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THE COPYRIGHT NOTICE REQUIREMENT IN THE UNITED STATES: A PROPOSED AMENDMENT CONCERNING DELIBERATE OMISSIONS OF NOTICE

Lynn McLain*

I. INTRODUCTION

Outside the United States, many countries take the position that an author owns the copyright to his or her work simply by virtue of having created it; copyright protection is not conditioned on compliance with notice or other formalities.¹ The United States, however, has historically required copyright notice to be placed on works which are published. Judge Friendly succinctly explained the American position: "The notice requirement serves an important public purpose; the copyright proprietor is protected so long and only so long as he gives effective warning to trespassers that they are entering on forbidden ground."²

During the proceedings which led to the recent major revision of the

* Professor, University of Baltimore School of Law. B.A., 1971, University of Pennsylvania; J.D., 1974, Duke Law School; Member Maryland Bar. This Article grew from a report the author prepared as chairman of the American Bar Association's Section of Patent, Trademark, and Copyright Law's Committee 307, Subcommittee C, in 1983-84. Professor McLain wishes to especially acknowledge the contribution of Gary Spiewak, Esquire, a member of the subcommittee, for his drafting of an initial report on this topic. Copyright 1985 L. McLain.

1. See 2 M. NIMMER, NIMMER ON COPYRIGHTS § 7.02, at 7-9 & n.1 (1984) (the United States is virtually the only country to require the placing of copyright notice on copyrighted works); Sheehan, *Why Don't Fine Artists Use Statutory Copyright?—An Empirical and Legal Survey*, 24 COPYRIGHT L. SYMP. (ASCAP) 157, 178 (1980) (referring to Canada and France as countries taking such a position). The United States adheres to the Universal Copyright Convention, which contains a notice requirement. Universal Copyright Convention as Revised at Paris, July 24, 1971, 25 U.S.T. 1341 at art. III, ¶ 1. See generally A. BOGSCH, THE UNIVERSAL COPYRIGHT CONVENTION (1964); UNIVERSAL COPYRIGHT CONVENTION ANALYZED (Kupferman & Foner ed. 1955). But the United States cannot become a member of the Berne Convention as long as it requires compliance with any formalities, including notice, for copyright protection. Berne Convention as Revised at Paris, July 24, 1971, UNESCO, Copyright Laws and Treaties of the World at art. V (2). See Note, *Abandon Restrictions, All Ye Who Enter! The New United States Copyright Law and the Berne Convention*, 9 N.Y.U. J. INT'L L. & POL. 455 (1977).

2. *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 491 (2d Cir. 1960) (Friendly, J., dissenting).

copyright law, the Copyright Act of 1976 (1976 Act),³ Congress was urged to do away with the notice requirement altogether. It was argued that the notice requirement kept the United States "behind the times" and out of step with other nations, that it caused unfair loss of copyright, and that it does not fully inform the public.⁴

Proponents of the notice requirement, however, argued that the notice provides at least a starting point for would-be users of the work to investigate its copyright status.⁵ They maintained that compliance with the notice requirement was a reasonable *quid pro quo* to exact for the monopoly granted by statutory copyright and that the requirement promotes the progress of knowledge by injecting many works into the public domain for unrestricted use by all when the author does not make the effort to comply.⁶

Congress chose to retain the copyright notice requirement in the 1976 Act, and this Article will not address its desirability. As Professor Nimmer has said: "For better or worse, the notice requirements remain a vital part of the American copyright system."⁷

In retaining the notice requirement, however, Congress encountered difficulties in drafting an exception to the notice requirement set forth in section 405(a)(2).⁸ These difficulties have resulted in court decisions which may pave the way for repeal of the notice requirement altogether. Two recent cases concluded that section 405(a)(2) excuses not only inadvertent, but even deliberate, omissions of notice if the copyright proprietor registers the work within five years of publication and makes a reasonable effort to add notice to copies not yet distributed to the public.⁹ A third court has concluded that the exception is available only with

3. Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified as amended in scattered sections of 17 U.S.C.). Hereinafter, this Article will cite to the appropriate sections of 17 U.S.C. currently in force.

4. Roth, *Is Notice Necessary? An Analysis of the Notice Provisions of the Copyright Law Revision*, 27 COPYRIGHT. L. SYMP. (ASCAP) 245, 261 & 281-83 (1982). See 2 M. NIMMER, *supra* note 1, § 7.02, at 7-9 (debatable whether the notice requirement reaches its objectives); Krasilowsky, *Observations on Public Domain*, 14 BULL. COPYRIGHT SOC'Y 205 (1967) (argument made that the government should take a more active role in identifying public domain material); Sheehan, *supra* note 1, at 157 (many fine artists feel that placement of a copyright notice on the face of an art work defaces it).

5. Roth, *supra* note 4, at 262.

6. *Id.*

7. 2 M. NIMMER, *supra* note 1, § 7.02, at 7-9.

8. 17 U.S.C. § 405(a)(2) (1982).

9. *Innovative Concepts in Entertainment, Inc. v. Entertainment Enters., Ltd.*, 576 F. Supp. 457, 461-62 (E.D.N.Y. 1983); *O'Neill Devs., Inc. v. Galen Kilburn, Inc.*, 524 F. Supp. 710, 712-13 (N.D. Ga. 1981).

regard to inadvertent omissions of notice.¹⁰ All three decisions were made at the federal district court level and none has been appealed.

If it becomes established as the rule of the land that the 1976 Act allows the cure of deliberate omissions at any time within five years after publication, the notice requirement will be substantially undercut. The question must then be raised as to why we should require notice after those five years, if we do not require it during that period when most copying is likely to occur.

Congress will have to determine whether the notice requirement is worth keeping, taking into account a forthcoming study on notice costs and benefits.¹¹ If Congress decides to retain the notice requirement, it should amend section 405(a)(2) to clarify that copyright proprietors who deliberately omit notice forfeit their copyright.

This Article will discuss the history of the notice requirement in United States copyright law, particularly under the Copyright Act of 1909 (1909 Act),¹² the immediate antecedent to the 1976 Act. It will then review the language and the legislative history of the 1976 Act pertaining to notice¹³ and judicial construction of that language and legislative history. Finally, it will propose an amendment to section 405(a)(2), should Congress decide to retain the notice requirement.

II. THE NOTICE REQUIREMENT IN THE UNITED STATES BEFORE THE 1976 ACT

A. Pre-1909 Requirements

Every American federal copyright statute, since the first in 1790,¹⁴

10. *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1312 (S.D.N.Y. 1982).

11. A survey by King Research, Inc. undertaken at the request of the Copyright Office is not yet complete. After receiving the survey results, the Office will prepare a report. Telephone interview of Christopher A. Meyer, Senior Attorney/Policy Advisor of the Copyright Office (Nov. 19, 1984).

12. Act of March 4, 1909, ch. 320, 35 Stat. 1075 (1909) (amended by Act of July 30, 1947, ch. 391, 61 Stat. 652 (1947) (codified as amended in scattered section of 17 U.S.C.)) (amended 1976). Although this Article refers to the 1909 Act, this is meant to refer to the Copyright Act as it existed just prior to its amendment in 1976, not as it existed just after its prior major amendment in 1909. Therefore, this Article will cite to the appropriate sections of 17 U.S.C. in force just prior to the amendment in 1976.

13. The author wishes to acknowledge the valuable research of Donna A. Rubelmann, Esquire, on the legislative history of the 1976 Act. See D. Rubelmann, *Deliberate Omissions of Notice under the Copyright Act*, (unpublished manuscript) (winner of the 1984 Nathan Burkan copyright competition sponsored by ASCAP at the University of Baltimore School of Law) (available in the University of Baltimore School of Law Library).

14. Act of May 31, 1790, ch. 15, 1 Stat. 124 (1790) (repealed 1831).

has contained a notice requirement.¹⁵ As early as 1802, the United States copyright law required that a copyright notice be placed on published copies of works in order to obtain copyright protection.¹⁶ This mandate evolved from an earlier requirement that the public be notified of a copyright claim by publication of copyright registration in a newspaper.¹⁷

B. Requirements of the 1909 Act: Section 10

The notice requirement of the 1909 Act applies to all works first published after July 1, 1909, and before January 1, 1978,¹⁸ the date the 1976 Act became effective. Publication of a work with notice was the means by which a published work obtained federal copyright protection under section 10 of the 1909 Act.¹⁹ Publication without notice resulted in forfeiture of copyright.²⁰

15. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 143, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659, 5759.

16. Roth, *supra* note 4, at 248.

17. See STAFF OF HOUSE COMM. ON THE JUDICIARY, 87TH CONG., 1ST SESS., REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF U.S. COPYRIGHT LAW 61 (Comm. Print 1961).

18. Although the 1909 Act underwent a comprehensive revision in 1976, the earlier act continues to be relevant under present law. See generally 1 M. NIMMER, *supra* note 1, § 4.01. The 1976 Act, 17 U.S.C. § 301(a) (1982), provides in part:

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title.

Thus, all works first published on or after January 1, 1978 must comply with the 1976 Act's notice provisions. A work first published before that date, however, copies of which are publicly distributed in 1978 or later may properly comply with the notice provisions of either the 1976 Act or the 1909 Act. 2 M. NIMMER, *supra* note 1, § 7.04, at 7-14.1 to 7-14.2 & n.5 (citing 17 U.S.C., Trans. Supp. Prov., § 108).

19. 17 U.S.C. § 10 (1976) (amended 1976). Federal copyright protection could also be obtained by registration of an unpublished work under § 12 of the 1909 Act, which provided: "Copyright may also be had of the works of an author, of which copies are not reproduced for sale, by the deposit, with claim of copyright" 17 U.S.C. § 12 (1976) (amended 1976).

20. See 37 C.F.R. § 202.2 (1984); *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 826 (11th Cir. 1982) (copyright would have been forfeited had dolls been published in 1977); *Data Cash Sys., Inc. v. JS&A Group, Inc.*, 628 F.2d 1038, 1044 (7th Cir. 1980) (Plaintiff forfeited copyright on Read-Only-Memory chip (ROM) when it put notice on printout but not on ROM. Plaintiff had "made no effort to comply because it thought that it was physically impossible to make a copy. . . . If Congress had meant to provide that notice would be unnecessary whenever the copyist's techniques were subjectively deemed inadequate to make a copy, it would have said so."); A. LATMAN, *THE COPYRIGHT LAW: HOWELL'S COPYRIGHT LAW REVISED AND THE 1976 ACT* 137-39 (5th ed. 1979); Roth, *supra* note 4, at 246-47 & n.7, 249 & n.16. Whether copyright was lost if the work was first published abroad

Section 10 provided:

Any person entitled thereto by this title may secure copyright for his work by publication thereof with notice of copyright required by this title; and such notice *shall* be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor, except in the case of books seeking ad interim protection under section 22 of this title.²¹

The use of the directive "shall" indicated that the affixing of notice was mandatory with regard to "each copy [of the work] published or offered for sale in the United States by the authority of the copyright proprietor."²² A narrow exception existed for books published abroad in the English language for which the copyright proprietor was seeking a special copyright protection.²³

C. *Exceptions Under the 1909 Act: Section 21*

Another narrow exception set forth in section 21 regarding "the omission by accident or mistake of the prescribed notice from a particular copy or copies" when the copyright proprietor had "sought to comply" with the notice provisions, excused omission under certain circumstances.²⁴ The section 21 exception was strictly construed.²⁵ The requirement that the copyright owner have "sought to comply" with the

and the author had not sought ad interim protection was unclear. See A. LATMAN, *supra*, at 139-41; Roth, *supra* note 4, at 258-59.

21. 17 U.S.C. § 10 (1976) (emphasis added). See generally A. LATMAN, *supra* note 20, at 121-23.

22. 17 U.S.C. § 10 (1976) (amended 1976). See 2 M. NIMMER, *supra* note 1, § 7.12[D][2].

23. The exception related to works for which protection was sought under § 22 of the 1909 Act, as amended in 1949, which provided:

In the case of a book or periodical first published abroad in the English language, the deposit in the Copyright Office, not later than six months after its publication abroad, of one complete copy of the foreign edition, with a request for the reservation of the copyright and a statement of the name and nationality of the author and of the copyright proprietor and of the date of publication of the said book or periodical, shall secure to the author or proprietor an ad interim copyright therein, which shall have all the force and effect given to copyright by this title, and shall endure until the expiration of five years after the date of first publication abroad.

17 U.S.C. § 22 (1976) amended (1976). Section 23 of the 1909 Act, as amended in 1949, provided for extension of the term of a copyright first given ad interim protection, as follows:

Whenever within the period of such ad interim protection an authorized edition of such books or periodicals shall be published within the United States, in accordance with the manufacturing provisions specified in section 16 of this title, and whenever the provisions of this title as to deposit of copies, registration, filing of affidavits, and the printing of the copyright notice shall have been duly complied with, the copyright shall be extended to endure in such book or periodical for the term provided in this title.

17 U.S.C. § 23 (1976) (amended 1976).

24. Section 21 of the 1909 Act provided:

notice provisions, in all their detail, was held to mean that mere negligence or oversight could not be excused,²⁶ even if only one copy were published without the notice.²⁷ Omission of proper notice "by accident or mistake" was held not to mean mistake of law, but rather such an incident as the smearing of the notice because of accidental injury to a printing plate.²⁸ The requirement, that in order for an omission of notice to be excusable it be "from a particular copy or copies," was also interpreted narrowly.²⁹ In no event was omission from all published copies excusable.³⁰

D. Authorized General Publication Without Proper Notice Under the 1909 Act

If an omission of notice was not excused under section 21, a copyright proprietor whose work was published without notice would lose the copyright unless the publication was made without his or her authority³¹ or was merely a limited publication.³² Publications without the proprie-

Where the copyright proprietor has sought to comply with the provision of this title with respect to notice, the omission by accident or mistake of the prescribed notice from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, after actual notice of the copyright, begins an undertaking to infringe it, but shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice; and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay innocently incurred if the court, in its discretion, shall so direct.

17 U.S.C. § 21 (1976) (amended 1976).

25. See 2 M. NIMMER, *supra* note 1, § 7.13[A][2]; A. LATMAN, *supra* note 20, at 124; Roth, *supra* note 4, at 259-60.

26. 2 M. NIMMER, *supra* note 1, § 7.13[A][2][a],[b] & n.16.

27. See generally SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY, S. STUDY NO. 7, 86th Cong., 2d Sess. 9-10 (1957).

28. 2 M. NIMMER, *supra* note 1, § 7.13[A][2][b] & nn.18, 20-21.

