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Holden Caulfield Grows Up: Salinger v. Colting, the Promotion-of-Progress Requirement, and Market Failure in a Derivative-Works Regime

John M. Newman

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ABSTRACT: In 2009, the pseudonymous "John David California" announced plans for U.S. publication of 60 Years Later: Coming Through the Rye, *a "sequel" to J.D. Salinger's canonical novel* The Catcher in the Rye. *Salinger reacted swiftly, bringing a copyright-infringement suit to enjoin publication of the new work. The district court granted the injunction, effectively banning U.S. distribution of the sequel and unintentionally illustrating modern copyright law's troubling divergence from the purpose of the constitutional grant of copyright authority to Congress.*

Economic analysis demonstrates the tension caused by the repeated, incremental expansion of copyright protections—at some point, the Copyright Act will fail to incentivize the net dissemination of new works. A check on congressional authority is needed. While a multitude of scholars have advocated for the First Amendment to serve as such, this Note proposes that the "promotion-of-progress" requirement of Article I, Section 8 of the U.S. Constitution provides a superior alternative to direct First Amendment scrutiny. Thus, where the Copyright Act fails to encourage artistic output—and, as applied to situations like Salinger v. Colting, *it almost certainly does—the Act is unconstitutional.*

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I. INTRODUCTION

Many, many men have been just as troubled morally and spiritually as you are right now. Happily, some of them kept records of their troubles. You'll learn from them—if you want to. Just as someday, if you have something to offer, someone will learn something from you. It's a beautiful reciprocal arrangement.

—The Catcher in the Rye[1]

A young Holden Caulfield received this advice from Mr. Antolini, his former English teacher, in J.D. Salinger's acclaimed masterpiece *The Catcher in the Rye* ("*Catcher*").[2] Salinger, writing in the late 1940s, was describing the same phenomenon Zechariah Chafee identified only a few years earlier, that there is no such thing as a wholly original thought—each "new" creation owes a debt to the prior art.[3] It is not difficult to imagine a young Salinger penning these lines as a thinly veiled homage to his own influences.[4] Over the years, however, Salinger withdrew further and further from his formerly active role in contributing to literary dialogue.[5] He became something of a

1. J.D. SALINGER, THE CATCHER IN THE RYE 246 (1951).

2. *Id. Catcher* has become one of the most influential and popular books in modern literature. *Time* magazine's website, for example, included it in a list of the 100 greatest English-language novels from 1923 to 2005. Lev Grossman & Richard Lacayo, *All Time 100 Novels*, TIME, http://www.time.com/time/2005/100books/the_complete_list.html (last visited Oct. 24, 2010). More than half a century after its initial publication, it remains a staple of high-school curricula across the United States. Jennifer Schuessler, *Get a Life, Holden*, N.Y. TIMES, June 21, 2009, at WK5. Even today, readers purchase over 250,000 copies annually, and the total number of copies in print has topped 65,000,000. *The Catcher in the Rye*, ABSOLUTE ASTRONOMY, http://www.absoluteastronomy.com/topics/The_Catcher_in_the_Rye (last visited Oct. 24, 2010).

3. Zechariah Chafee, Jr., *Reflections on the Law of Copyright: I*, 45 COLUM. L. REV. 503, 511 (1945) ("The world goes ahead because each of us builds on the work of our predecessors. 'A dwarf standing on the shoulders of a giant can see farther than the giant himself.'"). Legal scholar and historian George Ticknor Curtis also observed this phenomenon in the original edition of his treatise on copyright, the first comprehensive survey of U.S. copyright law. GEORGE TICKNOR CURTIS, A TREATISE ON THE LAW OF COPYRIGHT 240 (photo. reprint 2006) (Boston, Charles C. Little & James Brown 1847).

4. Perhaps foremost among them was fellow literary giant Ernest Hemingway. While serving in the U.S. Army in France during World War II, Salinger arranged to meet with Hemingway, then serving as a war correspondent, to show Hemingway some of his work. Having read it, Hemingway reportedly remarked, "Jesus, he has a helluva talent," then shot the head off a nearby chicken with his sidearm. Jack Skow, *Sonny: An Introduction*, TIME, Sept. 15, 1961, at 84, 88, *available at* http://www.time.com/time/magazine/article/0,9171,938775,00.html.

5. *See* Complaint at 4, Salinger v. Colting, 641 F. Supp. 2d 250 (S.D.N.Y. 2009) (No. 09 Civ. 5095), 2009 WL 1529592 ("Salinger published actively from 1940 through 1965, and has not published any new works since that time.").

recluse, emerging from his solitude only to battle, all the way to the U.S. Supreme Court if need be, for protection of his intellectual property.[6]

In 2009, Fredrik Colting, then a relatively unknown author, announced plans for U.S. publication of a work titled *60 Years Later: Coming Through the Rye* (*"60 Years Later"*).[7] Several characters and scenes, the setting, the plotline, and even some of the language of Colting's novel all bear distinct similarities to Salinger's iconic work.[8] Immediately upon learning of Colting's intentions, Salinger took action to stifle the work's publication, eventually filing a complaint against "John David California" (Colting's pseudonym).[9] Referring to Colting's work as "a rip-off pure and simple," the complaint alleged that *60 Years Later* infringed on Salinger's copyrighted material.[10] On July 1, 2009, the district court granted a preliminary injunction banning publication of *60 Years Later* in the United States.[11] While awaiting the Second Circuit's decision on Colting's appeal, Salinger passed away.[12] His estate continued to pursue the litigation and received a generally favorable ruling from the Second Circuit on April 30, 2010.[13]

Bringing such an action was characteristic of Salinger; he successfully halted broadcasting of a BBC television program that included a screen

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6. Jenny Booth, *JD Salinger Sues over Unauthorised Sequel to* Catcher in the Rye, TIMES ONLINE (June 2, 2009), http://entertainment.timesonline.co.uk/tol/arts_and_entertainment/books/article6415281.ece.

7. *Hack Behind "*Catcher*" Flap*, SMOKING GUN (June 10, 2009), http://www.thesmokinggun.com/archive/years/2009/0610091salinger1.html. Colting is a Swedish author whose previous works include *The Macho Man's (Bad) Joke Book*, *The Erotic A–Z*, and a listing of the 100 best heavy-metal albums of all time. *Id.*

8. *Compare* JOHN DAVID CALIFORNIA, 60 YEARS LATER: COMING THROUGH THE RYE 24 (2009) ("I keep my eyes closed and think about all the madcap stuff that happened to me around last Christmas, before I got so run down I had to come out to this place to rest."), *with* SALINGER, *supra* note 1, at 3 ("I'll just tell you about this madman stuff that happened to me around last Christmas just before I got pretty run-down and had to come out here and take it easy.").

9. Complaint, *supra* note 5, at 12 ("As soon as Salinger learned of the existence of the unauthorized Sequel through his literary agents on or about May 14, 2009 . . . he took action to have its publication stopped.").

10. *Id.* at 2.

11. Salinger v. Colting, 641 F. Supp. 2d 250, 268–69 (S.D.N.Y. 2009), *vacated*, 607 F.3d 68 (2d Cir. 2010).

12. David Lat, *J.D. Salinger, R.I.P.*, ABOVE L. (Jan. 28, 2010, 1:38 PM), http://abovethelaw.com/2010/01/plaintiff_jd_salinger_rip.php. Salinger died on January 27, 2010 at the age of ninety-one. Richard Lacayo, *J.D. Salinger Dies: Hermit Crab of American Letters*, TIME (Jan. 29, 2010), http://www.time.com/time/arts/article/0,8599,1957492,00.html.

