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A Hole in Need of Mending: Copyright and the Individual Marking of Advertisements Published in Collective Works

*Randy Gordon**

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INTRODUCTION

In 1988, Congress amended the Copyright Act to bring it in line with international norms.¹ The amendments, collectively referred to as the Berne Convention Implementation Act of 1988, effected a range of changes, including those relating to copyright notice.² Since that time, copyright notice has been optional, not mandatory. Thus, notice has not been a prerequisite to copyright protection for more than twenty years. But despite Congress' plainly stated intent, litigants have argued, and some courts have stated, that copyright notice is still required for a narrow yet very important category of works, specifically: certain advertisements appearing in a collective work (e.g., a "yellow pages" telephone directory). This article aims to demonstrate that a plain reading of the Copyright Act belies any contention that notice is ever a prerequisite to copyright protection in this context. Part One discusses pre-Berne copyright standards, Part Two elaborates on the particulars of the Berne amendments and the seminal case there under, Part Three discusses recent post-Berne case law, and Part Four suggests what is needed to bring current judicial practice into line with a correct reading of the Berne Amendments.

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1. 17 U.S.C.A. §§ 101-22 (West 2009).

2. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853.

1. Pre-Berne Convention Standards.

Before March 1, 1989, the effective date of the Berne Convention Implementation Act, the Copyright Act had very strict notice requirements, some of which cause confusion to this day. It is thus worthwhile to work through the pre-Berne Copyright Act and consider at least one representative case from the pre-Berne period. To state a claim for copyright infringement, a plaintiff must show three things: 1) that he owns the copyright(s),³ 2) that the copyright has been properly registered,⁴ and 3) that the defendant copied elements of the work that are original.⁵ Once a plaintiff has sufficiently pled these elements, he has established a *prima facie* case.⁶ The Berne Convention is a factor in the analysis because it establishes the outer temporal boundary of a complete defense based on lack of proper notice.⁷ That is, a defendant has a good defense to a copyright claim to the extent that he can show “that plaintiff first published the [work] without a copyright notice . . . prior to the enactment of the Berne Convention Implementation Act of 1988, . . . which obviated the requirement of a copyright notice[,] and, consequently, injected the [work] into the public domain and thus forfeited his exclusive copyright in it.”⁸ Therefore, as a general proposition, “works published without a copyright notice prior to the enactment of the Berne Convention . . . are injected into the public domain and thus lose any copyright

3. See 17 U.S.C.A. § 501(b) (West 2009) (“The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it.”).
4. See 17 U.S.C.A. § 411(a) (West 2009) (“No civil action for infringement . . . shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.”). “[R]egistration with the copyright office is a *jurisdictional* prerequisite to filing a copyright infringement suit.” *Creations Unlimited, Inc. v. McCain*, 112 F.3d 814, 816 (5th Cir. 1997). Nonetheless, there is a difference of opinion amongst the circuits as to whether the process must be completed before filing suit. See, e.g., *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir. 2004) (“Although some circuits require that a plaintiff actually obtain a certificate from the Copyright Office before bringing suit, the Fifth Circuit requires only that the Copyright Office actually receive the application, deposit, and fee before a plaintiff files an infringement action.”).
5. To establish “actionable” copying, a plaintiff must prove: “(1) factual copying and (2) substantial similarity.” *Positive Black Talk*, 394 F.3d at 367. See also *Gen. Universal Sys. v. Lee*, 379 F.3d 131, 141 (5th Cir. 2004) (A “plaintiff must, as a factual matter, prove that the defendant ‘actually used the copyrighted material to create his own work.’”) (quoting *Eng’g Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1340 (5th Cir. 1994)).
6. *Neimark v. Ronai & Ronai, LLP*, 500 F. Supp. 2d 338, 341 (S.D.N.Y. 2007).
7. *Id.*
8. *Id.*

protection to which they might otherwise have been entitled.”⁹ This rule applied, and still applies, though less frequently with the passage of time, across the board.¹⁰ But what of the special case of separate items collected into a single work such as a short-story collection? Another similar question deals with the special case of advertisements inserted into a collection, such as a magazine.

In the pre-Berne era, the Copyright Act stated, much as it does today:

A separate contribution to a collective work may bear its own notice of copyright, as provided by sections 401 through 403. However, a single notice applicable to the collective work as a whole is sufficient to satisfy the requirements of sections 401 through 403 with respect to the separate contributions it contains (not including advertisements inserted on behalf of persons other than the owner of copyright in the collective work), regardless of the ownership of copyright in the contributions and whether or not they have been previously published.¹¹

Courts interpreted this to mean that a party desiring to copyright an advertisement that it published in a collective work on behalf of another must clearly mark the advertisement itself with a notice (e.g., © or other sufficient substitute).¹² In other words, a general copyright notice on the collective work would not preserve copyright on an individual advertisement unless the advertisement itself was marked.

