

"Infringed" Versus "Infringing": Different Interpretations of the Word "Work" and the Effect on the Deterrence Goal of Copyright Law

Sarah A. Zawada

Follow this and additional works at: <http://scholarship.law.marquette.edu/iplr>



Part of the [Intellectual Property Commons](#)

Repository Citation

Sarah A. Zawada, *"Infringed" Versus "Infringing": Different Interpretations of the Word "Work" and the Effect on the Deterrence Goal of Copyright Law*, 10 *Intellectual Property L. Rev.* 129 (2006).

Available at: <http://scholarship.law.marquette.edu/iplr/vol10/iss1/4>

This Comment is brought to you for free and open access by the Journals at Marquette Law Scholarly Commons. It has been accepted for inclusion in Marquette Intellectual Property Law Review by an authorized administrator of Marquette Law Scholarly Commons. For more information, please contact megan.obrien@marquette.edu.

“Infringed” Versus “Infringing”: Different Interpretations of the Word “Work” and the Effect on the Deterrence Goal of Copyright Law

I. INTRODUCTION

One of the key elements that courts use to determine an appropriate statutory damage award in a copyright infringement case is the number of infringements of a copyright.¹ In most cases, the number of infringements of a copyright is obvious. For example, if a publishing company reprints an author’s copyrighted book without her permission, the author is entitled to one statutory damage award. Similarly, if a recording company includes one of a composer’s copyrighted songs without his permission on an album, the composer is entitled to one statutory damage award. But how does a court determine the number of infringements when one infringing article has been printed six times in over one hundred copies of a magazine? Or when one infringing song has been played by a network radio six times over one hundred stations? When computing statutory damages in the above scenarios, does a court count one infringement, six infringements, or one hundred infringements? The answer depends on the court’s interpretation of the word “work” in § 504(c)(1) of the Copyright Act of 1976 (1976 Act): “[T]he copyright owner may elect . . . to recover . . . an award of statutory damages for all infringements involved in the action, with respect to any one *work*, for which any one infringer is liable individually.”² Clearly in the above scenarios, a court’s decision concerning the number of infringements of a copyright strongly impacts the amount of the statutory damage award.³

Before the 1976 Act went into effect, many courts adhered to the “multiplicity doctrine” and would have awarded statutory damages in the above scenarios for each of the six times that the infringing article was printed or the infringing song was played.⁴ Post-1976, however,

1. See 17 U.S.C. § 504(c)(1) (2000).

2. *Id.* (emphasis added).

3. For example, assuming that a judge awards \$1000 per infringement, the difference in interpretations of the word “work” is \$5000; that is, \$1000 for one *infringed* work compared to \$6000 for the six *infringing* works.

4. See Peter Thea, *Statutory Damages for the Multiple Infringement of a Copyrighted Work: A Doctrine Whose Time Has Come, Again*, 6 CARDOZO ARTS & ENT. L.J. 463, 474–75

most courts have interpreted the 1976 Act's language as abolishing the practice of awarding statutory damages for each *infringing* work, instead awarding statutory damages for each *infringed* work.⁵ In 2004, the First Circuit reaffirmed this interpretation in *Venegas-Hernandez v. Sonolux Records*.⁶ Although the law may appear to be well-settled, two questions remain. First, does this interpretation of the 1976 Act actually deter prospective infringers—one of the goals of copyright law? And, second, does this interpretation promote good public policy? Evidence seems to suggest that the answers to both of these questions are in the negative.

This Comment, beginning with Part II, gives a brief history of statutory damages in the United States from the Copyright Act of 1790 (1790 Act), through the Copyright Act of 1909 (1909 Act), to § 504(c)(1) of the 1976 Act. Part III discusses the ambiguous language in the 1909 Act, the confusion that resulted in the courts, and the birth of the multiplicity doctrine. Part IV discusses the revisions under § 504(c)(1) of the 1976 Act and the cases that have interpreted the revisions as an abolition of the multiplicity doctrine. Finally, Part V discusses how the multiplicity doctrine furthers the deterrence goal of copyright law while promoting good public policy and suggests that courts return to the interpretation of the 1976 Act that awards statutory damages for each *infringing* work.

II. A BRIEF HISTORY OF STATUTORY DAMAGES FOR COPYRIGHT OWNERS IN THE UNITED STATES

Common law remedies originally compensated copyright owners for copyright infringement.⁷ Victims of copyright infringement were entitled only to actual damages and profits.⁸ Over time, however, England and many American colonies adopted statutory damage

(1988) (noting the courts' shift from basing statutory damage awards on the number of *infringing* works to the number of *infringed* works); *see also infra* Part III.A. (discussing the multiplicity doctrine in more detail).

5. *See* 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.04[E][2][a] (2005) (“*Prima facie* [the post-1976 interpretations] would appear to represent a departure from the case law under the 1909 Act, whereby a separate set of statutory damages (each with its own \$250 minimum) was applied to what might be termed each infringing transaction undertaken by the same defendant.”); *see also infra* Part IV (discussing the *infringed* work interpretation of the 1976 Act in more detail).

6. 370 F.3d 183 (1st Cir. 2004).

7. *See* Thea, *supra* note 4, at 470; *see also* *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 654–57 (1834); *Millar v. Taylor*, (1769) 98 Eng. Rep. 201, 206 (K.B.).

8. *See* Thea, *supra* note 4, at 470 n.32.

provisions to address the problem that arose when the amount of actual damages and lost profits caused by a copyright infringement was too difficult to determine.⁹ These statutory damage provisions consist of a series of three acts: (1) the 1790 Act,¹⁰ (2) the 1909 Act,¹¹ and (3) the 1976 Act.¹²

A. 1790 Act

The first federal copyright statute was the 1790 Act, modeled after England’s Statute of Anne.¹³ The 1790 Act was the first statute that “specifically . . . recognize[d] the rights of authors and the foundation of subsequent legislation on the subject of copyright.”¹⁴ Over the nineteenth century, scattered pieces of legislation slowly expanded remedies available to copyright owners.¹⁵ These pieces of legislation were finally consolidated in 1909 into a single act.¹⁶

B. 1909 Act

Under the 1909 Act, copyright owners in infringement actions had the option of choosing “in lieu of actual damages and profits, such damages as to the court shall appear just.”¹⁷ In addition, the 1909 Act

9. *See id.*

10. Copyright Act of 1790, ch. 15, 1 Stat. 124.

11. Copyright Act of 1909, ch. 320, 35 Stat. 1075.

12. 17 U.S.C. § 504(c)(1) (2000).

13. Statute of Anne, 1710, 8 Ann., c. 21, § 1 (Eng.). Under the Statute of Anne, copyright owners were entitled to specific amounts of damages for each infringing copy. *Id.* Authors had the right to print books for fourteen years, and infringers were forced to pay one penny per infringing sheet. *Id.* Under the 1790 Act, copyright infringers were forced to pay fifty cents per infringing sheet. Copyright Act of 1790. In addition, infringers were “liable to suffer and pay to the . . . author or proprietor all damages occasioned by such injury.” *Id.*

14. WILLIAM F. PATRY, *LATMAN’S THE COPYRIGHT LAW* 4 (6th ed. 1986).

15. *See, e.g.*, Copyright Act of 1831, ch. 16, 4 Stat. 436–39 (protecting the copyrights of musical compositions); Copyright Act of 1831, ch. 169, 11 Stat. 138 (protecting copyright owner’s performance and publication rights in dramatic works); Copyright Act of 1870, ch. 194, 28 Stat. 965 (protecting copyrighted photographs not made from a work of fine art by providing for specific remedies); Copyright Act of 1790, ch. 15, 1 Stat. 124 (protecting the copyrights of designs, engravings, and prints).

16. *See* Copyright Act of 1909.