29. *Id.* § 7.13[A][2][c], at 7-90.1 to 7-91 & n.23. See *Herbert Rosenthal Jewelry Corp. v. Grossbardt*, 428 F.2d 551, 554 (2d Cir. 1970) (copyright notice obliterated on five of 300 pins). But see *American Greetings Corp. v. Kleinfab Corp.*, 400 F. Supp. 228, 231 (S.D.N.Y. 1975) (suggesting that § 21 of the 1909 Act would be applicable to inadvertent omission from 500,000 copies out of a total of approximately 22 million copies). The *Kleinfab* opinion indicates that the applicability of § 21 turns not on the absolute number of copies from which notice has been omitted, but rather on "that percentage of all of the copies from which notice has been omitted." 2 M. NIMMER, *supra* note 1, § 7.13[A][2][c], at 7-90.1 to 7-91 & n.23.

30. 2 M. NIMMER, *supra* note 1, § 7.13[A][2][c], at 7-90 & n.22. See, e.g., *Data Cash Sys., Inc. v. JS&A Group, Inc.*, 628 F.2d 1038, 1041-42 (7th Cir. 1980) (decided under 1909 Act because plaintiff sold the work in 1977).

31. See 17 U.S.C. § 10 (1976) (amended 1976). See also 1 M. NIMMER, *supra* note 1, §§ 4.01, 4.04; *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F.2d 594, 598, 600 (2d Cir. 1951).

32. See *Kamar Int'l, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059, 1061-62 (9th Cir. 1981) (photographs of copyrighted soft sculpture works are not "copies" requiring notice thus dis-

tor's authority included those omitting proper notice in breach of a license agreement.³³ If the copyright proprietor authorized a general publication of the work without conditioning the publication on the affixation of proper notice, and publication was made without complying with the notice requirement, copyright was forfeited. This was so even if some form of defective notice were given.³⁴ Publication to a selected group for a specific purpose was considered a "limited" publication as opposed to a general publication.³⁵ The notice requirement was construed to apply only to general publications.³⁶

Section 19 provided that works seeking copyright after July 1, 1909, generally must bear notice³⁷ as follows:

The notice of copyright required by section 10 of this title shall consist of either the word "Copyright," the abbreviation "Copr.," or the symbol ©, accompanied by the name of the copyright proprietor, and if the work be a printed literary, musical, or dramatic work, the notice shall include also the year in

tributing photographs does not invalidate copyright on works); *Clark Equip. Co. v. Harlan Corp.*, 539 F. Supp. 561, 568-69 (D. Kan. 1982) (unrestricted publication of copyrighted works to customer was general publication and, due to lack of notice, may have resulted in forfeiture under 1909 Act); *Ruskin v. Sunrise Management, Inc.*, 506 F. Supp. 1284, 1287-88 (D. Colo. 1981) (distribution of phonorecord without copyright notice to radio stations for promotional purposes was a limited publication under the 1909 Act); *National Research Bureau, Inc. v. Kucker*, 481 F. Supp. 612, 614-15 (S.D.N.Y. 1979) (plaintiff's one-time rental of mailing list to defendant was limited publication). See generally 1 M. NIMMER, *supra* note 1, § 4.13; Roth, *supra* note 4, at 250-52.

33. *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F.2d 594, 600 (2d Cir. 1951) (contract terms determined whether publication was authorized); *Goldsmith v. Max*, 213 U.S.P.Q. 1008, 1012 (S.D.N.Y. 1981) (plaintiff failed to meet burden of proving that publication without notice was unauthorized because she failed to show notice was a condition of license agreement).

34. *E.g.*, *Deward & Rich, Inc. v. Bristol Sav. & Loan Corp.*, 120 F.2d 537 (4th Cir. 1941); *Kramer Jewelry Creations, Inc. v. Capri Jewelry, Inc.*, 143 F. Supp. 120 (S.D.N.Y. 1956). See A. LATMAN, *supra* note 20, at 137-38.

35. *Ruskin v. Sunrise Management, Inc.*, 506 F. Supp. 1284, 1287-88 (D. Colo. 1981); *National Research Bureau, Inc. v. Kucker*, 481 F. Supp. 612, 614-15 (S.D.N.Y. 1979).

36. See *supra* note 32.

37. Works falling into the categories of (1) "Maps;" (2) "Works of art; models or designs for works of art;" (3) "Reproductions of a work of art;" (4) "Drawings or plastic works of a scientific or technical character;" (5) "Photographs;" or (6) "Prints and pictorial illustrations including prints or labels used for articles of merchandise," 17 U.S.C. § 5a(f)-(k) (1976) (amended 1976), however, were governed by the following portion of § 19:

In the case, however, of copies of works specified in subsections (f) to (k), inclusive, of section 5 of this title, the notice may consist of the letter C enclosed within a circle, thus ©, accompanied by the initials, monogram, mark, or symbol of the copyright proprietor: *Provided*, That on some accessible portion of such copies or of the margin, back, permanent base, or pedestal, or of the substance on which such copies shall be mounted, his name shall appear.

17 U.S.C. § 19 (1976) (amended 1976).

which the copyright was secured by publication.³⁸

Errors in the name given in the notice could be fatal.³⁹ Post-dating the date of first publication also resulted in forfeiture although antedating just resulted in the copyright term being calculated from the earlier date.⁴⁰ Special problems arose with regard to what notice was required on a collective work, such as an anthology, to protect each individual's contribution to it.⁴¹ Failure to include the notice on each copy of a design on wrapping paper, for example,⁴² or to place the notice in the proper position, as governed by section 20 of the 1909 Act,⁴³ resulted in forfeiture.⁴⁴

A few courts held that "substantial and good faith compliance" with the statutory requirements was sufficient, "despite a technical discrepancy."⁴⁵ Infringers who had actual notice of the copyright claim, albeit

38. 17 U.S.C. § 19 (1976) (amended 1976). As amended by the Act of Aug. 31, 1954, ch. 1161, 68 Stat. 1030 (1954) (effective Sept. 16, 1955), § 19 further provided, with regard to earlier works:

But in the case of works in which copyright was subsisting on July 1, 1909, the notice of copyright may be either in one of the forms prescribed herein or may consist of the following words: "Entered according to Act of Congress, in the year —, by A. B., in the office of the Librarian of Congress, at Washington, D.C.," or, at his option, the word "Copyright", together with the year the copyright was entered and the name of the party by whom it was taken out; thus, "Copyright, 19—, by A. B."

17 U.S.C. § 19 (1976) (amended 1976).

39. See *Goldsmith v. Max*, 213 U.S.P.Q. 1008 (S.D.N.Y. 1981) (although credited as the photographer on a poster, plaintiff forfeited copyright when she authorized its publication with an unencircled c next to the printer's name); A. LATMAN, *supra* note 20, at 125-27; Roth, *supra* note 4, at 254.

40. A. LATMAN, *supra* note 20, at 128-31; Roth, *supra* note 4, at 254-56.

41. See *Varon v. Santa Fe Reporter, Inc.*, 218 U.S.P.Q. 716, 717 (D.N.M. 1982) (notice under name of collective work's copyright proprietor sufficient under § 19 of the 1909 Act); 2 M. NIMMER, *supra* note 1, §§ 7.08[B][2], 7.09, 7.10[B]; Roth, *supra* note 4, at 252-54.

42. *DeJong & Co. v. Brueker & Kessler Co.*, 235 U.S. 33, 36 (1914).

43. Section 20 provides:

The notice of copyright shall be applied, in the case of a book or other printed publication, upon its title page or the page immediately following, or if a periodical either upon the title page or upon the first page of text of each separate number or under the title heading, or if a musical work either upon its title page or the first page of music. One notice of copyright in each volume or in each number of a newspaper or periodical published shall suffice.

17 U.S.C. § 20 (1976) (amended 1976). See, e.g., *Central Tel. Co. of Va. v. Johnson Publishing Co.*, 526 F. Supp. 838, 843 (D. Colo. 1981) (copyright notice placed on the inside of the front cover of a telephone directory, the "title page" of which is the spine, valid under 1909 Act).

44. Roth, *supra* note 4, at 256 & nn.64-66.

45. 2 M. NIMMER, *supra* note 1, § 7.01, at 7-8 & nn.8-10 (terming this "a more enlightened approach"). See, e.g., *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F.2d 594, 602 (2d Cir. 1951) ("[T]he purpose of the notice is to advise the public of the 'proprietor's' claim, any notice will serve which does in fact advise it that there is a 'proprietor' who does claim copyright . . .").

through defective notice, were held liable by these courts.⁴⁶ Other courts, however, continued to find forfeiture in similar cases.⁴⁷

III. LEGISLATIVE HISTORY AND LANGUAGE OF THE 1976 ACT

A. *Legislative History of the Notice Requirement in the 1976 Act*

One of Congress' objectives in revising the copyright law was to mitigate the harsh results caused by omission of notice or affixation of defective notice under the 1909 Act,⁴⁸ without repealing the notice requirement. The legislative history of the 1976 Act clearly indicates that the drafters initially sought to protect only those who inadvertently or unintentionally failed to provide proper notice, not those whose failure

46. See, e.g., *Fantastic Fakes, Inc. v. Pickwick Int'l, Inc.*, 661 F.2d 479, 485-87 (5th Cir. 1981) (under § 406(a) of the 1976 Act, a licensee's mistaken designation of itself as copyright proprietor would not result in forfeiture of copyright; the same result is reached under the 1909 Act, even though it contains no comparable provision, when the defective notice clearly notifies the public of a copyright claim); *Monogram Models, Inc. v. Industro Motive Corp.*, 492 F.2d 1281, 1284-85 (6th Cir.) (copyright notice on model airplane kit instructions and containers sufficient; not required on model parts), *cert. denied*, 419 U.S. 843 (1974); A. LATMAN, *supra* note 20, at 122; 2 M. NIMMER, *supra* note 1, § 7.14[A][2], at 7-102 to 7-102.3 & nn.7-11 (insubstantial errors did not invalidate the copyright as to those who were not misled). *But cf.* *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478, 484 (D. Nev. 1983) (defendants with actual notice of plaintiff's copyright claim held not liable for infringement under the 1976 Act, because plaintiff's notice was too infrequently displayed on the video terminal to be in substantial compliance with the statute).

47. *Data Cash Sys., Inc. v. JS&A Group, Inc.*, 628 F.2d 1038, 1044 (7th Cir. 1980) ("We cannot award the defendants [who copied a ROM despite notice on the printout] any accolades for their ethics, but this is not the statutory standard," and forfeiture resulted due to plaintiff's failure to place copyright notice in the program). See A. LATMAN, *supra* note 20, at 124; 2 M. NIMMER, *supra* note 1, §§ 7.13[D], 7.14[A][2], at 7-102 to 7-102.3 & nn.12-17.

48. The 1976 Act was intended to preserve the notice requirement but avoid the "arbitrary and unjust forfeitures" which, under prior law, resulted from "unintentional or relatively unimportant omissions or errors in the copyright notice." *P. Kaufman, Inc. v. Rex Curtain Corp.*, 203 U.S.P.Q. 859, 860 (S.D.N.Y. 1978) (oral opinion); H.R. REP. NO. 1473, 94th Cong., 2d Sess. 143, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5759. See STAFF OF HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION PART ONE, REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 63 (Comm. Print 1965) ("We believe that the inadvertent forfeitures of copyright that occur under the present notice requirement should and can be avoided by appropriate modifications of the present provisions.") [hereinafter cited as COPYRIGHT LAW REVISION PART ONE]; Roth, *supra* note 4, at 260.

The intellectual property law section of the American Bar Association supported these goals. "In two resolutions adopted by the Section of Patent, Trademark and Copyright Law at, respectively, the Annual Meeting in August 1970 (1970SP101-ABA1971-R39) and the Annual Meeting in August 1965 (1965SP58-ABA1966-R36-49), the Section approved revision of the United States Copyright Law, Title 17, United States Code, so as to provide for, *inter alia*: 'A relaxation of formalities as to notice consistent with reasonable notice and equitable treatment in the case of failure to comply.'" American Bar Ass'n, Section of Patent, Trademark & Copyright Law, 1984 Committee Reports 1977.

was deliberate, if more than a few copies were involved.⁴⁹ Because of drafting problems, however, the differentiation between unintentional and deliberate omissions was abandoned.

Congress decided to retain the notice requirement, knowing that other countries have no similar provision, and despite opposition to the notice requirement by authors, artists, Professor Nimmer, and others.⁵⁰ Not surprisingly, those lobbying for abolition of the notice requirement were members of groups likely to use others' copyrightable works, and who viewed absence of notice as assurance that copying was permissible.⁵¹ The House Committee gave the following reasons for retaining the requirement:

- (1) It has the effect of placing in the public domain a substantial body of published material that no one is interested in copyrighting;
- (2) It informs the public as to whether a particular work is protected by copyright;
- (3) It identifies the copyright owner; and
- (4) It shows the date of publication.⁵²

B. General Notice Provisions of the 1976 Act

Sections 401 through 406 of the 1976 Act concern notice. Section 401(a) provides:

Whenever a work protected under this title is published in the United States or elsewhere by authority of the copyright owner, a notice of copyright as provided by this section *shall* be placed on all publicly distributed copies from which the work can be visually perceived, either directly or with the aid of a machine or device.⁵³

As in section 10 of the 1909 Act, the use of the term "shall" in section 401(a) makes clear that notice is mandatory. Its application to all cop-

49. See *infra* notes 84-89 and accompanying text.

50. Roth, *supra* note 4, at 260-61.

51. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 143, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659, 5759.

52. *Id.* For arguments against retaining the notice requirement, see Roth, *supra* note 4, at 261-62; STAFF OF HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION PART SIX, SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL 99 (Comm. Print 1965) [hereinafter cited as COPYRIGHT LAW REVISION PART SIX].

53. 17 U.S.C. § 401(a) (1982) (emphasis added). See generally A. LATMAN, *supra* note 20, at 144-48; 2 M. NIMMER, *supra* note 1, §§ 7.05-7.15.

ies⁵⁴ which are generally published⁵⁵ by authority of the copyright owner,⁵⁶ whether in the United States or elsewhere, extends the requirement beyond that of section 10 of the 1909 Act, which addressed only copies published in the United States.⁵⁷ Section 402(a) sets forth the same general requirement with regard to sound recordings,⁵⁸ which had not been protected under the 1909 Act, until the Sound Recording

54. Section 101 defines "copies" as follows:

"Copies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.

17 U.S.C. § 101 (1982).

55. Section 101 defines "publication" as follows:

"Publication" is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

Id. See A. LATMAN, *supra* note 20, at 141-44; 2 M. NIMMER, *supra* note 1, § 7.13[B].

