State of the Art(s): Protecting Publishers or Promoting Progress?

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“Two Registers of Copyrights have observed that the 1976 revision of the Copyright Act represented a break with the two-hundred-year-old tradition that has identified copyright more closely with the publisher than with the author.”2

I. INTRODUCTION

“The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’”1

[1] History repeats itself. This is why we teach history and spend time studying it, in an effort to avoid repeating our mistakes. An example of this old adage at work appears to be surfacing in modern American copyright law’s response to new copying and dissemination technologies. Although the statement of the two Registers of Copyrights presented

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above may have been correct in 1977,\(^3\) it appears that the opposite trend is taking place today – copyright is becoming more closely aligned with publishers. The safeguards enacted to prevent publisher monopolization of the rights to copy and distribute creative works are increasingly neglected when determining the appropriate response of copyright to new technologies. Recent bills, statutes, and court proceedings have all contributed to publishers’ ability to obtain those monopolies over new methods of copying and distributing.\(^4\) Thus, American copyright law now faces a fundamental question: do the lessons of history and the purposes underlying American copyright law require greater limits on the control given to publishers of creative works, either by stronger authors’ rights or weaker copyrights in general? Or, are the public and authors best served by recognizing the derivative benefits which flow to them when the profitability of publishing is protected?

[2] To resolve this question, one must consider the intricate relationship between publishers, authors, and the public. Publishers need authors to provide them with works to copy and distribute, and they need the public to purchase the copies. Authors need publishers to make copies and disseminate their works and the public to create demand for those works. The public needs authors to create works and publishers to provide them with copies. Each party involved in copyright’s incentive system relies upon the others, and each receives benefits when the others get benefits. However, each also has interests of its own. Publishers are business that want to maximize their profits, so they want to give the least possible remuneration to authors (taking into account what is practical given the royalties offered by competitors and the desire to attract the author again in the future) and charge as much as possible for each copy to the public. Authors want to receive as much compensation for their work as possible, so they too want the highest possible price from the public, but they want high royalties and payments from publishers. The public wants creative works at the lowest possible price, and therefore wants both publishers and authors to get less payment for each copy. Each party has incentives to both promote and curtail the interests of the others. Thus, the challenge of

\(^3\) See id. at 495-96 & n.3.

\(^4\) For convenience, the term “publishers” will be used throughout this Note to refer to the publishing and distribution industries, including, in particular, book publishers and the music industry.
copyright law is to balance these conflicting interests while providing adequate incentives to each group.⁵

[3] This Note will show that, despite the constitutional mandate to the contrary,⁶ current law has shifted the balance of copyright’s incentives too far in favor of publishers and away from authors and the public.⁷ This shift has occurred because of the relative concentration of publishers in comparison with the other groups,⁸ which provides publishers the ability to purchase copyright ownership from authors.⁹ This ownership, in turn, provides leverage over any new technology related to copying or distributing creative works. Using this leverage, publishers work to either proscribe or control these new technologies. In this way, publishers are able to maximize their own interests, while providing only the minimal incentives necessary to both authors and the public. The balance shifts from one of equality between the three interested groups to one favoring publishers over the others. This problem is further compounded by the effect of this shift on the new technologies and their creators. Copyright

⁵ See Paul Goldstein, Copyright’s Highway: From Gutenberg to the Celestial Jukebox 31 (rev. ed. 2003). This challenge was even addressed by the Statute of Anne in 1710, which attempted to balance the interests of encouraging learning, the demands of publishers, the demands of authors, and the public interest. Gillian Davies, Copyright and the Public Interest 11-12 (2d ed. 2002).
⁷ This discussion is a gross oversimplification of the incentive structure between authors, publishers, and the public. This structure is incredibly complex and nuanced, as none of the three groups have just one set of incentives; for example, amongst authors, there are numerous categories that each have their own incentives – writers, composers, singers, actors, playwrights, etc. Even within each of these groups, no two people will be motivated by the same exact desires and incentives. For purposes of this Note, however, the general structure provided in the following paragraph will suffice to show the underlying problems and how the proposed solution would rectify them.
⁸ See Thomas B. Nachbar, Constructing Copyright’s Mythology, 6 Green Bag 2d 37, 44-45 (2002) (“[A]n increasingly concentrated industry of publishers routinely own the copyright for a work outright and therefore have an incentive to lobby for ever-expanding copyright terms.”).
⁹ See Stewart v. Abend, 495 U.S. 207, 218 (1990) (“It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum.”) (quoting H.R. Rep. No. 60-2222, at 14 (1909)); see also Mitchell, supra note 6, at 539-41 (discussing the ability of publishers to require authors to transfer their entire copyrights before publication).
law must account not only for the existing players, but also for new authors and new types of works—such as creators of new inventions. When a new technology is prohibited in its infancy or controlled by publishers, both the authors of the technology and the public are harmed. The American system of copyright law, however, was designed precisely to avoid these outcomes.

[4] To demonstrate why the balance of copyright rights is important and how to solve this problem and return copyright to an equilibrium point, this Note will proceed in three parts. It will begin by exploring the origin of the concept of “copyrights” and the purpose, rationale, and development of American copyright law. It will then focus on the current state of copyright law, which enables publishers to hold a monopoly over the copying and distribution of creative works. Finally, it will present a solution to this problem: the creation of a new right in the bundle of copyrights for each new copying or dissemination technology created, and the vesting of the right in the original author of each work, not the copyright owner.

II. ORIGIN OF “COPYRIGHTS” AND THE AMERICAN COPYRIGHT CLAUSE

[5] A proper understanding of the way copyright law should respond to the development of new technologies to maintain an appropriate balance between authors, publishers, and the public can only be achieved when considered through the lens of a full understanding and appreciation of the purpose(s) underlying copyrights. This understanding, in turn, requires some background knowledge of how copyrights developed and how and in what context the American system of copyright was created. To that end, this section will provide a brief overview of the origin of copyright law in England, of the Copyright Clause in the United States, and of the purpose behind American copyright law.

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10 These authors are harmed because they lose control over, and potential remuneration from, their inventions. The public is harmed because it loses the benefits the new technology provides. Both are also harmed by the discouraging effect on creation and invention and the loss of systemic knowledge (new technologies generally build up and improve, or are inspired by, existing technologies).

11 This solution will be provided in much greater detail in the final section. See infra § IV.
A. The Origin of Copyrights

[6] Gutenberg’s invention of the printing press in 1436\textsuperscript{12} provided the original impetus for copyrights. The printing press was brought to Great Britain in 1476, by William Caxton.\textsuperscript{13} At this point, a great proliferation in the number of books available in England began, along with a vast increase in the number of publishers.\textsuperscript{14} At the same time, however, there was a rise in the incidence of piracy.\textsuperscript{15} Unauthorized copies of books created a problem for legitimate publishers.\textsuperscript{16} In response, the Stationers’ Company, a guild for publishers, printers, bookbinders, and booksellers, began granting rights to individual publishers to make copies of certain manuscripts.\textsuperscript{17} At the same time, the Crown was attempting to enforce censorship of works antithetical to the Crown or to the established religion.\textsuperscript{18} To facilitate the enforcement of this censorship, the Crown in 1538 licensed rights to make copies to certain publishers, who were then responsible for enforcing censorship.\textsuperscript{19} Later, in 1557, the Crown granted a charter to the Stationers’ Company, providing a monopoly on publishing and printing in Great Britain.\textsuperscript{20} Because the purpose motivating this charter was merely to enforce censorship, there was nothing within the grant to prevent the Stationers’ Company from enforcing its conferral of the rights to make copy (or copyrights) on individual publishers, and it was given the authority to do just that.\textsuperscript{21} Thus, the original purpose behind the first copyrights was to protect publishers, so they could keep

\textsuperscript{12} \textit{See} Edward W. Ploman & L. Clark Hamilton, Copyright: Intellectual Property in the Information Age 9 (1980).
\textsuperscript{13} \textit{Lyman Ray Patterson}, Copyright in Historical Perspective 20 (1968).
\textsuperscript{14} \textit{See} Ploman & Hamilton, supra note 12, at 9.
\textsuperscript{15} \textit{See id}.
\textsuperscript{16} \textit{See id}.
\textsuperscript{17} \textit{Id}, at 11; Joseph Loewenstein, The Author’s Due 28 (2002).
\textsuperscript{18} \textit{See} Ploman & Hamilton, supra note 12, at 10.
\textsuperscript{19} \textit{See id}, at 11; Davies, supra note 5, at 10; Patterson, supra note 13, at 23-24.
\textsuperscript{20} \textit{See} Davies, supra note 5, at 10; Patterson, supra note 13, at 27-28; Ploman & Hamilton, supra note 12, at 11.
\textsuperscript{21} Ploman & Hamilton, supra note 12, at 11; cf. Patterson, supra note 13, at 21, 36 (“[C]ensorship did aid private persons, publishers and printers, in developing copyright in their own interest with no interference from the courts and little from the government…. The Stationers’ Company was able to develop the concept of copyright because the government remained indifferent to the private ownership of copy.”).
the profits from piracy and enforce the censorship that was imposed by the
Crown. 22

B. Problems of Monopolization

[7] The initial system of copyright lasted for approximately 150 years. 23
The Crown allowed the licensing act to expire in 1694. By providing too
few copies of each work and charging exorbitant prices for each copy, the
publishers had become monopolists. 24 At this point, the Stationers’
Company (hereinafter “the Company”) still had the ability to grant rights
to individual members as against other members, but it had no
enforcement capability outside the courts. 25 Piracy became rampant. 26
The Company attempted to regain its enforcement rights, but the House of
Lords repeatedly denied these requests. 27