17. Section 101(b) of the Copyright Act of 1909 further states, in relevant part:

To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only, and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits, such damages as to the court shall appear to be just, and assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but in case of a

provided that two separate infringements of the same copyrighted work would result in two separate claims for minimum damages.¹⁸ Thus, copyright infringers were liable to copyright owners for *each* infringing act of *each* copyrighted work.¹⁹ First, however, a court “had to determine whether the infringer’s acts constituted ‘multiple’ infringements, to each of which a statutory minimum award would attach, or continuous infringements (of the original act of infringement), to which only one statutory award would attach.”²⁰ In addition, the 1909 Act set out four “yardstick provisions,” that is, guidelines for a court to use at its discretion when calculating statutory damages.²¹ One court interpreted these provisions as suggesting that “one ‘infringement’ may

newspaper reproduction of a copyrighted photograph, such damages shall not exceed the sum of \$200 nor be less than the sum of \$50, and in the case of the infringement of an undramatized or nondramatic work by means of motion pictures, where the infringer shall show that he was not aware that he was infringing, and that such infringement could not have been reasonably foreseen, such damages shall not exceed the sum of \$100; and in the case of an infringement of a copyrighted dramatic or dramatico-musical work by a maker of motion pictures and his agencies for distribution thereof to exhibitors, where such infringer shows that he was not aware that he was infringing a copyrighted work, and that such infringements could not reasonably have been foreseen, the entire sum of damages recoverable by the copyright proprietor from such infringing maker and his agencies for the distribution to exhibitors of such infringing motion picture shall not exceed the sum of \$5,000 nor be less than \$250, and such damages shall in no other case exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty. But the foregoing exceptions shall not deprive the copyright proprietor of any other remedy given him under this law, nor shall the limitation as to the amount of recovery apply to infringements occurring after the actual notice to a defendant, either by service of process in a suit or other written notice served upon him.

First. In the case of a painting, statute, or sculpture, \$10 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Second. In the case of any work enumerated in section 5 of this title, except a painting, statute, or sculpture, \$1 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Third. In the case of a lecture, sermon, or address, \$50 for every infringing delivery;

Fourth. In the case of a dramatic or dramatico-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions, \$10 for every infringing performance[.]

Copyright Act of 1909 § 101(b).

18. *See id.*

19. *See id.*

20. Thea, *supra* note 4, at 468.

21. *See* Copyright Act of 1909 § 101(b). For example, one of the guidelines recommends that a defendant pay ten dollars for every infringing copy of a painting, statue, or sculpture. Another guideline recommends that a defendant pay fifty dollars for every “infringing delivery” of a lecture, sermon, or address. *Id.*

nevertheless result in more than one ‘performance’ and that in fixing damages for such infringement between the \$250 minimum and the \$5000 maximum, the court may consider the number of infringing performances and the suggested yardstick amount for each one.”²²

Although the 1909 Act consolidated scattered pieces of copyright legislation into a single act, it was so problematic that one judge described it as “an ambiguous hodgepodge of improvisations.”²³ As a result, the legislature revised the Copyright Act once again in 1976.²⁴

C. 1976 Act

The 1976 Act attempted to resolve the ambiguities surrounding the 1909 Act, particularly the damages provisions.²⁵ Like the 1909 Act, the 1976 Act provides that a copyright owner can choose to recover statutory damages for copyright infringement in lieu of actual damages.²⁶ Unlike the 1909 Act, however, the 1976 Act provides that statutory damage awards include “all infringements involved in the action, with respect to any one *work*, for which any one infringer is liable individually.”²⁷ The purpose of the 1976 Act’s statutory damage provision was to provide courts with direction when calculating statutory damage awards, thereby avoiding the confusion caused by the 1909 Act.²⁸ This language has still proven to be ambiguous, however, as

22. *Davis v. E.I. DuPont de Nemours & Co.*, 249 F. Supp. 329, 333 (S.D.N.Y. 1966).

23. *Id.* at 331; *see also* PATRY, *supra* note 14, at 10.

24. *See* 17 U.S.C. § 504(c)(1) (2000).

25. *See* PATRY, *supra* note 14, at 12.

26. Section 504(c)(1), states, in relevant part:

Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than \$750 or more than \$30,000 as the court considers just.

§ 504(c)(1).

27. *Id.* (emphasis added).

28. *See* H.R. REP. NO. 94-1476, at 161 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5777-78. House Report 1476 states that the goals of the damage award provisions of the Copyright Act of 1976 are as follows:

(1) to give the courts specific unambiguous directions concerning monetary awards, thus avoiding the confusion and uncertainty that have marked the present law on the subject, and, at the same time, (2) to provide the courts with reasonable latitude to adjust recovery to the circumstances of the case, thus avoiding some of the artificial or overly technical awards resulting from the language of the existing statute.

Id.

post-1976 courts have interpreted the word “work” to mean both *infringing* works (allowing for statutory damage awards for multiple infringements of a copyrighted work),²⁹ as well as *infringed* works (allowing for only one statutory damage award for each work infringed).³⁰ In an effort to interpret the meaning of the 1976 Act, some frustrated courts have looked to its legislative history.³¹ Other courts have focused on public policies, such as restitution, reparation, and deterrence, when interpreting the 1976 Act.³² Despite the continuing ambiguity surrounding the 1976 Act, the growing trend among the courts, as exemplified by the First Circuit’s decision in *Venegas-Hernandez*, has been to interpret the word “work” to mean *infringed* work, thereby abolishing the multiplicity doctrine.³³

29. See, e.g., *Broad. Music, Inc. v. Larkin*, 672 F. Supp. 531, 535 (D. Me. 1987) (awarding statutory damages based on the number of infringing performances of copyrighted music); *Sid & Marty Krofft Television Prod., Inc. v. McDonald’s Corp.*, 221 U.S.P.Q. (BNA) 114, 118–20 (C.D. Cal. 1983) (awarding statutory damages based on the number of infringing commercials, promotional items, and personal appearances by the defendants); *Milene Music, Inc. v. Gotauco*, 551 F. Supp. 1288, 1297 n.14 (D.R.I. 1982) (awarding statutory damages for the infringement of copyrighted songs based on the number of infringing performances of those songs); *Iowa State Univ. Research Found., Inc. v. Am. Broad. Cos.*, 475 F. Supp. 78, 82 (S.D.N.Y. 1979) (awarding statutory damages based on the number of infringing broadcasts of a copyrighted film).

30. See, e.g., *Venegas-Hernandez v. Sonolux Records*, 370 F.3d 183, 186 (1st Cir. 2004) (awarding statutory damages based on the two infringed songs on sixteen different albums); *Walt Disney Co. v. Powell*, 897 F.2d 565, 569 (D.C. Cir. 1990) (awarding statutory damages based on the two infringed copyrights of Mickey and Minnie Mouse in six different poses); *RSO Records, Inc. v. Peri*, 596 F. Supp. 849, 862 n.16 (S.D.N.Y. 1984) (refusing to allow multiple statutory damage awards for both the infringed graphics for the recording and the recording itself).

31. See H.R. REP. NO. 94–1476, at 161.

Although . . . an award of minimum statutory damages may be multiplied if separate works and separately liable infringers are involved in the suit, a single award . . . is to be made “for all infringements involved in the action.” A single infringer of a single work is liable for a single amount . . . , no matter how many acts of infringement are involved in the action and regardless of whether the acts were separate, isolated, or occurred in a related series.

Id.

32. See, e.g., *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952); *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 592 F.2d 651, 657 (2d Cir. 1978); *United Feature Syndicate, Inc. v. Sunrise Mold Co.*, 569 F. Supp. 1475, 1481 (S.D. Fla. 1983). See also *Kepner-Tregoe, Inc. v. Carabio*, 203 U.S.P.Q. (BNA) 124, 139 (E.D. Mich. 1979) (considering such factors as “the time interval between succeeding publications; whether separate transactions generated were the same or different parties involved[]; were there new business arrangements made for each successive publication; were the succeeding publications made in the same or different locales?”).

33. See *Venegas-Hernandez*, 370 F.3d at 186.

III. CONFUSION IN THE COURTS SURROUNDING THE 1909 ACT

The first Supreme Court case under the 1909 Act to recognize statutory damages for the multiple infringements of a copyrighted work was *L.A. Westerman Co. v. Dispatch Printing Co.*³⁴ in 1919. In this case, the Court held that the unauthorized publication of six copyrighted illustrations that appeared in two advertisements in a newspaper resulted in six separate claims for minimum statutory damages.³⁵ In its decision, the Court emphasized the fact that two different advertisers had sponsored each of the two publications.³⁶ However, the Court explicitly left open the question of whether, for purposes of computing minimum damages, multiple infringements would arise if the additional publications were “merely a continuation or repetition of the first.”³⁷ As a result, lower courts followed both the *infringing* interpretation of the 1909 Act and the *infringed* interpretation.

