COMMENTS

JOINT AND SEVERAL LIABILITY FOR COPYRIGHT INFRINGEMENT: A NEW LOOK AT SECTION 101(b) OF THE COPYRIGHT ACT†

The monetary remedy provisions for copyright infringement contained in the Copyright Act have long been a source of confusion and controversy. Recently, failure of the courts to apply the common law concept of “joint torts” has even compounded these difficulties. For although it is generally agreed that all who “unite” in an “act of infringement” are jointly and severally liable for the “damages” resulting therefrom, the act can be and has been read to afford the copyright owner multiple recoveries for what would appear to be a single “joint infringement.” This conflict arises both from the fact that the copyright law does not make clear what constitutes an “act of infringement,” and the fact that the remedies provided for infringement are unique and ambiguous. This comment considers the applicability of the joint tort concept to copyright infringement cases in general, and to the damage provisions in particular.

I

The current Copyright Act, substantially unchanged since its enactment in 1909, bestows upon the copyright proprietor several “exclu-

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1 This principle was apparently first enunciated in Gross v. Van Dyke Gravure Co., 230 Fed. 412 (2d Cir. 1916), in which the maker, printer and seller of an infringing photograph were held jointly liable for the plaintiff's damages. The court said: "Why all who unite in an infringement are not, under the statute, liable for the damages sustained by plaintiff, we are unable to see...[A]s all united in infringing, all are responsible for the damages resulting from infringement." Id. at 414. See also Universal Pictures Co. v. Harold Lloyd Corp., 162 F.2d 354, 365-66 (9th Cir. 1947); Sammons v. Colonial Press, Inc., 126 F.2d 341, 345 (1st Cir. 1942); American Code Co. v. Bensinger, 282 Fed. 829, 834 (2d Cir. 1923); Alfred Bell & Co. v. Catalda Fine Arts, Inc., 86 F. Supp. 399, 403 (S.D.N.Y. 1949), modified, 191 F.2d 99 (2d Cir. 1951); Select Theatres Corp. v. Ronzoni Macaroni Co., 59 U.S.P.Q. 288, 291 (S.D.N.Y. 1943); Harris v. Miller, 50 U.S.P.Q. 306, 625, 626 (S.D.N.Y. 1941); Howell, COPYRIGHT LAW 179 (Latman ed. 1962); Note, Monetary Recovery for Copyright Infringement, 67 HARV. L. REV. 1044, 1051-52 (1954).


3 It is generally agreed that the act is in serious need of revision. As one court
sive rights” or “monopolies” in his protected work. Thus, for example, he has the exclusive right to “print, reprint, publish, copy and vend the copyrighted work.” The unauthorized interference with any one of these rights renders the person who interferes liable as an infringer. Thus, one who without authority prints or manufactures a copyrighted work, without more, is liable as an infringer, as is one who sells the illicit copy. Although the act does not make any such

recently put it, “the inequities and inadequacies of the present law cry out for correction.” Miller v. Goody, 139 F. Supp. 175, 186 (S.D.N.Y. 1956) (Kaufman, J.). It is apparent that radical and far-reaching changes have occurred in the entertainment and communications industries since 1909, and that an act intended for the problems of that day can be adapted only with difficulty to cover the problems of today. See generally Finkelstein, The Copyright Law—A Reappraisal, 104 U. Pa. L. Rev. 1025 (1956); Howell, op. cit. supra note 1, at 7-8. During the 1950s, a series of 35 studies was prepared under the supervision of the Copyright Office of the Library of Congress with a view to considering a general revision of the copyright law. These studies, with the comments of copyright authorities appended, were published by the Subcommittee on Patents, Trademarks, and Copyrights of the Senate Committee on the Judiciary in 1960 under the title Copyright Law Revision [hereinafter cited as Revision]. In 1961, the United States Register of Copyrights offered to Congress his recommendations for revision. Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 2 Studies on Copyright 1199 (Arthur Fisher Mem. ed. 1963) [hereinafter cited as Register’s Report]. See also Goldberg, Promoting the Progress of Science and Useful Arts: A Commentary on the Copyright Office Report on General Revision of the United States Copyright Law, 47 Cornell L.Q. 549 (1962). On July 20, 1964, the Copyright Office’s revision bill was introduced into both houses of Congress and referred to the respective Judiciary committees. S. 5008, H.R. 11947, 88th Cong., 2d Sess. (1964). Although introduced too late to be considered more fully in this comment, it should be noted that this bill, in some respects at least, coincides with the views expressed herein.

4 These rights are essentially negative, or exclusionary rights, in that they give the copyright owner the power to control and prohibit the use and reproduction of his copyrighted work. As Mr. Justice Holmes once said: “The right to exclude is not directed to an object in possession or owned, but is in vacuo, so to speak. It restrains the spontaneity of men where but for it there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right.” White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1, 19 (1908) (concurring opinion).

5 17 U.S.C. § 1(a) (1958). Section 1 affords numerous other rights to the copyright owner, including the right “to perform the copyrighted work publicly for profit” and to dramatize or otherwise adapt it. It also protects, in a somewhat different way, his exclusive right to have his work mechanically reproduced. See generally text accompanying notes 30-31 infra.

6 No attempt is made here to consider in any greater detail the question of what constitutes “infringement” or the defenses available in an action for infringement. For the purposes of this comment, it has been assumed, where relevant, that the fact of infringement has been established. For discussions of infringement, see Howell, op. cit. supra note 1, at ch. 12; Nimmer, Copyright, chs. 8, 11-14 (1968).


distinction, there are two general categories into which infringers may fall: The original copier, or "primary" infringer; and the "secondary" infringer, who prints, publishes, sells, or otherwise participates in the dissemination of the work of the primary infringer. Since it is well established that "innocence" is no defense to an action for infringement, an infringer who infringes without knowledge or reason to know that he is doing so is nevertheless liable.

As might be expected, in many cases more than one of the copyright owner's exclusive rights are violated in what may be termed a single "infringing transaction." Thus, if A copyrights a book he has just written, and B, in preparing a book on the same subject, copies therefrom, B is an infringer. If B then sells his manuscript to C, a publisher, who has it printed by D and sold by E—C, D, and E are also infringing.

10 There are two other, less pervasive, categories into which infringers may fall. The "vicarious" infringer, as the name implies, is liable as a result of an infringement by someone for whose actions he is legally responsible. See Shapiro, Bernstein & Co. v. H. L. Green Co., 316 F.2d 304 (2d Cir. 1963); Dreamland Ball Room, Inc. v. Shapiro, Bernstein & Co., 36 F.2d 354 (7th Cir. 1939); Latman & Tager, Liability of Innocent Infringers of Copyrights, in Revision, Study No. 25, at 145-46 (1958). The "contributory" infringer is one who aids, induces or contributes to an infringement by another. Note, 45 COLUM. L. REV. 644, 645 n.6 (1945); see also Latman & Tager, supra at 148. This latter category has been of limited significance in copyright infringement cases, although a similar category is important in patent infringement cases. See Comment, Infringement Under Section 271 (b) of the 1952 Patent Act, 7 St. Louis U.L.J. 98 (1962); Note, Contributory Infringement: The Tort and its Limitations, 1961 Wash. U.L.Q. 167.