[8] After these failures by the Company, it changed tactics, 28 and began
to press an authors’ rights theory of copyrights. 29 The Company argued
that without this protection, authors would suffer, because no one would
pay authors for their manuscripts. 30 In response to these efforts, 31 the
Statute of Anne, generally considered to be the first authors-rights
statute, 32 was created in 1710. 33

[9] The Statute of Anne was entitled “An Act for the Encouragement of
Learning by vesting the Copies of printed Books in the Authors or
Purchasers of such Copies during the Times therein mentioned.” 34
Despite popular modern belief, the statute was not intended to protect
authors, it was intended to prevent piracy without allowing publishers to

22 DAVIES, supra note 5, at 10.
23 PLOMAN & HAMILTON, supra note 12, at 11.
24 See id. at 12; GOLDSTEIN, supra note 5, at 32-33.
25 GOLDSTEIN, supra note 5, at 33.
26 See PLOMAN & HAMILTON, supra note 12, at 12.
27 Id.
28 GOLDSTEIN, supra note 5, at 33.
29 Id. at 34; PLOMAN & HAMILTON, supra note 12, at 13.
30 GOLDSTEIN, supra note 5, at 34.
31 Id.
32 PLOMAN & HAMILTON, supra note 12, at 12.
33 Statute of Anne, 1710, 8 Ann., c. 19 (Eng.); see also PATTERSON, supra note 13, at 43.
34 Statute of Anne, 1710, 8 Ann., c. 19 (Eng.).
hold monopolies over works.\textsuperscript{35} This is demonstrated in several provisions of the statute. The statute did not restrict the ability to hold copyrights to authors, it discussed piracy as printing copies of works “without the Consent of the Authors or Proprietors of such” works,\textsuperscript{36} and granted rights to copy to authors or their “Assignee or Assignees.”\textsuperscript{37} At the same time, the intent to prevent piracy is clear from the grant of exclusive printing rights to the author or his beneficiary.\textsuperscript{38} The goal of preventing monopolies was achieved by limiting the duration of these rights, which had previously been infinite in duration.\textsuperscript{39} For books which had previously been printed, the owner of the printing rights was entitled to a continuation of rights to print the book for twenty-one years, and the author of any book not yet published, or his assignees, was entitled to the exclusive publishing rights to such book for fourteen years from initial publication.\textsuperscript{40} Another major limitation on the ability of a publisher to hold a monopoly on a work was the sole right granted exclusively to authors, not their assignees, after the initial fourteen year term expired.\textsuperscript{41} The right to publish the work reverted to the author, provided that he was still living, for another fourteen year period.\textsuperscript{42} Finally, as an additional limitation on monopolization and a method of raising awareness of creative works and increasing access to those works, penalties were not enforceable unless the title of the book was “entered in the Register Book of the Company of Stationers.”\textsuperscript{43} Nine copies of each book also had to be provided for the use of certain libraries.\textsuperscript{44}

[10] At first the statute had very little effect on authors because the booksellers “simply insisted on having the copyright before they would consent to publish a work.”\textsuperscript{45} Furthermore, the successor to the Stationers’ Company, the Conger, did not give up on retaining its

\textsuperscript{35} DAVIES, supra note 5, at 13; PATTERSON, supra note 13, at 143.
\textsuperscript{36} Statute of Anne, 1710, 8 Ann. c. 19 (Eng.) (emphasis added).
\textsuperscript{37} Id.
\textsuperscript{38} Id.
\textsuperscript{39} Id.
\textsuperscript{40} Id.
\textsuperscript{41} Id.
\textsuperscript{42} Id.
\textsuperscript{43} Id.
\textsuperscript{44} Id.
\textsuperscript{45} PATTERSON, supra note 13, at 152.
publishing monopoly.\textsuperscript{46} It owned the rights to numerous economically lucrative works, such as Shakespeare’s works, and did not want the copyright to fall into the public domain after twenty-one additional years, it wanted to keep the rights in perpetuity.\textsuperscript{47} If the Conger lost its exclusive right to publish these works, it would face competition from other publishers and the decreased profits which result from competition.\textsuperscript{48} Therefore, the Conger continued to lobby the House of Lords to return its former rights.\textsuperscript{49} These pleas were denied.\textsuperscript{50} The Conger then tried a new strategy, based on a theory of common law rights of the author.\textsuperscript{51} This argument eventually led to the famous case of Donaldson v. Beckett.\textsuperscript{52}

[11] Prior to Donaldson v. Beckett,\textsuperscript{53} Millar v. Taylor\textsuperscript{54} had held in favor of the argument of the Conger, stating that there was a common law right of authors to copy their works which had survived the Statute of Anne.\textsuperscript{55} This meant that publishers, who had acquired those rights from the authors, held perpetual control over the copyrights in those works.\textsuperscript{56} Moreover, the Millar case expanded the rights included in a “copyright” from merely the publishing right to all rights in the work.\textsuperscript{57} This appears to have occurred from either an accident or a misunderstanding in the

\begin{footnotesize}
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\item Id. at 151.
\item See Goldstein, supra note 5, at 32; Patterson, supra note 13, at 152; Plooman & Hamilton, supra note 12, at 13.
\item Goldstein, supra note 5, at 34; Patterson, supra note 13, at 153.
\item Goldstein, supra note 5, at 34; Patterson, supra note 13, at 158.
\item Goldstein, supra note 5, at 35; Patterson, supra note 13, at 158.
\item Goldstein, supra note 5, at 38.
\item Id.
\item Id.; Goldstein, supra note 5, at 36-37; Patterson, supra note 13, at 168.
\item Goldstein, supra note 5, at 37; Patterson, supra note 13, at 168-69. Interestingly, the argument that the rights were perpetual was created by the publishers and was clearly intended to benefit the publishers.
\item See Patterson, supra note 13, at 169, 170-171.
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case. At the time, the term “publish,” when used in conjunction with copyrights, referred to merely publishing rights, but the term “copy” referred to all rights in the work. The Millar court used the term “copy,” and not “publish,” in its decision, and therefore the common law copyrights recognized in the case subsumed all rights in a work. Thus, publishers who purchased an author’s copyright held all of the rights to the work under a common law copyright theory.

[12] Alexander Donaldson disagreed with this result and proceeded to publish the same work which had been at issue in Millar. The protection period established by the Statute of Anne had expired, so Donaldson argued that the work was unprotected and could be published by anyone. Beckett, who had purchased Millar’s rights to the work, argued that the decision of the court in Millar was correct – the common law copyright endured in perpetuity. The chancery court in Donaldson v. Beckett held for Beckett, based on the previous case.

[13] Donaldson appealed to the House of Lords, which held that the Statute of Anne displaced the common law rights, and the work was therefore free to be published by anyone. In fact, “the decision could hardly have been otherwise. It was the only decision which would destroy the monopoly of the booksellers, and there is little question that the decision was directly aimed at that monopoly.” Therefore, the rights to publish works were controlled exclusively by the Statute of Anne, and these rights were of limited duration. Finally, and “[u]nfortunately, the decision does not seem to have been properly understood because of the confusion surrounding the author’s so-called common-law copyright.”

Although the House of Lords explicitly “spoke in terms of the right of

58 Id. at 173; cf. id. at 172 (“Yet, in the light of the earlier history of copyright, all of the opinions missed the basic point that copyright was essentially a publisher’s right.”).
55 See id. at 173.
60 PATTERSON, supra note 13, at 173.
61 GOLDSTEIN, supra note 5, at 38.
62 PATTERSON, supra note 13, at 172.
63 GOLDSTEIN, supra note 5, at 38-39
64 GOLDSTEIN, supra note 5, at 38-39; PATTERSON, supra note 13, at 172-73.
66 GOLDSTEIN, supra note 5, at 39; PATTERSON, supra note 13, at 173-74.
66 PATTERSON, supra note 13, at 177-78.
67 See id. at 175.
68 Id. at 178.
‘printing and publishing for sale,’” and not in terms of copying or copyrights, the decision was interpreted, in light of the decision in Millar regarding common law copyrights, to apply to all rights in a work, not just the right to publish. Thus, although the court had intended to address only the publisher’s monopoly, it effectively determined the effect of the Statute of Anne on the entire bundle of rights which compose a copyright. Copyrights granted exclusive privileges to authors. These rights could be transferred to publishers, but the rights were limited in important ways to prevent monopoly power from discouraging the creation of new works.

C. American Copyright Law

[14] Approximately a decade later, twelve of the thirteen American colonies had enacted some form of a copyright statute. Most of these were based on the Statute of Anne. These statutes raised some interesting points of their own, however. Eight of the statutes included preambles stating that the purpose of copyright “was to secure profits to the author; the reason for it was to encourage authors to produce and thus to improve learning; and the theory upon which it was based was that of the natural rights of the author.” A purpose of preventing monopoly is conspicuously absent from this list. The concept, however, survived, because of the basis of the statutes in the Statute of Anne. Thus, the state statutes were predominantly authors’ rights statutes, but they limited the ability to gain monopoly power by including the limited duration aspect of their English predecessor.