In *Canfield v. Ponchatoula Times*, the Fifth Circuit examined this issue as a matter of first impression.¹³ The facts of *Canfield* were undisputed:¹⁴ *The Enterprise*, a weekly newspaper that plaintiff Canfield published, had printed an advertisement at the request of a salesman for an automobile

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9. *Id.*; see also *Shapiro & Son Bedspread Corp. v. Royal Mills Assoc.*, 764 F.2d 69, 72 (2d Cir. 1985) (Pre-Berne Implementation Amendment case holding that, “[i]n general, publication of a work without a proper notice of copyright affixed injects the work into the public domain.”); *Greenwich Film Prods., S.A. v. DRG Records, Inc.*, No. 91 Civ. 0546 (JSM), 1992 WL 279357, at *5 (S.D.N.Y. Sept. 25, 1992) (“For works published prior to March 1, 1989, the effective date of the Berne Implementation Amendments, notice is a condition to protection of the work. Absent notice, the work is forfeited and enters, by operation of law, the public domain.”).
 10. See, e.g., *Neimark*, 500 F. Supp. 2d at 341 (plaintiff first published drawing without notice prior to Berne Act).
 11. 17 U.S.C. § 404(a) (1982).
 12. See 2-7 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §7.12 n.38 (2009). See also *Royal Mills*, 764 F.2d at 72.
 13. *Canfield v. Ponchatoula Times*, 759 F.2d 493, 495 (5th Cir. 1985).
 14. *Id.* at 494.

dealer.¹⁵ The car salesman “provided *The Enterprise* with the information to be advertised, chose the size of the ad, and posed for a photograph taken by *The Enterprise*.”¹⁶ In addition to taking the photo, the newspaper “designed, composed and printed the advertisement.”¹⁷ *The Enterprise*, however, did not inform the salesman or his dealership that it claimed a copyright to the advertisement.¹⁸ Subsequently, the salesman contacted a rival newspaper, *The Ponchatoula Times*, and asked it to run a similar ad.¹⁹ He gave *The Times* a copy of the ad that had run in *The Enterprise* and told *The Times* to use the same format, including the photograph.²⁰ *The Times* made only “insignificant changes” and ran an ad that was essentially indistinguishable from the ad that had run in *The Enterprise*.²¹ Soon after both ads had run, *The Enterprise* acquired a “Certificate of Copyright Registration” for the entire edition of the newspaper in which the advertisement had first run, including “original photographs.”²² *The Enterprise* gave notice of copyright to the entire newspaper under its masthead; it did not affix a separate notice to the advertisement.²³ Plaintiff then sued for copyright infringement based on its general notice and registration.²⁴

The court began its analysis by casting these facts in light of Section 404(a) and its declaration that “the individual contributions comprising a collective work may be protected under a single notice of copyright applicable to the collective work as a whole.”²⁵ But that proposition, the court quickly noted, did not answer the question presented because “[a]dvertisements are different. The parenthetical phrase emphasized above expressly exempts advertisements from the general rules of section 404(a). Advertisements inserted in a collective work on behalf of persons other than the collective work copyright owner are not protected by a copyright notice applicable to the work as a whole.”²⁶ Thus, the court concluded “[t]his case falls precisely within the parameters of the advertising exception to section 404(a)” because the advertisement was inserted on behalf of the salesman and the dealership,

15. *Id.*

16. *Id.*

17. *Id.*

18. *Id.*

19. *Id.*

20. *Id.*

21. *Id.*

22. *Id.*

23. *Id.*

24. *Id.*

25. *Id.* at 495.

26. *Id.*

rather than *The Enterprise*, the owner of copyright in the collective work.²⁷ And since no specific copyright notice appeared directly on the advertisement itself,

The Enterprise [could not] protect its asserted copyright in the advertisement by relying on the general collective work notice of copyright printed . . . under the masthead. The statutory language is clear; the general copyright notice in a newspaper, or other collective work, will not suffice as notice that ownership rights are asserted in advertisements published on behalf of persons other than those named in the copyright notice.²⁸

To support its position, the court reviewed the notes of the House Judiciary Committee pertaining to section 404(a) and found reflected therein a clearly expressed congressional intent to exclude advertisements from the general rule that a single copyright notice in a collective work protects each contribution in it.²⁹ Thus, on the flip side, “there is no doubt Congress intended to carve out a special exception for advertisements which would require that a separate copyright notice appear in the advertisement itself.”³⁰ According to the court, Congress believed that the statutory carve-out was necessary because advertisements were regarded as a unique form of copyrightable material.³¹ This “uniqueness” is a function of how advertising works: advertisements are commonly published in multiple outlets and, with respect to advertisements published in major advertising media such as newspapers and magazines, without individual copyright notice.³² From all this, the court concluded that

The language in the committee notes indicates Congress intended to adopt the presumption that advertisements, although copyright-

27. *Id.*

28. *Id.* at 495-96.