11 See, e.g., Shapiro, Bernstein & Co. v. H. L. Green Co., supra note 10; Toksvig v. Bruce Publishing Co., 181 F.2d 654 (7th Cir. 1950); Insurance Press v. Ford Motor Co., 255 Fed. 896 (2d Cir. 1918); American Press Ass'n v. Daily Story Publishing Co., 120 Fed. 344 (7th Cir. 1902); Comment, S FORDHAM L. REV. 400 (1939). See generally Latman & Tager, supra note 10. But even though innocence is no defense, courts have often considered it as a factor in awarding discretionary statutory damages, usually awarding no more than the statutory minimum against innocent infringers. Sammons v. Larkin, 38 F. Supp. 649 (D. Mass. 1940), vacated on other grounds sub nom. Sammons v. Colonial Press, Inc., 125 F.2d 341 (1st Cir. 1942); Altman v. New Haven Union Co., 254 Fed. 115 (D. Conn. 1918); Latman & Tager, supra note 10, at 146. The act contains limited provisions for the protection of innocent infringers. Section 21 prevents the recovery of damages from an innocent infringer who has been misled by the accidental omission of notice by the copyright proprietor, while §§ 1(c) and 101(b) contain special limits on statutory damages for particular types of innocent infringement. The act does not expressly define the term "innocent infringer," but for the purposes of this comment an innocent infringer is deemed to be one who invades the rights of the copyright owner without knowledge or reason to know that he is doing so. Cf. Latman & Tager, supra note 10, at 155. Although in most cases an innocent infringer will be a secondary infringer, it is conceivable that a primary infringer can so qualify. E.g., Toksvig v. Bruce Publishing Co., 181 F.2d 644 (7th Cir. 1950) (reasonable but erroneous belief that work was in public domain); Insurance Press v. Ford Motor Co., 255 Fed. 896 (2d Cir. 1918) (permission of publisher of work copyrighted by author); Fred Fisher, Inc. v. Dillingham, 298 Fed. 145 (S.D.N.Y. 1924) ("unconscious" copying by Jerome Kern of the verse of a song copyrighted by the plaintiff).
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Is each liable to \( A \) in an independent action, or are they merely jointly liable? How many different recoveries can \( A \) make for these infringements?

Under generally accepted tort principles, when the acts of two or more tortfeasors are deemed sufficiently connected or related so as to constitute a "joint tort," the plaintiff is entitled to a recovery of his damages from all the tortfeasors jointly, or from any one of them individually. If the plaintiff sues and recovers his full damages from but one of the tortfeasors, any further action on his part against the others will be barred thereby. The rationale is that once the plaintiff has been fully compensated for his loss, any further recovery would be a windfall.

It is clear that similar problems arise when more than one infringer has caused the copyright owner's injury. If the joint tort doctrine is applied, each infringer would be jointly liable for the plaintiff's injuries, and a recovery of full damages from one would preclude a further recovery of damages from another. If, however, each infringement is considered a separate wrong to the plaintiff, for which recovery is available, the damage provisions of the Copyright Act could be read to provide the plaintiff with an award of at least $250 from each infringer he can bring into court. This is because section 101(b) of the Copyright Act provides that if "any person" shall infringe a copyright, "such person" shall be liable "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," or, "in lieu of actual damages and profits," statutory damages to be no less than $250 nor more than $5,000.

If \( B \)'s infringing book were adapted into a motion picture, several more infringers would become involved. The screen writer, director and producer of the movie would be infringers, as would the distributors and exhibitors of the production. In fact, in almost every case it would appear that more than one statutory infringement is necessary for the primary infringement to be at all effective and injurious to the copyright owner. One obvious exception, of course, is infringement of the exclusive right to publicly perform for profit the copyrighted work.


17 U.S.C. § 101(b) (1958). The damage provisions have been the subject of considerable discussion. E.g., Broderick, Civil Remedies for the Infringement of Literary Copyright—A Comparative Study of the Laws of the United States, England and Canada, 14 U. Det. L.J. 15 (1950); Caplan, The Measure of Recovery in Actions for the Infringement of Copyright, 37 Mich. L. Rev. 564 (1939); Price, Monetary Remedies Under the United States Copyright Code, 27 Fordham L. Rev. 555 (1959); Note, 37 Conn. B.J. 187 (1963); Note, 67 Harv. L. Rev. 1044 (1954); Note, 5 How. L.J. 92 (1959); Comment, 29 U. Chi. L. Rev. 385 (1962). In addition to the damage provisions, the act also provides, in § 116, for a mandatory award of costs and a discretionary award of attorney's fees.
Until recent years, the courts have generally applied the joint tort concept when confronted with two or more infringers whose infringe-
ments together caused the plaintiff's injury. In the simplest case, as where two or more persons combine to infringe the same exclusive right of the copyright owner (i.e., commit one statutory infringement), the courts have had little difficulty finding joint infringement and holding the several infringers jointly liable. But even where different statutory infringements were combined to injure the plaintiff, the courts have generally found joint infringement. Typical of such holdings is American Code Co. v. Bensinger, where the plaintiff copyright owner joined the publisher, binder, and seller of an infringing book in an action for an injunction, damages and profits. The court stated: "The joinder of these parties as defendants proceeds upon the theory that infringement of a copyright is a tort, and that all persons concerned therein are jointly and severally liable. . . . It is established that one who prints an infringing work is an infringer. . . . So is the publisher . . . . As likewise is the vendor."

Implicit in such a holding is the feeling that although each defendant has committed his own separate infringement, it was the combined acts of all that injured the plaintiff and thus constituted the "act of infringement" to be redressed. However, particularly within the past decade, several courts appear to have rejected this view and would seem to hold each infringer severally liable for his own infringement. Such results, since they may easily lead to multiple recoveries for the same injury, are questionable.