[15] This was the backdrop against which the Framers of the Constitution developed the Copyright Clause. The Clause states: “The Congress shall have the power . . . [t]o promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” This provision provides the entire authority for the federal government to promulgate

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69 Patterson, supra note 13, at 151, 173, 175; see also Ploman & Hamilton, supra note 12, at 14.
70 Patterson, supra note 13, at 183-84; Ploman & Hamilton, supra note 12, at 14.
71 Patterson, supra note 13, at 183; Ploman & Hamilton, supra note 12, at 14.
72 Patterson, supra note 13, at 186.
73 Id. at 184, 188-89.
74 U.S. Const. art. I, § 8, cl. 8.
copyright laws. The purpose and intention of this provision sheds light on who was to benefit from copyright, how they were to benefit, and what copyright laws should and should not protect. Therefore, the purpose and intent of this clause are important when attempting to determine how Congress, courts, and publishers should react to the development of new technologies.

[16] The way the Copyright Clause allocates and prioritizes incentives amongst authors, publishers, and the public informs the propriety of modern-day copyright statutes and protections. This purpose has been extensively debated, with four prominent theories being asserted: “that copyright is to protect the author’s rights; that copyright is to promote learning; that copyright is to provide order in the book trade as a government grant; and that copyright is to prevent harmful monopoly.”

Each of these theories has some support, and each theory can find some historical basis during this period. However, the generally accepted understanding, that “the ultimate purpose of the Copyright Clause was to promote learning,” does not, by itself, tell us much about how to respond to new publication and dissemination technologies.

[17] The methods of achieving this purpose are more instructive – providing authors with incentives for their creative activities, and limiting those incentives by time and function (to activities which promote progress). Both of these constraints limit the formation of monopolies. Giving rights to authors prevents monopolization by preventing the concentration of power in any one person, because any one author would only hold a limited number of copyrights, whereas a publisher can hold vast quantities of copyrights. The limited duration of copyrights prevents monopolies because the copyright eventually falls into the public domain, so that anyone can freely use the work. In fact, the Framers even

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75 Patterson, supra note 13, at 181; see also Ploman & Hamilton, supra note 12, at 15.
77 Mitchell, supra note 76, at 2125; see also Patterson, supra note 13, at 193; Ploman & Hamilton, supra note 12, at 16.
78 Patterson, supra note 13, at 194; Ploman & Hamilton, supra note 12, at 16.
79 Patterson, supra note 13, at 194.
discussed the concept of monopolies within the context of copyrights. Jefferson was hesitant to grant even limited monopolies over creative works. Madison, an advocate of copyrights, only promoted providing a limited monopoly to encourage authors to create, not plenary rights. Thus, the ultimate beneficiary of the clause was to be the public, but the method of providing public benefits prevented monopolies by giving limited rights to authors.

Finally, the inherent limitation on publisher monopolies is demonstrated by the Act of 1790, which was modeled after the Statute of Anne. The Act was entitled “An act for the encouragement of learning, by securing the copies of maps, charts, and books, to the authors and proprietors of such copies, during the times mentioned therein.” The Act is entitled similarly to the Statute of Anne, and it contains many of the same restrictions and privileges as that statute, including a renewal provision. “In this way [regarding the renewal provision], Congress attempted to give the author a second chance to control and benefit from his work.” This provision, allowing the author to regain control of his work for a second term of copyright, actively prevents monopolization by the publisher – just as had been done in the Statute of Anne. Thus, history makes clear that copyrights, although not explicitly intended to prevent monopolies, effectively accomplished this result by establishing a structure that balanced the incentives awarded to publishers, authors, and the public. This structure and balancing system should be maintained, and the lessons provided by the early copyright system in England should

80 Mitchell, supra note 76, at 2122-23.
81 Id.
82 PLOMAN & HAMILTON, supra note 12, at 16.
83 Copyright Act of 1790, 1 CONG. CH. 15, 1 Stat. 124 (1790); see Eldred v. Ashcroft, 537 U.S. 186, 232 n.8 (2003) (Stevens, J., dissenting) (“The 1790 Act was patterned, in many ways, after the Statute of Anne enacted in England in 1710.”).
84 Copyright Act of 1790, 1 CONG. CH. 15, 1 Stat. 124.
85 Compare Statute of Anne, 1710, 8 Ann. c. 19 (Eng.), with Copyright Act of 1790, 1 CONG. CH. 15, 1 Stat. 124.
87 See PATTERSON, supra note 13, at 197.
88 See id. at 194-96; cf. Eldred, 537 U.S. at 201 n.5 (“The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’”).
not be forgotten. Publishers should not even be permitted, let alone helped and encouraged, to procure monopoly power through prohibiting or acquiring control over newly invented copying and dissemination technologies.

III. Publisher Protectionism, Control, and New Technology

“It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum.”

“Much of the existing copyright code is difficult to describe as a device for providing incentives to create new works.”

[19] The history of copyright shows a system designed to limit monopoly power by granting authors rights over publishers and by limiting those rights. History also shows, however, that this preference was not cultivated by authors or the public, but was created as a result of arguments proffered by publishers. Thus, the underlying theory of American copyright law, even the rights afforded to authors and the public, developed as a result of a power struggle between established publishers and challenger publishers (often referred to as “pirates”).

[20] Historically, challengers attempted to compete with the established publishers by printing the same works in cheaper copies, either through the same quality offered at lower price or by offering lower quality copies. The method created to prevent this struggle from resulting in agreements between the challenger and established publishers to divide the rights to remuneration from a work and reduce competition (a result

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89 This does not mean that publishers should not enjoy profits from their efforts. Publishers should be able to obtain remuneration for the work they perform. This compensation for services should be limited to compensation for what they do, however, and should not provide monopoly rents to them. Profits should be balanced between publishers, authors, and the public, not distributed in the manner best seen fit by publishers.

90 Stewart, 495 U.S. at 218 (quoting H.R. Rep. No. 2222, at 14 (1909)).


92 See generally id.

93 Id. at 293-95.
which would ultimately harm consumers with higher prices and fewer quantities of copies of works) was to give control of remuneration rights to authors and limit the ability to control a work by limiting the duration of the copyright (the source of control over the work). However, this solution was never totally effective, and the effectiveness it did have declined as publishers grew in power and size. Thus, despite copyright law’s purpose of promoting progress and benefiting the public by rewarding authors (and therefore derivatively benefiting publishers), copyright law has continued to develop in reaction to struggles between established publishers and challengers, which normally arise with new technological advances. Worse yet, the effect of these reactionary copyright laws has been to allow publishers to gain monopoly power, and thereby to shift the status of copyright from a balance between authors, publishers, and the public, to a preference for publishers.

A. The Power Struggle

During the latter part of the nineteenth century and throughout the twentieth, a number of new technologies were invented relating to the business of publication and dissemination. These inventions improved copying and disseminating, by making it quicker, easier, or cheaper to perform one or both of these activities, or some combination thereof. Technologies such as record players, radio, and cable television presented serious challenges to the incumbent industries (sheet music publishers, sheet music publishers and songwriters, and the broadcast industry, respectively), and incumbent industries reacted negatively to the upstarts. They accused the new competitors of piracy and sought protection. Each incumbent group argued that the interests of authors

94 U.S. Const. art. I, § 8, cl. 8.
95 Wu, supra note 91, at 292-325.
96 See id. at 292. Examples of this phenomenon include record players, cable television, online music distribution, VCR players, DVD players, and audiocassette players. Douglas Eberman, Popular Inventions - Everyday Household Items, Computers, Transportation and Navigation, Medicine, Entertainment, Sports, Music, Art., http://douglas7eberman.net/techistory.html (last visited Nov. 7, 2005).
97 See, e.g., Wu, supra note 91, at 293.
98 See id. at 297-312.
99 See id. The incumbent industries generally reacted by bringing lawsuits against these upstart companies.
100 See id.
would only be protected if the challenger was prohibited or controlled by
the incumbent – otherwise, authors would be prevented from receiving
adequate compensation for their works. Furthermore, each incumbent
feared that the challenger would destroy and displace its business.

They brought actions in courts, accusing the challenger of copyright
infringement, and sought legislative protection from Congress. Each
of these conflicts resulted in a statutory grant of licensing in the form of
royalties. More importantly, each of these conflicts resulted in the
incumbent industries successfully obtaining protection against challengers,
by requiring the challenger to pay royalties to the incumbent, and thereby
reducing competition from the challengers. In this way, the incumbent
publishers leveraged their copyright ownership to obtain income from the
new technology, and the new technology was allowed to develop.

However, the challenger existed in relative harmony with the incumbent
instead of inciting competition between the two potential publishers to
obtain copyright ownership or licensing rights from authors, competition
which would have allowed authors to drive up prices for their works.

101 See id. at 298-99, 305, 313.
102 See id. at 297-312.
104 See, e.g., 17 U.S.C. § 115 (2000) (requiring license for making and distributing phonorecords); Copyright Act of 1909, Pub. L. No. 60-349, § 1(e), 35 Stat. 1075 (giving owners exclusive rights to their copyrighted works); see generally Wu, supra note 91.
106 See Wu, supra note 91, at 325 (“Copyright cannot help creating the baseline for competition among disseminators.”).
B. Against Publisher Control: The Sony Case

[22] Until the last quarter of the twentieth century, publishing industries utilized this methodology to great success. Nascent technologies were generally either stifled in their incipiency or were at least controlled to some extent by the incumbent publishers. In addition, two judicial doctrines were created which made this process easier – contributory infringement and vicarious liability.\(^{107}\) These doctrines eased the burden on the incumbents by making the manufacturer or operator of new copying or distribution technologies liable for infringement activities of its consumers or users, thereby allowing the copyright owner to sue one party, the manufacturer or operator, rather than numerous parties, the directly infringing consumers.