A. *The Multiplicity Doctrine: The “Infringing” Work Interpretation Under the 1909 Act*

The multiplicity doctrine, which dictated that courts should award statutory damages for multiple infringements of a copyrighted work, grew out of the ambiguity surrounding the 1909 Act.³⁸ Although the multiplicity doctrine allowed for larger statutory damage awards, the awards were not arbitrary.³⁹ Instead, many courts used a combination of several factors to compute statutory damage awards, including (1) the gross revenues of the infringer’s business and the size of the infringer’s business,⁴⁰ (2) the proximity in time of the repeated infringements and the heterogeneity of the infringements,⁴¹ and (3) the “willfulness” of the

34. 249 U.S. 100 (1919).

35. *Id.* at 105–06. Five of the six illustrations were published once and the other one twice. *Id.* The two advertisements that used the same infringing illustration were done by different artists and were separated by twenty-six days. *Id.* at 103.

36. *Id.* at 105 (noting that “[b]y publishing their advertisements, the defendant participated in their independent infringements. . . . [W]e think the second publication of the illustration must be regarded as another and distinct case of infringement”).

37. *Id.* at 106.

38. See Copyright Act of 1909, ch. 320, 35 Stat. 1075.

39. See discussion *infra* Part III.A.1–3.

40. See, e.g., *Broad. Music, Inc. v. Larkin*, 672 F. Supp. 531, 535 n.2 (D. Me. 1987) (considering the gross revenue from liquor and food sales at the infringer’s business when computing the amount of the statutory damage award); *Burndy Eng’g Co. v. Penn-Union Elec. Corp.*, 32 F. Supp. 671, 672 (W.D. Pa. 1940) (considering the “general nature of [the] defendant’s business” and the gross sales when computing statutory damage award).

41. See, e.g., *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1102–04 (2d Cir.

defendant's infringements.⁴²

1. Gross Sales of the Infringer's Business and Size of the Infringer's Business

The greater the gross sales and size of the infringer's business, the greater the need for a large statutory damage award to deter prospective infringers. Courts that recognize this fact have awarded statutory damages based on the number of *infringing* acts under the multiplicity doctrine.⁴³

For example, in the 1987 case *Broadcast Music, Inc. v. Larkin*,⁴⁴ the court took into account the size of the infringer's business when it awarded statutory damages of \$1500 for each of the nine infringing acts.⁴⁵ The defendants, owners of a Portland restaurant and nightclub, had infringed the plaintiff's exclusive public performance copyrights to several copyrighted musical compilations.⁴⁶ When awarding statutory damages, the court noted that the gross revenue from liquor and food sales at the defendant's business totaled \$281,809.⁴⁷ By doing so, the court implied that awarding statutory damages for each infringing act for a total of \$13,500 would be more likely to deter the defendants from committing further acts of infringement than a single \$1500 award.⁴⁸

1976) (considering that the forty-eight separate infringements were in different cities, as well as that each had a specific negotiated agreement and different financial terms); *Iowa State Univ. Research Found., Inc. v. Am. Broad. Cos.*, 475 F. Supp. 78, 82 (S.D.N.Y. 1979) (considering that nineteen months separated each infringement under the time test, as well as that the infringements that were closest together were "broadcast to different audiences during different parts of the day for different purposes").

42. See, e.g., *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952) (holding that a large statutory damage award not only "compels restitution of profit and reparation for injury but also is designed to discourage wrongful conduct"); *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 592 F.2d 651, 657 (2d Cir. 1978) (holding that courts have "broad discretion to make awards which serve the recognized compensatory and deterrent objectives of the Act"); *Hosp. for Sick Children v. Melody Fare Dinner Theatre*, 516 F. Supp. 67, 72 (E.D. Va. 1980) (considering that the defendant had written, directed, and applied for the copyright for the play as well as obtained licenses to perform other musicals in the past in determining that the infringements were "willful").

43. See, e.g., *Larkin*, 672 F. Supp. at 535; *Burndy Eng'g Co.*, 32 F. Supp. at 672.

44. 672 F. Supp. 531 (D. Me. 1987).

45. *Id.* at 535.

46. *Id.*

47. *Id.* at 535 n.2.

48. *Id.* at 535. The court stated that it is "guided by the purposes of the Copyright Act, which include restitution of wrongfully acquired gains to prevent unjust enrichment of the defendant, reparation for injury done to the plaintiff, and deterrence of further wrongful conduct by defendant and others." *Id.*

Similarly, in the 1940 case *Burndy Engineering Co. v. Penn-Union Electric Corp.*,⁴⁹ the court took into account the “general nature of [the] defendant’s business” when it awarded statutory damages for each of the fourteen infringements contained in six separate printings of the defendant’s trade catalogues.⁵⁰ In addition, the court took into account the defendant corporation’s gross sales of over \$52,000 of items contained in the infringing printings of the trade catalogues when awarding statutory damages for each infringing act.⁵¹ In conjunction with the gross sales of the infringer’s business and the size of the infringer’s business, courts also consider the proximity in time of the repeated infringements and the heterogeneity of the infringements under the multiplicity doctrine.

2. Proximity in Time of the Repeated Infringements and Heterogeneity of the Infringements

Other courts have used the “time” and the “heterogeneity” factors when computing statutory damage awards under the multiplicity doctrine.⁵² When considering the “time” factor, the court “looks to the proximity in time of repeated infringements in deciding whether to treat them as multiple infringements or as one continuing infringement.”⁵³ When considering the “heterogeneity” factor, the court “looks to differences between the advertisers, financial arrangements, locales, audiences, and other significant variables” in deciding whether to treat the infringements as multiple infringements or a continuing infringement.⁵⁴

Professor Nimmer has also noted that courts have consistently used “time” and “heterogeneity” as deciding factors in cases decided under the 1909 Act:

[I]f the interval between succeeding publications is a matter of days, the courts were inclined to consider all such publications as part of a single infringing transaction, requiring but a single minimum damages award. If the interval between succeeding publications was for a substantially longer period, then the courts

49. 32 F. Supp. 671 (W.D. Pa. 1940).

50. *Id.* at 672.

51. *Id.*

52. See, e.g., *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1102–03 (2d Cir. 1976); *Iowa State Univ. Research Found., Inc. v. Am. Broad. Cos.*, 475 F. Supp. 78, 82 (S.D.N.Y. 1979).

53. *Iowa State Univ. Research Found.*, 475 F. Supp. at 82.

54. *Id.*

138 *MARQUETTE INTELLECTUAL PROPERTY LAW REVIEW* [Vol. 10:1

viewed each publication as giving rise to a separate claim for at least minimum damages.⁵⁵

The case that most clearly articulated the importance of the “time” and the “heterogeneity” factors in computing statutory damage awards was *Iowa State University Research Foundation v. American Broadcasting Cos.*⁵⁶ in 1979.

In *Iowa State University Research Foundation*, Iowa State brought an action for copyright infringement against American Broadcasting Companies (ABC), alleging that ABC had infringed its copyright on a student-produced film about Olympic wrestler Dan Gable by airing it on national television during ABC’s 1972 Olympic Games telecast.⁵⁷ While Iowa State argued that ABC had committed four separate acts of infringement,⁵⁸ ABC argued that its various uses of the film constituted only one infringement.⁵⁹ The court ultimately agreed with Iowa State, holding that “the time test alone mandates a finding of four separate infringements” because more than nineteen months separated each of the infringements.⁶⁰ In addition, the court found four separate infringements under the “heterogeneity” test because those infringements which were “closest together in time were broadcast to different audiences during different parts of the day for different purposes.”⁶¹

Similarly, the court considered the “time” and the “heterogeneity” factors when computing statutory damages in the 1976 case *Robert*

55. 4 NIMMER & NIMMER, *supra* note 5, § 14.04[E][2][a].

