, cl. 8 ("The Congress shall have Power . . . to promote the Progress of Science and useful Arts, by securing for *limited Times* to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." (emphasis supplied)).

243. *ABKCO*, 217 F.3d at 691.

244. 1 NIMMER, *supra* note 1, § 4.05[B][7].

245. See *id.*

246. *ABKCO*, 217 F.3d at 691.

247. 17 U.S.C. § 303(b) (Supp. V 1999).

248. 1 NIMMER, *supra* note 1, § 4.05[B][7].

249. See *id.*

250. See 17 U.S.C. § 303(b).

251. *Id.*

252. See *id.*

Congress' original rationale, outlined in *Rosette* and in the *La Cienega* dissent, was that phonorecords were merely performances of the underlying musical compositions, and thus not copyrightable.²⁵³ Using this reasoning, the question then becomes whether literary or dramatic works recorded on phonorecords are performances. There is no difference between a literary or dramatic performance and a musical performance for purposes of the publication issue.²⁵⁴ All three are intangible works stored as sound recordings embodied on a tangible product—a phonorecord.²⁵⁵ The fact that Congress excluded other forms of art that are also embodied in phonorecords suggests that the statute is underinclusive.²⁵⁶

The 1997 amendment may also be overinclusive because it uses the words “for any purpose.”²⁵⁷ Congress indicated several times that it was enacting the amendment to overturn *La Cienega* and to restore *Rosette* to a controlling position.²⁵⁸ However, by using such broad language in the 1997 amendment, Congress may have exceeded the scope of the *Rosette* decision and the *La Cienega* dissent by offering more protection to artists than those decisions intended.²⁵⁹ Consequently, Congress may have accomplished the opposite of what the *Rosette* opinion and the *La Cienega* dissent intended.²⁶⁰

The district court in *Rosette* wanted to prevent common law copyrights from exceeding the rights of federal statutory copyright owners.²⁶¹ The court reasoned that it was not fair to allow artists to distribute and sell phonorecords, thereby earning a profit, without the burden of providing notice to others of the artists' common law copyright interests.²⁶²

The court pointed out that federal statutory copyright holders, unlike common law copyright holders, are punished for not providing notice according to the provision in the statute which states “any failure to file such notice shall be a complete defense to any suit, action or proceeding for

253. *La Cienega*, 53 F.3d at 955 (Fernandez, J., concurring in part and dissenting in part); *Rosette*, 354 F. Supp. at 1193.

254. See 17 U.S.C. § 101 (1994 & Supp. V 1999).

255. See *id.*

256. See 1 NIMMER, *supra* note 1, § 4.05 [B][7].

257. 17 U.S.C. § 303(b) (Supp. V 1999) (“The distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein.”) (emphasis added).

258. *ABKCO*, 217 F.3d at 691.

259. 1 NIMMER, *supra* note 1, § 4.05[B][7].

260. See *id.*

261. See *Rosette*, 354 F. Supp. at 1192.

262. *Id.*

any infringement of such copyright.”²⁶³ Therefore, the *Rosette* court ruled that once a phonorecord is sold, the artist who fails to properly give notice and register the work with a federal statutory copyright should not be able to assert common law copyright interests in the work against unauthorized use of the composition unless and until the artist later gives notice and registers the work for federal statutory copyright protection.²⁶⁴

The 1997 amendment, while presumably attempting to restore the law to its status as outlined in *Rosette*,²⁶⁵ actually produced the opposite effect of the rule intended by the *Rosette* opinion.²⁶⁶ By using the words “for any purpose,”²⁶⁷ the 1997 amendment gives artists much more protection than they previously had, because it allows artists to continue distributing and selling music without any requirement that they file for federal statutory copyright protection.²⁶⁸ Thus, the *Rosette* ruling—that artists who sell uncopyrighted phonorecords should not be allowed to enforce common law copyright interests against unauthorized infringers²⁶⁹—is ironically overturned by the very statute that was enacted to uphold it.²⁷⁰ The 1997 amendment is therefore overinclusive.