15 See cases cited in note 1 supra. It should be noted that until recent years this principle was never tested, since in each case the various infringers were joined in the same action, and not independently sued. Compare Note, 67 HARV. L. REV. 1044, 1051-52 (1954).
17 282 Fed. 829 (2d Cir. 1922).
18 Id. at 834.
19 In Cain v. Universal Pictures Co., 47 F. Supp. 1013 (S.D. Cal. 1942), the infringing screenwriter of an infringing movie claimed that his liability was several from that of the movie producers, and that as to him the statute of limitations had run. In rejecting this contention, and in holding the writer jointly liable with the producers, the court said: "So the wrong done to the plaintiff in a case of this character does not lie in the mere copying of his material, which, without publication or incorporation into a motion picture, would result in no injury to him. It consists of (1) the deliberate appropriation of a portion of his work and its delivery to others for (2) inclusion in the finished picture and (3) exhibition to the public." Id. at 1017-18. See also Universal Pictures Co. v. Harold Lloyd Corp., 162 F.2d 354 (9th Cir. 1942); Sammons v. Larkin, 38 F. Supp. 649 (D. Mass. 1940), vacated sub nom. Sammons v. Colonial Press, Inc., 126 F.2d 341 (1st Cir. 1942).
20 Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2d Cir. 1957), cert. denied, 355
In the leading case of *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, the Supreme Court may well have inadvertently laid the groundwork for such results. Plaintiff was the owner of a copyright in a work of art entitled "Cocker Spaniel in Show Position," and was in the business of manufacturing and marketing copies thereof through gift and art shops. The Lepere Pottery Company manufactured infringing copies, and sold them to the Sabin Manufacturing Company, which, in turn, sold them to defendant Woolworth. In this action, the plaintiff sued Woolworth for its infringing sales, joining neither the manufacturer nor the distributor. Despite the fact that Woolworth's innocence was conceded, and its profits established at less than $900, the Court found that the plaintiff was damaged by the infringement and affirmed an award of the statutory maximum of $5,000. "Unbeknown to Woolworth, these dogs had been copied from respondent's and by marketing them it became an infringer." The Court made no mention of the fact that the other infringers were not joined, and by limiting Woolworth's liability to its infringing sales, it clearly left the door open to further action against the manufacturer. Assuming that the plaintiff had been fully compensated in this action for his losses caused by Woolworth's sales, further recovery for the same losses would appear to be unjustified.

In *McCulloch v. Zapun Ceramics, Inc.*, such multiple recoveries
were actually sanctioned. Plaintiffs were the copyright owners of two “works of art in the form of Chinese figurines.” The General Porcelain Company manufactured infringing copies and sold them to the defendants, who sold them to the public. In a previous action, the manufacturer had been found liable to the plaintiff for its infringement. The defendant sellers in this action claimed that recovery against them was barred by the previous judgment against the manufacturer, and that if they were held liable, this would constitute a “double recovery” for the plaintiff. The court, in rejecting this contention, cited Woolworth and declared that the damages recovered from the manufacturer “are not the same as those sought in this action . . . . If plaintiffs’ copyrights are valid, the defendants herein, if they marketed the copies of the copyrighted figurines, will be infringers . . . and will thereby become liable to plaintiffs . . . .”26

Although the court stated that the damages assessed against the manufacturer “were assessed as a result of that company’s infringement and not the alleged infringement of any of the defendants in this present action,”27 it is difficult to see how the plaintiffs could have been damaged at all in the absence of sales of the infringing items. Thus, any recovery of damages from the manufacturer, assuming that there were no other sales by sellers not defendants in the second action, would seem to preclude recovery of the same damages from the sellers here. And although the court indicated that the damages recovered in the first action “may be material”28 in assessing the damages to be awarded against the sellers, the required minimum statutory award “in lieu of” actual damages renders the court’s holding questionable at best.

In Shapiro, Bernstein & Co. v. Goody,29 the defendants were non-manufacturing sellers of infringing phonograph records.30 Under the “compulsory licensing” provisions of the act, once one record manu-

26 Id. at 12-13.
27 Id. at 13.
28 Ibid.
30 Although there is only one real way a phonograph record may infringe a copyright, namely when its manufacturer fails to comply with the royalty requirements, see text accompanying note 31 infra, such infringement may take three forms. First, the record may be a legitimate rendition of a copyrighted composition, but an infringement because of the failure of the manufacturer to pay the compulsory royalty; second, the record may be an “original” rendition of an infringing copy of a copyrighted work; third, the record may be an unauthorized reproduction of a licensed recording. This latter form, commonly called “disklegging,”—see Comment, 5 Stan. L. Rev. 453 (1953)—was involved in this case. See generally Henn, The Compulsory License Provisions of the U.S. Copyright Law, in Revision, Study No. 5 (1956); Blaisdell, The Economic Aspects of the Compulsory License, in Revision, Study No. 6 (1958).
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facturer is licensed to record a copyrighted composition, any other manufacturer may similarly record by paying to the copyright owner a royalty of two cents per record manufactured. Section 101(e) provides that in case of "infringement of such copyright by the unauthorized manufacture, use, or sale" of such records, "the plaintiff shall be entitled to recover in lieu of profits and damages" a royalty of two cents per record, and, in the discretion of the court, an additional sum not to exceed three times the royalty due. The court, also relying on Woolworth, rejected the defendants' argument that their liability was joint with that of the manufacturer, and held that "the liability of each infringer, whether he be manufacturer, distributor or retailer, is several." Thus, again, the possibility arises of double recovery for the plaintiff.

Insofar as these decisions allow multiple recoveries for the same injury, they seem incorrect. The simple good sense of the joint tort doctrine which prevents the plaintiff from multiplying his recoveries by suing each tortfeasor separately certainly seems applicable in the statutory realm of copyright infringement. However, because of the distinct and technical nature of the statutory remedies for infringement, a sweeping application of these common law rules to the copyright cases may not be desirable. The joint tort doctrine must, then, be examined in relation to each of the three forms of monetary remedy available: actual damages, infringer's profits, and statutory damages.


32 The court went on: "For § 101(e) clearly defines infringement in the alternative, viz., 'unauthorized manufacture, use, or sale.' From a normal reading of these words it would appear that the unauthorized manufacture of a set of 'parts' or records is an infringement of each copyright and that unauthorized sale of some or all of that set is a separate infringement. . . . This would mean that the manufacturer and the seller are each liable as infringers." 248 F.2d at 267. The court did, however, limit the recovery against the sellers to two cents per record, declaring that the treble amount provision was only applicable to infringing manufacturers. Id. at 266.

33 In Goody, the infringing manufacturer had settled with the plaintiffs, in which settlement the plaintiffs expressly reserved all rights against the defendant sellers. 248 F.2d at 266-67. However, in Harms, Inc. v. F.W. Woolworth Co., 163 F. Supp. 484 (1958), the court actually sanctioned recovery from sellers in addition to recovery from the manufacturers. It is submitted that insofar as these decisions hold sellers of infringing records liable as infringers, they are correct. However, there is no good reason why the sellers' liability should not be joint with that of the manufacturer. In this way the copyright owner would have an additional, and most likely a more solvent, defendant to sue, and yet would not be able to multiply his statutory recovery by bringing separate actions against the manufacturers, distributors, and sellers. But see Note, 46 Calif. L. Rev. 621, 625 (1958), in which the possibility of multiple recoveries is defended as a means to better protect copyright owners from the menace of the record pirates. See also, Shapiro, Bernstein & Co. v. H. L. Green Co., 316 F.2d 804 (2d Cir. 1963); ABC Music Corp. v. Janov, 126 U.S.P.Q. 429 (S.D. Cal. 1960)
A. Actual Damages

The first clause of section 101(b) makes the infringer liable for "such damages as the copyright proprietor may have suffered due to the infringement." Thus, there is but one basis for such an award—compensation for injury actually sustained. Such injury may take different forms, depending on the nature of the copyrighted work infringed and on the nature of the infringement, but the major element of such injury would seem to be diminution in value of the copyright, most often represented by lost profits from lost sales. When actual damages is the remedy sought, it seems clear that the burden should be on the plaintiff to prove their existence and their proximity to the infringement.