13. The Second Circuit held that the lower court erred by applying the wrong standard for granting preliminary-injunctive relief. *Salinger*, 607 F.3d at 84. It did, however, note that "there is no reason to disturb the District Court's conclusion as to the factor it did consider—namely, that Salinger is likely to succeed on the merits of his copyright infringement claim." *Id.* at 83. Unfortunately, in remanding the case to the district court for reconsideration under the proper standard, the appellate court did not address the flaws in the lower court's opinion that this Note primarily addresses.

adaptation of *Catcher* and refused on numerous occasions to license the novel to filmmakers.[14] Salinger went so far as to declare publicly and expressly that he had never—and would never—publish or authorize any new narrative involving Holden Caulfield.[15] While his attempts to shield his beloved character from external treatments were certainly understandable (and perhaps even sympathetic), Salinger clearly abandoned the ongoing exchange of free expression, the "beautiful reciprocal arrangement" he once offered his most famous character as comfort in a confusing world.[16]

This Note examines the district court's decision in *Salinger v. Colting* against the backdrop of the current dispute among scholars, judges, publishers, and authors regarding whether the First Amendment should act as a limit on copyright law. Ever-expanding copyright protections have prompted this search for a restraint on constitutional copyright authority,[17] but courts have almost uniformly declined to apply direct First Amendment scrutiny to the Copyright Act.[18] In the face of such resistance, it is perhaps surprising that so few scholars have proposed—or even recognized—the possibility that the promotion-of-progress requirement of the Intellectual Property Clause ("IP Clause") in the U.S. Constitution[19] could (and should) function as the primary constitutional check on congressional copyright authority.[20]

Part II of this Note explores the utilitarian foundation of and justification for U.S. copyright law and briefly examines the expansion of copyright protections—focusing particularly on the exclusive right to prepare derivative works. Part III considers the uneasy case for direct First Amendment scrutiny as a means of restraining Congress's power to extend

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14. Complaint, *supra* note 5, at 10–11.

15. *Id.* at 10.

16. At the time of Salinger's death, he had published nothing in over forty years. Lacayo, *supra* note 12.

17. For a creative proposal in this vein, see Jennifer E. Rothman, *Liberating Copyright: Thinking Beyond Free Speech*, 95 CORNELL L. REV. 463 (2010) (arguing that substantive due process offers a solution for protecting downstream users' rights).

18. *See infra* note 55 and accompanying text (examining courts' lack of receptiveness to the free-speech critique of copyright).

19. U.S. CONST. art. I, § 8, cl. 8 (giving Congress the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries").

20. *Cf.* Alan E. Garfield, *The Case for First Amendment Limits on Copyright Law*, 35 HOFSTRA L. REV. 1169, 1173 (2007) ("Of course, courts could also use the Constitution's Copyright and Patent Clause to prevent . . . abuse."). Professor Garfield recognizes that the IP Clause provides a better foundation for deciding whether the duration of copyright is unconstitutional, but he contends that the First Amendment is the superior alternative where "the primary concern is with copyright's impact on speech." *Id.* Professor Dotan Oliar is a notable exception to this general trend—after examining in extensive detail the Framers' intent regarding the IP Clause, Oliar concludes that "the Progress Clause was intended as a limitation on Congress's power." Dotan Oliar, *Making Sense of the Intellectual Property Clause: Promotion of Progress as a Limitation on Congress's Intellectual Property Power*, 94 GEO. L.J. 1771, 1845 (2006).

the Copyright Act. Recognizing that the IP Clause should impose internal constitutional restraints on the scope of the Copyright Act, Part IV proposes that the promotion-of-progress requirement presents a superior alternative to the First Amendment as a tool for confining statutory copyright protections to those that serve copyright's utilitarian objectives. Part V extends this analysis to situations like that presented in *Salinger v. Colting* and maintains that, where a secondary author raises an as-applied constitutional challenge to the Copyright Act under an internal-limits theory, the court must decide whether that application of the Act will satisfy the promotion-of-progress requirement—and that this is frequently not the case in derivative-works actions. Part V concludes by proposing several factors for courts to consider in ruling on such a challenge.

II. UTILITARIANISM AND THE MODERN DERIVATIVE-WORKS RIGHT

This Part briefly examines the history of—and particularly the justification for—copyright laws in the United States. Since the U.S. Constitution mandates a utilitarian purpose, decisions regarding the scope of copyright protections demand an answer to the question of whether a particular aspect of the Copyright Act will produce a net societal benefit of the sort contemplated by the Framers. Thus, this Part concludes by applying basic economic analysis to derivative-works right and arguing that, in light of the utilitarian purpose required by the IP Clause, copyright's grant of that right to authors is particularly problematic.

A. *THE UTILITARIAN FOUNDATIONS OF U.S. COPYRIGHT LAW*

Modern U.S. copyright law traces its roots to the Statute of Anne, enacted in England in 1709.[21] Its early development traced a course similar to that of the English copyright system: enactment of a copyright act, followed by a high-court decision that addressed the issue of whether, under the act, authors retained any natural or moral rights in their works.[22] In England, the case was *Donaldson v. Beckett*;[23] in the United States, it was *Wheaton v. Peters*.[24] In *Donaldson*, the House of Lords held that a common-law copyright had existed before, but was divested by, the Statute of Anne.[25] The *Wheaton* Court, however, steered U.S. copyright law in a different direction, holding that Congress, by enacting the Copyright Act, created—rather than

21. Statute of Anne, 8 Ann., c. 19 (1710) (Eng.).

22. PAUL GOLDSTEIN, COPYRIGHT'S HIGHWAY: FROM GUTENBERG TO THE CELESTIAL JUKEBOX 40 (rev. ed. 2003).

23. (1774) 1 Eng. Rep. 837 (H.L.) (appeal taken from Eng.).

24. 33 U.S. (8 Pet.) 591 (1834).

25. *Donaldson*, 1 Eng. Rep. at 843. *Donaldson* effectively overruled *Millar v. Taylor*, (1769) 98 Eng. Rep. 201 (K.B.), a King's Bench decision holding that a perpetual copyright existed at common law. 1 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 1.13.1.2, at 1:31–33 (3d ed. Supp. 2006).

merely secured—a purely statutory copyright for authors.[26] As the Court has subsequently noted, "The primary objective of copyright is not to reward the labor of authors."[27] Rather, it is to incentivize artistic creation in order to promote the public good.[28] Copyright law achieves this goal through securing (for a limited time) an economic return for the author.[29]

Adopting utilitarianism as a founding premise for copyright law is not without its drawbacks, however. Unlike a natural-rights-based regime, utilitarianism entails applying a cost-benefit analysis to each decision about whether to extend copyright protections to new types of original works, or to newly valuable secondary uses of original works.[30] Throughout the history of U.S. copyright law, though, Congress has gradually—but steadily—increased the exclusive rights available to copyright holders without properly performing the cost-benefit analysis required by the utilitarian function copyright law should play in society.[31] In 1976, as part of its most sweeping expansion of copyright law, Congress condensed the several previously distinct adaptation rights into one blanket right "to prepare derivative works based upon the copyrighted work."[32]

B. THE ECONOMICS OF COPYRIGHT'S DERIVATIVE-WORKS PROTECTION

A cost-benefit analysis of statutorily extending the Copyright Act to include a derivative-works right begins with the premise that, from a utilitarian perspective, extending copyright law is justifiable only to the extent that additional protection is necessary to incentivize additional creative activity.[33] By requiring secondary authors to receive permission to build upon previous works—thereby increasing the cost of acquiring the raw

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26. *See Wheaton*, 33 U.S. (8 Pet.) at 661 ("Congress, then, by this act, instead of sanctioning an existing right . . . created it."); GOLDSTEIN, *supra* note 25, § 1.13.2.2, at 1:36 ("*Wheaton v. Peters* definitively rejected natural rights as copyright's founding premise . . . ."). *See generally* Jed Rubenfeld, *The Freedom of Imagination: Copyright's Constitutionality*, 112 YALE L.J. 1, 24 (2002) ("[T]he official account of copyright law is that copyright is a solely statutory creation . . . .").

27. Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991).

28. Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975).

29. *See id.* ("The immediate effect of our copyright law is to secure a fair return for an author's creative labor." (internal quotation marks omitted)).

30. GOLDSTEIN, *supra* note 25, § 1.13.2.3, at 1:37. Goldstein, a supporter of the utilitarianism theory of copyright law, does, however, admit that "[u]tilitarianism has worked better in theory than in practice." *Id.*

31. *Compare* Copyright Act of 1856, ch. 169, 11 Stat. 138, 139 (adding public-performance right in dramatic works), *with* Copyright Act of 1897, ch. 4, 29 Stat. 481, 481–82 (same for musical works), Copyright Act of 1909, Pub. L. No. 60-849, § 5(c), 35 Stat. 1075, 1076 (same for works prepared for oral delivery), *and* Copyright Act of 1952, Pub. L. No. 82-575, 66 Stat. 752 (same for nondramatic literary works).

32. Copyright Act of 1976, Pub. L. No. 94-553, § 106(2), 90 Stat. 2541, 2546 (codified as amended at 17 U.S.C. § 106(2) (2006)).

33. Stewart E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197, 1213 (1996).

material needed to create new works—copyright law necessarily discourages some creative activity.[34] Thus, even putting aside problems like the deadweight losses associated with monopolies[35] and the inefficiencies caused by risk-averse market participants,[36] imposing transaction costs on a wider base of secondary authors amplifies the likelihood of copyright-related market failure.[37] This is because incremental increases in copyright

34. *See* Thomas F. Cotter, *Fair Use and Copyright Overenforcement*, 93 IOWA L. REV. 1271, 1277–79 (2008). Cotter notes that, in a transaction-cost-free world, when a secondary user of copyrighted material values using the original work more than the primary author values excluding the use, the Coase Theorem—which holds that, given a situation presenting low transaction costs, parties will settle disputes—suggests that the two would enter into an agreement allowing the use for a fee. *See id.* at 1277. In reality, however, transaction costs often operate to discourage otherwise-efficient uses. *Id.*

35. To some degree in the real world, profitable firms can set prices at a level above their marginal costs, an ability referred to by economists as "market power." MASSIMO MOTTA, COMPETITION POLICY: THEORY AND PRACTICE 40–41 (reprt. 2005). A monopolist, however, exerts maximum market power, which in turn allows it to set prices far in excess of marginal costs. *Id.* at 41. Since demand is very rarely, if ever, perfectly inelastic, some consumers will respond to the higher price by substituting away from the monopolized product. Because exercising market power to raise prices dissuades consumers who value the product at a price higher than its marginal cost of production but lower than the monopoly price, a market failure known as a "deadweight social loss" occurs. *See* CLEM TISDELL & KEITH HARTLEY, MICROECONOMIC POLICY: A NEW PERSPECTIVE 195–98 (2008) (noting this impact on resource allocation as one possible inefficiency caused by monopolies). Put another way, a deadweight loss occurs because the "consumers' losses outweigh the monopolist's gain[s]." E-mail from Thomas F. Cotter, Professor of Law, Univ. of Minn. Law Sch., to author (Feb. 3, 2010, 17:41 CST) (on file with author). The exclusive rights granted to copyright owners being a form of monopoly, copyright law also runs the risk of producing deadweight losses. Shyamkrishna Balganesh, *Foreseeability and Copyright Incentives*, 122 HARV. L. REV. 1569, 1577–78 (2009).

36. If both copyright holders and secondary users were equally risk-averse, the implications for copyright policy would (and should) presumably be negligible. However, this is likely not the case—downstream users are disproportionately individuals, whereas copyright owners tend to be firms. *See* Cotter, *supra* note 34, at 1312. Since firms interact with the market through fiduciaries acting on behalf of diversified stockholders, they are, at least theoretically, risk-neutral as to the possibility of copyright-infringement litigation. *Id.* ("[B]asic capital market theory would say that if . . . firms' managers act as fiduciaries for well-diversified stockholders, then the firms should be risk-neutral regarding the litigation." (quoting Jeremy Bulow, *The Gaming of Pharmaceutical Patents*, *in* 4 INNOVATION POLICY AND THE ECONOMY 145, 162 (Adam B. Jaffe et al. eds., 2004)) (internal quotation marks omitted)). Given the inherent uncertainty created by core copyright doctrines, downstream users—more risk-averse than the corporate institutions that own large numbers of copyrights—are more likely to attempt to license or refrain from using primary works, even where both options are inefficient. *See* James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 887–95 (2007) (arguing that this imbalance creates a "doctrinal feedback" loop that results in constant, unconscious expansion of copyright protections); *cf.* Matthew J. Baker & Brendan M. Cunningham, *Court Decisions and Equity Markets: Estimating the Value of Copyright Protection*, 49 J.L. & ECON. 567, 582–84 (2006) (demonstrating empirically that legal changes—both statutory and in case law—that *broaden* copyright protection correlate with increasing firm profits, while those that *narrow* copyrights correlate with decreasing profits).

37. *See* Sterk, *supra* note 33, at 1207. As Professor Sterk states:

protection will eventually discourage the aggregate production of new works.[38]

Modern copyright law's grant of a blanket derivative-works right is particularly problematic in this regard. The main argument for this expansion of copyright protection—though often presented in frustratingly enthymematic form—seems to be that "the prospect of profits from derivative works is necessary to create adequate incentives for production of the original."[39] This premise would only hold true, however, where the projected economic gain from the original work is less than its production costs, and the additional projected gain from the derivative work is large enough to compensate the author for the costs of producing both works.[40] In cases where the production costs of an original work tend to be relatively low, as in writing a novel, these conditions would apply with less frequency.[41] Furthermore, a primary author may, for whatever reason, not intend to produce her own derivative work(s) or license her exclusive derivative-works right to others, even where it would be economically advantageous for her to do so.[42] In such cases, it cannot be said that the exclusive right to prepare

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> At some point, giving authors additional copyright protection will reduce the supply of new works because the number of marginal authors deterred from creating by the high cost of source material will exceed the number encouraged to create by the increased value of a work associated with a marginal increase in copyright protection.

Id. If, for instance, Congress were to drastically increase the duration of copyright protection, the marginal benefits of such legislation would almost certainly fall short of its adverse effect on the public domain. *Id.* at 1207–08.

38. *Id.*

39. *Id.* at 1215. Sterk notes an additional economic argument for derivative-works protection—that allowing a single party to own both the original work and all potential derivatives allows for efficient coordination. *See* E-mail from Stewart E. Sterk, Professor of Law & Acting Dir. of the Intellectual Prop. Law Program, Benjamin N. Cardozo Sch. of Law, to author (Feb. 3, 2010, 07:33 CST) (on file with author). Essentially, the contention is that if everyone could produce derivatives, it is possible that no one would do so because each potential producer would face the possibility of competition from other potential producers. *Id.* This argument is susceptible to at least two objections, however. First, it is not clear that the possibility of competition will entirely stifle the production of derivatives. On the contrary, competition tends to produce the opposite effect—if it did not, the entire body of antitrust law would require, at the very least, a massive overhaul. Second, although it may fare better as a generalized objection, the argument would be irrelevant when applied to situations where the primary author has no intention to, and in fact does not, produce any derivative works.