The 1997 amendment also contradicts a similar holding in the dissenting opinion of *La Cienega*.²⁷¹ The *La Cienega* dissent expressed a concern that an artist who does not register his work for federal statutory copyright protection may be able to “artfully extend the time during which he can exploit his work.”²⁷² An artist could do this by significantly delaying the time when he gave notice and registered for federal statutory protection, thereby receiving common law protection while he reaped profits from the sale of his phonorecords.²⁷³ If the artist decided to apply for federal statutory copyright protection, the artist would then receive additional protection of his work for the same amount of time as another artist who applied for the federal statutory protection *immediately* after distributing her work.²⁷⁴

263. *Id.* (quoting section 1(e) of the 1909 Copyright Act).

264. *Id.*

265. *ABKCO*, 217 F.3d at 691.

266. *See id.*

267. 17 U.S.C. § 303(b) (Supp. V 1999).

268. *See id.*

269. *Rosette*, 354 F. Supp. at 1193.

270. *See* 17 U.S.C. § 303(b).

271. *See La Cienega*, 53 F.3d at 955.

272. *Id.*

273. *Id.* at 953.

274. *Id.*

[U]nder *Rosette*, an artist who does not so comply [with the 1909 Copyright Act's

Therefore, the artist could potentially have extended the duration of copyright protection on his work by utilizing both common law and federal statutory copyright protections, ultimately extending the duration of the monopoly on the profits and other benefits from his work.²⁷⁵ The 1997 amendment expressly allows this extension of the artist's monopoly, which is in opposition to the *Rosette* decision and the *La Cienega* dissent.²⁷⁶ Thus, the 1997 amendment is also overinclusive because it allows artists to benefit from the distribution and sale of their phonorecords without requiring them to file for federal statutory copyright protection.²⁷⁷

V. CONCLUSION

*ABKCO v. LaVere*²⁷⁸ confirmed a statutory amendment that Congress never should have passed.²⁷⁹ The amendment was meant to clarify an issue that had been in dispute for over ninety years.²⁸⁰ However, instead of resolving the problem, the *ABKCO* decision only exacerbated it. Most people want to see artists rewarded for their efforts by granting them the limited monopoly that the Constitution guarantees them.²⁸¹ However, when artists begin to use loopholes in the law to extend this monopoly at the expense of the general public, it is time for reform. Unfortunately, at a time when resolution of this problem is becoming increasingly important, the *ABKCO* decision implicitly approved of and furthered this practice.²⁸²

The 1909 Copyright Act did not adequately define publication in regard to phonorecords.²⁸³ This is because phonorecords were so new at

notice and registration requirements] can sell any number of recordings for several years, receiving common law copyright protection all the while, before copyrighting the work with the Copyright Office. From the point of this late compliance on, the statutory copyright owner receives 28 years of federal protection.

Id.

275. *La Cienega*, 53 F.3d at 953 (“*Rosette* consequently may encourage artists to delay compliance with the Copyright Act’s requirements and thereby receive ‘longer’ copyright protection. Such an outcome would clearly be undesirable.”).

276. See 17 U.S.C. § 303(b) (Supp. V 1999).

277. See 1 NIMMER, *supra* note 1 § 4.05 [B][7].

278. 217 F.3d 684 (9th Cir. 2000).

279. See *id.* at 692.

280. 143 CONG. REC. S11, 301 (daily ed. Oct. 28, 1997).