When the acts of several infringers have combined to cause the plaintiff his actual injury, they should be jointly liable for the resulting damages. Thus, if but one infringer is sued therefor, and

See, e.g., Turner & Dahnken v. Crowley, 252 Fed. 749 (9th Cir. 1918); Gross v. Van Dyke Gravure Co., 230 Fed. 412 (2d Cir. 1916); Ziegelheim v. Flohr, 119 F. Supp. 34 (E.D.N.Y. 1954); Chils v. Gronland, 41 Fed. 145 (S.D.N.Y. 1890). In Paramore v. Mack Sennett, Inc., 9 F.2d 66 (S.D. Cal. 1925), the damages caused by infringement were measured by the sale value of plaintiff's scenario before defendant's infringing movie was released, while in Pickford Corp. v. De Luxe Laboratories, Inc., 169 F. Supp. 118 (S.D. Cal. 1958), the total value of plaintiff's copyrighted movie was deemed the measure of damages caused by infringement. In Universal Pictures Corp. v. Harold Lloyd Corp., 162 F.2d 354 (9th Cir. 1947), an award of $40,000 actual damages was affirmed on the basis of expert testimony as to the values inherent in the plaintiff's copyrighted motion picture and the diminution in such value caused by the defendant's infringement. In addition, actual damages may take the form of additional expenses caused by the infringement, Atlantic Monthly Co. v. Post Publishing Co., 27 F.2d 556 (D. Mass. 1926), or the loss of publicity to the plaintiff, Stodart v. Mutual Film Corp., 249 Fed. 507 (S.D.N.Y. 1917), or the loss of contributor's confidence in the plaintiff's ability to protect contributions from infringement, Atlantic Monthly Co. v. Post Pub. Co., supra. See generally Strauss, The Damage Provisions of the Copyright Law, in Revision, Study No. 22 (1956); Brown, The Operation of the Damage Provisions of the Copyright Law: An Exploratory Study, in Revision, Study No. 23 (1958), and works cited in note 14, supra.

Of course, if an infringing seller is sued, he should only be jointly liable for the damages resulting from his infringing sales, since in no way can it be said that he is jointly liable for the sales of others. In both McCulloch and Goody, several independent sellers were joined as defendants—but it is not clear from the reports how they were treated in relation to each other. As between separate affiliates of a network which broadcasts an infringing performance, and as between separate theatres which show the same infringing movie, the same analysis suggested for sellers should be followed. Compare Law v. National Broadcasting Co., 51 Supp. 798 (S.D.N.Y. 1943); Select Theatres Corp. v. Ronzoni Macaroni Co., 59 U.S.P.Q. 288 (S.D.N.Y. 1943). In Shapiro, Bernstein & Co. v. H. L. Green Co., 316 F.2d 304 (2d Cir. 1963), the defendant department store was held vicariously liable for the infringing sales of its retailing concessionaire, who had also manufactured the pirated records. Following Goody, the court had no difficulty holding the store liable even though the concessionaire had already been held liable for its infringing manufacture of the records. However, the court indicated that the problem of joint liability might arise if the plaintiffs should
full recovery is had, further recovery from another should be precluded. It is incorrect to say, as was said in *McCulloch*, that the damages recoverable from one “are not the same” as those recoverable from the other. The manufacture of the infringing items, although clearly an infringement, could not possibly damage the copyright owner until such items were sold and exposed to the public. If the damages recovered from the manufacturer were based on the subsequent infringing sales, and it is conceivable that they were, then further recovery from the sellers was unwarranted.

If the copyright owner learns of the infringing production before any sales have taken place, then the remedies of injunction\(^3^6\) and destruction of the infringing items\(^3^7\) are appropriate. Certainly an award of actual damages should not be made. And this is so even though the copyright owner has gone to considerable expense to locate, investigate, and prosecute the infringement, since such expense would not seem to qualify as “damages . . . suffered due to the infringement.” However, as will be discussed below, an award of statutory damages might be appropriate.\(^3^8\)

**B. Infringer’s Profits**

Immediately following its provision for actual damages, section 101(b) states that the infringer shall be liable “as well” for “all the profits which [he] shall have made from such infringement.” Read literally, the statute requires that the award of actual damages and infringer’s profits be cumulative; its legislative history, however, requires the opposite.\(^3^9\) The courts, understandably, have gone both ways,\(^4^0\) but the

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\(^3^8\) See text accompanying note 88 infra.

\(^3^9\) The House Committee on Patents, in reporting and urging passage of the current Copyright Act, stated: “The provision that the copyright proprietor may have such damages as well as the profits which infringer shall have made is substantially the same provision found in § 4921 of the Revised Statutes relating to remedies for the infringement of patents. The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater. As such a provision was found both in the trade-mark and patent laws, the committee felt that it might be properly included in the copyright laws.” H.R. Rep. No. 2222, 60th Cong., 2d Sess. (1909).

most recent cases have clearly preferred the cumulative interpretation. Indeed, in the very recent case of Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc., the Second Circuit expressly stated that “the ‘cumulative’ recovery and not the ‘alternative’ would . . . seem to be appropriate under § 101(b).”

Nevertheless, the cumulative approach raises several serious questions. For while actual damages are awarded to compensate for loss, the courts rationalize awards of profits in terms of the prevention of unjust enrichment. “The theory was that it was unconscionable for an infringer to retain a benefit which he had received by the appropriation and use of the plaintiff’s property right; and to prevent unjust enrichment the infringer was treated as a trustee ex maleficio of his ill gotten gains.” Given this theory, it is difficult to justify the cumulative interpretation. If, for example, the plaintiff’s damages are $1,000 and the infringer’s profits $1,500, the cumulative interpretation would require an award of $2,500. However, once the infringer is held liable for the $1,000, it would seem that he has only been unjustly enriched by the additional $500 he made from the infringement, and that a total award of $1,500 would prevent any unjust enrichment by the infringer. A further difficulty with the cumulative interpretation is that in many cases it would result in a double award for the same infringing sale. Thus, if the plaintiff and defendant are competitors in the same market, and the plaintiff’s damages result from lost sales caused by sales by the infringer, an award of damages and profits would mean that each sale is counted both as an element of the plaintiff’s damages and as an element of the infringer’s profits.


39 F.2d 194 (2d Cir. 1964).

Id. at 196.

Sammons v. Colonial Press, Inc., 126 F.2d 341, 345 (1st Cir. 1942). The court went on to quote L. P. Larson, Jr., Co. v. Wm. Wrigley, Jr., Co., 277 U.S. 97, 99 (1928), a trade mark case: “To call the infringer an agent or trustee is not to state a fact but merely to indicate a mode of approach and an imperfect analogy by which the wrongdoer will be made to hand over the proceeds of his wrong.” The award of profits is an equitable one, and is considered an incident to a decree for an injunction. Sheldon v. Metro-Goldwyn Pictures Corp., 309 U.S. 390, 399 (1940).


In Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc., 329 F.2d 194 (2d Cir. 1964), the court refused to take the infringer’s profits as conclusive evidence of the plaintiff’s lost profits, giving as its reason the fact that “the evidence indicated that the parties sold fabric of different quality at different prices in what appeared to be a different market.” Id. at 196. The court did state, however, that in some cases such duplication of sales may be appropriate.
The "alternative" approach would prevent these anomalies. Under this approach, the plaintiff would be awarded either his damages or the infringer's profits, whichever is greater.\textsuperscript{46} A formulation has been proposed\textsuperscript{47} which conforms to the statute's wording and yet retains the advantages of the alternative approach. Under this scheme, the damages to be paid the plaintiff would be considered an element of the infringer's deductible costs in computing his profits. Any remaining sum could then be said to represent unjust enrichment to the infringer and be awarded to the plaintiff.

A further problem of statutory interpretation was resolved in the leading case of \textit{Sheldon v. Metro-Goldwyn Pictures Corp.}\textsuperscript{48} There, the defendant movie company had incorporated without authority portions of the plaintiff's copyrighted play in a picture it produced. The plaintiff, relying on some earlier copyright cases,\textsuperscript{49} claimed "all the profits" made from the infringing production, and contended that the apportionment declared by the Second Circuit\textsuperscript{50} was contrary to the language and intent of the statute. The Supreme Court rejected this contention as "untenable,"\textsuperscript{51} and after reviewing the equitable nature of the recovery of profits and the established rule of apportionment of profits in patent infringement cases, stated: "When such an apportionment has been fairly made, the copyright proprietor receives all the profits which have been gained through the use of the infringing material and that is all that the statute authorizes and equity sanctions."\textsuperscript{52} Thus the infringer whose book or movie is partially original and partially copied is only liable for the profits which may fairly be said to have been derived from the infringement.\textsuperscript{53}

\textsuperscript{46} Significantly, the Register's recommendation for revision provides that "[a]n infringer is liable for the actual damages suffered by the copyright owner, or the profits of the infringer attributable to the infringement, whichever is greater." \textit{Register's Report} 107.


\textsuperscript{48} 309 U.S. 390 (1940), \textit{affirming}, 106 F.2d 45 (2d Cir. 1939).

\textsuperscript{49} Belford v. Scribner, 144 U.S. 488 (1892); Callaghan v. Myers, 128 U.S. 617 (1888); Dam v. Kirk La Shelle Co., 175 Fed. 902 (1910).

\textsuperscript{50} That court, per L. Hand, J., observed that the success of the defendant's production was in large part the result of factors unrelated to the fact of infringement, and remarked: "We will not accept the experts' testimony at its face value; we must make an award which by no possibility shall be too small. It is not our best guess that must prevail, but a figure which will favor the plaintiffs in every reasonable chance of error. With this in mind we fix their share of the net profits at one fifth." 106 F.2d 45, 51 (2d Cir. 1939), \textit{aff'd}, 309 U.S. 390 (1940). The district court had awarded the plaintiff "all the profits" made by the defendant from the motion picture. 26 F. Supp. 134 (S.D.N.Y. 1938).

\textsuperscript{51} 309 U.S. 390, 398 (1940).

\textsuperscript{52} \textit{Id.} at 406.

\textsuperscript{53} \textit{Accord}, Orgel v. Clark Boardman Co., 301 F.2d 119 (2d Cir. 1962); Universal Pic-
In the Sheldon case, the plaintiff was awarded one-fifth of the profits made by the defendants from the motion picture. And this award, it has been observed, was "far more than the probable commercial value of his play." Nevertheless, following his initial success against the producers, the plaintiff instituted a second action, this time against New York's Capitol Theater for the profits it made from exhibition of the movie. And in Sheldon v. Moredall Realty Corp., the plaintiff was awarded one-fifth of those profits. The court, although recognizing that the exhibitor was "unquestionably an innocent infringer," considered itself bound by the apportionment announced in the original case.

This award, although arguably sanctioned by the language of the statute, seems totally unwarranted. Not only does it provide the plaintiff with one obvious windfall, it also allows him to proceed against every other exhibitor of the film for the profits made from their exhibitions. Even more important, such awards seem to divest innocent infringers of profits they would have made whether or not the film exhibited was in fact an infringement. Indeed, it is doubtful that these exhibitors would have made one-fifth less profits if the film exhibited had been completely original, or if they had exhibited a different film instead.

Such questionable results could be prevented if the courts followed the logic of the apportionment rule to its conclusion. That is, if an infringer is only liable for the profits "attributable" to the infringement, he should therefore be liable only for the profits made that would not have been made but for the fact that he infringed. If the purpose of the profits provision is to remove any gain from infringement, such a rule would be adequate to that end. By allowing the infringer to deduct his opportunity costs, or profits he would have made from handling a non-infringing item, the courts could still prevent unjust enrichment by the infringer and at the same time prevent the copyright owner from recovering more than he deserves.

Under such a rule, the profits of a primary infringer, like the pro-

56 Id. at 730.
57 Id. at 731.
producers in *Sheldon*, would still be awarded to the copyright owner. But it is questionable whether the profits of innocent secondary infringers could still be recovered. In the case of an innocent printer, distributor, seller or exhibitor who handled the infringing work in the ordinary course of his respective business, it would seem that any "profits" derived from his infringing act are more accurately attributable to his business and not to the fact of infringement. Assuming normal commercial bargaining between the primary and secondary infringers, if the fact of infringement enhanced the value of the infringing work at all, it seems probable that that increment of value (i.e., "profits" resulting from the fact of infringement) will inure to the primary infringer and not to the secondary infringer who was ignorant of the fact of infringement.58 Thus, only if the presence of the infringement on the market increased the over-all demand for the secondary infringer's services can it realistically be argued that he has profits attributable to the fact of his infringement. As a practical matter such profits would appear to be so insubstantial and indirect that their recovery would be difficult to justify even if their existence could be proved.59

The courts have not reached this result because they have applied strict accounting principles in determining the profits derived, not from the fact of infringement, but from the infringing act. At present, the infringer's opportunity costs are non-deductible.60 Although courts would be able to reach the results demanded by the proposed analysis by interpreting the language of the statute ("profits . . . made from such

58 Of course, if the secondary infringer knew of the infringement and as a result was able to obtain the infringing item or items at a lower cost (or, as in the case of a printer, charge more for his services), then that increment of profit is clearly attributable to the infringement.

59 In *Orgel v. Clark Boardman Co.*, 128 U.S.P.Q. 531 (S.D.N.Y. 1960), *modified on other grounds*, 301 F.2d 119 (2d Cir. 1962), the plaintiff, author of a copyrighted legal treatise, sought the profits of the infringing author which allegedly had been derived from increased income from his law practice resulting from his infringement. The court refused to make such an award, declaring that "the subject is too remote and speculative to be susceptible of computation by a court." *Id.* at 532.