[23] Contributory liability creates liability in a secondary infringer when three elements are present: “(1) direct infringement by a primary infringer, (2) knowledge of the infringement, and (3) material contribution to the infringement.”\(^{108}\) Essentially, this doctrine imposes liability when the party either knew or reasonably should have known that infringing activity was occurring at a time when they had the ability to control or stop that infringing activity.\(^{109}\)

[24] Vicarious liability also imposes liability for copyright infringement on parties who did not engage in direct infringement when three elements are present: “(1) direct infringement by a primary party, (2) a direct financial benefit to the defendant, and (3) the right and ability to supervise the infringers.”\(^{110}\) All of this changed, however, and the incumbent industries suffered a major setback, with the case of *Sony Corp. of America v. Universal City Studios.*\(^{111}\)

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\(^{108}\) Id.

\(^{109}\) Id.

\(^{110}\) See A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1020 (9th Cir. 2001).

\(^{111}\) Grokster, 380 F.3d at 1164.

*Sony Corp. of Am. v. Universal City Studios, 464 U.S. 417 (1984).*
[25] In *Sony*, the claim was not novel: Sony had developed a new technology (the Betamax) which was capable of copying creative works, and members of the movie and television industries alleged that Sony was liable for copyright infringement. These industries claimed that the users of the VTR engaged in direct infringement, and that Sony was therefore liable under the doctrine of contributory infringement. The Supreme Court, however, was hesitant to deny the benefit of new technologies to non-infringing users merely to suppress infringing uses of those technologies. The Court rejected the contributory infringement argument, holding that Sony was not liable because (1) Sony could not control how the Betamax was used by consumers and (2) the Betamax was “capable of substantial noninfringing uses.” Thus, the Court rejected the attack on the Betamax and refused to allow the movie industry to gain any control over or prohibit it, because it could be used legitimately. Even though Sony knew it was also used illegitimately, Sony had no way to stop the infringing uses.

[26] This decision dealt a blow to the movie industry (the incumbent publishers), because it meant that the industry could not go after Sony, the manufacturer of the new technology, but instead was forced to go after direct infringers, the consumers of its works. The *Sony* decision appeared to impose significant burdens on the industry. Because the industry could not extract payments from Sony, it would have to spend more resources prosecuting infringers, risked alienating its consumers by suing them, and faced competition in the market for producing copies of its works. Jack Valenti, the president of the Motion Picture Association of America, voiced these feared effects of new technology when he told Congress that the VCR would destroy the movie industry. He even went so far as to say “the VCR is to the American film producer and the American public

112 *Id.* at 419-20.
113 *Id.* at 420.
114 *See id.* at 421, 431, 456.
115 *Id.* at 456.
as the Boston strangler is to the woman home alone.”

History has vindicated the Sony Court’s decision, as the VCR not only did not destroy the movie industry, but instead provided that industry with a source of revenue that surpassed the revenues from box office sales within a few years.

C. The Attack on Sony and Re-establishment of Publisher Control

1. Attacking Sony and the Rise of the Internet and the Digital Age

Publishers have never been content with the Sony decision and have actively attempted to overturn the decision since it was handed down. These efforts were met with limited success for a number of years, including the narrowing of Sony by numerous other court decisions. Despite these efforts, though, the holding still retains

117 Id.
120 See In re Aimster Copyright Litig., 334 F.3d 643, 648-50 (7th Cir. 2003); Universal City Studios, Inc. v. Corley, 273 F.3d 429, 436 (2d Cir. 2001); A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1020 (9th Cir. 2001); UMG Recordings, Inc. v. Sinnott, 300 F. Supp. 2d 993, 998-99 (E.D. Cal. 2004); Universal City Studios, Inc. v. Reimerdes, 111
viability as good precedent. However, the creation and growth of the Internet and digital technology have spurred a renewed and more aggressive attack from the publishing industries.

[28] The combination of these two inventions, the Internet and digital technology, has made mass distribution of perfect copies of works possible, cheap, and efficient. Furthermore, these inventions make it feasible for individual users to engage in mass copying or distribution of creative works, rather than restricting these activities to rival publishers and challengers. This poses a serious problem to publishers because they receive no economic benefit from distribution or copying of works by consumers. It is also a problem for authors, because it is difficult to enforce royalty payments against such a large number of potential distributors. Finally, it presents a long term problem for the public. Although the public gets free copies of works in the short term, it decreases the incentives of both publishers and authors to create and provide new works, resulting in fewer available works in the future. However, for these inventions to be effective, there must be a manufacturer of digital copying equipment or an operator of an online distribution forum. To circumvent these problems and to avoid suing


122 See Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd., 380 F.3d 1154, 1160 (9th Cir. 2004) (citing the Sony decision and relying on it as precedent), vacated and remanded by MGM Studios, Inc. v. Grokster Ltd., 125 S. Ct. 2764, 2778-79 (2005) (“It is enough to note that the Ninth Circuit’s judgment rested on an erroneous understanding of Sony and to leave further consideration of the Sony rule for a day when that may be required.”).

123 See Mitchell, supra note 76, at 2115 n.2, 2116 n.3.

124 See id.

125 A centralized system, or at least a program that provides access to other users, is necessary so that users have a place to search for the work they want to copy. See, e.g., Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd., 380 F.3d at 1159 (stating that Kazaa uses a supernode structure that has composite lists on computers dubbed “supernodes” and Grokster uses a de-centralized server which compiles lists of results from searches on the user’s own computer); In re Aimster Copyright Litig., 334 F.3d at 646-47 (describing Aimster’s system as functioning like a stock exchange, because it provides a forum for users to find and transfer digital files); A&M Records, Inc. v. Napster, Inc., 239 F.3d at 1011-12 (discussing Napster’s system as a central-indexing model in which the server held no files, but it did keep lists of the files available from users).
their customers, publishers attempted to impose liability on the manufacturers and operators of the new technologies or distribution systems.\footnote{126}

[29] The \textit{Sony} decision, however, stood as a formidable obstacle to the success of any suit against a manufacturer or operator of new technology. According to \textit{Sony}, no liability can attach to any manufacturer or operator who employs a technology that is capable of substantial non-infringing use and who cannot control the use of the technology by consumers.\footnote{127} Therefore, to avoid being forced to go after individual users by imposing liability on the manufacturer or operator, publishers must either demonstrate that the manufacturer or operator could control the uses of the new technology or they must overturn or narrow the \textit{Sony} decision.

[30] Publishers have pursued both of these avenues, achieving limited success in each. First, publishers attempted to convince the judiciary to overturn, or at least narrow, the \textit{Sony} decision.\footnote{128} This effort met with some success, with courts interpreting the holding to require that a new technology be actually used for substantial non-infringing purposes, rather than merely capable of these uses.\footnote{129} Thus, in \textit{In re Aimster Copyright Litigation},\footnote{130} the Seventh Circuit upheld an injunction against the Aimster file-sharing service, because, in part, Aimster was unlikely to be able to show substantial non-infringing uses of its service.\footnote{131}

[31] Next, publishers achieved some success by arguing that operators of new technology have control over the uses of that technology.\footnote{132} Two

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\footnote{127 \textit{Sony Corp. of Am. v. Universal City Studios, Inc.}, 464 U.S. 417, 446-47, 456.}
\footnote{128 \textit{In re Aimster Copyright Litig.}, 334 F.3d 643 (7th Cir. 2003).}
\footnote{129 See id. at 650-51 (“But the balancing of costs and benefits is necessary only in a case in which substantial noninfringing uses, present or prospective, are demonstrated.”).}
\footnote{130 \textit{Aimster}, 334 F.3d 643 (7th Cir. 2003).}
\footnote{131 \textit{Id.} at 653.}
\footnote{132 See, e.g., \textit{Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd.}, 380 F.3d 1154, 1159 (9th Cir. 2004), \textit{vacated and remanded by MGM Studios, Inc. v. Grokster, Ltd.}, 125 S.}
prominent cases displaying these arguments are *A&M Records, Inc. v. Napster, Inc.*[^133] and *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster Ltd.*[^134] In *Napster*, the Ninth Circuit ordered the Napster file sharing service to remove all infringing files from its system.[^135] When Napster failed to comply with this order, the court ordered the service to be shut down until compliance could be achieved.[^136] Thus, the peer-to-peer file sharing technology employed by Napster was prohibited for both infringing and non-infringing uses and users. In *Grokster*, however, the Ninth Circuit found that the defendant companies could not control the uses of their file-sharing technology.[^137] This technology was based on a different system than Napster, a decentralized system whereby Grokster was unable to prevent any particular files from being distributed.[^138] Because of this lack of control, the *Sony* doctrine prevented the court from finding Grokster liable.[^139] In March of 2005, the recording industry appealed the Ninth Circuit’s decision.[^140] In the Court’s view, the Ninth Circuit “misapplied” *Sony* by reading that the case required that “whenever a product is capable of substantial lawful use, the producer can never be held contributorily liable for third parties’ infringing use of it….”[^141] Instead the Court held that the case was “significantly different” from *Sony* in that the distributors of Grokster, despite claiming noninfringing, alternative uses, “show[ed] a purpose to cause and profit from third-party acts of copyright infringement.”[^142] The *Grokster* Court [Ct. 2764 (2005); A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1011-12 (9th Cir. 2001).][^133] 239 F.3d at 1004.