281. See U.S. CONST. art. I, § 8, cl. 8.

282. See *ABKCO*, 217 F.3d at 692.

283. 1 NIMMER, *supra* note 1, § 4.04 n.5 (“Apparently a definition of publication was intentionally omitted because of the difficulty of defining the term with respect to works of art where no copies are reproduced.”).

the time that the concept was foreign to many lawmakers.²⁸⁴ The music industry saw a golden opportunity to extend copyright protection over the works in which they had a vested interest, and jumped on it.²⁸⁵ Over the years, music industry lobbyists have kept the pressure on the Copyright Office, the courts, and Congress to continue extending the copyright interests of artists with pre-1978 phonorecords.²⁸⁶ The very fact that Congress has recognized for more than twenty years that phonorecord distribution constitutes publication illustrates the problem with the *ABKCO* decision.²⁸⁷ Artists who distributed phonorecords before 1978 should not be treated differently than those who distributed phonorecords after 1978. This gives pre-1978 artists an unfair advantage.

Robert Johnson has been dead for more than sixty years.²⁸⁸ While it is undisputed that Johnson has had a profound influence on several generations of musicians,²⁸⁹ there is quite a bit of disagreement over whether his successors should still be reaping such enormous benefits from his work.²⁹⁰ It is not fair to punish the Rolling Stones for using a Robert Johnson song that they legitimately and understandably believed to be in the public domain.²⁹¹ By allowing Johnson's successors in interest to maintain control over his songs more than sixty years after his death, the *ABKCO* court is frustrating the purpose of the Constitution.²⁹²

The whole idea behind copyright law is that the artist will have a limited monopoly, and the work will thereafter become available to the public for use.²⁹³ In Johnson's case, his works were not afforded federal statutory protection until 1991, more than fifty years after the initial distribution of his phonorecords.²⁹⁴ With federal statutory protection newly obtained, the works will be kept from the public until well into the middle of the twenty-first century.²⁹⁵

The combination of common-law and federal statutory copyright protection serve to provide LaVere's assignees with more than 100 years of

284. See *ABKCO*, 217 F.3d at 688.

285. See 1 NIMMER, *supra* note 1, § 4.05 [B][7].

286. See *id.*

287. See *Rosette*, 354 F. Supp. at 1192 n.8.

288. *ABKCO*, 217 F.3d at 686.

289. See *id.*

290. See *id.*

291. See *id.* at 685.

292. See U.S. CONST. art. I, § 8, cl. 8.

293. 1 NIMMER, *supra* note 1, § 4.03.

294. *ABKCO*, 217 F.3d at 686.

295. See *id.* at 685 n.1.

monopolization of the benefits derived from Johnson's works.²⁹⁶ The framers of the Constitution surely never envisioned such a windfall, and it hardly seems consistent with the purpose of copyright law.²⁹⁷ It is thus difficult to imagine a good reason why Congress and *ABKCO* bestowed such a sweeping benefit upon a particular class of people.

The Ninth Circuit made the right decision the first time around in *La Cienega v. ZZ Top*.²⁹⁸ It is unfortunate that Congress' 1997 amendment and the *ABKCO* decision overturned *La Cienega*.²⁹⁹ Hopefully some day lawmakers will once again change the copyright laws to reflect a public policy that rewards all artists equally while simultaneously giving the public a reasonable opportunity to benefit from such works.

*Benjamin Gemperle**

296. *See id.*

297. *See* U.S. CONST. art. I, § 8, cl. 8.

298. 53 F.3d 950 (9th Cir. 1995).

299. *See ABKCO*, 217 F.3d at 687.

* I would like to thank my wife Sarah, for her endless love, encouragement, and understanding, and my two daughters, Christine and Charlotte, for their enthusiasm and passion for life, which constantly inspires me. I would like to thank my parents, Dick and Mary Beth Gemperle, for their love, guidance, and support throughout my life. I would also like to thank Lidia and Dan Alvy for their generous love and support. Finally, I thank all of the editors and staff of the Loyola of Los Angeles Entertainment Law Review for their tireless efforts in working on this Note. In particular I thank Tom Werner, Leah Phillips Falzone, Brian E. Pellis, Graham B. Smith, Scott Sterling, Tabitha Rainey, Mary Sakaguchi, Jeffrey Renzi, and Gil Dan. I also thank Professor F. Jay Dougherty for his insightful comments.