56. See A. LATMAN, *supra* note 20, at 150-51; 2 M. NIMMER, *supra* note 1, § 7.13[B].

57. 2 M. NIMMER, *supra* note 1, § 7.12[D][1]. Senate Report No. 94-473 states:

Subsection (a) of both section 401 and section 402 require that a notice be used whenever the work "is published in the United States or elsewhere by authority of the copyright owner." The phrase "or elsewhere," which does not appear in the present law, makes the notice requirements applicable to copies of phonorecords distributed to the public anywhere in the world, regardless of where and when the work was first published. The values of notice are fully applicable to foreign editions of works copyrighted in the United States, especially with the increased flow of intellectual materials across national boundaries, and the gains in the use of notice on editions published abroad under the Universal Copyright Convention should not be wiped out. The consequences of omissions or mistakes with respect to the notice are far less serious under the bill than under the present law, and section 405(a) makes doubly clear that a copyright owner may guard himself against errors or omissions by others if he makes use of the prescribed notice an express condition of his publishing licenses.

S. REP. NO. 473, 94th Cong., 1st Sess. 127 (1975).

58. Section 402(a) provides in pertinent part:

Whenever a sound recording protected under this title is published in the United States or elsewhere by authority of the copyright owner, a notice or copyright as provided by this section shall be placed on all publicly distributed phonorecords of the sound recording.

17 U.S.C. § 402(a) (1982). Senate Report No. 94-473 explains:

A special notice requirement, applicable only to the subject matter of sound recordings, is established by section 402. Since the bill would protect sound recordings as separate works, independent of protection for any literary or musical works embodied in them, there would be a likelihood of confusion if the same notice requirements applied to sound recordings and to the works they incorporate. Section 402 thus sets forth requirements for a notice to appear on the "phonorecords" of "sound recordings" that are different from the notice requirements established by section 401 of the "copies" of all other types of copyrightable works. Since "phonorecords" are not "copies," there is no need to place a section 401 notice on "phonorecords" to protect the literary or musical works embodied in the records.

S. REP. NO. 473, 94th Cong., 1st Sess. 127-28 (1975).

Amendment of 1971⁵⁹ extended protection to sound recordings fixed after February 15, 1972.⁶⁰

C. *Form and Placement of Notice*

The 1976 Act's requirements regarding the form of notice are slightly more flexible than were those of the 1909 Act.⁶¹ Section 401(b) provides:

The notice appearing on the copies shall consist of the following three elements:

(1) the symbol © (the letter C in a circle), or the word "Copyright", or the abbreviation "Copr."; and

(2) the year of first publication of the work; in the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. The year date may be omitted where a pictorial, graphic, or sculptural work, with accompanying text matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles; and

(3) the name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.⁶²

Section 401(c) makes the following, flexible provision regarding placement of the notice:

The notice shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright. The Register of Copyrights shall prescribe by regulation, as examples, specific methods of affixation and positions of the notice on various types of works that will satisfy this requirement, but these specifications shall not be considered exhaustive.⁶³

59. Pub. L. No. 92-140, § 3, 85 Stat. 391 (1971).

60. See 1 M. NIMMER, *supra* note 1, § 2.10[B].

61. See Roth, *supra* note 4, at 264-66 (comparing notice provisions of 1909 and 1976 Acts). Difficulties in complying with the notice provisions of the 1976 Act remain, nonetheless. See *id.* at 274-76.

62. 17 U.S.C. § 401(b) (1982).

63. 17 U.S.C. § 401(c) (1982). See *Midway Mfg. Co. v. Dirkschneider*, 543 F. Supp. 466, 481-82 (D. Neb. 1981) (notice placement within the visual display of the work sufficient for works embodied in printed circuit board), *on summary judgment*, 571 F. Supp. 282 (D. Neb. 1983); N. BOORSTYN, COPYRIGHT LAW § 8:9 (1981 & Supp. 1984); A. LATMAN, *supra* note 20, at 147; 2 M. NIMMER, *supra* note 1, § 7.12. Senate Report No. 94-473 explains:

By providing simply that the notice shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright, subsection [401](c)

Subsections 402(b) and 402(c), pertaining to phonorecords of sound recordings,⁶⁴ are very similar.⁶⁵ Special provision is made in section 403 for works which contain copyrightable parts but which consist preponderantly of works of the federal government.⁶⁶ Section 404 addresses notice on collective works or contributions to them and attempts to resolve the questions which arose under the 1909 Act with regard to collective works.⁶⁷

follows the flexible approach of the Universal Copyright Convention. The further provision empowering the Register of Copyrights to set forth in his regulations a list of examples of "specific methods of affixation and positions of the notice on various types of works that will satisfy this requirement" will offer substantial guidance and avoid a good deal of uncertainty. A notice placed or affixed in accordance with the regulations would clearly meet the requirements but, since the Register's specifications are not to "be considered exhaustive," a notice placed or affixed in some other way might also comply with the law if it were found to "give reasonable notice" of the copyright claim.

S. REP. NO. 473, 94th Cong., 1st Sess. 127 (1975). The Copyright Office's regulations pertaining to methods of affixation and positions of notice are found at 37 C.F.R. § 201.20 (1984). For explanatory comments, see 46 Fed. Reg. 58307-14 (1981).

64. Section 101 defines "sound recordings" as follows:

"Sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.

17 U.S.C. § 101 (1982).

65. Section 402(b) and (c) provides:

(b) Form of Notice.

The notice appearing on the phonorecords shall consist of the following three elements:

(1) the symbol © (the letter P in a circle); and

(2) the year of first publication of the sound recording; and

(3) the name of the owner of copyright in the sound recording, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner; if the producer of the sound recording is named on the phonorecord labels or containers, and if no other name appears in conjunction with the notice, the producer's name shall be considered a part of the notice.

(c) Position of Notice.

The notice shall be placed on the surface of the phonorecord, or on the phonorecord label or container, in such a manner and location as to give reasonable notice of the claim of copyright.

17 U.S.C. § 402(b), (c) (1982).

66. Section 403 provides:

Whenever a work is published in copies or phonorecords consisting preponderantly of one or more works of the United States government, the notice of copyright provided by sections 401 or 402 shall also include a statement identifying, either affirmatively or negatively, those portions of the copies or phonorecords embodying any work or works protected under this title.

17 U.S.C. § 403 (1982).

67. See *supra* note 41 and accompanying text. Section 404 provides:

(a) A separate contribution to a collective work may bear its own notice of copyright, as provided by sections 401 through 403. However, a single notice applicable to the collective work as a whole is sufficient to satisfy the requirements of sections 401 through 403 with respect to the separate contributions it contains (not including advertisements inserted on behalf of persons other than the owner of copy-

D. Authorized Publications Without Proper Notice

As under the 1909 Act, the copyright proprietor remains responsible only for copies of his or her work which are published by his or her authority.⁶⁸ Nor is the proprietor responsible for obliteration or removal

right in the collective work), regardless of the ownership of copyright in the contributions and whether or not they have been previously published.

(b) Where the person named in a single notice applicable to collective work as a whole is not the owner of copyright in a separate contribution that does not bear its own notice, the case is governed by the provisions of section 406(a).

17 U.S.C. § 404(a), (b) (1982). Section 101 defines a collective work as follows:

A "collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

17 U.S.C. § 101 (1982).

See *Goodis v. United Artists Television, Inc.*, 425 F.2d 397 (2d Cir. 1970); N. BOORSTYN, *supra* note 63, § 8:11; A. LATMAN, *supra* note 20, at 148; Roth, *supra* note 4, at 266-67. But see Roth, *supra* note 4, at 275 (noting that the 1976 Act created new problems for authors publishing in collective works). Senate Report No. 94-473 explains:

In conjunction with the provisions of section 201(e), section 404 deals with a troublesome problem under the present law: the notice requirements applicable to contributions published in periodicals and other collective works. The basic approach of the section is threefold: (1) To permit but not require a separate contribution to bear its own notice; (2) To make a single notice covering the collective work as a whole, sufficient to satisfy the notice requirement of the separate contributions it contains, even if they have been previously published or their ownership is different; and (3) To protect the interests of an innocent infringer of copyright in a contribution that does not bear its own notice, who has dealt in good faith with the person named in the notice covering the collective work as a whole.

As a general rule, under this section, the rights in an individual contribution to a collective work would not be affected by the lack of a separate copyright notice, as long as the collective work as a whole bears a notice. One exception to this rule would apply to "advertisements inserted on behalf of persons other than the owner of copyright in the collective work." Collective works, notably newspapers and magazines, are major advertising media, and it is common for the same advertisement to be published in a number of different periodicals. The general copyright notice in a particular issue would not ordinarily protect the advertisements inserted in it, and relatively little advertising matter today is published with a separate copyright notice. The exception in section 404(a), under which separate notices would be required for most advertisements published in collective works, would impose no undue burdens on copyright owners and is justified by the special circumstances.

Under section 404(b) a separate contribution that does not bear its own notice, and that is published in a collective work with a general notice containing the name of someone other than the copyright owner of the contribution, is treated as if it has been published with the wrong name in the notice. The case is governed by section 406(a), which means that an innocent infringer who in good faith took a license from the person named in the general notice would be shielded from liability to some extent.

S. REP. NO. 473, 94th Cong., 1st Sess. 128-29 (1975).

68. 2 M. NIMMER, *supra* note 1, §§ 7.03, 7.12[A]. See *supra* text accompanying note 11. Senate Report No. 94-473 explains:

The basic notice requirements set forth in sections 401(a) or 402(a) are limited to cases where a work is published "by authority of the copyright owner" and, in prescribing the effect of omission of notice, section 405(a) refers only to omission "from copies or phonorecords publicly distributed by authority of the copyright owner." The intention behind this language is that, where the copyright owner authorized

of notice undertaken without his or her authority.⁶⁹ But authorized general publication which occurs without any notice or with defective notice will result in forfeiture of the copyright unless it falls within one of the exceptions set forth in section 405(a)⁷⁰ or the defect is of a type addressed in section 406.⁷¹

Under section 406, failure to include any name or date "that could reasonably be considered a part of the notice" is considered to be publication without notice.⁷² But erroneous use of the wrong name in proper position in the copyright notice will not result in forfeiture of the copyright.⁷³ If the work is registered with the Copyright Office or the person named in the notice records a document in the Office showing the copyright owner before infringement begins, the owner retains total protection from all infringers.⁷⁴ Otherwise, the owner retains protection from

publication of the work, the notice requirements would not be met if copies or phonorecords are publicly distributed without a notice, even if he expected a notice to be used. However, if the copyright owner authorized publication only on the express condition that all copies or phonorecords bear a prescribed notice, the provisions of section 401 or 402 and of section 405 would not apply since the publication itself would not be authorized. This principle is stated directly in section 405(a)(3).

S. REP. NO. 473, 94th Cong., 1st Sess. 130-31 (1975).

69. Section 405(c) provides:

Protection under this title is not affected by the removal, destruction, or obliteration of the notice, without the authorization of the copyright owner, from any publicly distributed copies or phonorecords.

17 U.S.C. § 405(c) (1982). Senate Report No. 94-473 explains:

Subsection (c) of section 405 involves the situation arising when, following an authorized publication with notice, someone further down the chain of commerce removes, destroys or obliterates the notice. The courts dealing with this problem under the present law, especially in connection with copyright notices on the salvage of textile fabrics, have generally upheld the validity of a notice that was securely attached to the copies when they left the control of the copyright owner, even though removal of the notice at some later stage was likely. This conclusion is incorporated in subsection (c).

S. REP. NO. 473, 94th Cong., 1st Sess. (1975). See N. BOORSTYN, *supra* note 63, at § 8:15; 2

M. NIMMER, *supra* note 1, § 7.13[C]; Roth, *supra* note 4, at 271.

70. 2 M. NIMMER, *supra* note 1, § 7.14[A].

71. N. BOORSTYN, *supra* note 63, § 8:19.

72. Section 406(c) provides:

Where copies or phonorecords publicly distributed by authority of the copyright owner contain no name or no date that could reasonably be considered a part of the notice, the work is considered to have been published without any notice and is governed by the provisions of section 405.

17 U.S.C. § 406(c) (1982).

73. Section 406(a) provides, in part:

Where the person named in the copyright notice on copies or phonorecords publicly distributed by authority of the copyright owner is not the owner of copyright, the validity and ownership of the copyright are not affected . . .

17 U.S.C. § 406(a) (1982).

74. Section 406(a) provides, in part:

In such a case, however, any person who innocently begins an undertaking that infringes the copyright has a complete defense to any action for such infringement if

only non-innocent infringers. An innocent infringer who can prove "that he or she was misled by the notice and began the undertaking in good faith under a purported transfer or license from the person named therein" will not be liable.⁷⁵

With regard to an error in the year contained in the notice, the 1976 Act provides that notice will be considered to have been completely omitted if the calendar year in the notice is more than one year later than the calendar year in which the date of first general publication fell.⁷⁶ Inclusion in the notice of a year earlier than the appropriate one will result, as

such person proves that he or she was misled by the notice and began the undertaking in good faith under a purported transfer or license from the person named therein, unless before the undertaking was begun—

(1) registration for the work had been made in the name of the owner of copyright; or

(2) a document executed by the person named in the notice and showing the ownership of the copyright had been recorded.

17 U.S.C. § 406(a) (1982).

75. *Id.* See N. BOORSTYN, *supra* note 63, §§ 8:8, 8:17; A. LATMAN, *supra* note 20, at 146-47; 2 M. NIMMER, *supra* note 1, § 7.09. Senate Report No. 94-473 explains:

In addition to cases where notice has been omitted entirely, it is common under the present law for a copyright notice to be fatally defective because the name or date has been omitted or wrongly stated. Section 406 is intended to avoid technical forfeitures in these cases, while at the same time inducing use of the correct name and date and protecting users who rely on erroneous information.

Error in name

Section 406(a) begins with a statement that the use of the wrong name in the notice will not affect the validity or ownership of the copyright, and then deals with situations where someone acting innocently and in good faith infringes a copyright by relying on a purported transfer or license from the person erroneously named in the notice. In such a case the innocent infringer is given a complete defense unless a search of the Copyright Office records would have shown that the owner was someone other than the person named in the notice. Use of the wrong name in the notice is no defense if, at the time infringement was begun, registration had been made in the name of the true owner, or if "a document executed by the person named in the notice and showing the ownership of the copyright had been recorded."

