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INTELLECTUAL PROPERTY LITIGATION

Expert Analysis

Recent Cases Address Scope of Copyright Protection for Pre-1972 Recordings

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The Federal Copyright Act does not protect sound recordings created prior to Feb. 15, 1972, with limited exceptions. Instead, pre-1972 sound recordings are covered by a patchwork of state statutes and common law, with the scope of protection varying from state to state.

A series of recent lawsuits in New York, Florida, and California have brought increased focus on the existence and scope of state-law copyright protection for pre-1972 sound recordings. The New York Court of Appeals recently addressed whether New York recognizes a public performance right for pre-1972 sound recordings, and the Ninth and Eleventh Circuit Courts of Appeals have asked the Supreme Courts of California and Florida, respectively, to decide that same question.

We report here on these and other recent cases that have examined the status of state and federal copyright protection for pre-1972 sound recordings.

The Federal Copyright Act

Federal copyright law has protected musical compositions—songs and lyrics—since 1831, and has protected public performance since 1909. 17 U.S.C. §106(4). Sound recordings, in contrast, which are defined as "works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work," did not receive federal copyright protection until 1972. 17 U.S.C. §101. Notably, the rights granted in 1972 for sound recordings did not include public performance protection. 17 U.S.C. §106(4). And the Copyright Act protects sound recordings only if they are fixed on or after February 15, 1972, explicitly leaving to the States the authority to regulate pre-1972 sound recordings. 17 U.S.C. §301.

> New York's statutes do not address public performance of copyrighted sound recordings.

Thus, §301 states:

With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be

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> annulled or limited by this title until February 15, 2067 … . Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title before, on, or after February 15, 2067.
> 17 U.S.C. §301(c).

State Law Regimes

Flo & Eddie, which owns the rights to the Turtles' pre-1972 sound recordings, sued satellite radio broadcaster Sirius XM Radio in district courts in New York, Florida, and California, alleging state-law copyright infringement. Flo & Eddie also brought suit in California against internet music streaming service Pandora Media. Flo & Eddie alleged that Sirius and Pandora publicly performed Flo & Eddie's copyrighted sound recordings without authorization as required by the copyright laws of each state.

New York: New York's statutes do not address public performance of copyrighted sound recordings.

On certification from the U.S. Court of Appeals to the Second Circuit, the New York Court of Appeals held that New York common-law copyright does not recognize a right of public performance for pre-1972 sound recordings. See *Flo & Eddie v. Sirius XM Radio*, 28 N.Y. 3d 583 (N.Y. 2016). The court concluded that while New York common law provides copyright protection against the unauthorized reproduction (copying) of pre-1972 sound recordings, state-law copyright protection does not extend to public performance.

The court acknowledged the "extensive and far-reaching" consequences of a judicially created public performance right, and concluded "the legislative branch," rather than the courts, "is uniquely qualified, and imbued with the authority, to conduct the required balancing of interests and make the necessary policy choices." Id. at 606, 607.

The court did note, however, that holders of copyrights in pre-1972 sound recordings might have other causes of action available to protect them against improper public performance, such as unfair competition claims. Id. at 610.

Florida: The same issue is being actively litigated in Florida now. Like those of New York, Florida's statutes do not address public performance. The federal district court declined to imply a common-law right of public performance, holding that the issue is instead "for the Florida legislature." *Flo & Eddie v. Sirius XM Radio*, No. 13-23182-CIV, 2015 WL 3852692, at *5 (S.D. Fla. June 22, 2015). The Eleventh Circuit, however, saw the issue as a closer one, finding at least some support in a 70-year-old case about the performance of magic tricks, *Glazer v. Hoffman*, 153 Fla. 809 (Fla. 1943), which the Eleventh Circuit read to create "at least a significant argument that Florida common law may recognize a common law property right in sound recordings." *Flo & Eddie v. Sirius XM Radio*, 827 F.3d 1016, 1021 (11th Cir. 2016). The court cautioned, however, that "[i]f the rule articulated in *Glazer* in the context of magic tricks … should be extended to sound recordings, there is a significant issue as to whether Flo & Eddie may have lost any common law property in its sound recordings by publication thereof." Id. at 1021-22. The Eleventh Circuit then certified the question of public-performance protection under Florida law to the Florida Supreme Court.

The Florida Supreme Court heard oral argument on April 6, 2017. Flo & Eddie contend that the common law and the broad scope of property rights in Florida support sound recording protection. Sirius counters that the court can avoid deciding the broader question of whether there is a pre-publication public-performance protection by holding simply that if

any such public-performance rights ever existed, they were extinguished by the sale of Flo & Eddie's records.

California: California—unlike New York and Florida—does offer statutory copyright protection for pre-1972 sound recordings. California Civil Code §980(a)(2) states: "The author of an original work of authorship consisting of a sound recording initially fixed prior to February 15, 1972, has an exclusive ownership therein until February 15, 2047, as against all persons."

In each of the *Flo & Eddie* cases, the federal district courts in California concluded that "exclusive ownership" of a sound recording includes the exclusive right of public performance. See *Flo & Eddie v. Sirius XM Radio*, No. CV 13-5693 PSG (RZx), 2014 WL 4725382 (C.D. Cal. Sept. 22, 2014); *Flo & Eddie v. Pandora Media*, No. 14-cv-7648 PSG (RZx), 2015 U.S. Dist. LEXIS 70551 (C.D. Cal. Feb. 23, 2015). In *Pandora*, the court addressed the "publication" issue that is being debated in the Florida lawsuit, and held that publication of Flo & Eddie's records did not extinguish their copyright under California's statutes, because California continues to protect sound recordings post-publication through common law property doctrines. 2015 U.S. Dist. LEXIS 70551 at *25-28.

The Ninth Circuit concluded, however, that the canons of statutory interpretation are "insufficient to aid in the resolution of this case, and do not eliminate the need for clear guidance from California's highest court," and therefore certified the issue to the California Supreme Court. *Pandora*, 851 F.3d 950, 956 (9th Cir. 2017). The California Supreme Court has yet to decide whether to accept the certified question.

In the meantime, at least one broadcaster has avoided infringement liability under the current law: In *ABS Entertainment v. CBS*, CBS successfully argued that certain post-1972 remastered versions of pre-1972 sound recordings were sufficiently original to qualify as federally copyrightable derivative works. See No. CV 15-6257 PA (AGRx), 2016 WL 4259846 (C.D. Cal. May 30, 2016). The court concluded that because the remastered versions were created after 1972, federal copyright law applies and CBS "had the right to perform post-1972 sound recordings on terrestrial radio without payment." Id. at *12.

Digital Millennium Copyright Act

Finally, we report on a recent Second Circuit case that addressed a related, though distinct question: Whether the safe harbor provisions of the Digital Millennium Copyright Act apply to pre-1972 sound recordings.

The notice-and-takedown regime of 17 U.S.C. §512(c) creates safe harbors for qualifying Internet service providers that publish user-uploaded copyrighted material but remove it upon specified notice from the copyright holder. In *Capitol Records v. Vimeo*, 826 F.3d 78 (2d Cir. 2016), the Second Circuit addressed whether those safe harbors should shield an Internet service provider from liability for publishing pre-1972 sound recordings, given that those recordings themselves are generally outside the scope of protection of the federal Copyright Act. The court concluded that the safe harbors apply to such recordings, concluding that excluding pre-1972 sound recordings would defeat the very purpose of the statute because "[s]ervice providers would be compelled to either incur heavy costs of monitoring … or incur[] potentially crushing liabilities under state copyright laws." Id. at 90.