29. *Id.* at 496. The House Report from which the Court quotes states:

Collective works, notably newspapers and magazines, are major advertising media, and it is common for the same advertisement to be published in a number of different periodicals. The general copyright notice in a particular issue would not ordinarily protect the advertisements inserted in it, and relatively little advertising matter today is published with a separate copyright notice. The exception in section 404(a), under which separate notices would be required for most advertisements published in collective works, would impose no undue burdens on copyright owners and is justified by the special circumstances.

30. *Id.* (quoting H.R. Rep. 94-1476, 94th Cong. 2d Sess. 146 (1976), reprinted in 17 U.S.C.A. § 404, Historical Note at 331 (1977)).

31. *Id.*

32. *Id.*

able, are not generally copyrighted and often widely reprinted. Consequently, when an advertiser gives a publisher an advertisement which has been published previously in another publication and has no copyright notice affixed, it would be logical for the publisher to presume both that no copyright was claimed by the prior publisher and that reprinting of the advertisement verbatim would not infringe any right of the prior publisher. The proof shows these were the operative facts in this case. The Times was entitled to presume it could reprint the Community Motors advertisement for Community Motors without fear of copyright infringement.³³

After *Canfield*, other courts picked up on its holding and applied it across a range of similar fact patterns.³⁴ But then Congress passed the Berne Act and rewrote the rules.

2. The Berne Convention and Advertisements: The Early Years

To harmonize US copyright law with international standards, in 1988 Congress passed legislation implementing the Berne Convention, which became effective in 1989. After the Berne Convention Implementation Act ("Berne Act"), notice is no longer a prerequisite to copyright protection.³⁵

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33. *Id.* Plaintiff also argued that, because it owned a copyright in the collective work and the ad the carve-out of Section 404(a) did not apply. The Court rejected that argument on the ground that the linchpin of the exception is not ownership but agency. In other words, separate notice is required when an advertisement is inserted *on behalf of* someone other than the owner of the copyright in the collective work. *Id.*
34. *See, e.g., E. Publ'g & Adver., Inc. v. Chesapeake Publ'g & Adver., Inc.*, 831 F.2d 488, 490-91 (4th Cir. 1987), *cert. granted and judgment vacated on other grounds*, 492 U.S. 913 (1989) (newspaper advertisement); *Donald Frederick Evans & Assocs., Inc. v. Cont'l Homes, Inc.*, 785 F.2d 897, 906-07 (11th Cir. 1986) (architectural drawings appearing in advertising supplement to newspaper); *Moore Publ'g, Inc. v. Big Sky Mktg., Inc.*, 756 F. Supp. 1371, 1378 (D. Idaho 1990) (real estate advertising magazines).
35. *See, e.g., Norma Ribbon & Trimming, Inc. v. Little*, 51 F.3d 45, 48 (5th Cir. 1995) ("[S]ince the Berne Convention Implementation Act of 1988, . . . notice is no longer a prerequisite to copyright protection. . . ."); *KB. Home v. Antares Homes, Ltd.*, No. Civ. A. 304CV1031L, 2005 WL 3591149 at *3 n.3 (N.D. Tex. Dec. 29, 2005) ("On March 1, 1989, the United States' adherence to the Berne Convention abolished affixation of notice as a statutory requirement for securing copyright."); *Computrac, Inc. v. Law Firm Consulting Serv.*, No. 3:95-CV-0754-D, 1997 WL 42525 at *4 (N.D. Tex. Jan. 29, 1997) ("Publications of copyrightable works after March 1, 1989 are not subject to the notice requirements of pre-March 1, 1989 publications because of the Berne Convention Implementation Act"); *Innovative Networks, Inc. v. Satellite Airlines Ticketing Ctrs, Inc.*, 871 F. Supp. 709, 720 (S.D.N.Y. 1995) ("The 1976 Act

Thus, a copyright holder can sue on a copyright even if he has not marked the object that is subject to copyright. Nonetheless, the Berne Act provides certain incentives to copyright owners who affix a copyright notice to each publicly distributed copy of a work.³⁶ For example, the Berne Act amended the Copyright Act to add a new subsection “d” to Sections 401 and 402. The Berne Act also amended Section 404(a) so that new sections 401(d) and 402(d) are the sole statutory benefit for affixing copyright notice to a collective work.³⁷ This means that if notice is given “in the form and position specified” by Section 401 of the Copyright Act, then, in a lawsuit based on copyright infringement of that work, “no weight shall be given to . . . a defendant’s interposition of a defense based on innocent infringement.”³⁸ Thus, if a plaintiff has not given notice, the defendant is *not* stripped of its “innocent infringement” defense. But that’s all that a plaintiff loses by omitting notice.