The situation dealt with in section 406(a) presupposes a contractual relation between the copyright owner and the person named in the notice. The copies or phonorecords bearing the defective notice have been "distributed by authority of the copyright owner" and, unless the publication can be considered unauthorized because of breach of an express condition in the contract or other reasons, the owner must be presumed to have acquiesced in the use of the wrong name. If the person named in the notice grants a license for use of the work in good faith or under a misapprehension, he should not be liable as a copyright infringer, but the last sentence of section 406(a) would make him liable to account to the copyright owner for all of his gross receipts, subject to deduction of any costs he can justify.

S. REP. NO. 473, 94th Cong., 1st Sess. 132 (1975).

76. Section 406(b) provides, in part: "Where the year date is more than one year later than the year in which publication first occurred, the work is considered to have been published without any notice and is governed by the provisions of section 405." 17 U.S.C. § 406(b) (1982). It is possible that a work could be published, for example, on January 1, 1984, bearing in the notice the date December 31, 1985 and still be saved by this clause. The year date is the only important date under the 1976 Act, under which all copyrights expire on December 31 of their final year. Under the 1909 Act, which calculated terms from the day,

under the 1909 Act, in calculation of the copyright term from the earlier year.⁷⁷

Any omission of notice, or defective notice not specially provided for in section 406, will result in forfeiture of copyright unless the operative facts fall within one of the three exceptions set forth in section 405(a).⁷⁸ Each exception is derived from some antecedent in the 1909 Act.

E. Omissions of Notice Excused Under Subsections 405(a)(1) and (2)

The first exception, set forth in subsection 405(a)(1), applies if "the notice has been omitted from no more than a relatively small number of copies or phonorecords distributed to the public."⁷⁹ Its antecedent, section 21 of the 1909 Act, excused omission "by accident or mistake" from "a particular copy or copies."⁸⁰ The subsection 405(a)(1) exception was meant to be broader than that of section 21 in two ways: (1) it is not restricted to omissions which occurred by "accident or mistake"; and (2) "a relatively small number of copies" is less restrictive than "a particular copy or copies."⁸¹

The second exception in the 1976 Act relating to forfeiture of copy-

month, and year of publication, the copyright in the work would be forfeited, because the date given in the notice was more than twelve months after the date of publication.

77. Section 406(b) of the 1976 Act provides, in part:

When the year date in the notice on copies or phonorecords distributed by authority of the copyright owner is earlier than the year in which publication first occurred, any period computed from the year of first publication under section 302 is to be computed from the year in the notice.

17 U.S.C. § 406(b) (1982). See N. BOORSTYN, *supra* note 63, §§ 8:7, 8:18; 2 M. NIMMER, *supra* note 1, § 7.08.

78. Section 405(a) provides:

The omission of the copyright notice prescribed by sections 401 through 403 from copies or phonorecords publicly distributed by authority of the copyright owner does not invalidate the copyright in a work if—

(1) the notice has been omitted from no more than a relatively small number of copies or phonorecords distributed to the public; or

(2) registration for the work has been made before or is made within five years after the publication without notice, and a reasonable effort is made to add notice to all copies or phonorecords that are distributed to the public in the United States after the omission has been discovered; or

(3) the notice has been omitted in violation of an express requirement in writing that, as a condition of the copyright owner's authorization of the public distribution of copies or phonorecords, they bear the prescribed notice.

17 U.S.C. § 405(a) (1982).

79. 17 U.S.C. § 405(a)(1) (1982). See A. LATMAN, *supra* note 20, at 150; 2 M. NIMMER, *supra* note 1, § 7.13[A][1]; Roth, *supra* note 5, at 268, 277.

80. 17 U.S.C. § 21 (1976) (amended 1976).

81. "The phrase 'relatively small number' is intended to be less restrictive than the phrase 'a particular copy or copies' now in section 21 of the present law." H.R. REP. NO. 1476, 94th Cong., 2d Sess. 147, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5763.

right because of publication without proper notice is contained in subsection 405(a)(2). This subsection provides that, even though publication without notice has occurred by authority of the copyright owner, it will not result in forfeiture if two conditions are met. First, the work must have been registered before its publication or be registered within five years afterwards.⁸² Second, a "reasonable effort" must be made to "add notice to all copies or phonorecords that are distributed to the public in the United States after the omission has been discovered."⁸³ If subsection 405(a)(2) has an antecedent in the 1909 Act, it is also found in section 21, which excused omission of notice "by accident or mistake" from "a particular copy or copies," when the copyright owner had "sought to comply" with the notice requirement.⁸⁴

F. Legislative Histories of Subsections 405(a)(1) and (2)

The legislative histories of subsections 405(a)(1) and (2) are so intertwined that they must be considered together.

The first draft of what was to become section 405, submitted to Congress in 1963 by the Copyright Office, provided that copyright would be forfeited if notice was deliberately omitted from one or more published copies. The draft included curative provisions available only in the event of unintentional omission "resulting from accident, oversight, mistake, or ignorance of the statutory requirements."⁸⁵ The Register of Copyrights, in his previous statement of the Office's desire to expand the exception of section 21 of the 1909 Act to more than a particular copy or copies, had

82. 17 U.S.C. § 405(a)(2) (1982). See *supra* note 78. See A. LATMAN, *supra* note 20, at 150-51; 2 M. NIMMER, *supra* note 1, § 7:13[B].

83. 17 U.S.C. § 405(a)(2) (1982). See *supra* note 78.

84. 17 U.S.C. § 21 (1976) (amended 1976).

85. STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION PART THREE, PRELIMINARY DRAFT FOR REVISED U.S. COPYRIGHT LAW AND DISCUSSIONS AND COMMENTS ON THE DRAFT 23-24 (Comm. Print 1964) [hereinafter cited as COPYRIGHT LAW REVISION PART THREE] (quoted in *Beacon Looms, Inc., v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1312 (S.D.N.Y. 1982)). Proposed § 27 read in part:

(a) Deliberate omission. The deliberate omission of the copyright notice prescribed in Sections 24 and 25 from one or more copies or records publicly distributed by authority of the copyright owners shall invalidate copyright in a work.

(b) Unintentional Omission. The unintentional omission of the notice, resulting from accident, oversight, mistake, or ignorance of the statutory requirements, shall not invalidate copyright in a work under the following circumstances:

(1) If the notice has been omitted from no more than a relatively small number of the copies or records distributed publicly; or

(2) If registration for the work under section 30 has been made before or is made within five years after the publication without notice, and a reasonable effort is made to add notice to all copies or records distributed to the public after omission is discovered. . . .

COPYRIGHT LAW REVISION PART THREE, *supra* at 23-24.

explained: "We would not sanction a deliberate omission of the notice, but we would avoid forfeiture where the claimant indicates his desire for copyright protection and shows the omission of the notice was inadvertent," possibly even if notice were inadvertently omitted from an entire printing.⁸⁶ The Register intended to require that when notice was inadvertently omitted the copyright owner would not be entitled to even an injunction against further infringement unless he or she reimbursed an innocent infringer for expenses sustained due to reliance on the omission of notice.⁸⁷

The draft embodied the same approach which the Copyright Office had earlier advocated in a report to Congress. The report had already been discussed and approved by the members of the House Committee on the Judiciary. One Committee member suggested that omission from relatively few copies should be curable even if the omission were not inadvertent.⁸⁸ But the Committee's Report concluded: "We agree with the recommendations . . . for the simplification of the notice provisions to avoid *inadvertent* loss of copyright, and yet provide adequate notice to potential users."⁸⁹

In subsequent Committee review of the Copyright Office draft, the Office's representative made the following explanation:

[N]obody is going to be allowed to omit notice deliberately and still enforce his claim of copyright. The deliberate omission of a notice will invalidate the copyright. Subsection (b) then goes on to say that the "unintentional omission of the notice . . . shall not invalidate the copyright." I might point out that unintentional here is defined more broadly than it was even in the

86. COPYRIGHT LAW REVISION PART ONE, *supra* note 48, at 64. See also STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 1ST SESS., COPYRIGHT LAW REVISION PART TWO, DISCUSSION AND COMMENTS ON REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 110 (Comm. Print 1963) (George Cary, U.S. Copyright Office) ("We also believe that . . . there is the problem of an inadvertent omission of a notice on an entire printing, for example: and we feel that this should not cause the copyright to be forfeited, if certain conditions are met . . .") [hereinafter cited as COPYRIGHT LAW REVISION PART TWO].

87. COPYRIGHT LAW REVISION PART ONE, *supra* note 48, at 66.

88. Congresswoman Pilpel (D., N.Y.) commented:

Here you would carry over the present act if there is an inadvertent omission of notice on some copies. Why "inadvertent?" I don't mean that I think anyone who goes around saying: "I am not going to put a copyright notice on," is entitled to the protection of the law. But I think that, by using the word "inadvertent" you introduce an element of factual consideration which is unimportant and complicating. Therefore, I would think that your requirement would apply to cases where there is an omission of notice leaving aside the word "inadvertent."

COPYRIGHT REVISION PART TWO, *supra* note 86, at 119.

89. *Id.* at 384.

Register's Report because reference is made here to "accident, oversight, mistake, or ignorance of the statutory requirements." "Unintentional omission," in short, is anything but deliberate omission.⁹⁰

The Chairman of the Patent, Trademark, and Copyright section of the American Bar Association expressed concern that the draft would "give unscrupulous people the opportunity to say, 'Well, I didn't know what the law was,' in order to avoid forfeiture of copyright."⁹¹ A lobbyist for the Author's League of America testified that the Office's proposed definition of "unintentional" was too vague to be workable and similarly faulted its making likely the claim of ignorance of the law as an excuse by everyone who omitted notice.⁹²

After this review, the Copyright Office submitted a revised draft, from which all the parts of the earlier draft, distinguishing between deliberate and unintentional omission, were omitted.⁹³ The Register of Copyrights explained:

[I]t [had been] urged that, to make the validity of a copyright turn on the question of whether the omission of notice was "deliberate" or "unintentional" would involve impossible problems of proof and would result in uncertainty and injustice. After considering these arguments we concluded that questions involving the subjective state of mind of one or more persons and their ignorance or knowledge of the law should be avoided if at

90. STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D. SESS., COPYRIGHT LAW REVISION PART FOUR, FURTHER DISCUSSIONS AND COMMENTS ON PRELIMINARY DRAFT FOR REVISED U.S. COPYRIGHT LAW 74 (Com. Print 1964) (Abe A. Goldman, U.S. Copyright Office, Oct. 8, 1963) [hereinafter cited as COPYRIGHT LAW REVISION PART FOUR]. Concern that the definition of "unintentional" was overly vague was echoed by at least one other witness. *Id.* at 86-87 (J.F. Wichter of Sargoy & Stein).

91. *Id.* at 86 (Tannenbaum, Oct. 8, 1963).

92. *Id.* at 81-82.

93. STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION PART FIVE, 1965 REVISION BILL WITH DISCUSSIONS AND COMMENTS § 404 (Comm. Print 1965) [hereinafter cited as COPYRIGHT LAW REVISION PART FIVE]. Its § 27 read, in part:

(a) Effect of Omissions on Copyright

—The omission of the copyright notice prescribed by Section 24 and 25 from copies or phonorecords publicly distributed by authority of the copyright owner does not invalidate the copyright in a work if:

(1) The notice has been omitted from no more than a relatively small number of copies or phonorecords distributed to the public; or

(2) Registration for the work under Section 30 has been made before or is made within five years after the publication without notice, and a reasonable effort is made to add to all copies or phonorecords that are distributed to the public after the omission has been discovered. . . .

Id. at 181.

all possible. . . . [W]e decided that the bill should drop any distinction between "deliberate" and "inadvertent" or "unintentional" omission and, subject to certain conditions, should preserve the copyright in all cases.⁹⁴

The revised draft, with the addition of the caveat that required a reasonable effort to add notice only to copies distributed in the United States,⁹⁵ was then submitted to the House Committee on the Judiciary. The Committee approved it, despite some witnesses' arguments that the distinction between deliberate and inadvertent omissions should be reinstated.⁹⁶

The House Report states clearly, "Subsection (a) of section 405 provides that omission of notice, whether intentional or unintentional, does not invalidate the copyright" if the conditions of either subsection (1) or subsection (2) are met.⁹⁷ Subsection (2) provides that copyright is not forfeited "if registration for the work has already been made, or is made within 5 years after the publication without notice, and a reasonable effort is made to add notice to copies or phonorecords publicly distributed in the United States after the omission is discovered."⁹⁸ Thus, "if notice is omitted from more than a 'relatively small number' of copies or phonorecords, copyright is not lost immediately, but the work will go into the public domain if no effort is made to correct the error or if the work is not registered within 5 years. . . . [T]he reasons for the omissions having no bearing on the validity of copyright"⁹⁹ It went on to say that subsection 405(a) "represents a major change in the theoretical framework of American copyright law."¹⁰⁰ The Senate approved the language of the House bill, despite opposition to the protection of deliberate omissions by, among others, Ramsey Clark, then Deputy Attorney General of the United States.¹⁰¹

Nonetheless, the House and the Senate retained language requiring

94. COPYRIGHT LAW REVISION PART SIX, *supra* note 52, at 105.

95. COPYRIGHT LAW REVISION PART FIVE, *supra* note 93, § 404.

96. *See, e.g., Hearings Before Subcomm. on the Judiciary*, 89th Cong., 1st Sess. at 448-55 (1965) (statement of Rutherford D. Rogers, of the Joint Libraries Committee on Copyrights) [hereinafter cited as *House Hearings*]; *Id.* at 1207-08 (statement of Haywood Cirker of Dover Publications); *Id.* at 1880 (statement of Harry Olson of American Broadcasting Company). Mr. Olson argued that the proprietor who omitted notice should bear the burden of persuasion in proving that the omission was inadvertent. *Id.*

97. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 147, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5763.

98. *Id.*

99. *Id.* ACCORD DRAFT REPORTS OF THE SENATE JUDICIARY TO ACCOMPANY S. 1361, 93d Cong., 2d Sess., at 79 (1974).

100. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 146, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5762.