60 The infringer may deduct the direct costs of the infringing items sold (but not for all those produced), *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 86 F. Supp. 399 (S.D.N.Y. 1949), *modified*, 191 F.2d 99 (2d Cir. 1951); a reasonable allocation of overhead used to produce the items, *ibid.*; and, if the infringer is innocent, his income taxes paid on the profits derived from infringement. *Compare Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45 (2d Cir. 1940), *aff'd*, 309 U.S. 390 (1940) with *Sheldon v. Moredall Realty Corp.*, 29 F. Supp. 729 (S.D.N.Y. 1939). In *Sheldon v. Metro Goldwyn Pictures Corp.*, however, the court refused to grant the defendants a credit for their standing and reputation in the industry: "It follows that they can be credited only with such factors as they bought and paid for; the actors, the scenery, the producers, the directors and the general overhead." 106 F.2d at 51. See generally *Nimmer, Copyright § 153.2* (1963); *Note, 67 Harv. L. Rev. 1044, 1048 (1954).*
infringement") to refer to profits derived because the items handled were in fact infringements, such a development seems unlikely in view of the present mature but unreasoned state of the case law.\footnote{But see Gordon v. Weir, 111 F. Supp. 117 (E.D. Mich. 1953), aff'd per curiam, 216 F.2d 508 (6th Cir. 1954). In that case the primary infringer appropriated the plaintiff's "Count the Dots" contest and licensed various retailers to use this contest in advertisements. On the question of the infringing retailers' liability, the court said: "There must be some point at which an innocent infringer should be protected from liability other than an accounting of profits which he would not have made but for use of such copyrighted matter. In other words, equity under such circumstances would require that he need not respond in damages unless he made a profit which he would not have otherwise made." \textit{Id.} at 124. See also Note, 72 Harv. L. Rev. 328, 346 (1958).} As a matter of statutory drafting the problem could be met by the use of a "but for" rule (\textit{i.e.}, profits that would not have been made but for the fact of infringement), and by further providing that no profits can be recovered from innocent secondary infringers. While this second rule might insulate the profits of a few infringers even though those profits would qualify under the "but for" test, it would appear to be justified because of the simplicity it would provide. As to primary and non-innocent infringers, the present act's allocation of the burden of proof could be retained,\footnote{17 U.S.C. § 101(b) (1958): "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 . . . ."} placing the burden on the infringer to show deductible costs (including opportunity costs) once the copyright owner has proved the amount of gross revenue\footnote{Although the act refers to "sales," the courts have generally interpreted this to mean gross revenue. See Sheldon v. Metro-Goldwyn Pictures Corp., 106 F.2d 45 (2d Cir. 1939), aff'd, 309 U.S. 390 (1940). The Register has proposed that the revised act refer to "gross revenue." \textit{Register's Report} 102.} derived from the infringing act. Since rules governing the burden of persuasion are likely to be as crucial if not more crucial than substantive rules in this area, such an allocation would ensure that all the profits of primary and non-innocent infringers attributable to the infringement would be recovered.

Parenthetically, it should be noted that infringing sales may well be one of the best indications of the plaintiff's actual damages. But if the infringer's profits are used as a measure of the plaintiff's actual damages, they should be awarded as such and not under the infringer's profits provision of the statute.

As for joint liability, it appears to be well settled that a joint infringer is liable only for the profits made by him from his infringement, and not for the profits of other joint infringers involved.\footnote{Sammons v. Colonial Press, Inc., 126 F.2d 341, 345 (1st Cir. 1942): "The presupposition is that the infringer has gotten something which it is unconscionable for him to keep; and hence it logically follows that the infringer is accountable only for the}
of course, in accord with the “unjust enrichment” rationale of the statutory provision. An infringer is only enriched by the profits he has received, and thus his liability for profits should always be several, and not joint.

C. Statutory Damages

“In lieu of actual damages and profits,” section 101(b) provides for an award of “such damages as to the court shall appear to be just.” This unique provision for “statutory damages” is probably both the most effective means of protecting the copyright owner’s statutory rights, and, at the same time, the fundamental cause of the considerable confusion and controversy surrounding enforcement of the act. With a few narrow exceptions, such awards are to be not less than $250 nor more than $5,000,65 and the court’s discretion in assessing such damages between these limits is non-reviewable.66

Statutory damages are awarded today to a “significant extent,”67 but in doing so the courts have not followed or developed any meaningful standard to guide the exercise of their discretion. Since Woolworth, it is clear that statutory damages may be granted even though the infringer’s profits are established, but it is still not clear whether they are justified if both damages and profits are shown.68 Furthermore, most courts will award at least the statutory minimum even

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65 There is disagreement as to whether the existing minimum and maximum should be retained or altered in a revised act. See comments appended to Strauss, The Damage Provisions of the Copyright Law, in Revision, Study No. 22 (1956). The Register would retain the present $250 minimum but increase the maximum to $10,000. Register’s Report 106-07.


68 The Woolworth Court apparently sanctioned an award of statutory damages even though both damages and profits are proved when it concluded that “the statute empowers the trial court in its sound exercise of judicial discretion to determine whether on all the facts a recovery upon proven profits and damages or one estimated within the statutory limits is more just.” 344 U.S. 228, at 234. However, earlier in the opinion the Court stated: “Lack of adequate proof on either element would warrant resort to the statute in the discretion of the court, subject always to the statutory limitations.” Id. at 233. (Emphasis added.) Once the amount of the plaintiff’s actual damages has been established, assuming it is more than the statutory minimum, any higher award of statutory damages resembles the penalty such awards are not supposed to be. If the plaintiff’s actual damages are less than $250, however, and if the infringer were not innocent, then an award of $250 would be proper.
in the absence of any showing of injury or profits, although some courts have required some showing of actual injury.

The most helpful guide to a construction of the statutory damages provision is the Supreme Court's opinion in Douglas v. Cunningham:

The phraseology of the section was adopted to avoid the strictness of construction incident to a law imposing penalties, and to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits. In this respect the old law was unsatisfactory. In many cases plaintiffs, though proving infringement, were able to recover only nominal damages, in spite of the fact that preparation and trial of the case imposed substantial expense and inconvenience. The ineffectiveness of the remedy encouraged willful and deliberate infringement.

This quotation suggests two separate grounds upon which an award of statutory damages might be justified. First, statutory damages may be awarded to deter infringement and to help cover the costs of policing and preventing infringement in cases where actual damages or profits are nominal or non-existent; and secondly, to provide adequate compensation where the actual injury sustained by the copyright owner is difficult or impossible to value accurately.

Although section 101(b) expressly states that awards made under it "shall not be regarded as a penalty," presumably meaning that the amount of the award should not vary with the culpability of the infringer, it is clear that statutory damages have in fact been awarded in an attempt to penalize infringers. On the other hand, many courts,


71 294 U.S. 207 (1935).