Against this backdrop, we can better understand Section 404(a), the section that still contains the pre-Berne language concerning contributions to collective works. Section 404(a) shows how the owner of a contribution to a collective work may go about giving notice sufficient to invoke the defense-stripping incentive of Section 401 (i.e., the section discussed in the previous paragraph). The owner may do this by using “a single notice applicable to the collective work as a whole,” except “for advertisements inserted on behalf of persons other than the owner of copyright in the collective work.”³⁹ Sure enough, this exception applies to advertisements appearing in newspapers or directories. So, to return to the newspaper example from *Canfield*, if the case were to arise today instead of before the Berne Act and if *The Enterprise* had individually “noticed” the advertisement, instead of just the work as a whole, then *The Ponchatoula Times* would not be permitted to raise an innocent infringement defense in mitigation of the damages it caused *The*

was amended by the Berne Convention Implementation Act of 1988, which *eliminated the notice requirement completely*. Thus, while the current statute states that ‘a notice of copyright . . . *may* be placed on publicly distributed copies,’ affixing notice is no longer mandatory for works first published after March 1, 1989.”) (internal citations omitted; underlining added).

36. *Garnier v. Andin Int’l, Inc.*, 36 F.3d 1214, 1219 (1st Cir. 1994) (“[E]ffective March 1, 1989, the attachment of notice of copyright is no longer required to gain copyright protection for creative works, although it is still encouraged through various incentives.”).

37. *See* Berne Convention Implementation Act of 1988, H.R. 4262, 100th Cong., 102 Stat. 2853, Section 7; *Danielson, Inc. v. Winchester-Conant Props., Inc.*, 322 F.3d 26, 35 (1st Cir. 2003) (“The Berne Convention Implementation Act . . . made notice optional rather than mandatory, while retaining incentives to encourage notice.”).

38. 17 U.S.C. § 401(d).

39. 17 U.S.C. § 404(a).

Enterprise.⁴⁰ To the contrary, if *The Enterprise* had not individually “noticed” the advertisement, then *The Ponchatoula Times* would not be statutorily barred from raising an innocent infringement defense. But today, that would be the only effect of failure to put an individual notice on the advertisement.⁴¹

Unfortunately, taking a belts-and-suspenders approach, the Berne Act has created confusion by carrying forward statutory language and structure from the then-existing Copyright Act. Put differently, as demonstrated by one leading commentator, the advertisement exclusion of Section 404(a) “is meaningless.”⁴² Nonetheless, the Tenth Circuit—the only court to consider the issue—erred in its analysis of the Berne Act’s impact on collective works.⁴³ We will turn to that case after a short aside concerning the subject-matter of that case. This will be helpful in showing why the rules concerning advertisements in collective works are of great concern to a vigorously competitive industry that has grown considerably over the last fifty years: telephone directories.⁴⁴

At some point, enterprising entrepreneurs discovered that there was a market for specialized telephone directories covering areas larger or smaller than a telephone company’s franchise area.⁴⁵ The first hurdle for these market entrants was to obtain basic “white pages” information—i.e., names, addresses, and telephone numbers. Sometimes these independent publishers were able to license information from a carrier, but sometimes they were not.⁴⁶

From this second scenario grew *Feist Publications, Inc. v. Rural Telephone Service Co.*⁴⁷ Rural Telephone (“Rural”) was a public utility provid-

40. Cf. *Schiffer Publ’g, Ltd. v. Chronicle Books, LLC*, No. Civ.A.03-4962, 2005 WL 67077 at *7 (E.D. Pa. Jan. 11, 2005) (barring defendants from raising “innocent infringement” defense in face of properly noticed collective work).

41. NIMMER ET AL., *supra* note 12, § 2.08[G][4][a] (noting that advertisements published in collective works that are not individually marked with copyright notice are “treated as if published without notice,” and further noting that such works could be injected into the public domain if they were published before the implementation of the Berne Convention).

42. *Id.* § 7.12[C][1] at 7-96.

43. *Transwestern Publ’g Co. v. Multimedia Mktg. Assocs.*, 133 F. 3d 773 (10th Cir. 1998).

44. See *BellSouth Adver. & Publ’g. Corp. v. Donnelley Info. Publ’g.*, 999 F.2d 1436, 1471 (11th Cir. 1993) (Hatchett, dissenting) (noting “multi-billion dollar” size of directory publishing market).