101. *Hearings on S. 1006*, 89th Cong., 1st Sess. at 55-56 (1965).

a reasonable effort to add notice "after the omission has been discovered," in spite of comments that the phrase was inconsistent with allowing deliberate omissions to be cured.¹⁰²

G. Omissions of Notice Excused Under Subsection 405(a)(3)

The third exception in the 1976 Act, contained in subsection 405(a)(3), has a clear antecedent in the case law interpreting the 1909 Act. It excuses the omission of notice if the copyright owner had exacted a written promise that, as a condition of his or her authorization of the publication, the copies of phonorecords distributed would contain proper notice.¹⁰³ If the promise is breached, the publication is considered to have been without the copyright owner's authority.¹⁰⁴ The subsection 405(a)(3) exception is, however, narrower than its predecessor under the 1909 Act. In order for the copyright proprietor to gain protection under the 1909 Act by virtue of an express promise that the proper notice would be affixed, the promise did not have to be in writing.¹⁰⁵ Moreover, the copyright proprietor bears the burden of proving that he or she falls within the 1976 Act's exception, whereas under the 1909 Act, the infringer had the burden of proving that the publication was made by authority of the copyright proprietor.¹⁰⁶

H. Innocent Infringers

In order to create an equitable balance between the rights of the copyright proprietor and the rights of the user of the copyrighted work who is misled by an omitted or defective notice, Congress, following the Copyright Office's suggestions, limited the remedies available against "innocent infringers." Those infringers who have relied on the total absence of notice, or notice which was so defective as to be considered an omis-

102. *House Hearings*, *supra* note 95, at 448-50, 1880.

103. 17 U.S.C. § 405(a)(3) (1982). *See supra* note 78.

104. Roth, *supra* note 4, at 269. *See* 17 U.S.C. § 401(a) (1982). In response to some questions which arose in the case law, the American Bar Association passed the following resolution at its annual meeting in August 1980:

Resolution No. 301-5.

RESOLVED, that the Section approves in principle a clarifying amendment to 17 U.S.C. § 405(a)(3) to indicate that a copyright is not invalidated if copyright notice has been omitted from copies or phonorecords in violation of any express requirement in the writing authorizing public distribution that said copies or phonorecords bear the prescribed notice, whether or not such requirement is in the form of a condition.

1984 Committee Reports, *supra* note 48, at 177 (citing Proceedings (1980SP84-R301-5)).

105. *See* 2 M. NIMMER, *supra* note 1, § 7.03, at 7-10 through 7-14; Roth, *supra* note 4, at 277 n.220 and accompanying text.

106. 2 M. NIMMER, *supra* note 1, § 7.03, at 7-10 through 7-14.

sion of notice, from a copy published by the copyright owner's authority are not liable for actual or statutory damages for any acts committed before receiving actual notice that the work has been registered.¹⁰⁷ The infringer bears the burden of persuasion that he or she was misled by the omission of notice.¹⁰⁸ Even if the infringer meets that burden, the court may still enjoin any further infringement, and it may award to the copy-

107. Section 405(b) provides:

Any person who innocently infringes a copyright, in reliance upon an authorized copy or phonorecord from which the copyright notice has been omitted, incurs no liability for actual or statutory damages under section 504 for any infringing acts committed before receiving actual notice that registration for the work has been made under section 408, if such person proves that he or she was misled by the omission of notice. In a suit for infringement in such a case the court may allow or disallow recovery of any of the infringer's profits attributable to the infringement, and may enjoin the continuation of the infringing undertaking or may require, as a condition of permitting the continuation of the infringing undertaking, that the infringer pay the copyright owner a reasonable license fee in an amount and on terms fixed by the court.

17 U.S.C. § 405(b) (1982). See Roth, *supra* note 4, at 270, text accompanying notes 168-71, 271 n.173, 277-78. Senate Report No. 94-473 explains:

Effect of omission on innocent infringers

In addition to the possibility that copyright protection will be forfeited under section 405(a)(2) if the notice is omitted, a second major inducement to use of the notice is found in subsection (b) of section 405. That provision, which limits the rights of a copyright owner against innocent infringers under certain circumstances, would be applicable whether the notice has been omitted from a large number or from a "relatively small number" of copies. The general postulates underlying the provision are that a person acting in good faith and with no reason to think otherwise should ordinarily be able to assume that a work is in the public domain if there is no notice on an authorized copy or phonorecord and that, if he relies on this assumption, he should be shielded from unreasonable liability.

Under section 405(b) an innocent infringer who acts "in reliance upon an authorized copy or phonorecord from which the copyright notice has been omitted," and who proves that he was misled by the omission, is shielded from liability for actual or statutory damages with respect to "any infringing acts committed before receiving actual notice" of registration. Thus, where the infringement is completed before actual notice has been served—as would be the usual case with respect to relatively minor infringements by teachers, librarians, journalists, and the like—liability, if any, would be limited to the profits the infringer realized from his act. On the other hand, where the infringing enterprise is one running over a period of time, the copyright owner would be able to seek an injunction against continuation of the infringement, and to obtain full monetary recovery for all infringing acts committed after he had served notice of registration. Persons who undertake major enterprises of this sort should check the Copyright Office registration records before starting, even where copies have been published without notice.

The purpose of the second sentence of subsection (b) of the present bill is to give the courts broad discretion to balance the equities within the framework of section 405. Where an infringer made profits from infringing acts committed innocently before receiving notice from the copyright owner, the court may allow or withhold their recovery in light of the circumstances. The court may enjoin an infringement or may permit its continuation on condition that the copyright owner be paid a reasonable license fee.

S. REP. NO. 473, 94th Cong., 1st Sess. 131 (1975).

108. 17 U.S.C. § 405(b) (1982).

right proprietor any of the infringer's profits attributable to the infringement.¹⁰⁹ The court may also permit the infringer to continue with the infringing acts as long as he or she pays the copyright owner a reasonable license fee fixed by the court.¹¹⁰ The copyright proprietor is not required to reimburse the innocent infringer's expenses, as the Copyright Office had initially proposed.¹¹¹

Thus, Congress deliberately retained the notice requirement, in some ways relaxing it, but in other ways tightening it. In the general provisions regarding notice and in those regarding innocent infringement, Congress reached what it considered to be an equitable balance between the right of the public to use works apparently unprotected by copyright and the rewards due the copyright owner.

IV. CASE LAW CONSTRUING THE 1976 ACT

A. *Authorized Publications Without Proper Notice*

The courts seem to have had little difficulty applying the notice provisions of the 1976 Act, with the notable exception of subsection 405(a)(2). The case law is clear that a publication authorized by the copyright proprietor and effected without proper notice results in forfeiture of copyright unless otherwise provided under subsection 405(a).¹¹²

In order to determine whether a work has been published so that the notice requirement applies, the courts construing the 1976 Act continued to apply the 1909 Act case law distinguishing between limited and general publications.¹¹³ The publication must, of course, have been by au-

109. *Id.*

110. *Id.*

111. See *supra* note 86 and accompanying text.

112. *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1309 (S.D.N.Y. 1982). See *Hagendorf v. Brown*, 707 F.2d 1018, 1019 n.1a (9th Cir. 1983) ("Publication [of a work] without copyright notice did not divest it of [copyright] protection if no copies . . . were distributed domestically after the omission was discovered or if [the proprietor] made reasonable efforts to add notice to any that were. 17 U.S.C. § 405(a)(2)"), *amending order of* 699 F.2d 478 (9th Cir. 1983); *Emarine v. Group Ten Press, Inc.*, 10 Bankr. 469, 471 (Bankr. D. Neb. 1981) (authorized publication without notice forfeited copyright under 1976 Act); *Goldsmith v. Max*, 213 U.S.P.Q. 1008, 1012 (S.D.N.Y. 1981) (copyright was forfeited, although "construing the notice requirements liberally it is arguably possible that [the licensees'] defective copyright notice could protect [plaintiff]").

113. 1 M. NIMMER, *supra* note 1, § 4.13. See, e.g., *Hubco Data Prods. Corp. v. Management Assistance, Inc.*, 219 U.S.P.Q. 450, 455 (D. Ida. 1983) (plaintiff had reasonable probability of success in being able to show that its distribution of its computer operating systems to owners of its computers with the object code recorded on them without notice was a limited publication and not a divestive publication); *Schuchart & Assocs. v. Solo Serve Corp.*, 1983 COPYRIGHT L. DEC. (CCH) ¶ 25,593 at 18,544-45 (W.D. Tex. 1983) (plaintiff's distribution of its architectural plans to local agency as required by law, to contractors and subcon-

thority of the copyright owner in order for him or her to be responsible for it.¹¹⁴

If publication was made, the court must determine whether notice, if not omitted, was proper or defective.¹¹⁵ Defective notices have been divided into those which result in copyright forfeiture¹¹⁶ and those which do not result in forfeiture¹¹⁷ under section 405, even absent the taking of

tractors for bidding purposes, and to winning bidders in order to build structure, all without copyright notice, was limited publication and not publication "to the public" under 1976 Act); *GCA Corp. v. Chance*, 1981-1983 COPYRIGHT L. DEC. (CCH) ¶ 25,464 at 17,765-66 (N.D. Cal. 1982) (unpublished) (§ 405(b) unavailable to defendant because plaintiff had made only a limited publication); *National Broadcasting Co. v. Sonneborn*, 1981-1983 COPYRIGHT L. DEC. (CCH) ¶ 25,474 (D. Conn. 1980) (unpublished) (public performance of work not a publication under 1976 Act). Display of a work, simply for purposes of exhibition, if not offered for sale, is not publication under the 1976 Act. 17 U.S.C. § 101 (1982). See *Florists' Transworld Delivery Ass'n v. Reliable Glassware & Pottery Co.*, 213 U.S.P.Q. 808, 810 (N.D. Ill. 1981).

114. See *Twentieth Century-Fox Film Corp. v. Dunnahoo*, 637 F.2d 1338, 1343-44 (9th Cir. 1981); *Midway Mfg. Co. v. Artic Int'l, Inc.*, 547 F. Supp. 999 (N.D. Ill. 1982) (copyright owner not responsible for its assignor's publication without notice), *aff'd on other grounds*, 704 F.2d 1009 (7th Cir.), *cert. denied*, 104 S. Ct. 90 (1983); *Nintendo of America, Inc. v. Elcon Indus. Inc.*, 1983 COPYRIGHT L. DEC. (CCH) ¶ 25,577 at 18,413-14 (E.D. Mich. 1982) (unpublished) (plaintiff-licensor's motion for preliminary injunction granted; licensee's failure to include notice on distributed copies of identical or similar work was not attributable to plaintiff because the distribution in the United States was not made by authority of the copyright owner; in fact, it breached the license agreement and infringed the copyright).

115. See, e.g., *Twentieth Century-Fox Film Corp. v. Dunnahoo*, 637 F.2d 1338, 1343-44 (9th Cir. 1981) (placement of copyright notice on same continuous strip of celluloid as copyrighted film sufficient; placement of notice at opening credits sufficient).

116. See *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478, 482 (D. Nev. 1984) (Appearance of copyright notice on plaintiff's computer program "on a random and infrequent basis . . . does not meet the requirement of permanent legibility to 'an ordinary user of the work under normal conditions of use.' Likewise, the fact that the notice is displayed when the reset button is pushed does not provide adequate notice, since this means of display is in effect 'concealed' from the view of those who do not have access to the reset button—a group which would include most members of the public."); *Shapiro & Son Bedspread Corp. v. Royal Mills Assocs.*, 568 F. Supp. 972, 975-76 & nn.2 & 5 (S.D.N.Y. 1983) (copyright notice on flyers included in packages with bedspreads was defective because it was not affixed to the bedspreads, contained no year of first publication, and used confusing names).

117. See *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478, 481 (D. Nev. 1984) (the fact that the letter "C" is surrounded by a hexagonal shape, rather than a circle, on a computer program, because the screen cannot create a perfect circle, is not fatal); *Dimitrakopoulos v. Flowers by Demetrios, Inc.*, 1983 COPYRIGHT L. DEC. (CCH) ¶ 25,551 at 18,245 (S.D.N.Y. 1983) (copyright notices "Vasily c" and "VC" affixed on metallic flower sculptures by a jeweler's stamp were not too small in view of the size of the sculpture, could be seen and identified, and were therefore adequate); *Innovative Concepts in Entertainment, Inc. v. Entertainment Enters., Inc.*, 576 F. Supp. 457, 461 (E.D.N.Y. 1983) (use of © rather than ® on a computer chip not fatal; "As the recording in question is of crowd noises from an actual hockey game rather than of a separately copyrighted musical or literary work, [defendant] cannot claim to have been misled"); *Quinto v. Legal Times of Washington, Inc.*, 506 F. Supp. 554, 562 (D.D.C. 1981) ("Section 406(a) has two purposes: to avoid technical forfeitures and the copyright owner's rights when the copyright notice is not published in the owner's name and to protect innocent users of copyrighted material who rely on erroneous information . . .

curative steps. No serious problems of construction have arisen in this regard. The same can be said of the exception, for omissions of notice in violation of express written contracts, contained in subsection 405(a)(3).¹¹⁸

B. Omissions of Notice from a Relatively Small Number of Copies

Subsection 405(a)(1) has been interpreted, in accord with the legislative intent, to excuse the omission of notice from more copies than were excused under the 1909 Act. It is also clear that omission of notice from a relatively small number of copies is excused under subsection 405(a)(1), regardless of whether the omission is deliberate or unintentional.¹¹⁹ This is because there is no conflict between the language of this subsection and its legislative history.¹²⁰ The term "relatively small" has created some difficulty, however. The Copyright Register's Supplementary Report indicated that to qualify as a relatively small number "the number must be small in an absolute sense and not merely in relation to the size of the entire edition. For example, this requirement would not be satisfied if the notice were omitted from 1000 copies out of an edition of 100,000."¹²¹ Professor Nimmer correctly suggests that such a view would not only ignore the word "relatively" but would be less liberal than that of some of the cases under the 1909 Act which looked at the percentage of the total number of copies.¹²² Some of the cases which have been decided under the 1976 Act have also taken the percentage approach.¹²³

The percentage approach is the fairer route to take if the total number of copies is large. But in order to achieve the legislative goal of

When these goals conflict, the statute favors the copyright holder. For example, even an innocent, good faith infringer who was misled by the copyright notice is not protected if a search of the Copyright Office records would have revealed that the owner was someone other than the person named in the notice.") (citing H.R. REP. NO. 1476, 94th Cong., 2d Sess. 149, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5765).

118. *Florists' Transworld Delivery Ass'n v. Reliable Glassware & Pottery Co.*, 213 U.S.P.Q. 808 (N.D. Ill. 1981) (letter requesting retailers to affix copyright notice to copies did not expressly condition their advertisement, distribution, or sale on such affixation).

119. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 147, *reprinted in* 1976 U.S. CODE CONG. & AD. NEWS 5659, 5763; *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1312 (S.D.N.Y. 1982) (*dicta*).

120. See *infra* text accompanying note 139.

121. 2 M. NIMMER, *supra* note 1, § 7.13[A][1].

122. *Id.* See *supra* note 29.