[^133]: 239 F.3d at 1004.

[^134]: 380 F.3d at 1154.

[^135]: *Napster*, 239 F.3d at 1027.

[^136]: See *A&M Records, Inc. v. Napster, Inc.*, 284 F.3d 1091, 1099 (9th Cir. 2002) (affirming the district court’s shut down order for failure to comply satisfactorily with the district court’s preliminary injunction).

[^137]: See *Grokster*, 380 F.3d at 1163-64 (holding that because the defendants were not access providers, did not provide storage or maintenance, and only communicated with users incidentally, their actions were “too incidental to any direct copyright infringement to constitute material contribution”).

[^138]: *Id.* at 1159-60, 1163-64.

[^139]: *Id.* at 1167.


[^141]: *Id.* at 2778.

[^142]: *Id.* at 2782. In fact, Justice Breyer believed that “the need for modifying *Sony* (or for interpreting *Sony*’s standard more strictly) has not been shown.” *Id.* at 2796 (Breyer, J., concurring).
held that “one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”¹⁴³ The Court vacated the Ninth Circuit’s decision and remanded the case to the district court to reconsider MGM’s summary judgment motion.¹⁴⁴

[32] Finally, publishers have lobbied Congress for a legislative reversal of the *Sony* holding.¹⁴⁵ One bill in particular, the Inducing Infringement of Copyrights Act of 2004,¹⁴⁶ was specifically introduced in an effort to overturn the *Sony* decision.¹⁴⁷ This bill, if enacted, would impose liability on any manufacturer or operator who encouraged consumers to commit copyright infringement by means of advertising the capability of the technology to perform infringement.¹⁴⁸ The Induce Act would have specifically overruled *Sony*, because the Betamax was advertised¹⁴⁹ as

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¹⁴³ *Id.* at 2770.
¹⁴⁴ *Id.* at 2783.
¹⁴⁶ *Id.*
¹⁴⁷ See, e.g., Letter from Ass’n of Am. Univ. et al., to Senators Orrin G. Hatch & Patrick J. Leahy, Chairman and Ranking Member of the Senate Comm. on the Judiciary (Sept. 17, 2004), available at http://www.educause.edu/LibraryDetailPage/666?ID=CSD3471 (“The Copyright Office’s new draft fails to codify the Supreme Court’s Betamax decision, which, despite having fostered twenty years of explosive growth in technology, is now under unrelenting attack.”); Letter from Gary Shapiro, President of Consumer Electronics Ass’n, et al., to Senators Orrin G. Hatch & Patrick J. Leahy, Chairman and Ranking Member of the Senate Committee on the Judiciary (Oct. 6, 2004), available at http://www.corante.com/importance/archives/10-6joint_letter_2.pdf (“Unfortunately, the recording industry continues to propose language that would not solve the piracy problems in the manner you identified, but instead would effectively put at risk all consumer electronics, information technology products, and Internet Products and services that aren’t designed to the industry’s liking.”); cf. 149 Cong. Rec. S7190 (daily ed. June 22, 2004) (statement of Sen. Hatch) (“Of course, the dysfunctional corrective mechanism that Sony proposed would have become problematic only if the Sony limitation was misunderstood or misapplied by lower courts. Unfortunately, that has now happened.”).
being able to copy copyrighted works. However, the bill was not enacted when introduced in Congress in 2004. The pre-\textit{Grokster} consensus was that the bill would be re-introduced, with a greater likelihood of passage, if the Supreme Court failed to overturn the Ninth Circuit’s decision in \textit{Grokster}. Now, publishers are taking a wait-and-see approach while the lower courts interpret the Supreme Court’s \textit{Grokster} ruling. Although the Supreme Court sidestepped \textit{Sony}, the landmark case’s fate ultimately remains in the hands of Congress which may decide to legislatively overturn the ruling.

2. Legislative Grants of Control to Publishers

[33] Publishers have also sought other methods of increasing their control over creative works and preventing any rise in the level of competition in copying or disseminating creative works. These efforts have generally been in the form of lobbying Congress to create statutory protections for copyrighted works. The success of these efforts can be demonstrated by

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\textit{Liberties, and the Admin of Justice of the H. Comm. on the Judiciary}, 97th Cong. (1982) (testimony of Jack Valenti, President, Motion Picture Association of America, Inc.) (“Now, these machines are advertised for one purpose in life. Their only single mission, their primary mission is to copy copyrighted material that belongs to other people.”). 

\footnotesize\footnote{If the bill were enacted, its breadth would depend on the interpretation given to it by courts. What conduct is included is questionable at best. For example, car manufacturers advertise their products as being able to accelerate from zero to sixty miles per hour and as having top speeds above the speed limits. Would this constitute “inducement” of speeding and reckless driving? The bill is so vague in its standards that it “has been ridiculed by techies as so poorly written that it could unintentionally ban an infinite range of everyday tools – iPods, DVD burners, even paper and pencil.” Xeni Jardin, \textit{Induce Act Draws Support, Venom}, WIRED.COM, Sept. 11, 2004, http://www.wired.com/news/politics/0,1294,64723,00.html. \textit{See also} Katie Dean, \textit{Big Anti-Induce Campaign Planned}, WIRED.COM, Sept. 14, 2004, http://www.wired.com/news/politics/0,1283,64870,00.html; Letter from Ass’n of Am. Univ. et al, \textit{supra} note 148; Letter from Gary Shapiro, \textit{supra} note 148.}

\footnotesize\footnote{151 \textit{See} Cindy Cohn & Phil Corwin, \textit{The Induce Act Would Give Hollywood Veto Power Over New Technologies}, 1 SCI\textsc{T}ECH LAW. 9, 10 (2005) (“But Hollywood loves remakes, and the Act is sure to be back once the Supreme Court speaks on \textit{Grokster}.”).}

\footnotesize\footnote{152 Tony Newmyer, \textit{Caution Seen After Court Ruling}, ROLL CALL, June 30, 2005, \textit{available at} 2005 WLNR 10297448.}

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two statutes: the Digital Millennium Copyright Act (DMCA) and the Copyright Term Extension Act (CTEA).

i. The DMCA

[34] One method by which publishers attempted to gain control over new technologies was by creating new technology of their own. The publisher’s technology, however, was designed to prevent users from engaging in unauthorized dissemination or copying of a copyrighted work. To achieve this goal, publishers designed technological systems which encrypted works or restricted access to works, so that consumers could either only use the works for specific uses or could only access the work through specific machines. These restrictions enabled publishers to control new technologies by requiring the new technologies to be compliant with the protection schemes created by the publishers. For example, to view Digital Versatile Discs (DVDs), a consumer must

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155 See PATRICIA L. BELLIA ET AL., CYBERLAW: PROBLEMS OF POLICY AND JURISPRUDENCE IN THE INFORMATION AGE 270 (2003) (“While technology can make copying easier and less costly, it can also give content providers the means to more perfectly restrict access to materials.”); see also Eugene R. Quinn, Jr., An Unconstitutional Patent in Disguise: Did Congress Overstep Its Constitutional Authority in Adopting the Circumvention Prevention Provisions of the Digital Millennium Copyright Act?, 41 BRANDEIS L.J. 33, 51 (2002) (“[T]he ease of infringement and the difficulty of detection and enforcement would cause copyright owners to look to technological solutions, in addition to legal solutions, in order to protect their copyrightable works.”).
156 See, e.g., Dan L. Burk & Julie E. Cohen, Fair Use Infrastructure for Rights Management Systems, 15 HARV. J.L. & TECH. 41, 49 (2001) (“Rights management systems . . . can insist that permission be sought, and a fee paid, for any use.”); see also BELLIA ET AL., supra note 155, at 270 (“[A]ccess to material on a web site can be conditioned on paying a fee and (absent hacking) perfectly enforced . . . . [W]hile technology changes many of the assumptions underlying copyright law, it is far from clear whether such changes result in an expansion or contraction of control over content.”).
157 See Burk & Cohen, supra note 156, at 50 (“[C]opyright owners determine the rules that are embedded into the technological controls.”); see also BELLIA ET AL., supra note 155, at 270 (“For example, a copy-protected compact disc prevents a teacher from making a copy even if the copyright law might have deemed the copying a fair use.”).
158 See generally Burk & Cohen, supra note 156.
purchase a DVD player that is capable of decoding the regional encoding on the disc. Furthermore, the player must be equipped with the ability to properly read and decipher the access codes on the disc. Finally, the disc itself must contain the proper access codes, or the player will not run it. Another example can be found in copy-protected compact discs. These discs provide control over computer drives and CD players which can write to blank discs, by preventing these devices from copying protected discs—no matter what the purpose for copying the disc.

[35] The effectiveness of these technological developments by the publishing industry has been hampered by the emergence of what has been termed “the technological arms race.” Three groups of individuals have resisted the ability of publishers to technologically control their copyrighted works—would-be infringers, users of works which have fallen into the public domain, and fair users. None of these groups can achieve their desired use of the works if technology prevents unauthorized access or copying of the works. Therefore, these groups responded to the publishers’ technological achievements by developing their own technologies which circumvent the publishers’ technologies. Thus, the publishers became embroiled in a battle of increasingly sophisticated technology.