45. See *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 343 (1991).

46. *Id.*

47. *Id.*

ing telephone service to several small communities in northwest Kansas.⁴⁸ As a condition for operating as a monopoly franchise, Rural was required to update and issue a telephone directory.⁴⁹ Rural's directory included both white and yellow pages.⁵⁰ Feist Publications ("Feist") was a company that compiled and published area-wide directories that covered a much larger geographical range than that of Rural and other more localized franchisees.⁵¹ Both companies distributed their directories free of charge and both derived substantial revenue from yellow-pages advertisements, for which they vigorously competed.⁵²

Rural's refusal to license information left Feist with three choices. It could publish without the Rural's information and leave a gaping hole in its directory, conduct a telephone or door-to-door survey and collect the information on its own or take Rural's information and publish it without permission.⁵³ Nevertheless, Feist chose the third option, Rural sued for copyright infringement, and the Supreme Court ultimately held that Feist did not infringe Rural's copyright because Rural's white pages "lack[ed] the requisite originality" for copyright protection.⁵⁴

Although *Feist* was ostensibly about basic white pages listings, the true battleground was yellow pages and the lucrative advertising sales that go along with them. This was made clear in a line of cases following *Feist*. *BellSouth Advertising & Publishing Corp. v. Donnelley Information Publishing* represents an extension of *Feist*'s animating principles to a yellow pages directory.⁵⁵ A subsidiary of BellSouth published a yellow pages directory for the Greater Miami area.⁵⁶ The directory was organized via an alphabetical list of business classifications.⁵⁷ After BellSouth published its 1984 directory, Donnelley began to market and sell classified advertisements to be placed in a competing directory.⁵⁸ To facilitate this process, Donnelley copied BellSouth's directory and hired a data-entry company to create "a data base containing the name, address, and telephone number of the subscriber as

48. *Id.* at 342.

49. *Id.*

50. *Id.*

51. *Id.* at 342-43.

52. *Id.* at 343. For a thorough analysis of *Feist* and its implications, see Jane C. Ginsburg, *No "Sweat"? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone*, 92 COLUM. L. REV. 338 (1992).

53. *Id.* at 343-44.

54. *Id.* at 364.

55. *BellSouth*, 999 F.2d at 1438.

56. *Id.*

57. *Id.*

58. *Id.*

well as codes corresponding to business type and unit of advertising.”⁵⁹ Donnelley used the data base to create sales lead sheets and, ultimately, to prepare its competing directory.⁶⁰ Based on these acts, BellSouth sued for copyright infringement.⁶¹

The parties stipulated that BellSouth’s directory, “which is a typical yellow pages directory, qualifies for compilation copyright protection.”⁶² Thus, “[t]he pivotal issue [was] whether that which was copied by the alleged infringer was protected by the registered claim of compilation copyright.”⁶³ The court found that it was not because, among other things, the copied material did not exhibit requisite “originality.”⁶⁴ But, we—as did the court—must “note that Donnelley did not copy, nor was it alleged to have copied, the text or graphic material from the advertisements in the [BellSouth] directory, the positioning of these advertisements, the typeface, or the textual material included by [BellSouth] to assist the user.”⁶⁵ Thus, it remains for us to consider post-Berne and post-*Feist* cases involving the copying of “original” and (therefore copyrightable) advertisements.

Transwestern Publishing Co. v. Media Marketing Associates, Inc. is the most important (for any discussion) post-*Feist* cases involving alleged misappropriation of yellow pages advertisements.⁶⁶ The Tenth Circuit’s decision in *Transwestern* warrants a close examination because it has caused and continues to cause much confusion. Four years after *Feist* was decided, TransWestern published a “Ponca City [Oklahoma] Area” telephone directory that included both white and yellow pages advertisements.⁶⁷ Defendants thereafter published a competing directory, the “1996 Ponca City Community Directory,” which covered a smaller geographic area (8 towns versus 18) but also included white and yellow pages advertisements.⁶⁸ “A number of these advertisements were very comparable to those in the TransWestern directory.”⁶⁹ Therefore, the gravamen of TransWestern’s infringement case was

59. *Id.* at 1439.

60. *Id.*

61. *Id.*

62. *Id.* at 1438.

63. *Id.*

64. *Id.* at 1440-45.

65. *Id.* at 1445; cf. *S. Bell Tel. & Tel. Co. v. Assoc’d Tel. Directory Publishers*, 756 F.2d 801 (11th Cir. 1985) (infringer engaged in wholesale copying of competitor’s directory).

66. *Transwestern Publ’g*, 133 F.3d at 774.

67. *Id.* at 775.