56. *Iowa State Univ. Research Found.*, 475 F. Supp. at 82.

57. *Id.* at 80.

58. Iowa State argued that the four separate acts of infringement included the following:

(1) [T]he initial copying of “Champion” in early August, 1972, for later use; (2) the broadcast of a seven-to-twelve second segment on August 25, 1972 as part of ABC’s Olympic preview; (3) the broadcast of a two and one-half minute segment on August 27 during ABC’s live Olympic coverage from Munich; and (4) the broadcast of an eight second segment in February, 1974 as part of ABC’s “Superstars” program.

Id.

59. *Id.*

60. *Id.* at 82 (noting that “at least two days and as much as nineteen months separate each of these infringements from one another, the time test alone mandates a finding of four separate infringements”). In addition, the court stated that “[i]n determining the number of times a defendant has infringed upon protected work, common sense provides the surest guide.” *Id.* at 81–82.

61. *Id.* at 82.

Stigwood Group, Ltd. v. O’Reilly.⁶² In this case, plaintiffs alleged that the defendants, Roman Catholic priests, infringed plaintiffs’ copyright by performing the rock opera “Jesus Christ Superstar” without a license.⁶³ The Second Circuit held that the forty-eight infringing performances of the rock opera constituted forty-eight separate infringements because they were a “series of disconnected one-night or two-night stands in different cities.”⁶⁴ In addition, each of the defendants’ performances was made after a separate, specific negotiated agreement, and each of the financial arrangements contained different terms.⁶⁵ Although the court considered other tests,⁶⁶ it ultimately decided that “when the components of the infringing activity are heterogeneous, the presumption is that each infringing activity is a separate infringement.”⁶⁷ In addition to the gross sales of an infringer’s business, the size of an infringer’s business, the proximity in time of the repeated infringements, and the heterogeneity of the infringements, courts also consider the “willfulness” of the defendant’s infringements under the multiplicity doctrine.

3. The “Willfulness” of the Defendant’s Infringements

Most courts considered the “willfulness” of the defendant’s infringements when computing statutory damage awards under the multiplicity doctrine because it was a factor articulated in the 1909 Act.⁶⁸ Plaintiffs can prove willfulness by showing either that the defendant actually knew that he or she was infringing the plaintiff’s copyright or recklessly disregarded the possibility that he or she might be infringing.⁶⁹

62. 530 F.2d 1096 (2d Cir. 1976).

63. *Id.* at 1097.

64. *Id.* at 1103.

65. *Id.*

66. *See id.* at 1102–03 (noting that it did “not conceive any reasonable test that would make the forty-eight United States performances but a single infringement”).

67. *Id.* at 1103.

68. *See, e.g.,* F.W. Woolworth Co. v. Contemporary Arts, Inc., 344 U.S. 228, 233 (1952); Lottie Joplin Thomas Trust v. Crown Publishers, Inc., 592 F.2d 651, 657 (2d Cir. 1978); Hosp. for Sick Children v. Melody Fare Dinner Theatre, 516 F. Supp. 67, 72 (E.D. Va. 1980). *See also* Copyright Act of 1909, ch. 320, 35 Stat. 1075 (setting maximum statutory damage awards in cases “where the infringer shall show that he was not aware that he was infringing, and that such infringement could not have been reasonably foreseen”).

69. For examples in which the court required actual knowledge, see Fitzgerald Publ’g Co. v. Baylor Publ’g Co., 807 F.2d 1110, 1115 (2d Cir. 1986), and Bly v. Banbury Books, Inc., 638 F. Supp. 983, 986 (E.D. Pa. 1986). *See also* Venegas-Hernandez v. Sonolux Records, 370 F.3d 183, 196 (1st Cir. 2004) (finding that the defendant’s reckless disregard for the possibility of infringement constituted willfulness).

The “willfulness” of the defendant’s infringements is a factor that is integral to courts’ computation of statutory damage awards because deterrence is one of the main goals of copyright law.⁷⁰ The deterrence rationale “focuses on the inequity of permitting the defendant to keep his gains, rather than on the concept that the gains belong to the plaintiff.”⁷¹ Courts consider a number of factors in connection with the deterrence rationale, including “the reprehensibility of the defendant’s conduct; the extent of the defendant’s contribution in the exploitation of the property; the importance of the property right the defendant appropriated; and justifications for granting the plaintiff a windfall in the amount recovered.”⁷²

For example, in the 1980 case *Hospital for Sick Children v. Melody Fare Dinner Theatre*,⁷³ the plaintiffs, owners of the copyright for the play “Peter Pan or The Boy Who Would Not Grow Up,” claimed that the defendants’ play, entitled “Peter Pan, The Magical Musical,” infringed their copyright.⁷⁴ The court considered the defendants’ gross profits and the willfulness of the defendants’ actions when it awarded the plaintiffs fifty dollars for each of the fifty performances, for a total statutory damage award of \$10,000.⁷⁵ In determining that the infringement had been committed willfully by the defendant author of the infringing musical, the court considered that she had written the musical, directed its performance, applied for its copyright, and obtained licenses to perform other musicals in the past.⁷⁶ “Willfulness” is such an integral factor in the computation of statutory damage awards that it has survived the abolition of the multiplicity doctrine and is still used by post-1976 courts.

B. The “Infringed” Work Interpretation Under the 1909 Act

Not all cases decided under the 1909 Act favored the plaintiffs by awarding multiple statutory damage awards under the multiplicity doctrine. *Davis v. E.I. DuPont de Nemours Co.*⁷⁷ in 1966 was the first case with binding precedent on the issue of whether a network telecast

70. See Andrew W. Coleman, *Copyright Damages and the Value of the Infringing Use: Restitutionary Recovery in Copyright Infringement Actions*, 21 *AIPLA Q.J.* 91, 104–05 (1993).

71. *Id.* at 104.

72. *Id.*

73. 516 F. Supp. 67 (E.D. Va. 1980).

74. *Id.* at 68–69.

75. *Id.* at 72–73.

76. *Id.* at 72, 74.

77. 249 F. Supp. 329 (S.D.N.Y. 1966).

over multiple stations constituted multiple infringements.⁷⁸ The court ultimately held that the telecast by 162 stations of an infringed television program constituted a single infringement by the defendants, not 162 separate infringements.⁷⁹ However, the court was influenced by the absence of a ceiling on the statutory amount that it could award for willful infringement in cases when notice was given, holding that it was unnecessary to apply a rigid multiple infringement rule, which may result in liability for innocent infringers who did not know that they had infringed a copyright.⁸⁰ The *Davis* court held that the plaintiff had given the defendants the proper requisite notice and awarded the plaintiff \$25,000 in statutory damages for one *infringed* work.⁸¹

The *Davis* decision had a tremendous impact on the broadcasting industry.⁸² No longer could network broadcasters be liable for multiple infringements of a copyrighted work resulting from a single, simultaneous telecast.⁸³ In addition, the motion picture industry recognized that the logical extension of the *Davis* case was to apply this rationale to multiple showings of an infringed motion picture.⁸⁴ While

78. *Id.* at 338.

79. *Id.* at 349.

80. *Id.* at 341 (stating that “if such notice has been given, a multiplication of infringements to pile up high minimum statutory damages and (by hypothesis) a more equitable damage figure is not necessary because the court is not bound by the maximum of \$5,000”).

81. *Id.* at 349.

82. See Thea, *supra* note 4, at 486 (noting that the *Davis* case “quashed the fears within the broadcasting industry. . . . [because] network broadcasts would not support a claim for multiple infringement of a copyrighted work”).

83. *Davis*, 249 F. Supp. at 342–43. The court offered the following explanation:

On balance, it seems preferable, for the purpose of applying the statutory damage provisions, to regard the simultaneous network telecast here as one infringement by the network and these co-defendants, rather than many. This preserves flexibility, avoids the possibility of a ridiculous and injurious award in other cases and is the result at least suggested by the cases and the statute.

Id.