40. *See* Sterk, *supra* note 33, at 1215–16 (questioning the efficiency of the derivative-works right and noting the two conditions, set forth above, that must be present for its efficient operation).

41. Of course, in cases where production costs are very high, such as filming a Hollywood blockbuster, these conditions would often be met.

42. *See* Christine M. Huggins, Note, *The Judge's Order and the Rising Phoenix: The Role Public Interests Should Play in Limiting Author Copyrights in Derivative-Work Markets*, 95 IOWA L. REV. 695, 716 (2010) ("[Copyright's] utility-maximization model often fails because new authors often do not have the financial backing to pay for the use and copyright-holders hold out from selling

derivative works provided the economic incentive for her creation of the primary work.[43]

In arguing for maintaining a strong derivative-works right, Professor Michael Abramowicz presents a subtle, yet—at least initially—compelling argument.[44] He uses product-differentiation theory, a tool that allows economists to analyze the entry of producers into imperfectly competitive markets (a category into which most copyrighted works fall), to argue that relaxing the derivative-works right may produce "excessive entry incentives."[45] Under product-differentiation theory, the harm posed by excessive market participants is the opportunity costs society as a whole incurs as a result of the participants' entry into the relevant market.[46] Despite its utilitarian foundations, however, copyright law is not directly concerned with maximizing overall social utility, but with promoting "Progress" in the creative arts.[47] It follows that the potential social harm that could arise from (to borrow Abramowicz's example) a potential chef choosing instead to write a cookbook is not a harm that copyright law should contemplate—it should, in fact, prefer the cookbook.

Congress's grant to authors of a broad, exclusive derivative-works right tends to expand copyright holders' monopolistic control without creating offsetting economic incentives for additional creative output.[48] Stated simply, giving this right to authors costs more than it is worth. This inefficiency, contrary as it is to copyright's utilitarian foundations, has contributed to scholars' growing discontent with U.S. copyright law.[49]

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these use-rights for noneconomic reasons."). Huggins concludes that either a liability regime or using antitrust law's definition of market harm (in the context of fair-use analysis) would produce greater utility in the realm of copyright law. *Id.* at 722.

43. *See infra* Part V.A.2 (arguing that noneconomic incentives should not—and cannot—justify expanding copyright law to provide an exclusive derivative-works right). *See generally* Cotter, *supra* note 34, at 1298 (noting the possibility of a "class of cases in which copyright owners threaten to turn the copyright system on its head by using copyright as a tool of censorship rather than for promoting robust debate"); Shubha Ghosh, *Decoding and Recoding Natural Monopoly, Deregulation, and Intellectual Property*, 2008 U. ILL. L. REV. 1125, 1164 (noting that copyright-bargaining failures may be a function of the copyright owner inflating the value of licensing his work).

44. Michael Abramowicz, *A Theory of Copyright's Derivative Right and Related Doctrines*, 90 MINN. L. REV. 317, 331–32 (2005).

45. *Id.* at 344.

46. *Id.* at 345. These costs would arise from the inefficiencies that would ensue from individuals whose time, talent, and energy would be more productively spent elsewhere pursuing the creative arts instead. A high-school senior who excels in physics and mathematics but has an atrocious singing voice, for example, would likely produce more societal wealth by pursuing an engineering degree than by moving to New York and trying to land a record deal.

47. U.S. CONST. art. I, § 8, cl. 8.

48. Sterk, *supra* note 33, at 1217.

49. *See, e.g.*, Rubenfeld, *supra* note 26, at 58 ("Current copyright law is unconstitutional in that it permits courts to issue injunctions or grant damages in cases of derivative works and live performances."); Rebecca Tushnet, *Copyright as a Model for Free Speech Law: What Copyright Has in*

III. A TEMPEST IN A TEAPOT: THE UNEASY CASE FOR APPLYING FIRST AMENDMENT SCRUTINY TO COPYRIGHT LAW

In 1970, Melville Nimmer published a seminal article exploring the relationship between the First Amendment and copyright law.[50] Nimmer concluded that copyright's internal "safety valves," particularly the idea–expression dichotomy (and to some extent the limited duration of copyright terms), ameliorate most potential conflicts with the First Amendment.[51] Other scholars, however, were not so certain—writing a year later, Lionel S. Sobel warned of a gathering storm on the horizon, a "coming clash" between the two bodies of law.[52] Now, almost forty years later, it is clear that Sobel's forecast was correct. The debate over whether First Amendment free-speech principles should apply to copyright law has surfaced in a veritable slew of publications,[53] creating a "torrent of scholarship" and prompting one professor's wry observation regarding the number of trees jurists have destroyed in the process.[54]

Despite the continuing outcry from legal scholars, however, courts have been reluctant to apply direct First Amendment analysis to copyright law—in fact, most courts that have addressed the possibility of a conflict have summarily dismissed it.[55] As Paul Goldstein noted, the free-speech critique

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Common with Anti-pornography Laws, Campaign Finance Reform, and Telecommunications Regulation, 42 B.C. L. REV. 1, 77 (2000) (concluding that a "speech-sensitive analysis" would make the expansion of the Copyright Act to include an exclusive derivative-works right "look highly suspect").

50. Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180 (1970).

51. *Id.* at 1192–96.

52. Lionel S. Sobel, Note, *Copyright and the First Amendment: A Gathering Storm?*, 19 COPYRIGHT L. SYMP. (ASCAP) 43, 80 (1971).

53. *See, e.g.*, Christina Bohannan, *Copyright Harm, Foreseeability, and Fair Use*, 85 WASH. U. L. REV. 969, 990 (2007) ("[A]llowing a copyright owner to suppress criticism or expression of a different viewpoint would be detrimental to First Amendment interests."); Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 165–72 (1998) (arguing that preliminary injunctions in the realm of copyright law are unconstitutional "prior restraints" of free speech); Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 37–45 (2001) (arguing that courts should apply First Amendment scrutiny to copyright law as a "content-neutral" speech regulation); L. Ray Patterson, *Free Speech, Copyright, and Fair Use*, 40 VAND. L. REV. 1, 12 (1987) (arguing that the evolution of modern copyright law, particularly the "corruption" of the fair-use defense, "created a conflict between copyright and free speech rights"); Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535, 540 (2004) ("Copyright has always posed a potential conflict with the First Amendment . . . .").

54. Garfield, *supra* note 20, at 1169.

55. 2 PAUL GOLDSTEIN, COPYRIGHT § 10.3, at 10:67 (2d ed. Supp. 2004). *But see* Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd., 996 F.2d 1366, 1378 (2d Cir. 1993) (noting that First Amendment protections might supersede copyright's fair-use defense in an "extraordinary" case).

of copyright law has amounted to "a tempest in a very small teapot."[56] Two issues in particular render the First Amendment's guarantee of free speech an uneasy candidate for a check on congressional copyright authority: (1) the nature and structure of First Amendment protections, and (2) the internal free-speech safeguards of the Copyright Act itself.

A. *Problems with Constructing a Framework for First Amendment Scrutiny of Copyright*

The ever-expanding sphere of copyright law has undoubtedly contributed to First Amendment concerns among scholars. Protection for primary authors continues to grow to the perceived detriment of secondary authors. As an initial matter, it is worth noting that the Copyright Act undoubtedly suppresses no small amount of free expression.[57] The nature of copyright law, however, presents several potential problems for advocates of applying free-speech analysis to the Copyright Act.