72 Id. at 209.

73 In Warren v. White & Wyckoff Mfg. Co., 39 F.2d 922 (S.D.N.Y. 1930), the court found that the defendant had infringed a copyright of the plaintiff in a promotional calendar it distributed, but observed that the plaintiff was not, nor could he have been, injured by the infringement. The court continued: "[W]ere it not for the fact of the deliberate, unacknowledged, appropriation of material from plaintiff's book, I should be inclined to treat the whole matter as a tempest in a teapot, and, while finding for plaintiff for the minimum statutory damages, let him have his trouble for his pains.
when confronted with innocent, non-injurious infringements, have understandably hesitated in awarding even the statutory minimum on the grounds that such an award would constitute an unwarranted penalty.\textsuperscript{74} In view of the compensatory nature of the damage provisions, as well as the statute's provisions for criminal sanctions for willful infringement for profit,\textsuperscript{75} it would seem that statutory damages should not be so applied.

There are, however, valid reasons in many cases for an award of the statutory minimum even though the plaintiff's injuries and the defendant's profits are nominal. Most conspicuously in the area of exclusive performing rights, infringements are often extremely difficult and expensive to detect.\textsuperscript{76} Although each separate infringement is unlikely to produce more than nominal damages, such infringements in the aggregate may be highly damaging to the copyright proprietor. Furthermore, in most cases of infringement of the performing right, the infringer is unlikely to qualify as "innocent," and hence non-detractable, because of the existence of highly publicized licensing associations.\textsuperscript{77} Without the guaranteed minimum award, many copyright owners would be less able effectively to police and enforce their rights. The guaran-

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\textsuperscript{74} See, e.g., M. Witmark & Sons v. Calloway, 22 F.2d 412 (E.D. Tenn. 1927); Fred Fisher, Inc. v. Dillingham, 298 Fed. 145 (S.D.N.Y. 1924); Altman v. New Haven Union Co., 254 Fed. 113 (D. Conn. 1918); cf. Barry v. Hughes, 103 F.2d 427 (2d Cir. 1939) (dcta).


\textsuperscript{76} See Finkelstein, Public Performance Rights in Music and Performance Rights Societies, \textit{Seven Copyright Problems Analyzed} 69 (1952).

\textsuperscript{77} There are currently three major associations, of which the largest is the American Society of Composers, Authors, and Publishers (ASCAP). Users of copyrighted music—including hotels, nightclubs, restaurants, theaters, motion pictures, radio and television stations, ice-skating rinks, etc., are licensed by these associations on either blanket or per program bases, with the license fees varied according to the nature of the user's business, its audience, income, etc. See Finkelstein, Public Performance Rights in Music and Performance Rights Societies, \textit{Seven Copyright Problems Analyzed} 69 (1952); Finkelstein, \textit{The Composer and The Public Interest—Regulation of Performing Right Societies}, \textit{19 Law & Contemp. Prob.} 255 (1954); Brown, \textit{The Operation of the Damage Provisions of the Copyright Law: An Exploratory Study}, in Revision, Study No. 23, at 90-92 (1958); cf. II \textit{Warner, Radio and Television Law} 663 (1953): "The minimum damage clause has been used on more than one occasion by the various performing rights societies as an effective club to compel consumers to take out music licenses."
ted award serves to deter potential infringers, and, at the same time, ease the burden of enforcement for copyright owners.

Such reasoning does not, however, justify an award of the statutory minimum in every case of infringement. When innocent infringers are sued, a guaranteed minimum award could well result in an unwarranted windfall to the plaintiff without any corresponding deterrent effect on the infringer. Because the securing of a certificate of copyright registration from the copyright office does not guarantee the validity of a claimed copyright, it is virtually impossible for a printer, distributor or seller to determine whether items he obtains in the normal course of business are in fact infringements. In a very real sense, he is at the mercy of the good faith of the source from whom he receives the items. In such cases, in the absence of actual injury, there is no justification for any award at all. Any revision of the Copyright Act should remove the present statutory command for an award of the statutory minimum against all infringers.

But an award of statutory damages in excess of the minimum should only be made when required to compensate for actual injuries sustained. To vary the amount of such awards solely because of the culpability of the infringer—as was apparently sanctioned in a dictum in Woolworth—runs counter to the non-penal policy of the statute. In the quotation from Douglas above, the Court pointed out that in addition to deterrence a second justification for an award of statutory damages existed “where the rules of law render difficult or impossible proof of damages or discovery of profits.” In many cases, it is readily conceivable that the plaintiff’s actual injury meets this test. In the case of a copyrighted catalogue or advertisement, for example, accurate valuation of the damages caused by infringement may often be impossible, or at least extremely difficult and expensive. However, in

78 During the hearings preceding the 1909 Act, George W. Ogilvie, a Chicago publisher, testified: “There is no printer in the United States whom I cannot get in trouble—serious trouble—so serious that it might put him out of business. I take to him a set of plates about which he knows nothing as to the existence of copyright on them. He prints them for me . . . and then the owners of the copyright can get after him and collect damages . . . .” Quoted in Latman & Tager, Liability of Innocent Infringers of Copyrights, in Revision, Study No. 25, at 145 (1958). The existence of an indemnification agreement, however, would mollify this harshness. See text accompanying note 99 infra.

79 It was recommended in the Register’s Report that “if the defendant proves that he did not know and had no reason to suspect that he was infringing, the court may, in its discretion, withhold statutory damages or award less than $250.” Register’s Report 107.

80 “Even for uninjurious and unprofitable invasions of copyright the court may, if it deems it just, impose a liability within statutory limits to sanction and vindicate the statutory policy.” 344 U.S. 228, 233.

81 See, e.g., Markham v. A.E. Borden Co., 221 F.2d 586 (1st Cir. 1955) (infringement
many cases it appears that statutory damages are awarded without any
showing of the existence of actual injury or that the amount of the
damages is difficult or impossible to prove.82

In the recent Peter Pan case, in which the court refused to take the
infringer's profits as conclusive evidence of the plaintiff's damages
from lost profits, the court ruled that it was error for the trial court
not to consider an award of statutory damages in addition to the
award of profits. Yet the court also observed that there was no finding
below of any injury to the plaintiffs and that they "professed their
inability to prove sales lost due to the infringement, declining to offer
'evidence of supposition, opinions and all that business.'"83 This fail-
ure of proof of the existence of injury suggests either that there was
none, or that the plaintiffs were willing to settle for an award of statu-
tory damages within the prescribed limits. But in the absence of proof
of the fact of injury sustained, such an award appears unwarranted;
although the court followed the language of Woolworth, it apparently
failed to notice that there the fact of actual injury to the plaintiff
was established.84 Moreover, if the Douglas test of "difficulty of proof"
is applied, this case would not seem to qualify. While the amount
of such injury might be difficult to prove, it would seem that the fact
of sales lost could easily be established. And as to the amount of such
damages, it has been observed that "the trend in damage law in re-
cent decades has been to relax the requirements of exactness. Once the
fact of damage has been established, some freedom is left to the trier
to estimate the amount."85 Moreover, "if the case is one of considerable
magnitude, in dollar terms, the plaintiff appears to be more likely to
aim for, and if successful, to get actual damages or profits."86