84. A representative of the Motion Picture Association of America, Inc. stated the following:

[W]here production of a motion picture or a network radio or TV broadcast infringes a copyrighted work, there should be reasonable limitation on statutory damage liability for the multiple infringements inevitably flowing from the original infringement when the motion picture is infringingly exhibited in each of thousands of theatres, or the broadcast is infringingly relayed by each station in the network.

STAFF OF H. COMM. ON THE JUDICIARY, 88TH CONG., DISCUSSION AND COMMENTS ON REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW (PART 2) 365 (Comm. Print 1963) (statement of Edward A. Sargoy, Counsel to the Copyright Committee of the Motion Picture Association of America, Inc.).

most post-1976 courts have followed this decision and awarded statutory damage awards for each *infringed* work, they have focused on different factors discussed below in Part IV.

IV. THE “INFRINGEMENT” WORK INTERPRETATION UNDER THE 1976 ACT

The 1976 Act shifted the focus of statutory damage awards from the number of *infringing* works to the number of *infringed* works.⁸⁵ Although the 1976 Act did not define the word “work,” several courts have held that a distinct “work” must be able to live its own copyright life.⁸⁶ This interpretation focuses on whether each infringed copyright has “independent economic value.”⁸⁷ In addition, post-1976 courts still consider the “willfulness” of the defendant’s infringement.⁸⁸

A. Independent Economic Value Test

Several courts have addressed the question of whether each episode of a television series constitutes a separate work under § 504(c)(1).⁸⁹ Most have answered this question in the affirmative, holding that each episode of a television series has independent economic value.⁹⁰

For example, in the 1993 case *Gamma Audio & Video, Inc. v. Ean-Chea*,⁹¹ the court considered whether four individual episodes of a television series constituted four separate works or a single work for

85. See 17 U.S.C. § 504(c)(1) (2000); Copyright Act of 1909, ch. 320, 35 Stat. 1075; see also *Twin Peaks Prods., Inc. v. Publ’ns Int’l*, 996 F.2d 1366, 1381 (2d Cir. 1993) (noting that the 1976 Act “shifts the unit of damages inquiry from number of infringements to number of works”).

86. See, e.g., *Columbia Pictures Television v. Krypton Broad. of Birmingham, Inc.*, 106 F.3d 284, 288 (9th Cir. 1997); *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 769 (11th Cir. 1996); *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 136 (5th Cir. 1992); *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116 (1st Cir. 1993); *Twin Peaks Prods., Inc.*, 996 F.2d at 1380–81; *Walt Disney Co. v. Powell*, 897 F.2d 565, 567 (D.C. Cir. 1990); *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1105 (2d Cir. 1976); *Phillips v. Kidsoft, L.L.C.*, 52 U.S.P.Q.2d (BNA) 1102 (D. Md. 1999).

87. See *Columbia Pictures Television*, 106 F.3d at 288; *MCA Television Ltd.*, 89 F.3d at 769; *Mason*, 967 F.2d at 136; *Gamma Audio & Video, Inc.*, 11 F.3d at 1116; *Twin Peaks Prods., Inc.*, 996 F.2d at 1380–81; *Walt Disney Co.*, 897 F.2d at 567; *O’Reilly*, 530 F.2d at 1105; *Phillips*, 52 U.S.P.Q.2d (BNA) at 1102.

88. See, e.g., *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir. 1990); *Records, Inc. v. Peri*, 596 F. Supp. 849, 862–63 (S.D.N.Y. 1984); *United Feature Syndicate, Inc. v. Spree, Inc.*, 600 F. Supp. 1242, 1247 (E.D. Mich. 1984); *Lauratex Textile Corp. v. Allton Knitting Mills, Inc.*, 519 F. Supp. 730, 733 (S.D.N.Y. 1981).

89. See, e.g., *Columbia Pictures Television*, 106 F.3d at 295; *Gamma Audio & Video, Inc.*, 11 F.3d at 1116–17; *Twin Peaks Prods., Inc.*, 996 F.2d at 1380–81.

90. See sources cited *supra* note 89.

91. 11 F.3d 1106 (1st Cir. 1993).

purposes of awarding statutory damages.⁹² The district court held that the four individual episodes constituted a single work because the copyright holder sold or rented only complete sets of the series to video stores and because the copyrights for the four episodes were all registered on one form.⁹³ The First Circuit disagreed, however, holding that each episode constituted a separate work and that the plaintiff was entitled to four separate statutory damages awards.⁹⁴ In its decision, the court emphasized that each episode of the series was independently produced and independently aired on television.⁹⁵

Similarly, in the 1997 case *Columbia Pictures Television v. Krypton Broadcasting of Birmingham, Inc.*,⁹⁶ the Ninth Circuit held that each infringed episode of a television series constituted a separate work where “different episodes were broadcast over the course of weeks, months, and years.”⁹⁷ “[T]he episodes could be repeated and broadcast in different orders [and were] separately written, produced, and registered.”⁹⁸ Thus, the court held that each episode of the series had independent economic value.⁹⁹ Finally, in the 1996 case *MCA Television Ltd. v. Feltner*,¹⁰⁰ the court upheld one of the largest judgments ever for statutory damages against a copyright infringer: \$9 million.¹⁰¹ The defendant argued that the court should award damages for each series broadcast, as opposed to each episode, and that “industry practice” was to enter into contracts for a television series, not the individual episodes of a series.¹⁰² Thus, the defendant argued, an individual episode of a series does not have independent economic value and is not a separate work.¹⁰³ The Eleventh Circuit disagreed, however, and awarded damages for each episode of a series broadcast as a separate “work,”

92. *Id.* at 1115.

93. *Id.* at 1117.

94. *Id.* at 1118. The court found significant “the fact that (1) viewers who rent the tapes from their local video stores may rent as few or as many tapes as they want, many view one, two, or twenty episodes in a single setting, and may never watch or rent all of the episodes; and (2) each episode in the . . . series was separately produced.” *Id.* at 1117.

95. *Id.* at 1117–18.

96. 106 F.3d 284 (9th Cir. 1997).

97. *See id.* at 295. The licensed television series at issue in this case include “Who’s the Boss?,” “Silver Spoons,” “Hart to Hart,” and “T.J. Hooker.” *Id.* at 288.

98. *Id.* at 295.

99. *Id.*

100. 89 F.3d 766 (11th Cir. 1996).

101. *Id.* at 771.

102. *Id.* at 769.

103. *Id.*

holding that the copyright owners' "decision . . . to sell television series as a block, rather than as individual shows, in no way indicates that each episode in a series is unable to stand alone."¹⁰⁴

By contrast, in several cases involving multiple infringements of a copyrighted work, courts have held that each work did not have independent economic value.¹⁰⁵ For example, in the 1990 case *Walt Disney Co. v. Powell*,¹⁰⁶ the D.C. Circuit held that the defendant, a souvenir business owner, had infringed two copyrights of Mickey and Minnie Mouse in six different poses, as opposed to twelve copyrights in twelve different poses.¹⁰⁷ The court held that although Mickey and Minnie are "distinct, viable works with separate economic value and copyright lives of their own," the six different poses are not.¹⁰⁸ The court further held that both the text of the 1976 Act and the Act's legislative history make it clear that damages should be awarded for a single work regardless of how many acts of infringement are involved in the action.¹⁰⁹

Similarly, in the 1999 case *Phillips v. Kidsoft, L.L.C.*,¹¹⁰ the plaintiff argued that the defendant should pay statutory damages for each of the thirty infringed mazes copied from the plaintiff's five maze books.¹¹¹ On the one hand, if each of the thirty mazes copied by the defendant qualified as a "work," the plaintiff would be entitled to thirty separate statutory damage awards.¹¹² On the other hand, if each of the five maze books qualified as a "work," the plaintiff would be entitled to only five statutory damage awards.¹¹³ The court acknowledged that each maze would qualify as a separate "work" under § 504(c)(1) only if each maze were separately copyrighted and had "independent economic value."¹¹⁴ However, it was irrelevant in this particular case whether the copied

104. *Id.*

105. See, e.g., *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 136–41 (5th Cir. 1992); *Walt Disney Co. v. Powell*, 897 F.2d 565, 567 (D.C. Cir. 1990); *Phillips v. Kidsoft, L.L.C.*, 52 U.S.P.Q.2d (BNA) 1102, 1106 (D. Md. 1999).