Perhaps most notably, copyright law does not seem to fit the paradigmatic suppression of free speech contemplated by the First Amendment, for it suppresses some speech (that of secondary authors) in order to encourage the speech of others (primary authors). This facet of copyright law makes it, at the very least, an unusual candidate for First Amendment analysis.[58] Copyright-infringement actions pit one speaker against another, raising a difficult question: Whose free-speech rights should prevail? In declining to apply direct free-speech scrutiny to the Copyright Term Extension Act, the Court has expressed its view that the First Amendment "bears less heavily when speakers assert the right to make other people's speeches."[59] Contemporary advocates for a free-speech critique, it seems, face something of an uphill battle.

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56. GOLDSTEIN, *supra* note 55, § 10.3, at 10:67.

57. NEIL WEINSTOCK NETANEL, COPYRIGHT'S PARADOX 118 (2008). As Professor Netanel notes:

> Copyright is speech regulation. It touches directly and consistently on a broad spectrum of speech, including literature, art, film, television broadcasts, photographs, political polemic, model laws and regulations, original selections and arrangements of data, and other such expression. Moreover . . . copyright is heavily involved in allocating speech entitlements among various speakers and categories of speech.

Id. While Netanel contends that the free-speech–copyright paradox requires further inquiry, he notes that some commentators conclude that, since the Copyright Act targets and restricts speech, it violates the First Amendment. *Id.* For a fairly extreme example of this free-speech attack on copyright, see Lemley & Volokh, *supra* note 53, at 186.

58. *See* David McGowan, *Why the First Amendment Cannot Dictate Copyright Policy*, 65 U. PITT. L. REV. 281, 300–01 (2004) ("[S]etting the First Amendment against copyright produces a conflict between speech interests, rather than between speech and some other interest, such as reputation or order. The First Amendment does not provide premises that can resolve such conflicts.").

59. Eldred v. Ashcroft, 537 U.S. 186, 221 (2003).

Most would agree another potential problem is that copyright law and the First Amendment are not entirely coextensive—the First Amendment's protection of speech extends far beyond the scope of copyright law.[60] The subject matter of copyright law is constitutionally limited to "Writings"[61] and statutorily limited to works "fixed in any tangible medium of expression."[62] The First Amendment, however, casts a much wider net, encompassing not only actual speech, but also expressive conduct.[63] Furthermore, copyrights are available only to "Authors"[64] who engage in intellectual production of original, creative works,[65] whereas the First Amendment requires neither originality nor creativity for its protections to come into play.[66] These differences further hinder any attempt to apply direct First Amendment scrutiny to the Copyright Act.

B. THE COPYRIGHT ACT'S INTERNAL FREE-SPEECH SAFEGUARDS

The Copyright Act has internal mechanisms to ensure that it does not overburden expression en route to promoting it. The most well known (and most controversial) of these is the fair-use defense, a longstanding common-law doctrine that Congress codified in 1976.[67] Fair-use analysis examines an otherwise-infringing use of copyrighted material in light of four factors: (1) "the purpose and character of the use"; (2) "the nature of the copyrighted work"; (3) the amount of the copyrighted work used in relation to the entire work; and (4) any effect the use may have on the potential market for the copyrighted work.[68] As the Court noted in *Eldred v. Ashcroft*, fair use is an

60. Bernstein v. U.S. Dep't of State, 922 F. Supp. 1426, 1436 (N.D. Cal. 1996). In *Bernstein*, the court noted that "copyright and First Amendment law are by no means coextensive," and that "the analogy between the two should not be stretched too far." *Id.*; *see also* Dan L. Burk, *Patenting Speech*, 79 TEX. L. REV. 99, 126 (2000) ("[T]he First Amendment clearly protects some types of expression that the copyright statute does not cover."). *But see* Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc., 166 F.3d 65, 74 (2d Cir. 1999) ("We have repeatedly rejected First Amendment challenges to injunctions from copyright infringement on the ground that First Amendment concerns are protected by *and coextensive with* the fair use doctrine." (emphasis added)).

61. U.S. CONST. art. I, § 8, cl. 8.

62. 17 U.S.C. § 102 (2006).

63. Virginia v. Black, 538 U.S. 343, 358 (2003) ("The First Amendment affords protection to symbolic or expressive conduct as well as to actual speech.").

64. U.S. CONST. art I, § 8, cl. 8.

65. Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991).

66. *See* Adrian Liu, *Copyright as Quasi-public Property: Reinterpreting the Conflict Between Copyright and the First Amendment*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 383, 399 (2008) ("[*Eldred*] cannot be understood to introduce an originality requirement into the First Amendment.").

67. Copyright Act of 1976, Pub. L. No. 94-553, § 107, 90 Stat. 2541, 2546 (codified as amended at 17 U.S.C. § 107).

68. 17 U.S.C. § 107.

essential part of copyright's "built-in First Amendment accommodations."[69] The Court reasoned that fair use acts as such because it ensures that downstream users may borrow copyrighted expression for purposes that serve free-speech values particularly well (for example, scholarship or parody).[70]

Additionally, the Copyright Act provides that "[i]n no case does copyright protection for an original work of authorship extend to any idea . . . regardless of the form in which it is described, explained, illustrated, or embodied in such work."[71] This is a codification of the familiar "idea–expression dichotomy," identified by Nimmer as the crucial factor in preserving copyright's constitutionality under the First Amendment.[72] Although Nimmer perhaps overstated the importance of the doctrine in this regard, the idea–expression dichotomy is undoubtedly at least part of the "traditional contours" of copyright on which the *Eldred* Court relied in explaining its general disinclination to apply First Amendment scrutiny to copyright law.[73] As the Court explained, so long as copyright law remains within its traditional contours, it is at least capable of coexisting peacefully with the First Amendment.[74]

Scholars' persistence in the face of such steadfast judicial resistance to First Amendment scrutiny of copyright law, as well as the myriad difficulties inherent in constructing a workable framework for doing so, bring to mind the old saying about "trying to fit a square peg into a round hole." Thus, it comes as a surprise that legal scholars have largely neglected a less-tenuous path to constitutionally restraining congressional copyright authority: the internal limits imposed by the IP Clause itself.[75]

IV. THE INTELLECTUAL PROPERTY CLAUSE: INTERNAL LIMITS ON THE CONSTITUTIONALLY PERMISSIBLE SCOPE OF COPYRIGHT LAW

Recognizing that several separate bodies of copyright law would be problematic, the representatives at the Constitutional Convention

69. 537 U.S. 186, 219 (2003).

70. *Id.*

71. 17 U.S.C. § 102(b).

72. *See* Nimmer, *supra* note 50, at 1192 ("I would conclude that the idea–expression line represents an acceptable definitional balance as between copyright and free speech interests."). *See generally id.* at 1189–93 (discussing the idea–expression dichotomy).

73. *See* 537 U.S. at 219 (stating that the idea–expression dichotomy acts as "a definitional balance between the First Amendment and the Copyright Act" (quoting Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 556 (1985)) (internal quotation marks omitted)).

74. *Id.* at 221. The Court prefaced this statement by noting that the close temporal proximity between the adopting of the IP Clause and the First Amendment "indicates that, in the Framers' view, copyright's limited monopolies are compatible with free speech principles." *Id.* at 219.

75. As another time-honored maxim states, "There's more than one way to skin a cat."

unanimously and without debate voted to incorporate a clause into the U.S. Constitution giving Congress the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[76] The Supreme Court has suggested that this language should act as a limitation requiring copyright legislation to promote progress in the creative arts.[77] Thus, the IP Clause itself arguably contains an internal purposive limit on Congress's authority to enact copyright laws.[78]

Congress waited less than three years to pass federal copyright legislation, modeled on its British predecessor, the Statute of Anne.[79] As evidenced by its title ("Act for the Encouragement of Learning"), the Statute of Anne clearly had a utilitarian purpose—to encourage learning.[80] The title of the first U.S. Copyright Act ("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 Therein Mentioned") evidenced a similar purpose.[81] Unlike the Statute of Anne, however, the U.S. Copyright Act's intended goal arose not only from practical concerns, but also a constitutional mandate—the internal promotion-of-progress language of the IP Clause. This Part begins by closely examining this constitutional language and its implications. It concludes by arguing that the phrase was intended to, and should, function as a limitation on Congress's authority to enact copyright laws.