68. *Id.*

69. *Id.*

that defendants had copied advertisements from its directory.⁷⁰ The court looked at the infringement claim—to the extent that it was based on individual advertisements—in two related ways: first, by treating TransWestern’s directory as a “compilation” and second, by treating it as a collective work.⁷¹ The first inquiry was suggested by TransWestern’s copyright registration, which “treats [the directory] as a ‘derivative work or compilation’ and states it is a ‘[R]evised compilation in yellow pages.’”⁷² The court rejected this claim on evidentiary grounds, namely that the record did not show “original and hence protectible contributions by plaintiff to its yellow pages ads” and, moreover, with respect to certain ads about which plaintiff complained, “there is nothing in the appellate record to show defendants copied any of those ads.”⁷³

The court next moved to the second potential basis for copyright protection—namely, that “the ads should not be treated as fact compilations but as unique creations.”⁷⁴ It is at this point that the court jumped the post-Berne track by following *Canfield* to conclude that “under 17 U.S.C § 404(a), the existence of a copyright notice on plaintiff’s directory is insufficient to prohibit the copying of an advertisement from that directory, absent a copyright notice specific to the advertisement itself.”⁷⁵

This holding is difficult to justify, especially given that a concurring opinion distinctively pointed out the error in the court’s analysis.⁷⁶ Indeed, the majority opinion nods in the direction of the concurrence and even concedes that under Berne “copyright notice is no longer mandatory.”⁷⁷ But then it inexplicably reverts—in a non sequitur—to the fact that 404(a) maintained the parenthetical exception for advertising after Berne: “Where the overall collective work is protected by a copyright notice, § 404(a) still refuses to extend the protection afforded by that notice to ads inserted by a third party.”⁷⁸ But that begs the question presented: after Berne, no notice is required at all for copyright protection under § 404(a) or otherwise?

To sum up *TransWestern*, the Berne Act was not at issue, and indeed, the holding was that there was no infringement. In any event, the concurring opinion is absolutely correct in three respects critical to an analysis of the

70. *Id.*

71. *Id.* at 779-81.

72. *Id.* at 776.

73. *Id.* at 779. The court also found that the directories were dissimilar “as a whole.” *Id.* at 777.

74. *Id.* at 779.

75. *Id.* at 781.

76. *Id.* at 782 (Briscoe, J., concurring).

77. *Id.* at 781.

78. *Id.* at 781 n.5.

advertising exception. First, *Canfield* “is inapplicable because it was issued prior to adoption of the Berne.

3. Recent Developments: No Consensus

TransWestern’s pronouncement regarding the meaning of the advertising exception was subject to immediate criticism in academic literature.⁷⁹ Nonetheless, defendants in copyright infringement cases have continued to successfully argue that—based on *Canfield* and *TransWestern*—individual notice on advertisements in collective works is a prerequisite to copyright protection.⁸⁰ For example, within a year after the Tenth Circuit decided *TransWestern*, a district court used lack of notice as one of two alternative grounds for dismissing a claim that defendants had infringed upon plaintiff’s copyright by distributing classified advertisements copied in a periodical: “The Copyright Act provides that while contributions to a collective work can be protected by a single copyright notice for the work as a whole, an exception is made for ‘advertisements inserted on behalf of persons other than the owner of the copyright in the collective work.’”⁸¹

More recently, however, in a few noteworthy decisions courts have failed to buy into defenses jerry-rigged from the *TransWestern* dicta.⁸² An example of this is found in *Idearc Media Corp. v. Northwest Directories, Inc.*, which arose from a scenario novel only in the scope of the copyright infringement dealt with.⁸³ In 2006, Idearc (formerly known as Verizon Directories Services) published and distributed a white and yellow pages directory in Yamhill County, Oregon.⁸⁴ Northwest Directories scanned and copied all the display ads (i.e., ads including graphics, colors and text beyond name, address and telephone number of a business) that appeared in Idearc’s

79. See, e.g., Darryl J. Adams, *Recent Developments in Copyright Law*, 6 TEX. INTELL. PROP. L.J. 317, 328-35 (1998) (“[T]he Tenth Circuit erroneously interpreted Section 404(a) of the Copyright Act as requiring mandatory copyright notices on advertisements within collective works. This interpretation is contrary to the clear language of the statute and the spirit of Berne-era copyright law.”).

80. See *Phoenix Hill Enters., Inc. v. Dickerson*, No. 3:98CV-669(R), 1999 WL 33603127 at *1 (W.D. Ky. May 20, 1999); *DND Commc’ns, LLC v. 21 Publ’g, LLC*, No. 4:08-CV-97-DJS, 2008 WL 4290849 at *1-2 (E.D. Mo. Sept. 16, 2008).

81. *Phoenix Hill Enters., Inc.* 1999 WL 33603127, at *1.