123. *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 827 (11th Cir. 1982) (400 dolls, 1% of 40,000 dolls sold, is "relatively few"); *King v. Burnett*, 1981-1983 COPYRIGHT L. DEC. (CCH) ¶ 25,489 at 17,913 (D.D.C. 1982) (unpublished) (300 to 500 copies, 22%-37% of total 1335 published, not "relatively small"); *Flora Kung, Inc. v. Items of Cal., Inc.*, 29 PAT. TRADEMARK & COPYRIGHT J. (BNA) No. 721, at 515 (S.D.N.Y. Nov. 16, 1984) (unpublished) (9% of garments lacking notice is "relatively small number").

being "less restrictive" than the 1909 Act, the absolute approach should be used when the absolute number of copies published is small, but the percentage of copies without notice is large. For example, if only one copy is published and it is published without notice, such a publication should fall under subsection 405(a)(1) even though one is 100% of one. The same result should follow it, for example, out of ten copies published, nine lack notice.¹²⁴ Several courts have taken this approach as well.¹²⁵

C. *Innocent Infringers*

Who is or is not an innocent infringer under section 406, when notice has been omitted altogether or defective notice has been used, has not been an unduly troublesome question for the courts.¹²⁶ But they have struggled with the meaning of subsection 405(a)(2) on two fronts, with regard to the reasonable effort requirement and with regard to whether the curative provisions of subsection 405(a)(2) are available to those copyright owners who deliberately omitted copyright notice.

D. *The Reasonable Effort Requirement Under Subsection 405(a)(2)*

Two questions have arisen with regard to the reasonable effort requirement in subsection 405(a)(2): (1) As to which copies must a "rea-

124. *Cf. Ruskin v. Sunrise Management, Inc.*, 506 F. Supp. 1284, 1287-88 (D. Colo. 1981) (distribution of a "small number" of master recordings for promotional purposes was only limited publication); *P. Kaufman, Inc. v. Rex Curtain Corp.*, 203 U.S.P.Q. 859, 860 (S.D.N.Y. 1978) (oral opinion) ("[I]t would not be inappropriate to hold that [§ 405(a)(1)] has been complied with. . . . I suppose 2,700 copies . . . is not a small number of copies. However, they were distributed to [only] one customer who had been put on notice. . . ."). One court has stated that *P. Kaufman* has "limited precedential value because the facts are not described in 'sufficient detail.'" *Florists' Transworld Delivery Ass'n v. Reliable Glassware & Pottery Co.*, 213 U.S.P.Q. 808, 811 (N.D. Ill. 1983).

125. *Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Constr. Co.*, 542 F. Supp. 252, 260 n.4 (D. Neb. 1982) (plaintiff's omission of notice from two copies of architectural plans distributed to city's code administration department and from 18 copies distributed to client was excused by § 405(a)(1) as omission from a relatively small number of copies, even though plaintiff had not otherwise published the plans) (alternative holding); *Florists' Transworld Delivery Ass'n v. Reliable Glassware & Pottery Co.*, 213 U.S.P.Q. 808, 811 (N.D. Ill. 1981) (omission of notice on all of 914,000 copies, "almost one million copies," not excused by § 405(a)(1)).

126. *See, e.g., Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Constr. Co.*, 542 F. Supp. 252, 260-61 (D. Neb. 1982) (defendant-client of copyright proprietor was not misled by omission of notice and was not an innocent infringer); *Quinto v. Legal Times of Washington, Inc.*, 506 F. Supp. 554, 564 (D.D.C. 1981) (summary judgment for copyright proprietor granted when infringer had no reasonable belief it had permission to reproduce plaintiff's work from person named in notice on collective work).

sonable effort" to add notice be made, and (2) as to what constitutes a "reasonable effort" to add notice.

As to the first question, it is clear that reasonable efforts to add notice must be made only with regard to copies "distributed to the public in the United States."¹²⁷ The owner is therefore excused from adding notice to copies distributed outside this country.¹²⁸ The cases also agree that the copyright owner should make reasonable efforts to add notice at least to copies or phonorecords which have left the copyright owner's control but remain in the hands of the "middle man," as opposed to "the public" or the ultimate consumers.¹²⁹ The same requirement applies

127. 17 U.S.C. § 402(a)(2) (1982).

128. See, e.g., *Midway Mfg. Co. v. Artic Int'l, Inc.*, 704 F.2d 1009, 1013 (7th Cir.) (plaintiff did not lose copyright in video games, even if published without notice in Japan, when plaintiff registered the works within five years of publication and all copies distributed in the United States contained copyright notice), *cert. denied*, 104 S. Ct. 90 (1983); *Hagendorf v. Brown*, 707 F.2d 1018, 1019 & n.1a (9th Cir. 1983) (publication without copyright notice did not forfeit copyright protection if registration occurred within five years of publication and no copies were distributed in the United States after omission was discovered or if the author made a reasonable effort to add notice to any copies that were so distributed), *amending* 699 F.2d 478 (9th Cir. 1983).

129. See *Shapiro & Son Bedsread Corp. v. Royal Mills Assocs.*, 568 F. Supp. 972 (S.D.N.Y. 1983) (plaintiff's motion for preliminary injunction denied because it had not made reasonable efforts to replace defective notice with proper notice); *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1313 (S.D.N.Y. 1982). The *Shapiro* court adopted the following rule:

[T]he quantity of copies still held in inventory not yet distributed to the consumer-public must be ascertained as must the expense and effort involved in affixing proper notice to these copies. Only then may the court properly assess whether the efforts to cure have been "reasonable." This construction of the "reasonable efforts" requirement has the effect of providing notice with respect to those copies distributed prior to discovery of the omission or improper notice but not yet in the hands of the consumer-public, thereby avoiding further infringement as well as providing notice to the consumer-public.

568 F. Supp. at 979. In *Shapiro & Son Bedsread Corp. v. Royal Mills Assocs.*, 1984 COPY-RIGHT L. DEC. (CCH) ¶ 25,630 (S.D.N.Y. 1984), the defendants' motion for summary judgment was granted where the plaintiff had put improper notice on bedspreads and plaintiff's president stated that "it did not review its own sales reports or contact its distributors to determine how many of its bedspreads were still in the hands of distributors and that it made no effort to send its distributors new notices in proper form to be affixed to these bedspreads" and that "some distributors had large inventories—more than 100 units—of [the] bedspreads," despite his explanation that "the average distributor of the . . . bedsread turned over its inventory of those bedspreads in three-and-a-half weeks—and an anticipated delay of ten days to two weeks for the production of an appropriate label" and that "[r]eturn and repackaging of the product was considered and deemed infeasible." *Id.* at 18,836. The court stated unequivocally that:

although the purpose of Congress in enacting the new section was to relieve would-be holders from innocent mistake, the section does not permit the establishment of a copyright for previously published material simply by adding notice to products in plaintiff's hands after discovery of the infirmity. More, a reasonable effort to add notice to all copies that are distributed to the public after discovery of the defective notice, is required.

even if the copies already distributed have some notice, albeit defective.¹³⁰

Several cases have addressed the second question of what is or is not "a reasonable effort." Both the nature of the acts taken¹³¹ and their timeliness¹³² will be considered with regard to whether the effort made was

Id. at 18,837. See *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1313 (S.D.N.Y. 1982); *King v. Burnett*, 1981-1983 COPYRIGHT L. DEC. (CCH) ¶ 25,489 (D.D.C. 1982) (unpublished) (omission of notice not excused by § 405(a)(2) when record showed no efforts to add notice to the copies in question, of which the plaintiff had authorized the manufacture, distribution and sale). Cf. *O'Neill Devs., Inc. v. Galen Kilburn, Inc.*, 524 F. Supp. 710 (N.D. Ga. 1981) (plaintiff's inclusion of copyright notice on all copies distributed after it discovered the existence of infringing work sufficient; no discussion of "reasonable effort" requirement, but inferable that copies previously distributed by plaintiff were already in hands of relevant consuming public).

130. *Shapiro & Son Bedspread Corp. v. Royal Mills Assocs.*, 568 F. Supp. 972, 976-77 (S.D.N.Y. 1983).

131. See *id.* at 977; *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478 (D. Nev. 1984). In *Videotronics*, the court stated:

Implicit in the concept of a "reasonable effort" under § 405(a)(2) is the expectation that an expenditure of time and money over and above that required in the normal course of business will be made. The evidence in the present case, however, establishes that plaintiff made no effort to add a copyright notice precisely because such an expenditure would have been required on its part. In other words, plaintiff decided to continue with business as usual until the scheduled conversion to a single board program, and decided not to make any effort whatsoever to add a copyright notice until then. Plaintiff presented no evidence to show that an unreasonable effort would have been required to reprogram the double-board version of Joker Poker to add a copyright notice. We conclude that its inaction during this period is not within the spirit of the "reasonable effort" requirement of § 405(a)(2). Even if we do not consider the period during which plaintiff made no effort to add notice to the . . . game, the fact remains that the notice that plaintiff eventually added was ineffective. We note that § 405(a)(2) does not provide that a reasonable effort to add an ineffective notice will be sufficient.

Id. at 483.

132. See *Gemveto Jewelry Co. v. Jeff Cooper, Inc.*, 568 F. Supp. 319, 331 (S.D.N.Y. 1983); *P. Kaufman, Inc. v. Rex Curtain Corp.*, 203 U.S.P.Q. 859, 860-61 (S.D.N.Y. 1978) (oral opinion); *Weave Corp. v. Ronitex Jacquard Mills, Inc.*, 1983 COPYRIGHT L. DEC. (CCH) ¶ 25,511 at 18,011-12 (S.D.N.Y. 1983) (court noted that a "substantial question" was raised as to whether, inter alia, the two copyrights in question were "invalid for lack of adequate notice"; the defendant contended that, although the plaintiff had registered the basic designs on July 6, 1982 and October 25, 1982, it had attached no notice to the fabrics it sold before November 1982; no date of initial publication was mentioned); *Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Constr. Co.*, 542 F. Supp. 252, 254-55, 260 n.4 (D. Neb. 1982) (copies of architectural plans were delivered to client in early February 1978, and filed with city office on February 10, 1978, all without notice; plaintiff discovered in early March 1980 that client had copied them, placed notice on its originals on April 25, 1980 and applied for copyright registration on April 26, 1980, which became effective April 29, 1980; by a May 12, 1980 letter, plaintiff notified all holders of copies of its copyright claim; plaintiff's omission of notice was excused by § 405(a)(2)) (alternative holding); *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1313-14 (S.D.N.Y. 1982) ("plaintiff's showing of defendant's deliberate omission of copyright notice from approximately 1 million copies of the work, published over a two-year period—during roughly half of which time defendant was fully aware of another 'knock-off' of

reasonable. The United States District Court for the Southern District of New York has found, on the one hand, that promptly sending curative notice stickers to the retailer to place on copies of the work which had been sent to him without notice constituted a reasonable effort.¹³³ On the other hand, the same court found that no reasonable effort had been made in one case where the copyright owner had sold approximately 900,000 copies of the work in nine months but sent only 50,000 labels to the retailers and asked them to let it know if more labels were needed¹³⁴ and in another where the plaintiff had waited more than six months to act after acknowledging its failure to properly give notice.¹³⁵

Whether an effort is reasonable must be determined on a case-by-case basis and, as would be expected, it will take some time before the case law settles into a pattern which makes the outcome on this issue predictable.

the design—and the extent of its efforts taken in an attempt to comply with the requirements of § 405(a)(2) raise substantial and serious questions . . . whether the . . . design pattern has been placed in the public domain and thus lawfully copied by [plaintiff]”).

133. *P. Kaufman, Inc. v. Rex Curtain Corp.*, 203 U.S.P.Q. 859, 860 (S.D.N.Y. 1978). *See Florists' Transworld Delivery Ass'n v. Reliable Glassware & Pottery Co.*, 213 U.S.P.Q. 808, 811 (N.D. Ill. 1981) (whether sending labels to the retail dealers and asking them to attach the labels to copies previously sent to the dealers was “reasonable effort” was question of fact, resulting in the denial of defendants’ motion for summary judgment). *Cf. Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 826-27 (11th Cir. 1982) (in absence of evidence of reasonable effort, § 405(a)(2) had not been complied with, despite registration within two years of publication).

134. *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1313 (S.D.N.Y. 1982) (“The minimal additional expense and effort that ordering and sending sufficient labels to cover its customers’ inventory would entail speaks to the inadequacy of its effort. It is insufficient in this regard that defendant informed its customers that ‘[a]dditional labels if needed will be sent.’ Defendant was by no means assured that customers would in fact promptly communicate the shortfall; indeed, defendant failed even to inform its customers to affix whatever labels they received at least on those panels being publicly displayed for purposes of sale, as required by the statute, requesting instead only that they be affixed to those panels ‘currently in stock.’”).

135. *Shapiro & Son Bedspread Corp. v. Royal Mills Assocs.*, 568 F. Supp. 972 (S.D.N.Y. 1983) (plaintiff’s motion for preliminary injunction denied because of its failure to show that it had made a “reasonable effort” to add notice to all copies that were distributed to the public after the omission was discovered, when initial publication occurred in October 1978); *Gemveto Jewelry Co. v. Jeff Cooper, Inc.*, 568 F. Supp. 319, 330-31 (S.D.N.Y. 1983) (“After acknowledging its failure to properly give notice of its copyright claim under section 401(a), . . . plaintiff waited more than six months before filing a second application in which it represented the proper notice appeared on all items This delay occurred in the face of a pending lawsuit against defendants. . . .” Due to these and other facts, the court concluded: “Thus, while admittedly on notice of its failure, plaintiff did not comply with the notice requirements of Title 17 for, at a minimum, several months. Moreover, there is reason to believe that plaintiff was aware of the obligation to properly affix notices of its copyright claim as early as [approximately two years before it did so].” The court held that plaintiff failed to show that it made “a reasonable effort to rectify the omission.” (footnotes omitted)).

*E. Application of Subsection 405(a)(2) with Regard
to Deliberate Omission of Notice*

The cases which have considered whether subsection 405(a)(2) applies to deliberate omission of notice, a question to which the answer should not vary from case to case, have reached conflicting results. The United States District Court for the Northern District of Georgia has found that under subsection 405(a)(2) copyright owners may cure an omission of notice, regardless of whether the omission was deliberate.¹³⁶ The United States District Court for the Southern District of New York has found that subsection 405(a)(2) is unavailable to cure deliberate omissions of notice.¹³⁷ The United States District Court for the Eastern District of New York, distinguishing the Southern District's decision, has found that subsection 405(a)(2) can be properly used to cure what it deems a deliberate omission resulting from a mistake of law.¹³⁸

The courts' difficulty in determining whether subsection 405(a)(2) extends to deliberate omissions has occurred despite the statements in the legislative history that subsection 405(a)(2) applies in the case of either intentional or unintentional omissions. Retention of the phrase "after the omission has been discovered," a remnant of a earlier draft excusing only unintentional omissions, has caused the problem. Before any court had ruled on the issue, Professor Nimmer argued that an intentional omission could not be "discovered."¹³⁹ Professor Latman felt that, at best, "one must assume that intentional omissions are 'discovered' immediately upon publication,"¹⁴⁰ so that the duty to make a reasonable effort to cure the omission would arise at once.