106. 897 F.2d 565 (D.C. Cir. 1990).

107. *Id.* at 567, 570.

108. *Id.* at 570 (noting that "Mickey is still Mickey whether he is smiling or frowning, running or walking, waving his left hand or his right"). Thus, the court held that the defendant's mouse face shirts had infringed only two of Disney's works. *Id.*

109. *Id.* at 569.

110. 52 U.S.P.Q.2d (BNA) 1102 (D. Md. 1999).

111. *Id.* at 1106.

112. *Id.*

113. *Id.*

114. *Id.*

mazes had separate economic value because they were not individually copyrighted.¹¹⁵ Thus, the court awarded the plaintiff statutory damages based on the five maze books.¹¹⁶

Finally, in the 1992 case *Mason v. Montgomery Data, Inc.*,¹¹⁷ the Fifth Circuit held that the plaintiff could not recover statutory damages for each of the 233 infringing real estate ownership maps.¹¹⁸ Instead, the court held that the plaintiff was entitled to statutory damages for only one copyrighted work because each of the 233 real estate maps did not have independent economic value.¹¹⁹ In addition, the court offered this hypothetical example to illustrate the effect of § 504(c)(1):

So if a plaintiff proves that *one* defendant committed *five* separate infringements of *one* copyrighted work, that plaintiff is entitled to only one award of statutory damages ranging from \$500 to \$20,000. And if a plaintiff proves that *two* different defendants each committed *five* separate infringements of *five* different works, the plaintiff is entitled to ten awards, not fifty.¹²⁰

Thus, courts that have considered the independent economic value of a work have consistently held that statutory damage awards should be based on the number of *infringed* works.¹²¹ In addition, many courts that have considered the “willfulness” of the defendant’s infringements have also held that statutory damage awards should be based on the number of *infringed* works.¹²²

B. “Willfulness” of the Defendant’s Infringements . . . Revisited

Just as pre-1976 courts considered the “willfulness” of the defendant’s infringements as a significant factor in computing statutory

115. *Id.* The copyright registration certificates issued to the plaintiff in this case were issued only for the five maze books, not the individual mazes. *Id.*

116. *Id.* at 1107.

117. 967 F.2d 135 (5th Cir. 1992).

118. *Id.* at 136.

119. *See id.* at 144.

120. *Id.* at 143–44.

121. *See, e.g.*, *Columbia Pictures Television v. Krypton Broad. of Birmingham, Inc.*, 106 F.3d 284, 288 (9th Cir. 1997); *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 769 (11th Cir. 1996); *Twin Peaks Prods., Inc. v. Publ’ns Int’l*, 996 F.2d 1366, 1380–81 (2d Cir. 1993); *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116 (1st Cir. 1993); *Mason*, 967 F.2d at 136; *Walt Disney Co. v. Powell*, 897 F.2d 565, 569 (D.C. Cir. 1990); *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1105 (2d Cir. 1976); *Phillips v. Kidsoft, L.L.C.*, 52 U.S.P.Q.2d (BNA) 1102, 1106 (D. Md. 1999).

122. *See, e.g.*, *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir. 1990); *RSO Records, Inc. v. Peri*, 596 F. Supp. 849, 862 n.16 (S.D.N.Y. 1984).

damage awards, so too do post-1976 courts.¹²³ The 1976 Act has interpreted “willful” to mean “with knowledge that the defendant’s conduct constitutes copyright infringement.”¹²⁴ To rebut evidence of willful infringement, a defendant “must not only establish its good faith belief in the innocence of its conduct, it must also show that it was reasonable in holding such a belief.”¹²⁵ In copyright infringement cases in which the defendant blatantly infringed or committed multiple infringements, courts have awarded plaintiffs more than the statutory maximum.¹²⁶

For example, in the 1984 case *RSO Records, Inc. v. Peri*,¹²⁷ the court interpreted the language of § 504(c)(1) as prohibiting plaintiffs from recovering multiple statutory damage awards for both the infringing graphics for a recording and the actual recording itself.¹²⁸ Nor could plaintiffs recover separate statutory damage awards for both infringing tapes and records.¹²⁹ However, as a result of the willfulness of the defendant’s infringements, the court awarded the then-maximum statutory damage award of \$50,000 for each infringement.¹³⁰ Thus, the total statutory damage award as a result of the defendant’s willful infringements was \$1.45 million.¹³¹ Similarly, in the 1990 case *Peer International Corp. v. Pausa Records, Inc.*,¹³² the Ninth Circuit held that the defendant’s conduct of ignoring the plaintiff’s revocation of a license

123. See *supra* Part III.C.3 for a discussion of pre-1976 courts’ treatment of the “willfulness” factor.

124. 4 NIMMER & NIMMER, *supra* note 5, § 14.04[B][3]; see also 17 U.S.C. § 504(c)(2) (2000) (stating that “[i]n a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$150,000”).

125. *Peer Int’l Corp.*, 909 F.2d at 1336.

126. See, e.g., *id.* (court awarded \$50,000 for each infringed work for a total of \$4 million); *RSO Records, Inc.*, 596 F. Supp. at 862–63 (court awarded \$50,000 for each infringed sound recording but not for both the sound recording and the graphic for the sound recording); *United Feature Syndicate, Inc. v. Spree, Inc.*, 600 F. Supp. 1242, 1248 (E.D. Mich. 1984) (court awarded \$50,000 for each infringed t-shirt heat transfer); *Lauratex Textile Corp. v. Allton Knitting Mills, Inc.*, 519 F. Supp. 730, 733 (S.D.N.Y. 1981) (court awarded statutory damages of \$40,000 when actual damages were only \$5000).

127. 596 F. Supp. 849 (S.D.N.Y. 1984).

128. *Id.* at 862 n.16.

129. *Id.*

130. *Id.* at 862–63. The 1976 Act originally provided for a maximum amount of \$50,000 in statutory damage awards in the event that the defendant willfully infringed; however, this amount was amended to \$100,000 on October 31, 1988, under § 13 and to \$150,000 on December 9, 1999, under § 4.

131. *Id.* at 863.

132. *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir. 1990).

was unreasonable, and its further use of the copyrighted works was willful.¹³³ Thus, the court affirmed the district court’s then-maximum statutory damage award of \$50,000 for each of the eighty infringed works for a total of \$4 million in damages based on the willfulness of the defendant’s infringements.¹³⁴ Although both of the courts in the above-mentioned cases awarded large statutory damage awards as a result of the defendants’ willful conduct in an effort to deter prospective infringers, the court in *Venegas-Hernandez v. Sonolux Records* failed to do so, as discussed below in Part V.

V. THE MULTIPLICITY DOCTRINE: FURTHERING THE GOALS OF COPYRIGHT LAW

In the 2004 case *Venegas-Hernandez v. Sonolux Records*,¹³⁵ the plaintiffs, children and heirs of the famous Puerto Rican composer Guillermo Venegas-Lloveras, filed a copyright infringement action against Sonolux Records, a United States recording company.¹³⁶ The plaintiffs had inherited the copyrights to 197 of Venegas-Lloveras’ songs.¹³⁷ “Sonolux had published recordings of two of the copyrighted songs . . . on sixteen different albums”¹³⁸ The plaintiffs claimed that they were entitled to statutory damages multiplied by the number of albums (sixteen) containing the infringed songs.¹³⁹

The district court awarded the plaintiffs \$1.6 million in statutory damages for the infringement of the two songs on sixteen different albums, that is, \$100,000 for each album.¹⁴⁰ On appeal, however, the First Circuit found the damages calculation to have been made in error and followed the recent trend among courts of abolishing the multiplicity doctrine.¹⁴¹ Interpreting the word “work” in the 1976 Act to mean *infringed* works (two), the court reduced the statutory damages award from \$1.6 million to \$200,000, that is, \$100,000 for each song.¹⁴²

133. *Id.* at 1336.

134. *Id.*

135. 370 F.3d 183, 185 (1st Cir. 2004).

136. *Id.* at 185.