82. See *Idearc Media Corp. v. Nw. Directories*, 623 F. Supp. 2d 1223, 1229 (D. Or. 2008); *Agreed Permanent Injunction as to Defendant Your Town Yellow Pages, LLC, and Dismissal With Prejudice at 2-3, GoPubCo, Inc. v. Your Town Yellow Pages, LLC*, No. 3:06-CV-0489 (N.D. Tex. Aug. 2, 2007).

83. *Idearc Media Corp.*, 623 F. Supp. 2d at 1226.

84. *Id.*

2006 directory and reproduced them in its own 2007 directory.⁸⁵ Idearc brought suit against Northwest Directories, alleging infringement of the copyright in its 2006 directory.⁸⁶ Northwest Directories defended on a number of grounds, including Idearc's failure to individually mark the display ads.⁸⁷

The Court initially considered whether a telephone directory is a "compilation" or a "collective work," the latter being a subset of the former.⁸⁸ A compilation is defined by statute as "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship."⁸⁹ On the other hand, a collective work "is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole."⁹⁰ The Court found that "the directory [had] some attributes of both a collective work and a compilation."⁹¹

"[B]ecause the 2006 directory is a collective work," Northwest Directories argued, "even if the display ads are subject to copyright, Idearc cannot sue to enforce that copyright absent the publication of a separate copyright notice on each ad."⁹² Unsurprisingly, "[i]n support of this argument NWD cites 17 U.S.C. § 404(a) and the Tenth Circuit opinion in *TransWestern Publishing Co. v. MultimediaMarketingAssociates, Inc.*"⁹³ The Court compared the majority and concurring opinions in *TransWestern* and noted the factual similarity between *TransWestern* and the present case: "[T]here is no dispute that the 2006 directory bears a copyright notice, but that the ads at issue do not bear such a notice."⁹⁴ Thus, faced with a case substantially similar to *TransWestern*, the Court had two choices—either follow the majority opinion or offer good reason not to. It chose the latter:

The court does not agree with the Trans Western majority's view of 17 U.S.C. § 404(a), which is both orbiter dictum and not binding precedent. The plain meaning of § 404(a) is that absence of a copyright notice on "advertisements inserted on behalf of persons

85. *Id.*

86. *Id.*

87. *Id.* at 1229.

88. *Id.*

89. *Idearc Media Corp. v. Nw. Directories*, 623 F. Supp. 2d 1223, 1226 (D. Or. 2008) (quoting 17 U.S.C. § 101).

90. *Id.*

91. *Id.*

92. *Id.*

93. *Id.*

94. *Id.* at 1229-30.

other than the owner of the copyright in the collective work” simply eliminates the evidentiary presumption against innocent infringement provided by 17 U.S.C. § 401(d). Eliminating this presumption has no bearing on the existence of enforceable rights in the ad. This understanding of the statute is consistent with the fact that a copyright notice is not required to hold a valid copyright. See Berne Convention Implementation Act of 1988⁹⁵

The Court also found that Idearc’s registration of the entire directory was sufficient to constitute registration of the misappropriated ads.⁹⁶ The Court noted “[t]his understanding of the law also comports with common sense. It would be absurd and inefficient to require the author of a larger work to individually register every possible smaller component of that work that qualified individually for copyright protection.”⁹⁷

Another recent case requires a little extra analysis due to the absence of a written opinion in order to conclude a court again declined to follow *Trans-Western*. Factually, *GoPubCo, Inc. v. Your Town Yellow Pages, LLC* follows the standard pattern of the cases we have been reviewing.⁹⁸ Here, GoPubCo and Your Town published competing telephone directories that were distributed in several Dallas/Fort Worth communities.⁹⁹ GoPubCo alleged that Your Town substantially or identically reproduced and reprinted 33 of GoPubCo’s yellow pages ads in Your Town’s directories.¹⁰⁰ GoPubCo did not mark each of the 33 ads with a separate copyright notice.¹⁰¹ Your Town moved for summary judgment, arguing that “[t]he Copyright Act requires a separate copyright notice to be placed on any advertisement inserted on behalf of others. Because GoPubCo failed to place a copyright notice on the 33 Ads . . . the 33 Ads have been placed in the public domain, and GoPubCo thus cannot maintain an action for copyright infringement on the 33 Ads.”¹⁰² As authority for these propositions, Your Town principally offered *Canfield* and *TransWestern*.¹⁰³ GoPubCo challenged these authorities, arguing that *Canfield* was no longer good law in the wake of the Berne Act and that

95. *Idearc Media Corp. v. Nw. Directories*, 623 F. Supp. 2d 1223, 1230 (D. Or. 2008).

96. *Id.* at 1230-31.

97. *Id.* at 1230.

98. Plaintiff’s Original Complaint at 2-3, *GoPubCo, Inc. v. Your Town Yellow Pages, LLC*, No. 3:06-CV-0489-K (N.D. Tex. Mar. 17, 2006).