A. *PROMOTION OF PROGRESS AND THE "ENGINE OF FREE EXPRESSION"*

"Progress" in the constitutional context is not a clearly defined concept, and it would be neither easy nor straightforward to establish a precise

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76. U.S. CONST. art. 1, § 8, cl. 8; *see* GOLDSTEIN, *supra* note 25, § 1.13.2.1, at 1:34 (describing the inclusion of the IP Clause in the Constitution); *see also* THE FEDERALIST NO. 43, at 272 (James Madison) (Clinton Rossiter ed., 1961) ("The States cannot separately make effectual provision for either [copyrights or patents], and most of them have anticipated the decision of this point by laws passed at the instance of Congress."). In the vernacular of the late eighteenth century, "Science" was the domain of copyright, and patent law encompassed the "useful Arts." GOLDSTEIN, *supra* note 22, at 41.

77. Graham v. John Deere Co. of Kan. City, 383 U.S. 1, 5 (1966). Referring to the constitutional grant of power to Congress under the IP Clause, the Court stated, "This qualified authority, unlike the power often exercised in the sixteenth and seventeenth centuries by the English Crown, is limited to the promotion of advances in the 'useful arts.'" *Id.* While the *Graham* Court was addressing a question of patent law, it noted that the IP Clause splices patent and copyright law together—thus, the Court declined to specifically address copyright law only because the proceedings at bar did not raise copyright issues. *See id.* at 5 n.1.

78. While the IP Clause also internally limits copyright protection to "Writings," "Authors," and "limited Times," U.S. CONST. art. I, § 8, cl. 8, this Note focuses on the "promotion-of-progress" requirement.

79. GOLDSTEIN, *supra* note 25, § 1.13.2.1, at 1:34.

80. Statute of Anne, 8 Ann., c. 19 (1710) (Eng.).

81. Copyright Act of 1790, ch. 15, 1 Stat. 124 (repealed 1802).

definition.[82] Given, however, the *Eldred* Court's statement that the purpose of copyright law is to encourage free expression,[83] it follows that "Progress" in copyright law necessarily involves free expression. The word itself traces its etymology to Latin roots: the prefix "*pro*," meaning "forward," and the word "*gradi*," meaning "to walk, take steps."[84] Thus, the modern definition of progress is "a forward or onward movement (as to an objective or to a goal)."[85] Even a priori, it stands to reason that free expression can move forward only when something new is expressed, and in the realm of copyrights, that "something" must take the form of an original work fixed in a tangible medium of expression.[86] Copyright law economically incentivizes the expression of such works by granting to their authors an exclusive reproduction right (for a limited time).[87]

This understanding of progress explains the Court's description of copyright as part of the "engine of free expression."[88] Professor Malla Pollack reached a similar conclusion in her examination of the historical implications of the IP Clause, explaining that the Framers likely intended "Progress" in the context of copyright law to equate with "dissemination."[89] Without dissemination of new works, the engine of free expression runs out of fuel.

B. PROMOTION OF PROGRESS AS A LIMITATION ON CONGRESSIONAL COPYRIGHT AUTHORITY

It is clear that the Framers intended copyright law to promote free expression. A core question remains, however: Is the "Progress" language of the IP Clause a limitation on Congress's authority or merely an explanation of the Framers' rationale for granting that authority? The Court has repeatedly identified the constitutional purpose of copyright law as the

82. Oliar, *supra* note 20, at 1836.

83. Eldred v. Ashcroft, 537 U.S. 186, 219 (2003).

84. STEVEN SCHWARTZMAN, THE WORDS OF MATHEMATICS: AN ETYMOLOGICAL DICTIONARY OF MATHEMATICAL TERMS USED IN ENGLISH 173 (1994); *cf.* WEBSTER'S COMPLETE DICTIONARY OF THE ENGLISH LANGUAGE 583 (Chauncey A. Goodrich et al. eds., London, George Bell & Sons, 1860 ed. 1886) (defining, under the entry for "gradient," the Latin word "*gradi*" as "to step, to go").

85. *Progress*, MERRIAM-WEBSTER, http://www.merriam-webster.com/dictionary/progress (last visited Oct. 24, 2010).

86. *See* 17 U.S.C. § 102(a) (2006) ("Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression . . . .").

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

88. Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985).

89. Malla Pollack, *What Is Congress Supposed To Promote?: Defining "Progress" in Article I, Section 8, Clause 8 of the United States Constitution, or Introducing the Progress Clause*, 80 NEB. L. REV. 754, 756–58 (2001).

promotion and creation of free expression,[90] going so far as to state that "Congress in the exercise of the patent [or copyright] power may not overreach the restraints imposed by the stated constitutional purpose. Nor may it enlarge the patent [or copyright] monopoly without regard to the innovation, advancement or social benefit gained thereby."[91] Although the textual uniqueness of the IP Clause has created some controversy over whether its stated purpose was indeed a functional limitation on congressional copyright authority,[92] both the foregoing statement by the Court and exhaustive historical research indicate that the Framers intended it to act as such.[93] The IP Clause does not grant Congress plenary power to enact copyright laws; rather, such laws are constitutional only insofar as they promote "Progress"—and "Progress" means the dissemination of original, expressive works.[94]

V. PUTTING IT ALL TOGETHER: PRACTICAL APPLICATION OF THE INTERNAL LIMITS ON CONGRESSIONAL COPYRIGHT AUTHORITY TO *SALINGER V. COLTING*

Since, as discussed above, courts have steadfastly refused to apply direct First Amendment scrutiny to the Copyright Act, a derivative author in Colting's position would be well-advised to seek a defense instead in the internal limits of the IP Clause, which provide a more ready framework for constitutional review of copyright law.[95] As an initial matter, such an author would likely raise an as-applied, rather than facial, challenge.[96]

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90. Eldred v. Ashcroft, 537 U.S. 186, 219 (2003); *Harper & Row*, 471 U.S. at 558.

91. Graham v. John Deere Co. of Kan. City, 383 U.S. 1, 5–6 (1966). Although addressing a question of patent law, the Court noted that the same clause grants Congress constitutional authority to enact both patent and copyright laws. *Id.* at 5 n.1.

92. *Compare* Schnapper v. Foley, 667 F.2d 102, 112 (D.C. Cir. 1981) (rejecting the argument "that the introductory language of the Copyright Clause constitutes a limit on congressional power"), *with Graham*, 383 U.S. at 5–6 (accepting same). *See generally, e.g.*, Dan T. Coenen & Paul J. Heald, *Means/Ends Analysis in Copyright Law:* Eldred v. Ashcroft *in One Act*, 36 LOY. L.A. L. REV. 99, 105–06 (2002) (referring to the preambulatory language of the IP Clause as "striking," and noting that it is the sole constitutional clause "structured in this sort.of way"); Lawrence B. Solum, *Congress's Power To Promote the Progress of Science:* Eldred v. Ashcroft, 36 LOY. L.A. L. REV. 1, 20 (2002) (observing that the structure of the IP Clause is "unique among the powers granted by the eighth Section of the first Article").

93. *Graham*, 383 U.S. at 5–6; Oliar, *supra* note 20, at 1788–803, 1810–12.