137. *Id.*

138. *Id.* at 185–86. The two copyrighted songs that Sonolux published were “Desde Que Te Marchaste” (“Since You Went Away”) and “No Me Digan Cobarde” (“Don’t Call Me a Coward”). *Id.* at 186 & n.1.

139. Plaintiffs in this case brought claims for statutory damages, rather than actual damages, and for defendant’s profits for all sixteen albums. *Id.* at 186.

140. *Id.* at 186.

141. *Id.* at 194–95.

142. *Id.* at 195. In addition, the First Circuit held that “‘works’ in § 504(c)(1) means

The ruling in the *Venegas-Hernandez* case illustrates two problems with the abolition of the multiplicity doctrine. First, the outcome does not further one of the main goals of copyright law—the deterrence of prospective infringers.¹⁴³ After reversing the district court, the First Circuit did not simply remand the case with instructions to enter the \$200,000 award as judgment.¹⁴⁴ Instead, it acknowledged that the 1976 Act was designed to deter willful infringement by using the “sliding scale” of statutory damages and noted the possibility that on remand the judge may award the statutory maximum of \$150,000 per song.¹⁴⁵ The court appeared to rely on the “sliding scale” of statutory damages as a justification for substantially reducing the statutory damage award.¹⁴⁶ By doing so, the court dismissed any concerns that the amount of statutory damages may not actually deter potential infringers and further one of the main goals of the 1976 Act.¹⁴⁷ Assuming that on remand, the court did award the statutory maximum of \$150,000 for each infringed song for a total of \$300,000, would this amount really deter potential infringers? The answer depends on the amount of revenue the infringers received from the infringement, that is, whether it is financially “worth it” to infringe. In this case, just one of the sixteen records that contained infringed songs sold over five million copies.¹⁴⁸ Forcing Sonolux to pay \$200,000 or even \$300,000 for producing a record that presumably made over \$50 million is not likely to have the deterrent effect that the 1976 Act intended.

The second problem with the court’s decision in *Venegas-Hernandez* is that it fails to address the potential judicial economy issue that may

‘songs’ in the context of this case.” *Id.* at 194.

143. See *Schiffer Publ’g, Ltd. v. Chronicle Books, L.L.C.*, No. Civ. A.03-4962, 2005 WL 67077, at *4 (E.D. Pa. Jan. 11, 2005) (“Statutory damages serve the dual purpose of compensation and deterrence: they compensate the plaintiff for the infringement of its copyright; and they deter future infringements by punishing the defendant for its actions.”).

144. See *Venegas-Hernandez*, 370 F.3d at 194–95.

145. *Id.* at 195. The court stated the following:

At the \$100,000 per “work” rate set by the original judge, the corrected calculation would automatically produce a reduction in the judgment to \$200,000. However, it may be that the first judge would have increased the amount of damages per work, given the number of infringements and given his finding of willfulness, if he had understood that “works” referred to the infringed songs rather than the infringing albums.

Id.

146. See *id.*

147. See *supra* Parts III.A.3, IV.B.

148. See Rafael Venegas, *RIAA Lawsuits—RIAA Behavior*, <http://www.p2pnet.net/article/8070> (last visited Sept. 30, 2005).

occur when plaintiffs discover that their only option to achieve multiple statutory damage awards is to file multiple lawsuits. In fact, the First Circuit acknowledged the potential problem of “game-playing” that may result from its interpretation of § 504(c)(1) as well as various possible solutions to that problem.¹⁴⁹ However, it stated that the problem was “beyond the scope of this opinion”¹⁵⁰ and summarily dismissed it. These two problems with the court’s decision in *Venegas-Hernandez* illustrate the two advantages of the multiplicity doctrine: First, it furthers the deterrence goal of copyright law; and second, it promotes good public policy.

A. The Multiplicity Doctrine Furthers the Deterrence Goal of Copyright Law

The United States Constitution grants Congress the authority to enact laws “[t]o promote the Progress of Science and useful Arts, by securing for limited Time to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”¹⁵¹ When a copyright owner’s “exclusive right” has been infringed, federal law allows for damages for the purpose of deterring future acts of infringement.¹⁵² Although the 1976 Act allows for a copyright owner to recover actual damages from the infringements, Congress has acknowledged that plaintiffs and courts often have difficulty determining the amount of actual damages.¹⁵³ Thus, statutory damages are an alternative way not

149. See *Venegas-Hernandez*, 370 F.3d at 193.

150. *Id.* at 194.

151. U.S. CONST. art. I, § 8, cl. 8.

152. See 17 U.S.C. § 504 (2000).

153. See STAFF OF H. COMM. ON THE JUDICIARY, 87TH CONG., REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 102–03 (Comm. Print 1961) [hereinafter 1961 REPORT].

The need for this special remedy arises from the acknowledged inadequacy of actual damages and profits in many cases:

- The value of a copyright is, by its nature, difficult to establish, and the loss caused by an infringement is equally hard to determine. As a result, actual damages are often conjectural, and may be impossible or prohibitively expensive to prove.
- In many cases, especially those involving public performances, the only direct loss that could be proven is the amount of a license fee. An award of such an amount would be an invitation to infringe with no rise of loss to the infringer.
- The actual damages capable of proof are often less than the cost to the copyright owner of detecting and investigating infringements.
- An award of the infringer’s profits would often be equally inadequate. There may have been little or no profit, or it may be impossible to compute the amount of profits attributable to the infringement. Frequently, the infringer’s profits will not be an adequate measure of the injury caused to the copyright owner.

150 *MARQUETTE INTELLECTUAL PROPERTY LAW REVIEW* [Vol. 10:1

only to compensate the copyright owner for lost profits and unascertainable actual damages, but also to deter future willful infringements.¹⁵⁴

The court in *Venegas-Hernandez* acknowledged that the 1976 Act was designed to deter willful infringements.¹⁵⁵ In addition, the First Circuit noted that the district court had concluded that the infringements were willful and that Sonolux's conduct "demonstrat[ed] a continuing disregard for the law."¹⁵⁶ However, the court went on to discuss the "sliding scale" of statutory damages and implied that a maximum damage award of \$150,000 per song (for willful infringement) would likely deter Sonolux and other potential infringers.¹⁵⁷

When a prospective infringer realizes that the damages he or she would be liable for are limited to one maximum statutory award, he or she may be more willing to take the risk of getting caught for infringing the work. In essence, infringers can use a "cost-benefit analysis and determine whether infringing will be profitable even if they are caught."¹⁵⁸ Assuming that on remand, the court awards the statutory maximum of \$150,000 for each infringed song for a total of \$300,000, is this amount likely to deter Sonolux or other prospective infringers? I would argue that the answer to this question is "no."¹⁵⁹

Id.

154. See *Yurman Design, Inc. v. P.A.J., Inc.*, 262 F.3d 101, 113–14 (2d Cir. 2001) ("[S]tatutory damages are not meant to be merely compensatory or restitutionary. The statutory award is also meant 'to discourage wrongful conduct.' That is why the statute permits consideration of . . . additional damages where an infringement is willful." (internal citations omitted)); see also 1961 REPORT, *supra* note 153, at 103 (noting that statutory damages were intended "(1) to assure adequate compensation to the copyright owner for his injury, and (2) to deter infringement").

155. See *Venegas-Hernandez*, 370 F.3d at 195.

156. *Id.* at 196.

157. *Id.* at 195–96. The court also stated that the district court's intent is unclear from the first order:

That language may well mean that the first judge was primarily concerned with the total damages, the \$1,600,000, as the sum that would reflect a just award in light of defendant's willfulness and would discourage future infringement. Because the intent of the original order is not clear, we think on remand plaintiffs should be free to argue to the district court that the statutory cap of \$150,000 per song, in light of seventeen infringing works (including the album "Sentimientos") and the willful conduct. The \$200,000 award will serve as a damages floor on remand.

Id. at 196.

158. *Thea*, *supra* note 4, at 489. For example, if a large corporation such as Sonolux will make a \$50 million profit on an album that contains two infringed songs, the benefit outweighs the cost of \$300,000 in statutory damages (\$150,000 per song).