[36] Publishers did not want to compete in this manner, so they lobbied Congress to provide statutory enforcement mechanisms for their

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160 *Id.*
161 *Id.*
162 *Id.* at 21-23.
163 *Id.*
164 Trotter Hardy, *Property (and Copyright) in Cyberspace*, 1996 U. CHI. LEGAL F. 217, 251 (“The problem with this scenario is that it constitutes a kind of wasteful ‘arms race’ of technological-protection schemes, with each side increasing its spending to outperform the other's technology.”).
165 *Id.* at 250-51.
166 *Id.*
167 *Id.*
These efforts resulted in the enactment of the Digital Millennium Copyright Act (DMCA) in 1998. The DMCA is reminiscent of the grant given to the Stationer’s Company in the sixteenth century. It provides publishers with a mechanism to enforce their exclusive rights to copyrighted works. Under the DMCA, it is illegal to circumvent a technological lock on copyrighted works or to manufacture or distribute any device which is capable of this circumvention. With this statute as an enforcement mechanism, the publishers won the “arms race” – technologies which could defeat the publisher’s technologies are not legal.

[37] The DMCA vastly reduces the potential for competition against publishers. Any challenger who attempts to compete by using a new technology faces the serious barriers to entry imposed by the statute. New technology is prohibited if it enables copying of copy-protected works, whether or not it also can be used for fair uses or to copy non-protected works or works which are protected but have fallen into the public domain. Because publishers use their concentrated power to obtain entire copyrights from authors, any new challenger must negotiate with the incumbent publishers for rights to any existing work. Although challengers can compete to obtain copyrights on new works from the authors, they face numerous obstacles to sustained existence without access to existing works. First, they will be disadvantaged in the competition for new works if they cannot copy or distribute existing works, because they can neither show their effectiveness nor rely on the

168 Under strong lobbying pressure from the middlemen, Congress… accepted the pay-per-access vision of the future and agreed to shore up copyright law to deal with the nuances of the digital environment. With the ostensible goal of bringing United States law into line with an international treaty, Congress enacted the DMCA.


170 Id. §§ 1201(a)(1)(A), 1201(a)(2).

171 See Joseph P. Liu, Copyright Law’s Theory of the Consumer, 44 B.C. L. REV. 397, 428-30 (2003); see also Hardy, supra note 164, at 551 (defining the “arms race” concept).

172 See BELLIA ET AL., supra note 155, at 270 (“For example, a copy-protected compact disc prevents a teacher from making a copy even if the copyright law might have deemed the copying a fair use.”); Sharp, supra note 159, at 26-29.
profitability from old works to support sales of new works. Second, the incumbents could threaten to withdraw support from old works of authors if the author sells a copyright to a new copier or distributor.\footnote{173} Finally, the challenger has no established popular works to draw in new works or customers. Thus, the DMCA greatly diminishes the potential for competition in the publishing industries.

ii. The CTEA


\footnote{174}{\textit{Copyright Act of 1976}, Pub. L. No. 94-553, § 302(a), 90 Stat. 2541, 2572 (extending copyright’s duration to a term of life of the author plus fifty years); \textit{Copyright Act of 1909}, Pub. L. No. 60-349, § 23-24, 35 Stat. 1075, 1080-81 (term of fifty-six years, consisting of an additional and a renewal term of twenty-eight years each); \textit{Copyright Act of 1831}, ch. 16, §§ 1, 16, 4 Stat. 436, 439 (term of forty-two years, consisting of an original term of twenty-eight years and a renewal term of fourteen years).}

\footnote{175}{\textit{The Sonny Bono Copyright Term Extension Act}, Pub. L. 105-298, §§ 102(b), 102(d), 112 Stat. 2827-2828 (extending copyright’s term to life of the author plus seventy years).}

\footnote{176}{17 U.S.C. § 302 (2000).}

\footnote{177}{\textit{Eldred v. Ashcroft}, 537 U.S. 186 (2003).}

\footnote{178}{U.S. CONST. art. I, § 8, cl. 8.}
problems that monopoly created.\textsuperscript{179} The grant of a limited monopoly to authors was also provided as an incentive to create works in spite of the negative effects of giving exclusive control, not as a deliberate grant of control for the sake of giving control.\textsuperscript{180} In light of these purposes, the policy decision behind extending control over copyrights should be critically analyzed by Congress, because each extension increases the monopoly power of copyright holders, even if the duration is still technically for only a limited time.\textsuperscript{181} Because publishers are still able to obtain the entire copyright in a work from the authors, just as they did in seventeenth century England, the CTEA and similar previous statutes have periodically enhanced the monopoly power of the publishers.

IV. STRIKING A BALANCE BETWEEN PUBLISHERS, AUTHORS, AND THE PUBLIC

[40] The lessons of history, the structure created by the Constitution, and the provisions of the 1976 Copyright Act all suggest a simple solution to the problem of publishers’ increasing ability to obtain monopoly power over creative works. History suggests that monopoly power should be avoided and is of most concern when held by publishers.\textsuperscript{182} The structure of American copyright law in the Constitution suggests that the primary beneficiaries of the copyright law should be the consuming public, and that this benefit should be conferred indirectly by providing direct benefits to authors for making creative works. Finally, the 1976 Act suggests that rights to works should vest initially in authors,\textsuperscript{183} a “copyright” should

\textsuperscript{179} See Eldred, 537 U.S. at 201 n.5 (“The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’”).
\textsuperscript{180} Cf. id.
\textsuperscript{181} See id. at 222 (“Beneath the façade of their inventive constitutional interpretation, petitioners forcefully urge that Congress pursued very bad policy in prescribing the CTEA’s long terms. The wisdom of Congress’ action, however, is not within our province to second guess.”).
\textsuperscript{182} See U.S. CONST. art. I, § 8 cl. 8; see also Eldred, 537 U.S. at 201 n.5 (“The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’”).
\textsuperscript{183} 17 U.S.C. § 201(a) (2000).
consist of a bundle of individual rights, and each individual right should be separately transferable.\textsuperscript{184} and each individual right should be separately transferable.\textsuperscript{185}

[41] Putting these suggestions together, Congress should recognize an independent right within a copyright for each new technologically created method of distributing or copying a work. These rights should initially vest in the author of the work no matter who owns the other rights to that work, and these rights should be transferable by the author to any party of his choosing – whether that party is an owner of some or all of the other rights in the copyright or not. One caveat to this system is if another party owns all of the other rights which make up the copyright, that party’s original expectations in obtaining the copyright should be protected by granting it a right of first refusal to obtain ownership of the new right on the same terms as those offered by another potential transferee. The rest of this section will explore the implications of this solution and discuss the importance of its implementation to stem the tide of the accrual of monopoly power by publishers.

\textit{A. Benefits and Implications of This Solution}

[42] This solution provides a substantial number of benefits, and it incurs few, if any, serious detriments. Of the four interested groups, authors, publishers, the public, and technology inventors, three stand to gain from this solution. The only one who does not stand to benefit, publishers, would at least still have their interests protected, although they would be unable to continue to reap rewards at the expense of the other groups. The solution would also prevent monopoly, thereby respecting the lessons of history, and it would shift the balance of interests back into equilibrium for all parties.

[43] The first interested group that would benefit from this solution is authors. Authors would benefit in a number of ways. First, they would be the recipient of the newly created rights each time a new technology related to copying or distributing was developed, and therefore gain more control over their works. This would give them increased control over where, when, how, and even whether their works are published, copied,

\begin{footnotesize}
\textsuperscript{184} \textit{Id.} \textsuperscript{\textsection} 201(d)(1).
\textsuperscript{185} \textit{Id.} \textsuperscript{\textsection} 201(d)(2).
\end{footnotesize}
and disseminated. Second, this increased control would provide them with enhanced ability to receive compensation from their works, because they would have another right to sell. This new right corresponds to a new source of economic value. This right would be assignable separately from the other rights, either when created for existing works or when the author initially sells the works for works which are unpublished at the time of creation of the right. Third, authors would benefit from the removal of an intermediary in the distribution process. When the right is automatically assigned to a publisher who controls the copyright, the publisher typically does not enter into the operation of the new technology, but licenses that operation to one of its new challengers. This system provides royalty payments to the publisher from the manufacturer or operator of the new technology, but it may not provide anything to the author. If it does provide payments to the author, it likely only provides a portion of the royalties garnered by the publisher. In laymen’s terms, the publisher takes a cut which would flow to the author if the author contracted directly with the manufacturer or operator of the new technology. Finally, the author would benefit by receiving greater payments or royalty rates from publishers due to the increased competition among publishers and the new technology-driven challengers. These challengers would provide another avenue of copying and/or distribution to the author, so the author could choose to contract with the publishers or

186 See, e.g., N.Y. Times Co. v. Tasini, 533 U.S. 483 (2001) (recognizing that the right to include a freelance author’s manuscript in an online database is a separate right of the author’s, distinct from the right to publish in a magazine).
187 Id at 497, 508.
188 Id. at 497, 505.
189 See Brian Keith Groemminger, Note, Personal Privacy on the Internet: Should It Be a Cyberspace Entitlement?, 36 IND. L. REV. 827, 832 (2003) (“The Internet also allows companies to efficiently deal directly with the ultimate consumer. As a result, a business can remove many or all of the distribution intermediaries from the chain of distribution, thereby reducing distribution costs to the business.”).
190 See Hawker, supra note 48, at 448 (“Competition tends to increase economic efficiency and lower prices.”); Oettinger, supra note 48, at 325 (“Commentators often advance economic efficiency as the primary, if not exclusive, justification for antitrust laws. Free from the restraints of conspiracies and monopolies, competition lowers prices, increases production, and encourages innovation, consumer choice, and fair business dealing.”).
challengers. This increase in competition should drive up the price obtainable by the author.¹⁹¹