99. *Id.*

100. Brief in Support of Defendant’s Motion for Summary Judgment at 7, *GoPubCo, Inc. v. Your Town Yellow Pages, LLC*, No. 3:06-CV-0489-K (N.D. Tex. Nov. 7, 2006).

101. *Id.* at 8.

102. *Id.* at 11.

103. *See id.* at 16-23.

TransWestern was simply wrong because it mistook the post-Berne incentive structure for the pre-Berne loss-of-copyright structure.¹⁰⁴ Although the Court did not write an opinion, it tacitly held that GoPubCo was correct.¹⁰⁵ We may infer this from the Court's issuance of a permanent injunction as to Your Town because Your Town offered its reading of 404(a) as a completely dispositive matter and as a matter of law. In other words, no facts relevant to this issue were disputed; thus, in issuing the permanent injunction, the Court must have rejected Your Town's argument and accepted GoPubCo's countervailing argument.¹⁰⁶

Despite the clear holding of *Idearc* and the inferential authority of *GoPubCo*, *TransWestern* continues to bedevil this corner of the law. In *DND Communications, LLC v. 21 Publishing, LLC*, the Court was faced with a *Canfield*-type scenario.¹⁰⁷ There, the plaintiff had created and published a pair of advertisements (for a jeweler and a hair salon) in its local-interest periodical, *Saint Charles Magazine*; the defendant allegedly reproduced and published these ads without authorization in its competing periodical, *Mid Rivers Newsmagazine*.¹⁰⁸ Plaintiff sued for copyright infringement, and Defendant moved to dismiss based on a failure-to-notice theory.¹⁰⁹ Defendant argued that courts have "consistently held that an advertisement lacking a separate copyright notice as it appears within a collective work is not a protectible expression."¹¹⁰ As authority, defendant cited *Canfield* and *TransWestern*.¹¹¹ The Court quickly brushed *Canfield* aside, noting that it was decided pre-Berne.¹¹² But *TransWestern* proved another matter because the Court read it as a resuscitation of *Canfield's* central holding: "[T]he Tenth Circuit holds that the Berne Convention did not affect the parenthetical provision of § 404(a), and so did not alter the analysis of *Canfield*."¹¹³

Plaintiff countered with the usual post-Berne defense—namely that "after the Berne Convention the result is not lack of copyright protection, but rather the availability of the so-called innocent infringement defense in miti-

104. See Plaintiff's Response to Defendant's Motion for Summary Judgment at 3-6, *GoPubCo, Inc. v. Your Town Yellow Pages, LLC*, No. 3:06-CV-0489-K (N.D. Tex. Nov. 27, 2006).

105. See Agreed Permanent Injunction as to Defendant Your Town Yellow Pages, LLC, and Dismissal With Prejudice, *supra* note 82, at 2-3.

106. See *id.*

107. *DND Commc'ns*, 2008 WL 4290849 at *1.

108. *Id.*

109. *Id.*

110. *Id.*

111. *Id.*

112. *Id.*

113. *Id.*

gation of damages.”¹¹⁴ The Court found this argument “reasonable” and not without support in Judge Briscoe’s *TransWestern* concurrence, but, nonetheless rejected it because it “is directly at odds with the majority opinion of the only Court of Appeals which has addressed the specific question on highly analogous facts”¹¹⁵ Accordingly, the Court chose to “follow the view of the *TransWestern* majority” and dismissed the complaint.¹¹⁶

CONCLUSION AND RECOMMENDATION

Because the unfortunate and redundant structure of Section 404(a)—when coupled with the erroneous reading of that section in *TransWestern*—continues to dog both courts and litigants, we would be remiss if we didn’t consider how best to correct the problem. Congress could, of course, tinker with the statute, but that seems at once unlikely and something of an overkill, given that the statute has a plain enough (if somewhat circuitously arrived at) meaning. The real problem is with *TransWestern* (and its status as the *only* court of appeals opinion on the subject), and the solution is for the Tenth Circuit to disavow the problematic dictum found in the majority opinion. To provoke such an action, lower courts should continue to criticize *TransWestern* and give roadmap readings of Section 404 in *published* opinions. Thus, when an appropriate case arrives at the Tenth Circuit, the court will be armed with sufficient, well-reasoned precedent with which to brush aside the erroneous statutory construction.

To sum up, although general collective-work notice does not extend to individual advertisements in a collective work, that does not mean the owner of copyrights in those advertisements loses the copyrights when she does not individually mark each ad with a copyright notice. It merely means that she may not avail herself of certain incentives that Congress provided for those who do give individual notice. To the extent that *TransWestern* states otherwise, it has the law wrong and no court should follow its dictum.

114. *Id.*

115. *Id.*

116. *Id.* at *2.