1. O'Neill Developments

The first court to address the deliberate omission issue was the United States District Court for the Northern District of Georgia. In *O'Neill Developments, Inc. v. Galen Kilburn, Inc.*,¹⁴¹ it allowed a real estate developer, which had disseminated brochures about office condominiums to realtors, brokers, and prospective customers without copyright notice, to cure that omission when a competitor copied the brochure.

136. *O'Neill Devs., Inc. v. Galen Kilburn, Inc.*, 524 F. Supp. 710, 715 (N.D. Ga. 1981).

137. *Beacon Looms, Inc. v. S. Lichtenberg & Co.*, 552 F. Supp. 1305, 1312 (S.D.N.Y. 1982).

138. *Innovative Concepts in Entertainment, Inc. v. Entertainment Enters., Ltd.*, 576 F. Supp. 457, 461-62 (E.D.N.Y. 1983).

139. 2 M. NIMMER, *supra* note 1, § 7.13[B][3]. *Contra* Roth, *supra* note 4, at 279 (intentional omissions are covered by § 405(a)(2)).

140. A. LATMAN, *supra* note 20, at 150-51.

141. 524 F. Supp. 710, 712-13 (N.D. Ga. 1981).

The plaintiff's excuse for omitting notice was that it "had [no] reason to believe that any other person would attempt to copy these brochures."¹⁴² Once the plaintiff discovered the existence of the infringing brochures, it added notice to all copies it subsequently distributed and registered its brochure with the Copyright Office.¹⁴³

The court noted the defendant's contention that the plaintiff's initial omission of notice was admittedly deliberate.¹⁴⁴ It then considered and rejected Professor Nimmer's argument that deliberate omissions cannot be "discovered" except at the moment of first publication.¹⁴⁵ Instead, the court relied upon the following statements in the House Report:

The provisions of section 405(a) make clear that the notice requirements of section 401, 402 and 403 are not absolute and that, unlike the [1909] law now in effect, the outright omission of a copyright notice does not automatically forfeit protection and thrown the work into the public domain. This . . . represents a major change in the theoretical framework of American copyright law Under the proposed law a work published without any copyright notice will still be subject to statutory protection for at least 5 years, whether the omission was partial or total, unintentional or deliberate.¹⁴⁶

The court admitted that: "On the basis of the language of the statute alone, . . . the Nimmer interpretation is the more persuasive of the two possible readings."¹⁴⁷ It felt bound, however, by the legislative history, which it found to be "directly at odds" with Professor Nimmer's view.¹⁴⁸

In an attempt to reconcile the statutory language with the House Report, the court found that "Congress could have intended that copyright owners could cure deliberate omissions by including a notice of a copyright in those copies published after 'discovery' of the fact that the existence of a copyright has become an issue."¹⁴⁹

The *O'Neill Developments* court justified its resort to the legislative history by stating that the statutory language was not "unambiguous,"

142. *Id.* at 712.

143. *Id.*

144. *Id.* at 713.

145. *Id.* at 714.

146. *Id.* (quoting H.R. REP. NO. 1476, 94th Cong., 2d Sess. 146-47, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659, 5672).

147. *Id.*

148. *Id.*

149. *Id.* at 713-14. *Cf.* Aitken, Hazen, Hoffman, Miller, *P.C. v. Empire Constr. Co.*, 542 F. Supp. 252 (D. Neb. 1982) (no discussion under similar circumstances of whether omission was deliberate, but found it curable under § 405(a)(2) when prompt action was taken once defendant infringed).

but was susceptible to the two conflicting interpretations urged by the parties.¹⁵⁰ Moreover, it cited Supreme Court cases in support of the proposition that "even where the language of the statute appears to be unambiguous, the Court is required to consider contrary expressions in the legislative history," and the proposition that "courts do indeed have power in certain circumstances to revise statutes to conform them to clearly expressed legislative intent."¹⁵¹

2. *Beacon Looms*

Subsequently, in *Beacon Looms, Inc. v. S. Lichtenberg & Co.*,¹⁵² the United States District Court for the Southern District of New York rejected the reasoning of *O'Neill Developments* and distinguished it on its facts.¹⁵³ In *Beacon Looms*, the defendant was in the business of manufacturing and distributing curtains. It had purchased from a Canadian company an exclusive license to use a design in the United States.¹⁵⁴ Although the defendant knew that designs are copyrightable if original, it did not discuss copyright protection with its licensor and assumed that the design in question was not copyrightable.¹⁵⁵ Over the next two years or so, the defendant published about one million curtain panels embody-

150. *O'Neill Devs.*, 524 F. Supp. at 715.

151. *Id.* at 714.

152. 552 F. Supp. 1305 (S.D.N.Y. 1982). See also *P. Kaufman, Inc. v. Rex Curtain Corp.*, 203 U.S.P.Q. 859, 860 (S.D.N.Y. 1978) (oral opinion) (even assuming publication, plaintiff had cured "the apparently inadvertent omission of notice" under § 405(a)(2)).

153. *Beacon Looms*, 522 F. Supp. at 1311. The *Beacon Looms* court said of *O'Neill Devs.*:

One court, when confronted with the conflict between the express terms of § 405(a)(2) and its legislative history, construed "after the omission has been discovered" to mean "after 'discovery' of the fact that the existence of a copyright has become an issue." *O'Neill Devs., Inc. v. Galen Kilburn, Inc.*, 524 F. Supp. 710, 714 (N.D. Ga. 1981). We find this construction to lack support in either the statute or the specifically relevant legislative history. See M. Nimmer, 2 Nimmer on Copyright, *supra* § 7.13[B][3]. Moreover, we note that even under *O'Neill's* construction of the phrase, defendant's conduct would not constitute curative action under § 405(a)(2): the discovery of facts indicating the existence of a controversy as to Lichtenberg's right to exclusive use of the pattern, a fundamental element of copyright, first occurred in October, 1981, when defendant became aware of Kahn's knock-off. See 17 U.S.C. § 106. Lichtenberg's failure to take reasonable efforts to affix notice at that point, would under *O'Neill* result in the forfeiture of copyright. Defendant's asserted excuse for not taking at that time any action which would have led to the discovery that Svensson had a copyright—*viz.*, its perception of an absence of direct competition from Kahn—in no way undercuts the fact that the exclusive right to the Linda design, and thus the copyright, was placed in controversy. Finally, we note the court's finding in *O'Neill* that the plaintiff "did not anticipate that anyone would ever copy the brochures". 524 F. Supp. at 713. In this case, numerous copies were distributed for retail sale in an industry in which "knock-offs" are a prevalent industry practice; in at least this respect, *O'Neill* is inapposite to the instant case.

154. *Beacon Looms*, 552 F. Supp. at 1308.

155. *Id.*

ing the design.¹⁵⁶ About one year after initial publication, the defendant learned that another manufacturer was selling draperies embodying "knock-off" copies of the design, but took no action against that manufacturer.¹⁵⁷

In September 1982, it learned that the plaintiff, whom it considered a direct competitor, was advertising curtains copying the design.¹⁵⁸ During the period from September through November 1982, the defendant wrote to its licensor and learned that it claimed copyright, then registered the work, took steps to add copyright notice to its copies, and demanded that the plaintiff cease manufacture, distribution, and sale of its "knock-offs."

The plaintiff sued for a declaratory judgment that it could use the design, arguing, *inter alia*, that the defendant's omission of notice was deliberate, rather than unintentional, and that it could not be cured under subsection 405(a)(2). The defendant argued that even deliberate omissions are curable under subsection 405(a)(2), and that, in any event, its omission was not deliberate because it was unaware that its licensor claimed copyright until after it learned of the plaintiff's knock-off.

The court first reviewed section 21 of the 1909 Act and an early draft of the 1976 Act and stated:

These earlier versions of § 405(a)(2) strongly suggest that the statute is intended to allow for the cure of mistaken or accidental omissions of notice, rather than deliberate omissions resulting from factual mistakes as to matters wholly unrelated to notice. It appears proper to assume that § 405(a)(2) is intended primarily to apply to instances such as those in which a party sought copyright protection and, through some inadvertence, was frustrated in an attempt to affix the statutorily required notice.¹⁵⁹

It then concluded that the defendant's omission, even if resulting from its ignorance that its licensor claimed copyright, could not properly be characterized as unintentional,¹⁶⁰ but was "deliberate."¹⁶¹ The court also questioned whether providing protection to the licensor and the defendant would further the goals of copyright because they were so uncon-

156. *Id.*

157. *Id.*

158. *Id.* at 1308-09.

159. *Id.* at 1312-13.

160. *Id.* at 1313. It also pointed out that, if the licensor's failure to require the defendant to affix notice was deliberate, it had forfeited all copyright protection. *Id.*

161. *Id.*

cerned with copyright protection "that it failed even to be a subject of mention in the course of negotiations leading to widespread public distribution of the allegedly protected work," even though the defendant knew of its general availability.¹⁶²

Having found a deliberate omission of copyright, the court went on to consider whether such an omission was curable under subsection 405(a)(2). It found that the statute's requirement of making a reasonable effort to add notice " 'after the omission has been discovered' clearly suggests that it is an unintentional omission that § 405(a)(2) permits to be cured. Simply put, one cannot 'discover' an omission that has been deliberate."¹⁶³ It further stated that to hold that deliberate omissions are curable under subsection 405(a)(2) would be to

effectively read out the "reasonable effort" requirement: for if there is no "discovery," it becomes impossible to ascertain the interval which must be examined to determine whether a copyright owner took reasonable efforts to affix notice. This latter interpretation would further result in either the unjustifiable anomaly of relieving one who deliberately omits notice from the "reasonable efforts" prong of subsection (a)(2) while maintaining that requirement for accidental or mistaken omissions, or the abandonment of the reasonable efforts requirement in both deliberate and unintentional omission cases.¹⁶⁴

The court recognized that the legislative history of subsection 405(a)(2), especially the unequivocal statement in the House Report that "[u]nder the . . . law, a work published without any copyright notice will still be subject to statutory protection for at least five years, whether the omission was partial or total, unintentional or deliberate," did not support the defendant's position.¹⁶⁵ But the *Beacon Looms* court found that the legislative history was not internally consistent,¹⁶⁶ and that "a

162. *Id.*

163. *Id.* at 1310.

164. *Id.* at 1311.

165. *Id.* at 1310 (quoting H.R. REP. NO. 1476, 94th Cong., 1st Sess. 147, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659, 5763).

166. *Id.* at 1311. The court noted:

For example, H.R. Report No. 94-1476, *supra*, at 147, U.S. Code Cong. & Admin. News, 5763, also paraphrases the language at issue as follows: "[T]he second condition established by clause (2) is that the copyright owner make 'reasonable effort,' after discovering the error, to add the notice to copies or phonograph records [*sic*, original provides: phonorecords] distributed thereafter." (emphasis added). See also *id.* ("after the omission is discovered"); Supplementary Report of the Register of Copyright Law, House Comm. on the Judiciary, 89th Cong., 1st Sess. 106 (May, 1965) [*supra*, note 52] ("the work will go into the public domain if there is no effort to correct the error").

plain reading of an unambiguous statute cannot be eschewed in favor of a contrary reading, suggested only by the legislative history and not by the text itself."¹⁶⁷

Moreover, it found support for its reading of subsection 405(a)(2) in Congress' "affirmative decision to retain the notice requirement,"¹⁶⁸ coupled with Congress' decision to excuse, in subsection 405(a)(1), even deliberate omissions of notice from a "relatively small number of copies." The court explained that "§ 405(a)(1)'s excusal of even deliberate omissions arguably represents a legislated presumption that publication of a limited number of copies is indicative of an author's intent not to pass the work into the public domain."¹⁶⁹ On the other hand, it reasoned, subsection 405(a)(2)

evidences the presumption that an author who publishes a large quantity of copies, yet omits notice, does not seek to secure copyright protection in the underlying work, a presumption that can be rebutted only by a showing, first, that the omission was unintentional; second, that reasonable efforts to affix notice were taken subsequent to the discovery of the omission; and third, that registration was effected within five years of the publication without notice.¹⁷⁰

The *Beacon Looms* court concluded that "§ 405(a)(2) permits the cure of *unintentional* omissions, while retaining the penalty of forfeiture for an omission of a *deliberate* nature."¹⁷¹

3. Innovative Concepts

Most recently, in *Innovative Concepts in Entertainment, Inc. v. Entertainment, Ltd.*,¹⁷² the United States District Court for the Eastern District of New York addressed the scope of subsection 405(a)(2). There, the plaintiff had received legal advice prior to publication of a coin-operated miniature hockey game from counsel who was apparently unaware that the plaintiff's work was copyrightable. The plaintiff had therefore published without copyright notice. When the plaintiff consulted another attorney on a different matter four months later, it learned that copyright protection was possible for the game and added notice to

Beacon Looms, 552 F. Supp. at 1311.

167. *Beacon Looms*, 552 F. Supp. at 1310 (citing *Universal City Studios v. Sony Corp.*, 659 F.2d 963 (9th cir. 1981), *rev'd on other grounds*, 104 S. Ct. 774 (1984)).

168. *Id.* at 1311.

169. *Id.* at 1312.

170. *Id.*

171. *Id.* (emphasis added).

172. 576 F. Supp. 457 (E.D.N.Y. 1983).

copies subsequently published.¹⁷³ The court characterized the plaintiff's omission as having resulted from a "mistake of law."¹⁷⁴ It then found that such an omission was deliberate and intentional.¹⁷⁵

The court observed that the question of whether subsection 405(a)(2) applies to "deliberate omissions caused by a mistake of law" was one of first impression. Relying on the legislative history to subsection 405(a)(2), the court concluded that subsection 405(a)(2) did apply.¹⁷⁶ Because the plaintiff had registered the work within five years of publication and had made reasonable efforts to add notice, the court granted the plaintiff's motion for a preliminary injunction on its copyright claim.¹⁷⁷

The *Innovative Concepts* court admitted that *Beacon Looms*' "thorough and thoughtful opinion" had adopted a contrary interpretation of subsection 405(a)(2), but distinguished *Beacon Looms* as involving a licensee who was "generally aware of the availability of copyrights" but had mistakenly believed the item in question was in the public domain.¹⁷⁸ In *Innovative Concepts*, on the other hand, the work in question was the plaintiff's first game and the plaintiff's president was not aware of the possibility of copyright protection.¹⁷⁹

It is noteworthy that the United States District Court for the Southern District of New York had also held, in *Shapiro & Sons Bedspread Corp. v. Royal Mills Associates*,¹⁸⁰ decided after *Beacon Looms* but before

173. *Id.* at 460.