[44] The second group that would benefit is the public. First, the public would benefit because this system would not destroy the publishing industries. Publishers would still be able to realize profits on their activities, but there would be more incentive for authors to create works. Increased incentives for authors will assure that the number of new works is either increased or at least not reduced. New works will still be available to the public. Second, the public will benefit by virtue of the same benefits which flow from preventing monopoly power in the antitrust context: more sources for copying and distributing works, more competition amongst those sources, and lower prices.¹⁹² Generally, increased competition leads to lower prices and greater availability of products, which substantially benefits consumers.¹⁹³ Third, the public would benefit from the continued availability of technologies which would otherwise be prohibited.¹⁹⁴ Specifically, this benefits people who use these technologies for legitimate purposes.¹⁹⁵ Finally, the public would benefit from the increased efficiency that comes with new technology that

¹⁹¹ See Hawker, supra note 48, at 448; Oettinger, supra note 48, at 325.
¹⁹³ See supra note 190.
¹⁹⁴ Letter from Ass’n of Am. Univ. et al., to Senators Orrin G. Hatch & Patrick J. Leahy, Chairman and Ranking Member of the Senate Committee on the Judiciary (Sept. 17, 2004), available at http://www.educause.edu/LibraryDetailPage/666?ID=CSD3471 (“The Copyright Office’s new draft fails to codify the Supreme Court’s Betamax decision, which, despite having fostered twenty years of explosive growth in technology, is now under unrelenting attack.”); Letter from Gary Shapiro, President of Consumer Electronics Ass’n, et al., to Senators Orrin G. Hatch & Patrick J. Leahy, Chairman and Ranking Member of the Senate Committee on the Judiciary (Oct. 6, 2004), available at http://www.corante.com/importance/archives/10-6joint_letter_2.pdf (“Unfortunately, the recording industry continues to propose language that would not solve the piracy problems in the manner you identified, but instead would effectively put at risk all consumer electronics, information technology products, and Internet Products and services that aren’t designed to the industry’s liking.”).
¹⁹⁵ See BELLIA ET AL., supra note 155, at 270 (“For example, a copy-protected compact disc prevents a teacher from making a copy even if the copyright law might have deemed the copying a fair use.”); see generally, Jeff Sharp, Coming Soon to Pay-Per-View: How the Digital Millennium Copyright Act Enables Digital Content Owners to Circumvent Educational Fair Use, 40 AM. BUS. L.J. 1, 26-29 (2002).
is more efficient if the creator maintains control over the work rather than being forced to design the system to avoid maintaining control. It removes the incentive for inventors to divest themselves of control in order to avoid secondary liability.\(^{196}\)

[45] Inventors and operators of new technologies would also benefit from this proposed solution. These parties would be permitted to compete with established publishers and to realize a profit from their creations, instead of being forced to pay royalties or forego using their inventions. They would be given incentives to continue to produce new technologies by realizing economic remuneration for their inventions. They would be able to maintain control over their works, instead of being forced to pay royalties to publishers or abide by limitations on their creations imposed by the publishers.\(^{197}\) Finally, they would no longer be subject to a Hobson’s choice: either subjecting themselves to liability for copyright infringement or designing their inventions in an inefficient, suboptimal manner to avoid liability through a lack of control over users.\(^{198}\)

[46] If authors had control over their own works, the incentive would shift towards maintaining control and creating an efficient system. This shift would occur as a result of the effect on a number of components in the overall incentives provided to technology developers and operators. More control by the developer or operator over the functioning of the system leads to a more centralized system, which leads to greater traffic by users at the centralized point of the system, and ultimately to increased profits to the operator or developer by charging higher prices to, and getting a greater number of, advertisers.\(^{199}\) Authors are more likely to be flexible

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\(^{196}\) 150 CONG. REC. S7178 (daily ed. June 22, 2004) (statement of Sen. Hatch) (“A rule that punishes only control also acts as a ‘tech-mandate’ law: It mandates the use of technologies that avoid ‘control’ – regardless of whether they are suited for a particular task.”).

\(^{197}\) See supra notes 103-106 and accompanying text.

\(^{198}\) See 150 CONG. REC. S7190 (daily ed. June 22, 2004) (statement of Sen. Hatch) (“A rule that punishes only control also acts as a ‘tech-mandate’ law: It mandates the use of technologies that avoid ‘control’ – regardless of whether they are suited for a particular task.”).

\(^{199}\) See Eddan Elizafon Katz, RealNetworks, Inc. v. Streambox, Inc. & Universal City Studios, Inc. v. Reimerdes, 16 BERKELEY TECH. L.J. 53, 58 (2001) (“First, content owners would lose significant advertising revenue from decreased website traffic as a result of users viewing their downloaded copies rather than streaming the content from the
with the remuneration structures of their works. Because authors receive benefits from both sales of copies of their works and from other sources, such as merchandise, tours, television appearances, or movie rights, they have greater incentives to allow new distribution technologies, in particular, to operate for minimal, or even zero, royalties. Even if authors do charge royalties, developers and operators would have the option of either paying those royalties out of their income from advertisements or by charging transaction fees for each download of that author’s work. Finally, if an author did not grant rights to a particular copyright owner's website each time they wanted to view it.”); Wei Yanliang & Feng Xiaoqing, Comments on Cyber Copyright Disputes in the People’s Republic of China: Maintaining the Status Quo While Expanding the Doctrine of Profit-Making Purposes, 7 MARQ. INT’L PROP. L. REV. 149, 163 (2003) (“Commercial websites profit from news and news articles in two ways. First, the gratuitous service of providing online news and news articles boosts website traffic, thereby increasing advertisement revenue.”); Andrew L. Dahm, Note, Database Protection v. Deep Linking, 82 TEX. L. REV. 1053, 1076 (2004) (“Many online businesses derive revenue from advertising, so increasing the traffic to a website increases revenue”).

For instance, many authors support free distribution of their work via peer-to-peer online services. See Neil Strauss, File-Sharing Battle Leaves Musicians Caught in the Middle, N.Y. TIMES, Sept. 14, 2003, at 11 (discussing both artists who approve and who disapprove of online peer-to-peer services and the recording industry’s response); Electronic Frontier Foundation, EFF: Let the Music Play, http://www.eff.org/share/ (last visited Sept. 19, 2005) (listing a number of artists who support online distribution of their works).

This is an over-simplification. Composers, for example, are artists, but they do not receive any benefit from sources other than copies sold. Composers could, however, change their incentive structure through various means, such as contracting for a percentage of the profits of the recording artists, and they could also get compensation when their compositions are repeated in new works, such as movies.

Of course, movie rights, translations, and other adaptations require the author to have kept those rights when he initially sold the copyright. See 17 U.S.C. § 106(2) (2000 & Supp. 2002).

See Peter Jan Honigsberg, The Evolution and Revolution of Napster, 36 U.S.F. L. REV. 473, 503 (2002) (“Most artists, if they are to earn any income at all, do so through performances and direct sales of CDs and merchandise.”); Lynn Morrow, The Recording Artist Agreement: Does It Empower or Enslave?, 3 VAND. J. ENT. L. & PRAC. 40, 42 (2001) (“[A]n artist can generate further income from sources such as live performances, television appearances, books, merchandise, and, if the artist is also a songwriter, increased publishing royalties.”); David Nelson, Note, Free the Music: Rethinking the Role of Copyright in an Age of Digital Distribution, 78 S. CAL. L. REV. 559, 572 n.81 (2005) (“Each additional download will provide an artist with the opportunity to sell their live shows and merchandise, the main source of income for most musicians.”).
developer or operator, that entity would have greater success preventing
distribution on their systems of a limited number of authors’ works, as
opposed to vast quantities of works. Thus, this system would reduce the
harmful incentive to produce inefficiency by decentralizing distributing
systems.

[47] Publishers would not benefit from this solution, but they at least
would not be harmed in regards to their pre-existing expectations. By
virtue of the right of first refusal, the publisher would be able to obtain the
new right on terms no less favorable than those offered to its potential
competitors. Therefore, the publisher would still have access to this
right, so that its reliance in having all of the rights to a work when it
purchased the copyright would not be undermined, but the author would
still be able to obtain the competitive level of remuneration for that right.
Additionally, publishers would be able to negotiate for the additional right
in all future contracts.

[48] Finally, the copyright system as a whole would benefit from this
solution. The balance of power would shift back to an equilibrium point.
Authors would continue to create new works and would have access to old
works, the public would have new works available to purchase, publishers
would be able to make a profit based on a competitive market, and new
technologies would still be developed. Publishers would no longer be able
to quickly and easily gain monopoly power because they would face
increased competition from new technology developers and operators.
Publishers would also be forced to respond to new technologies, instead of
fighting against them, which would lead to greater efficiency and
competitiveness by the existing publishers.

204 A right of first refusal means that when the owners decide to sell the
property, the person named has the first chance to buy it. A right of
first refusal or preemptive right does not give to the preemptioner the
power to compel an unwilling owner to sell; it merely requires the
owner, when and if he decides to sell, to offer the property first to the
person entitled to the preemption.