159. Rafael Venegas would likely agree that this amount is unlikely to deter a large corporation such as Sonolux. As he has pointed out, Sonolux is a member of the Recording

Suppose, in a hypothetical example, that a “starving” artist’s painting was infringed by a national art gallery. The gallery displayed the painting at six different exhibits across the country. What amount of statutory damages would the artist be entitled to under the multiplicity doctrine versus the post-1976 infringed work interpretation?

Assume that the national gallery has locations in over twenty-five cities and has gross profits of approximately \$10 million per year. Further, assume that the six galleries that displayed the starving artist’s painting at different exhibits did so five months apart. Finally, assume that the gallery was well aware that it was, in fact, infringing the artist’s painting. Under the multiplicity doctrine, a court would likely consider the gross profits (\$10 million per year) and the size of the gallery (twenty-five locations across the nation) and award a larger statutory damage award than it would if the gallery was local and barely made a profit each year.¹⁶⁰ A court would also likely consider the proximity in time of the repeated infringements and the heterogeneity of the infringements under the multiplicity doctrine.¹⁶¹ Because the infringements occurred in separate cities five months apart, a court would likely award damages for each of the six exhibits. Finally, a court would consider the “willfulness” of the infringements under the multiplicity doctrine.¹⁶² Assuming that the judge finds the gallery’s infringements to be “willful,” a court would likely award the starving artist the maximum statutory damage award of \$150,000 for each infringing work, that is, \$900,000. I would argue that this amount is large enough to deter the gallery from further infringing activity in accordance with the deterrence goal of copyright law.

Now assume that the same hypothetical example occurs in a jurisdiction that has abolished the multiplicity doctrine. Under the independent economic value test, a court is not likely to find that each of the six exhibits that displayed the painting can live its own copyright life.¹⁶³ Thus, assuming that a court finds the gallery’s infringements willful, the maximum amount of statutory damages it could award is

Industry Association of America (RIAA), an organization that has filed several lawsuits against people for downloading and sharing songs for which they could be liable for up to \$150,000 per song. He asks: “[W]hy would any judge give RIAA an award of \$150,000 against a kid (or the parent) for downloading or sharing a single song when a major record label/corporation has to pay only \$12,500 for making a record that sold over 5 million copies?” Venegas, *supra* note 148.

160. See discussion *supra* Part III.A.1.

161. See discussion *supra* Part III.A.2.

162. See discussion *supra* Part III.A.3.

163. See discussion *supra* Part IV.A.

\$150,000.¹⁶⁴ Not only is a maximum potential statutory damage award of \$150,000 not likely to deter the gallery from infringing the starving artist's or other artists' paintings in the future, it is also unlikely that the artist would be able to find a lawyer willing to take a case that would likely cost up to \$100,000 to litigate. Thus, while the result under the multiplicity doctrine furthers the deterrence goal of copyright law, the result in a jurisdiction that has abolished the multiplicity doctrine fails to do so and may leave the copyright owner without the resources to pursue an action against the infringer.

B. The Multiplicity Doctrine Promotes Good Public Policy

How, then, can copyright owners in jurisdictions that have abolished the multiplicity doctrine, such as the plaintiffs in *Venegas-Hernandez*, receive multiple statutory damage awards? Professor Nimmer has cautioned that the only option seems to be that plaintiffs must file separate actions for each claim of infringement to any one work.¹⁶⁵ This option would be wasteful in the interests of judicial economy, and courts are likely to interpret the 1976 Act in such a manner as to reduce the number of infringement actions that plaintiffs may bring.¹⁶⁶ The court in *Venegas-Hernandez* acknowledged and dismissed Professor Nimmer's concerns about the potential filing of multiple lawsuits to receive multiple statutory damage awards that could occur as a result of the abolition of the multiplicity doctrine.¹⁶⁷ Instead, the court relied on Professor Goldstein's assertion that the strategy of filing multiple lawsuits to receive multiple statutory damage awards would be "both procedurally and practically implausible".¹⁶⁸

[I]n the ordinary case involving a continuing infringement, the copyright owner will want to seek temporary and final injunctive relief; if the copyright owner prevails, this will forestall any future infringements and will circumscribe the copyright owner's statutory damage award by all infringements occurring before the injunction entered. In any event, the rare copyright

164. See discussion *supra* Part IV.B.

165. See 4 NIMMER & NIMMER, *supra* note 5, § 14.04[E][2][c]. "It may be wondered whether the courts will require a plaintiff to undertake the charade of filing separate actions (based upon separate infringing transactions) in order to achieve multiple statutory damages." *Id.*

166. See *id.* at n.164.1 (providing examples of courts construing the Copyright Act in such a manner as to reduce the number of infringement actions that need to be brought).

167. See *Venegas-Hernandez v. Sonolux Records*, 370 F.3d 183, 193–94 (1st Cir. 2004).

168. *Id.* at 194 n.9 (quoting 2 PAUL GOLDSTEIN, COPYRIGHT § 12.2.2.2(a) (2d ed. 2003)).

owner who pursues this route should expect to receive a smaller statutory award in its successive actions that if it sought to recover for these infringements in a single action.¹⁶⁹

However, the “rare copyright owner” who does go through the charade of filing multiple lawsuits to receive multiple statutory damage awards is still wasting the valuable and increasingly scarce resources of the courts. Reinstating the multiplicity doctrine would put an end to this waste and promote good public policy.

Furthermore, the multiplicity doctrine promotes good public policy because it does not result in exorbitant damages awards. Pre-1976, the biggest critics of the multiplicity doctrine were the users of copyrighted material, such as the radio, television, advertising and motion picture industries, who feared that they would be hit with multimillion-dollar statutory damages awards.¹⁷⁰ This has not proven to be true, however, as courts that have elected to use the multiplicity doctrine post-1976 have taken special care not to award exorbitant damages.¹⁷¹ For example, in *Blackman v. Hustler Magazine*,¹⁷² the court held that the defendant’s three successive publications of a group of copyrighted photographs constituted three separate infringements, noting that an award based on one dollar per copy of the magazine would result in a multi-million dollar recovery for the plaintiff that would be “excessive.”¹⁷³ Thus, post-1976 courts that have used the multiplicity doctrine to award statutory damages have done so with an amount large enough only to deter the defendants from further infringement, not bankrupt them.

VI. CONCLUSION

The purpose of this Comment is to illustrate the effects of the abolition of the multiplicity doctrine on the deterrence goal of copyright law in cases concerning multiple infringements of a copyrighted work. Courts’ interpretations of the word “work” can result in substantial differences in the amount of statutory damages awards—differences that may influence prospective infringers to either continue or refrain from future infringement. Prospective infringers who engage in a cost-benefit analysis are likely to find that, under current law, the benefits of

169. *Id.*

170. *See* 1961 REPORT, *supra* note 153, at 104.

171. *See, e.g., Blackman v. Hustler Magazine*, 620 F. Supp. 792, 800 (D.D.C. 1985), *rev’d on other grounds*, 800 F.2d 1160 (D.C. Cir. 1986).

172. 620 F. Supp. at 792.

173. *Id.* at 800.

154 *MARQUETTE INTELLECTUAL PROPERTY LAW REVIEW* [Vol. 10:1

infringing outweigh the costs.

To further the deterrence goal of copyright law, courts should return to the *infringing* work interpretation under the multiplicity doctrine and consider the gross profits and size of the infringer's business, the time and heterogeneity of the infringements, and the willfulness of the defendant's conduct as factors in computing statutory damage awards. Under the multiplicity doctrine, larger statutory damage awards are likely to result when necessary to deter prospective infringement, that is, a case in which a large corporation has made a substantial amount of money from the infringements and has no other incentive *not* to infringe. Thus, copyright law will once again serve to protect copyright owners' exclusive rights to their works in accordance with the United States Constitution.

SARAH A. ZAWADA*

* B.A. 2003, University of Wisconsin-Madison; J.D. Candidate 2006, Marquette University Law School. The author would like to thank Professor Irene Calboli, Professor Eric Goldman, and the Editorial Board of the *Marquette Intellectual Property Law Review* for their assistance in writing this Comment.