174. *Id.* at 461.

175. *Id.*

176. *Id.* at 461-62. The House Report states: "Under the proposed law a work published without any copyright notice will still be subject to statutory protection for at least five years, whether the omission was partial or total, unintentional or deliberate." H.R. REP. NO. 1476, 94th Cong., 2d Sess. 147, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659, 5763.

177. *Innovative Concepts*, 576 F. Supp. at 462.

178. *Id.* at 461-62.

179. *Id.* at 462.

180. 568 F. Supp. 972, 976 n.3 (S.D.N.Y. 1983) ("It is presumed that counsel appraised Shapiro of its obligations to 'affix' copyright notice on the bedspreads under 17 U.S.C. § 401(c). It appears, then, that Shapiro made a 'mistake of law.' Under the Copyright Act of 1909, a mistake of law was not the type of mistake which would permit invoking the savings provisions of section 21 of the Act. However, given that section 405(a) of the Copyright Act of 1976 'represents a major change in the theoretical framework of American copyright law,' and that Congress recognized the often unjust and harsh consequences or forfeiture that resulted from publication with no notice or defective notice under the old Act, it would seem that mistakes of law were intended to fall within the ambit of section 405(a). Neither party has argued to the contrary." (citations omitted)). It bears emphasis that neither party argued that mistakes of law were not curable under § 405(a)(2). The *Shapiro* court stated that, although *Beacon Looms* had held deliberate omissions incapable of being cured under § 405(a)(2), there was "no suggestion . . . that Shapiro deliberately omitted proper notice." *Shapiro*, 568 F. Supp. at 978 n.7.

Innovative Concepts, that an omission of proper notice, i.e., affixation of defective notice due to a "mistake of law," was curable under subsection 405(a)(2). This result, however, was based on a finding that such a mistake was not a "deliberate" omission.¹⁸¹

4. Implications of the *O'Neill Developments* rule

Conflict remains concerning the definition of deliberate omissions and whether they are curable under subsection 405(a)(2). The holding of *O'Neill Developments* invites those copyright owners who are well-versed in copyright law to ignore the notice requirement for up to five years after publication. This will cause confusion and uncertainty about what is in the public domain.¹⁸² If its reasoning should carry the day, the general notice requirement will be effectively repealed for the first five years following publication of a copyrightable work. At that point one must question whether the notice requirement would fulfill a worthwhile purpose, because more copying is likely to occur during the first five years after publication than in later years.

V. POSSIBLE REPEAL OF OR AMENDMENT TO THE NOTICE REQUIREMENTS

A. *Need for Congressional Action*

In light of the conflicting case law concerning subsection 405(a)(2) and deliberate omission of notice, the forthcoming King Research, Inc. survey and Copyright Office report on the costs and benefits of the notice requirement, and the continuing support for the repeal of the requirement,¹⁸³ Congress should take a new look at the notice provisions. If it

181. *Shapiro*, 568 F. Supp. at 978 n.7. In a later opinion granting the defendants' motion for summary judgment, the court reiterated: "There is no evidence that the defect [in notice] was intentional or resulted from anything other than ignorance or mistake." *Shapiro & Son Bedspread Corp. v. Royal Mills Assocs.*, 1984 COPYRIGHT L. DEC. (CCH) ¶ 25,630 at 18,836 (S.D.N.Y. 1984).

182. See *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478, 484 (D. Nev. 1983) ("To excuse compliance with the notice requirements on such a basis would tend to reduce the incentive to comply, since a copyright owner who omitted notice would be able to protect his rights simply by giving actual notice to infringing competitors, who would then be barred for defending on the basis of defective notice.").

183. See Roth, *supra* note 4, at 280-84. The American Bar Association's Section of Patent, Trademark and Copyright Law, at its Annual Meeting in August 1980, adopted the following resolution:

Resolution No. 301-1.

RESOLVED, that the Section approves in principle legislation providing for the elimination of all copyright notice requirements under the Copyright Law of the United States.

1984 Committee Reports, *supra* note 48, at 177 (citing Proceedings (1980SP83-R301-1;

again decides to retain the notice requirements, it should amend subsection 405(a)(2) to further the goals it had in mind in 1976 and to preclude further decisions like *O'Neill Developments*.

B. A Proposed Amendment to Subsection 405(a)(2)

The drafters of the 1976 Act originally sought to encourage copyright owners who know of the notice requirements and know that they apply to a particular type of publication to be vigilant in attaching notice. But they did not wish for the naive author who publishes without notice, and without knowing that there is such a thing as a notice requirement, to forfeit copyright.¹⁸⁴

Amending subsection 405(a)(2) to provide that one who deliberately omits copyright notice may not avail himself or herself of that subsection to cure the omission, and that the burden of persuasion shall be upon the copyright proprietor to prove that the omission was not deliberate, would achieve both of these goals. Deliberate omission should be defined as an omission by one who knows of the notice requirements, knows that they are applicable because a general publication of the work is occurring and the type of work being published falls within a copyrightable category of works, yet fails to take reasonable steps to comply with them.¹⁸⁵

1980SP84-R301-R; 1980SP84-R301-5)). At its Annual Meeting in August 1979, it had defeated an identical resolution. *Id.* (citing Proceedings (1979SP86-R301-1)).

184. The copyright Register's remarks quoted above regarding the legislative history of the 1976 Act indicate that a distinction between deliberate and unintentional omissions was dropped because of the inability to fasten on a test which would avoid "questions involving the subjective state of mind of one or more persons and their ignorance or knowledge of the law. . . ." See *supra* note 93 and accompanying text. It would appear that the drafters wanted to protect naive authors who published their work unaware of the notice requirements, but not to protect knowledgeable business persons who made informed decisions to omit notice. See *Videotronics, Inc. v. Bend Elecs.*, 586 F. Supp. 478, 483 (D. Nev. 1984). The *Videotronics* court stated:

One reason that Congress sought to continue to induce the use of notice was to ensure that the public would be informed "as to whether a particular work is copyrighted." At the same time, it wished to avoid "arbitrary and unjust forfeitures resulting from unintentional or relatively unimportant omissions or errors in the copyright notice." . . . In enacting § 405(a) Congress apparently attempted to achieve both of these goals by excusing omissions that pose a insignificant (or reduced) risk of misleading the public. Thus, the existence of a "relatively small number" of copies that lack notice does not create a significant risk that the public will be misled, and therefore is excused under § 405(a)(1). Similarly, a "reasonable effort" to add an effective notice under § 405(a)(2) reduces that risk, and therefore under § 405(a)(2) would also excuse the copyright owner from the consequences of initially omitting the notice. But where, as here, an effort is made but an ineffective notice is added, the risk that the public will be misled is not significantly reduced. Therefore, such an effort should not be regarded as adequate under § 405(a)(2)."

Id. (citation and footnote omitted).

185. An amendment to § 405(a)(2) is suggested so that it would read as follows:

C. *Effects of the Proposed Amendment*

This proposed amendment would offer the protection of subsection 405(a)(2) to those who do not know of the notice requirements, as well as to those who know of the notice requirements but do not know that they are "publishing" the work in question. If one had received counsel's advice that they were making only a limited publication, one would still be protected by subsection 405(a)(2). Similarly, if one knew that the notice requirements applied, but failed to comply with them because of an accidental smearing of the printing plate or an innocent failure to include every detail of the notice in its proper form, one would still be protected.¹⁸⁶ A copyright proprietor would lose protection only if it failed to take reasonable steps to comply with the notice requirements even though it knew that notice was required.

The proposed amendment would place the burden of persuasion on the copyright proprietor to show that the omission was not deliberate.¹⁸⁷

Sec. 405. Notice of Copyright: Omission of Notice

(a) Effect of Omission on Copyright. The omission of the copyright notice prescribed by sections 401 through 403 from copies or phonorecords publicly distributed by authority of the copyright owner does not invalidate the copyright in a work if . . . (2) registration for the work has been made before or is made within five years after the publication without notice, and a reasonable effort is made to add notice to all copies or phonorecords that are distributed to the public in the United States after the omission has been discovered (One who deliberately omits copyright notice may not avail oneself of this subsection to cure the omission. The burden of persuasion shall be upon the copyright proprietor to prove by a preponderance of the evidence that the omission was not deliberate. For purposes of this subsection, a deliberate omission is an omission by one who knows of the notice requirements, knows that they apply in that one is making a publication of the work and that the work falls within a copyrightable category of works under section 102 or 103, and fails to take reasonable steps to comply with the notice requirements.); or

186. Section 405(a)(2) would be available to one who was somehow inadvertently frustrated in an attempt to affix copyright notice. It would also excuse one who puts notice on the published copies, wrongly believing that such notice was correct in all its details. It is urged that the situation should be resolved according to the "more enlightened approach" of some cases under the 1909 Act, discussed above. *See supra* notes 45-46 and accompanying text.

187. The amendment would serve as a limitation of the more general provision of § 410(c) that proof that one has a certificate of registration from the Copyright Office is prima facie evidence of the validity of one's copyright. *See Beacon Loms*, 552 F. Supp. at 1309; *O'Neill Devs.*, 524 F. Supp. at 713; 3 M. NIMMER, *supra* note 1, § 12.11[b]. Generally, the certificate shifts the burden of production to the defendant to introduce evidence of copyright invalidity. *Original Appalachian Artworks*, 684 F.2d at 826. If the defendant effectively challenges an element essential to copyright validity, the burden of production shifts back to the plaintiff. *Urantia Found. v. Burton*, 210 U.S.P.Q. 217, 220 (W.D. Mich. 1980) (citing H.R. REP. NO. 1476, 94th Cong., 2d Sess. 147, reprinted in 1976 U.S. CODE CONG. & AD. NEWS 5659). *See Shapiro & Son Bedsread Corp. v. Royal Mills Assocs.*, 568 F. Supp. 972, 975 (S.D.N.Y. 1983) ("[Plaintiff's] certificate of copyright registration, made within five years of first publication, constitutes prima facie evidence of [its] copyright . . . 17 U.S.C. § 410(c)" (footnote omitted)). It is clear, however, that a certificate of registration creates no irrebutable presumption of copyright validity. "Where other evidence in the record casts doubt on the question,

It would be unfair to place the burden of disproving the deliberateness of the omission on an innocent infringer, because the copyright owner has better access to the relevant evidence.¹⁸⁸ A naive author should not find it difficult to meet the burden. Even though an untruthful person or company could also meet the burden the first time it deals with copyright matters, this possibility is necessary if the statute is to ensure that all innocent omitters of notice are protected. The amendment would close the loophole now present in subsection 405(a)(2), at least in some jurisdictions, for those knowledgeable authors who purposely omit notice. A person shown to know better, through circumstantial or directed evidence, would not be given carte blanche to intentionally omit notice and then cure it.¹⁸⁹

Under the amendment, the facts in *O'Neill Developments* would have produced an opposite result. The complete omission of notice due to the plaintiff's failure to think that anyone would copy the work would not be curable, because the plaintiff knew of the notice requirements, knew that they applied, and failed to take reasonable steps to comply with them.

But the amendment would yield the same results as were reached in *Beacon Looms*, *Innovative Concepts*, and *Shapiro & Sons* under similar facts. A complete omission of notice such as that in *Beacon Looms*, due

validity will not be assumed." *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 908 (2d Cir. 1980). See also *Midway Mfg. Co. v. Dirkschneider*, 543 F. Supp. 466, 481 (D. Neb. 1981) ("copyright registration is not prima facie evidence that the notice requirement has been satisfied"). Further, *Beacon Looms* held that the copyright claimant seeking protection under § 405(a)(2) must prove that any omission of notice was unintentional. 552 F. Supp. at 1312.

188. Under this test, Robert Indiana, for example, would have been able to protect his famous "Love" design, which he innocently published without notice in 1966. See G. Pick, *Artists Need Lawyers, Too*, Sept. 1981 Arts Lawyer 17, 18-19.

189. The fact that a subjective inquiry is called for is unavoidable and not an insuperable obstacle. Other statutes, including other sections of the 1976 Act, such as those regarding willful violations, require the same kind of determination of intent. *E.g.*, 17 U.S.C. § 506(a) (1982). See *House Hearings*, *supra* note 95, at 1880 (whether an infringement is innocent is a subjective question). Intent is usually proved by circumstantial evidence. In the copyright arena, a copyright proprietor's past experience with and knowledge of copyright matters could be proven, to give rise to an inference of intentional omission of notice. *Cf.* *United States v. Whetzel*, 589 F.2d 707, 712 (D.C. Cir. 1978) (evidence of defendant's prior copyright infringements admissible to prove that the infringement charged was willful); *United States v. Drebin*, 557 F.2d 1316 (9th Cir. 1977) (evidence of defendant's familiarity with the copyright law relevant to whether infringement was willful). Moreover, since the copyright proprietor would bear the burden of persuasion on the issue, a proprietor's testimony of his or her subjective state of mind may well be insufficient to persuade the finder of fact, unless bolstered by other circumstantial or direct evidence, so that truly deliberate omissions would not readily be found to be inadvertent. Even if a proprietor "got away" with a fabrication of innocence the first time, he or she would be hard put to prove that his or her ignorance continued on the occasion of a subsequent publication.

to the plaintiff manufacturer-distributor's failure to determine whether the work was original, would not be curable because the plaintiff knew of the notice requirements, knew that they applied to this type of publication, and failed to take reasonable steps to comply with them. On the other hand, an omission due to a mistake of law, such as a complete omission of notice in reliance on counsel's advice that the item was not copyrightable, would be curable because the client would not have known that the notice requirements applied.

The proposed amendment would remove the ambiguity which exists in subsection 405(a)(2),¹⁹⁰ resolve the split in the case law, and provide the most equitable resolution consonant with retention of the notice requirement.

VI. CONCLUSION

Decisions such as that in *O'Neill Developments* may so undermine the notice requirement of the 1976 Act that what remains will not be worth keeping. In the face of such decisions, and after study of the Copyright Office report, Congress should decide whether or not to retain the notice requirement. If it decides to do so, it should amend subsection 405(a)(2) so that it does not provide a ready cure for those who deliberately fail to comply with the notice provisions.

190. Another way to resolve the ambiguity would be to make clear that deliberate omissions are curable. This could be accomplished most easily by omitting the reference in § 405(a)(2) to "discovery" of the omission of notice.