Willson v. Terry, 874 P.2d 1234, 1236 (Mont. 1994).

205 See Hawker, supra note 48, at 448 (“Competition tends to increase economic
efficiency and lower prices.”); Oettinger, supra note 48, at 325 (“Commentators often
advance economic efficiency as the primary, if not exclusive, justification for antitrust
laws. Free from the restraints of conspiracies and monopolies, competition lowers prices,
B. Changing the Path of Copyright by Implementing this Solution

The current course of copyright litigation and legislation shows a marked preference for promoting publisher control and power over copyrighted works. Publishers are larger and more concentrated than authors, the public, or even technology developers. Therefore, they are able to require the transferal of copyrights from authors prior to agreeing to publish an author’s work. This system has its benefits. All parties to copyrights rely on and benefit each other in some way, so the continued vitality of publishers is important. This does not mean, however, that publishers should be able to obtain monopoly power over copyrights. Even worse would be a situation where publishers were assisted through public policy in obtaining monopolies. Yet, the current trend in copyright law seems to be headed in precisely this direction. Congress has seen fit to continue to lengthen the duration of copyrights, and it has protected publisher actions designed to increase their control over works. Congress has also contemplated legislative reversal of one of the largest obstacles to publisher acquisition of monopoly power. Courts too have demonstrated a preference for publishers, by narrowing the holding of the *Sony* case and by imposing liability on technology developers and

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206 See Marci A. Hamilton, *Perspective on Direct Democracy: The People: The Least Accountable Branch*, 4 U. CHI. L. SCH. ROUNDTABLE 1, *5 (1997) (“Granting copyright to authors was motivated by the understanding that publishers are more likely to become holders of concentrated power than are authors.”); Thomas B. Nachbar, *Constructing Copyright’s Mythology*, 6 GREEN BAG 2D 37, 44-45 (2002) (“[A]n increasingly concentrated industry of publishers routinely own the copyright for a work outright and therefore have an incentive to lobby for ever-expanding copyright terms.”).

207 See Hawker, *supra* note 48, at 448 (“Competition tends to increase economic efficiency and lower prices.”); Oettinger, *supra* note 48, at 325 (“Commentators often advance economic efficiency as the primary, if not exclusive, justification for antitrust laws. Free from the restraints of conspiracies and monopolies, competition lowers prices, increases production, and encourages innovation, consumer choice, and fair business dealing.”).


operators. This pattern should be halted and reversed if an equitable balance of interests in copyrights and proper distribution of incentives are to be achieved.

[50] This solution effectively accomplishes these goals. First, it would maintain the Sony decision, so technologies such as VCRs, DVD players, cassette players, and CD players would remain safe and legal. However, if the current trend continues, the Induce Act will eventually be enacted, and these technologies will generate liability in their manufacturers. This would harm not only the manufacturers, but also the consuming public, authors, and publishers themselves. For example, in the VCR context, the home video industry has become huge, generating billions in profits every year.\(^{211}\) The video industry provides income to the publishers, to authors who sell copies of their works, and to the manufacturers of the electronics used to watch those copies. It also benefits the public, by allowing them to watch movies and television in the comfort of their own homes and in a medium and at times other than just those provided by broadcast television or movie theaters.\(^{212}\)

[51] Second, this solution would transfer control to authors from publishers, and strike a more appropriate balance of the interests and incentives in copyright.\(^{213}\) Authors would be able to choose what uses of their works to permit and to withhold in relation to new technologies. Instead of this choice being given to publishers, who can use that choice to take over an infant industry in its inception, authors can utilize that nascent industry to enhance competition amongst publishers to the benefit of authors and the public alike. For example, in the online peer-to-peer distribution systems, authors can choose whether to allow their works to be freely downloaded, to charge royalties for their works, or to withhold


\(^{212}\) Another example would be the application of the Induce Act to musical recordings and cassette and CD players.

\(^{213}\) See U.S. Const. art I, § 8, cl. 8; Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976); Eldred v. Ashcroft, 537 U.S. 186, 201 n.5 (2003) (‘The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’’).
permission to download.\textsuperscript{214} Therefore, instead of allowing publishers to withhold permission across the board and to then enter the online distribution market themselves, it forces publishers to compete with the original online distributors. Publishers would not be able to withhold rights from sources they do not control, such as Napster and Grokster, in an effort to promote sales from vendors who pay royalties to the publisher, regardless of the desires of authors or the ultimate effect on authors, publishers, technology developers, and the consuming public.\textsuperscript{215} Instead, authors would be able to choose whether, for what price (if any), and to whom permission to distribute their work online would be granted. Artists who like the concept of Napster and Grokster could continue to disseminate their work via those services. These services would only run into a problem with artists who refuse to permit online distribution of their works.\textsuperscript{216} For these authors, the services could either find a way to prevent downloading or face liability for infringement. Both publishers and challengers would be able to operate online distribution programs, they would just be forced to compete for the rights to distribute each author’s works. Authors would also still be able to impose liability on direct infringers, even if they failed to impose liability on an alleged secondary infringer.

\[52\] Finally, this system would enhance the ability of authors to recognize each individual right that composes the bundle of rights in a copyright. As the law currently stands, authors generally receive little, if any, additional benefit for each additional right conveyed to a publisher\textsuperscript{217} because the

\textsuperscript{214} See Neil Strauss, \textit{File-Sharing Battle Leaves Musicians Caught in the Middle}, N.Y. TIMES, Sept. 14, 2003, at 1 (discussing both artists who approve and who disapprove of online peer-to-peer services and the recording industry’s response); \textit{File-Sharing: It’s Music to our Ears}, ELECTRONIC FRONTIER FOUNDATION, http://www.eff.org/share (listing a number of artists who support online distribution of their works) (last visited Nov. 14, 2005).

\textsuperscript{215} Cf. N.Y. Times Co. v. Tasini, 533 U.S. 483 (2001) (recognizing a right in the artist to control the publication of his or her work in online databases).

\textsuperscript{216} For artists who wanted royalty payments, the service could use a portion of its advertising revenues, even if it did not charge users for use of its services. See, e.g., \textit{Artists Uncertain About File Sharing}, CREATIVE LIBRARIAN, Sept. 17, 2003, http://creativelibrarian.com/364/artists-uncertain-about-file-sharing (providing examples of artists, such as Metallica, who do not want their files distributed for free).

\textsuperscript{217} See \textit{generally}, Mitchell, \textit{supra} note 6 (discussing the publisher’s ability to require an author to transfer any newly recognized rights without any additional benefits); Amy
publisher has enough power to force the author to convey all rights in a work prior to agreeing to publish the work.\textsuperscript{218} If alternate sources were available to the author for selling the rights (i.e., if there was greater competition amongst publishers) the authors would have greater leverage for refusing to convey each right to a publisher.\textsuperscript{219} An author could rely on his ability to sell the individual distribution right to an online distributor and refuse to sell the entire bundle of rights to a publisher. In essence, because the author could choose to distribute their work solely through the online distributor, the publisher would have less coercive power to obtain the entire copyright.\textsuperscript{220} Thus, authors would have greater leverage to negotiate with publishers and would thereby be able to receive greater remuneration, and increased incentives, for creating their works.\textsuperscript{221} With the reward of additional compensation as an incentive, authors would create either the same number or possibly more works, which would be distributed to more consumers at the same or lower prices because of the increased competition amongst publishers and distributors.

When one focuses on the direct benefit through copyrights to authors created by the Copyright Clause, the incentives to create new works emerge as the ultimate goal. Therefore, the ultimate beneficiary is the consuming public. This result appears to be the one mandated by the Constitution.\textsuperscript{222}

Terry, Note, Tasini Aftermath: The Consequences of the Freelancers’ Victory, 14 DEPAUL-LCA J. ART & ENT. L. 231, 236 (2004) (“The freelancers’ landmark victory in Tasini has proved to be empty of any actual concrete benefit to freelancers.”).

\textsuperscript{218} See Stewart v. Abend, 495 U.S. 207, 218 (1990) (quoting H.R. Rep. No. 60-2222, at 14 (1909)) (“It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum.”); see also Mitchell, supra note 6, at 526-27 (discussing the publisher’s ability to require an author to transfer any newly recognized rights without any additional benefits); Terry, supra note 217, at 236 (“The freelancers’ landmark victory in Tasini has proved to be empty of any actual concrete benefit to freelancers.”).

\textsuperscript{219} See Oettinger, supra note 48, at 325 (“Commentators often advance economic efficiency as the primary, if not exclusive, justification for antitrust laws. Free from the restraints of conspiracies and monopolies, competition lowers prices, increases production, and encourages innovation, consumer choice, and fair business dealing.”).

\textsuperscript{220} See id.

\textsuperscript{221} See id.

\textsuperscript{222} Cf. Eldred v. Ashcroft, 537 U.S. 186, 201 n.5 (2003) (“The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in ‘Authors.’”).
[53] If one focuses on the structure and language of the Copyright Clause, compensation to and incentives for publishers do not appear. Instead, the direct benefit provided to authors causes the incentive to create new works to emerge as the immediate goal. However, the limitations placed on authors' rights demonstrate that the ultimate beneficiary is meant to be the consuming public. Thus, the result achieved by this solution—the provision of benefits to the public—appears to be the one mandated by the Constitution.