94. As Professor Oliar aptly notes, "'Progress,' of course, is not a clearly defined concept," and it would be neither easy nor straightforward to establish a precise definition. Oliar, *supra* note 20, at 1836. This Note, however, accepts the *Eldred* Court's statement that the purpose of copyright law is to encourage free expression and roughly defines "Progress" as the continued production and dissemination of creative, original expression, without inquiring as to the value or worth of that expression.

95. *See supra* Part III (arguing that applying direct First Amendment scrutiny to the Copyright Act would be problematic).

96. This is because, unlike a facial attack, which "requires unconstitutionality in all circumstances," an as-applied challenge requires parties to show only that the challenged

Unfortunately, the internal-limits road is the one less traveled. Colting himself provides a telling example of this tendency: overlooking the possibility of an internal-limits challenge, he raised the familiar First Amendment argument as a defense to Salinger's lawsuit[97]—and lost. Thus, derivative authors could assert that the Act's grant of an exclusive derivative-works right to the primary author failed to promote the ex ante creation and dissemination of new expressive works and that the Act is therefore unconstitutional—at least as applied—under the "promotion-of-progress" requirement of the IP Clause.[98]

A. *Derivative-Works Rights and J.D. Salinger's Incentives To Author* The Catcher in the Rye

It stands to reason that, at least in the model situations the 1976 Act presumably targeted, the exclusive right to prepare derivative works may serve to incentivize an author to produce an original, creative work.[99] Salinger's final lawsuit, however, presents a more problematic situation. Having produced an original work, Salinger then steadfastly refused to create any new derivative works of it for over fifty years.[100] In fact, his complaint stated that Salinger had no intention to allow adaptations of *any* of his works and alleged that he had "expressly and publicly stated" that he has never allowed and will never allow any new narratives involving the Holden Caulfield character.[101] Colting raised the defense of fair use,[102] arguing (among other things) that his novel did not damage *Catcher*'s derivative-works market.[103] The district court, however, rejected Colting's fair-use defense[104] and, holding that Salinger had presented a prima facie case of copyright infringement, enjoined the publication of Colting's

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statute was "*at least* unconstitutional in its particular application to them." City of Chi. v. Morales, 527 U.S. 41, 78 n.1 (1999) (Scalia, J., dissenting).

97. Amended Answer & Counterclaim at 13, Salinger v. Colting, 641 F. Supp. 2d 250 (S.D.N.Y. 2009) (No. 09 Civ. 5095 (DAB)), 2009 WL 3210417.

98. Direct copiers could raise similar challenges. As discussed above, however, the Act is much more likely to fail to achieve its purpose in the realm of derivative uses than it is when considering direct infringement of the primary work.

99. *See generally Copyright Term Extension Act of 1995: Hearing on S. 483 Before the S. Comm. on the Judiciary*, 104th Cong. 55–57 (1995) (statements of Bob Dylan, Don Henley, and Carlos Santana, among others, to the effect that the Act's grant of exclusive rights incentivizes their artistic creations).

100. Lacayo, *supra* note 12.

101. Complaint, *supra* note 5, at 10.

102. Amended Answer & Counterclaim, *supra* note 97, at 12.

103. Salinger v. Colting, 641 F. Supp. 2d 250, 267 (S.D.N.Y. 2009) ("Defendant asserts that there is no evidence that *60 Years* will undermine the market for *Catcher* or any authorized sequel."), *vacated*, 607 F.3d 68 (2d Cir. 2010).

104. *Id.* at 268 (stating that the balance of the four factors expressed in § 107 weighed against a finding of fair use).

novel.[105] Thus, the court's decision left the public with one novel where it might have had two.

1. Salinger's Exclusive Right To Prepare Derivative Works

If this result seems odd in light of the foregoing constitutional analysis, it should. As noted above, the right to prepare derivative works frequently fails to promote progress.[106] Even if, on a macro level, the derivative-works right promotes the creation and dissemination of new works, it does not appear to have done so in this case.

Salinger's steadfast refusal to prepare or license any derivatives of *Catcher* strongly indicates that the right to prepare derivative works did not incentivize his creation of the novel. Furthermore, Salinger's production costs of writing *Catcher* were likely low in relation to his expected gains from its publication.[107] And if that was in fact the case, then copyright protection for *Catcher* (the primary work) was likely a sufficient incentive for Salinger to write it. Unfortunately, a low production-cost-to-anticipated-profit ratio for a primary work increases the likelihood of the derivative-works right functioning as an entirely extraneous incremental expansion of copyright law.[108]

2. Salinger's Exclusive Right *Not* To Prepare Derivative Works?

Perhaps more troubling, the district court, citing no precedential support, raised the novel supposition "that authors might create out of a desire to *not* license [or produce] derivative works."[109] This reasoning appears to stem from a misunderstanding of the nature of the interests that fall within the purview of copyright law. It reflects the unfortunate persistence of the "natural-rights" theory of copyright,[110] despite the Court's repeated statements that the purpose of copyright law is not to protect

105. *Id.* at 269 ("Given the Court's finding that Plaintiff is likely to succeed on the merits of its Copyright claim, . . . the Court preliminarily enjoins Defendants from . . . disseminating any copy of *60 Years* or any portion thereof, in or to the United States.").

106. *See supra* Part II.B (providing an economic analysis of derivative-works right).

107. *See generally* Complaint, *supra* note 5, at 8 ("[*Catcher*] became a commercial and critical success soon after its release . . . and it has never lost that status.").

108. *See supra* Part II.A (analyzing the derivative-works right in light of copyright's utilitarian purpose).

109. Brief of Amici Curiae American Library Ass'n et al. in Support of Defendants–Appellants & Urging Reversal at 26, Salinger v. Colting, 607 F.3d 68 (2d Cir. 2010) (No. 09-2878-CV), 2009 WL 6865321 at *26.

110. The natural-rights theory of copyright bases itself on Lockean property theory, particularly Locke's seventeenth-century notion that a man unquestionably owns his own labor—thus, when he mixes it with some object, he acquires an inherent right to that object. Sami J. Valkonen & Lawrence J. White, *An Economic Model for the Incentive/Access Paradigm of Copyright Propertization: An Argument in Support of the Orphan Works Act*, 29 HASTINGS COMM. & ENT. L.J. 359, 363–65 (2007). Naturally, under this view, public-policy considerations should not limit authors' rights in their works. *Id.* at 364.

authors' natural or moral rights in their works, but to spur the dissemination of new works.[111] Copyright law accomplishes this purpose through creating, by way of a statutory monopoly, economic incentives for artists to create.[112] It would strain the imagination to argue that Salinger had an economic interest in refusing to produce or license derivative works of *Catcher*—he realized no additional income and likely sustained substantial opportunity costs by doing so.[113] In fact, Salinger's own complaint admits that "[h]is right *not* to publish a sequel is unquantifiable."[114] Thus, while artists who create primary works may occasionally be motivated in part by a desire to not license derivatives, essentially the very human desire to own a tableau frozen in time and cordoned off from future artists—copyright law does not recognize such a motivation as valid.

Tellingly, the district court reasoned that "[j]ust as licensing of derivatives is an important economic incentive to the creation of originals, so too will the right *not* to license derivatives sometimes act as an incentive to the creation of originals."[115] While it is true that derivatives-licensing revenues are "an important economic incentive,"[116] it is equally true that a "right" not to license or prepare derivative works would act merely as "an incentive"—one that is decidedly not economic.[117] The district court rightly demurred from labeling the incentives offered by this neoteric right not to license as "economic,"[118] but in doing so, the court highlighted the fatal flaw in its logic. Since copyright law does not contemplate noneconomic motives for disseminating original works,[119] courts should not allow authors like

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111. *See, e.g.*, Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 450 (1984) ("The purpose of copyright is to create incentives for creative effort."); Fox Film Corp. v. Doyal, 286 U.S. 123, 127 (1932) ("The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors.").

112. Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985) ("By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas."); Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975) ("The immediate effect of our copyright law is to secure a fair return for an author's creative labor." (internal quotation marks omitted)).

113. *Cf.* Complaint, *supra* note 5, at 11 ("Salinger's copyright in *The Catcher in the Rye* is worth an enormous amount of money and his right of first publication of a sequel is likewise of great monetary value.").

114. *Id.*

115. Salinger v. Colting, 641 F. Supp. 2d 250, 268 (S.D.N.Y. 2009), *vacated*, 607 F.3d 68 (2d Cir. 2010).

116. *Id.*; *cf. supra* note 99 and accompanying text (noting that the right to prepare derivative works frequently serves as an economic incentive to the production of originals).

117. *See supra* note 42 and accompanying text (recognizing that authors may, and sometimes do—for whatever reason—choose to act against their own best economic interest).

118. *Salinger*, 641 F. Supp. 2d at 268.

119. *See* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558 (1985) ("By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas."). *See generally* 2 ADAM SMITH, AN INQUIRY INTO THE

Salinger to defeat constitutional challenges by arguing that a "right" *not* to prepare derivatives incentivized them to produce their original works.

B. *This Application of the Copyright Act Was Likely Unconstitutional*

Since copyright law does not recognize the exclusive right not to prepare derivative works as a valid incentive, the Copyright Act in Salinger's instance likely failed to serve its constitutional purpose. That purpose—incentivizing the creation of original works of authorship—is the necessary counterbalance to the harm to societal welfare inflicted by copyright monopolies. Had Colting brought an as-applied constitutional challenge to the constitutionality of the Act under the IP Clause, it should have succeeded.

To further explain that fairly loaded statement, consider what occurred in the sphere of constitutional law during this litigation. As applied to this situation, the Copyright Act effectively banned a book from U.S. distribution,[120] and it did so without, in all likelihood, serving its countervailing constitutional purpose. In fact, far from incentivizing the creation and dissemination of new works, the Act—as applied—likely served only to halt dissemination of a new work. Withholding new, creative works from the public is the polar opposite of copyright's constitutional purpose—in a very real sense, the *Salinger* court shifted the engine of free expression into reverse. The obvious objection is that Salinger could have changed his mind at any moment and decided to prepare or license a derivative of *Catcher*. However, copyright law deals with ex ante incentives;[121] an ex post decision to exploit the derivative-works market would not mean that the Copyright Act promoted the creation of the original work within the meaning of the IP Clause.

Thus, where a secondary author in a case like *Salinger* raises an as-applied constitutional challenge to the Copyright Act under an internal-limits theory, the court should decide whether that application of the Act fulfills copyright's constitutionally mandated purpose. This inquiry need not

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NATURE AND CAUSES OF THE WEALTH OF NATIONS 754 n.69 (photo. reprint 1981) (R.H. Campbell et al.eds., Oxford Univ. Press 1979) (1776) ("[I]f the book be a valuable one the demand for it in [the period of copyright protection] will probably be a considerable addition to [the author's] fortune." (internal quotation marks omitted)). Although Smith was commenting on the Statute of Anne, successive generations of scholars have likewise explained U.S. copyright law's justification using economic theory. NETANEL, *supra* note 57, at 84. Unfortunately, the copyright-as-incentive hypothesis largely continues to exist as just that—a hypothesis—since "[d]efinitive empirical support for that intuition is difficult to come by." *Id.*

120. In discussing the power to grant injunctions in copyright-infringement suits, Judge Kozinski goes so far as to state that "Congress has given courts the power to order books burned." Alex Kozinski & Christopher Newman, *What's So Fair About Fair Use?*, 46 J. COPYRIGHT SOC'Y U.S.A. 513, 516 (1999).

121. *See* Balganesh, *supra* note 35, at 1589 (referring to authors' ex ante incentives to create as "the inducement that copyright is meant to be about").

be as complex as it might, at first blush, appear. In fact, it boils down to the question of whether the exclusive right to prepare derivative works incentivized the original author to prepare and disseminate the original work.[122]

To determine an author's incentive, a court should consider several factors. Initially, in inquiring into a primary author's ex ante incentives to prepare her original work, the author's own statements on the subject provide some guidance—and where the author has expressly stated that she never had any intention to prepare a derivative work or allow others to do so, it would be (at the very least) difficult for a court or jury to find that the derivative-works right motivated her to create.[123] Of further interest would be the time that had elapsed between preparation of the original work and the lawsuit—if lengthy, it would appear less likely that the primary author placed high (or any) economic value on her exclusive derivative-works right.[124] Finally, where the production costs of preparing the original work were low as compared to its projected returns, and the additional projected gains from the derivative work were not necessary to compensate the author for the costs of producing both works, the additional incremental protection granted by the exclusive derivative-works right was not necessary to induce the author to prepare the original work.[125] In situations where each of these elements exists, like that of *Salinger*, there is a high likelihood that the Copyright Act, as applied, violates the constitutional promotion-of-progress requirement of the IP Clause.

VI. CONCLUSION

The expansion of copyright law has troubled scholars for decades. Although the artificial monopoly granted to primary authors by the Copyright Act arguably does restrict the speech of secondary authors, the Act's unique attributes and built-in free-speech safeguards make it an uneasy

122. Although defendants accused of direct copying could conceivably bring similar constitutional challenges, they would be far less likely to succeed. As noted above, the derivative-works right is uniquely problematic from copyright's utilitarian perspective. *See supra* notes 33–43 and accompanying text.

123. Of course, the specter of perjury is ever-present where a witness stands to personally benefit through disingenuous testimony. This problem is not unique to copyright law: "Truthful testimony is essential to the administration of justice and the functional capacity of every branch of government." Tristan S. Breedlove, *Perjury*, 46 AM. CRIM. L. REV. 899, 899 (2009). The threat of criminal prosecution under federal criminal statutes that punish false testimony is Congress's response to "the 'pollution of perjury.'" *Id.* at 900 (quoting Bronston v. United States, 409 U.S. 352, 357 (1973)). This Note accepts that threat as an adequate deterrent to perjurious primary authors.

124. Where an author (like Salinger) has neither prepared a derivative work nor licensed his original work for over fifty years, it would seem quite difficult for a fact finder to conclude that the derivative-works right incentivized his original creation.

125. Unfortunately, given the imprecise nature of the relevant calculations, this factor may not (and probably should not) be as dispositive as a pure economic theorist would like.

candidate for direct First Amendment scrutiny. The internal limits imposed by the IP Clause present a more direct, workable alternative for applying constitutional review to copyright-infringement lawsuits.

Where the Copyright Act fails to fulfill the purpose mandated by the IP Clause—to incentivize the creation and dissemination of expressive works—it violates an internal, constitutional limit on congressional copyright authority. Where a derivative-works author raises such a constitutional violation as a defense against a copyright-infringement action, the court should consider multiple factors in weighing the merits of the challenge, including the author's testimony as to his ex ante motivations, any external evidence regarding the same, and the relevant projected economic gains and production costs. Although direct copiers could also raise such challenges, the Act is much more likely to fail to achieve its purpose in the realm of derivative uses—and it probably does so with some frequency in cases like *Salinger*.

Like Holden Caulfield, many authors may feel that "[c]ertain things . . . should stay the way they are. You ought to be able to stick them in one of those big glass cases and leave them alone."[126] Unfortunately for those authors, nostalgically yearning to keep their creations untouched forever, Mr. Antolini's "beautiful, reciprocal arrangement" is not a one-way street—for the engine of free expression to keep running, some characters have to grow up.

126. SALINGER, *supra* note 1, at 158.


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