Thus the remedy of statutory damages is attractive to those whose

82 See note 69 supra.
84 See note 24 supra.
Exploratory Study, in Revision, Study No. 23, at 69 (1958).
86 Id. at 83.
actual damages are substantially less than the statutory maximum. This appears to be what happened in Peter Pan, where the plaintiff seems to have tried to use his inability to show actual damages as a justification for an award of statutory damages. Counsel should not be permitted to increase the size of the copyright owner's recovery by professing unwillingness to carry their burden of proof. Statutory damages are to be awarded "in lieu of" actual damages, and it seems reasonable to require that the plaintiff prove the existence of injury and the difficulty of proving the amount thereof before he is awarded statutory damages.\textsuperscript{87}

Applying the joint tort concept to awards of statutory damages, problems of multiple recoveries arise when only one infringer is sued. If the primary infringer is brought into court, as he should be, the plaintiff should be entitled to a full recovery of his actual or statutory damages. Such recovery should bar any further action against other joint infringers, except for the profits of any other non-innocent infringer involved. If, however, an innocent infringer is sued, he should be liable only for the plaintiff's damages, either "actual" or statutory, but no award of the statutory minimum should be made for deterrence purposes alone. In a case where the joint infringement has not yet been completed, for instance where the infringing sales have not yet been made, an award of the statutory minimum should be made (along with an injunction and destruction of the infringing items) only if justified for purposes of deterrence.\textsuperscript{88}

\textbf{II}

In order to prevent multiple recoveries for the same injury, the joint tort concept should be applied to awards of damages in copyright infringement cases. But once this proposition is accepted, further difficul-

\textsuperscript{87} In Sebring Pottery Co. v. Steubenville Pottery Co., 9 F. Supp. 384, 387 (N.D. Ohio 1934), the court stated: "In providing for recovery of a sum within the prescribed limits, in lieu of actual damages, Congress recognized the character of the actual damage done and provides [sic] that when actual damages are proven which cannot be measured in dollars and cents, then the court may, in the exercise of its sound discretion, award a sum within the maximum and minimum limits. That is, this law obviates the strict necessity of proving the exact amount of damage without negativing the necessity of proof of some real damage done."

\textsuperscript{88} In cases where the infringement is by means of mechanical reproduction, the statutory damage remedy is somewhat different from the general provisions for recovery. However, analytically, the effect is the same. The purpose of the statutory royalty, as well as the provision for "treble damages," is clearly intended to compensate the plaintiff for losses caused by infringement and to deter potential infringers. Since these royalty payments are "in lieu of profits and damages," it would seem that whatever rules apply for joint liability for statutory damages should also apply to statutory royalties.
ties are presented. Throughout the preceding discussion it has been assumed that the plaintiff’s injury was jointly caused by the various infringers. However, as in the general tort area, it may often be quite difficult to determine when the acts of several infringers constitute a “joint infringement.” The statute, written in terms of “any person” and “the infringement,” is of little aid in determining whether several statutory infringements should be considered joint or independent. Moreover, the inconsistency of the common law tests for joint torts render them of limited utility. It would seem that such a determination cannot be made on the basis of any hard and fast rule, and that, in the end, such a conclusion must be based on a reasonable examination of the facts of the particular case. As Dean Prosser once observed, “a tort is ‘joint,’ in the sense which the American courts have given to the word, when no logical basis can be found for apportionment of the damages between the defendants.”

Thus, in cases like Woolworth, McCulloch, and Goody, as well as that of A’s book, it seems apparent that the various infringements constituted but one “joint infringement” for which monetary remedy should be available. However, cases like Altman v. New Haven Union Co. require a different result. In that case the plaintiff, a photographer, brought suit against the defendant newspaper for its infringing publication of a copyrighted photograph. Prior to this action the plaintiff sued, and settled with, an engraver and printer who had infringed his copyright by reproducing and distributing the photograph without his authorization. The defendant newspaper in this case claimed that its liability was joint with that of the former defendants, and that the settlement with them precluded this action against it. The court rejected this contention, and held that the two infringements complained of were different “transactions,” and that the defendant here had neither knowledge of nor participated in the earlier infringement. In essence, the court seemed to say that because of the different nature of the infringing transactions, there was indeed a logical basis for the apportionment of damages and thus the infringements could not be considered joint.

In the case of Northern Music Corp. v. King Record Distrib. Co., a similar basis for apportionment was found to exist. Plaintiff, copyright

89 See Prosser, Joint Torts and Several Liability, 25 Calif. L. Rev. 413 (1937): “An examination of the multitude of cases leads to the conclusion that ‘joint tortfeasor’ means radically different things to different courts, and often to the same court. . . .”
90 Id. at 442.
91 254 Fed. 113 (D. Conn. 1918).
owner of a musical composition, joined several defendants in an action for infringement. The defendants were charged with "infringing plaintiff's copyrighted composition by manufacturing, distributing or selling phonograph records, or by publishing and selling sheet music, or by licensing for radio or television broadcast the allegedly infringing composition." The court found infringement on all counts, and originally held all the defendants jointly liable for all of the plaintiff's damages and severally liable for their individual profits. In a supplemental opinion, however, the court altered this disposition and rendered the individual primary infringers jointly liable for the plaintiff's damages, holding that the other defendants were "liable only for that portion of the damage which is attributable to their individual infringements ...." This holding, it is submitted, is correct.

Once joint infringement is found, a further problem arises when all the joint infringers are not joined in the same action. The advantages of joinder are obvious, and the liberality of modern procedural codes in this regard is clear. In fact, joinder is desirable even when, as in Altman and Northern Music, all the defendants are not jointly liable. However, as a recent infringement case put it, "it is hornbook law that an aggrieved party is not compelled to sue all tort feasors. He may sue one or more or all of them, at his discretion." The copyright owner may well choose to sue but one of the joint infringers. This was the case in Woolworth. In such cases, as has been suggested, the plaintiff is entitled to his full damages from the party sued. However, it is manifestly unjust to require the one defendant sued to bear the entire brunt of the plaintiff's injury. Several states now authorize contribution among tort feasors, and, as Prosser predicts, "it seems probable that in due course of time pressure of opinion will compel the abolition of the rule [against contribution], at least as to all except willful wrongdoers."

In the case of copyright infringement, unlike most instances in tort, it is very likely that many of the joint infringers are in no real sense "wrongdoers" at all. For while it is true that each has infringed a copyright, in most cases of secondary infringement he infringed without either negligence or intent. In Woolworth, as in McCulloch, the innocence of the infringing sellers was not questioned; still, liability resulted. The justifications for strict liability are clear. The purpose of a Copyright Act

93 Id. at 395.
94 Id. at 402.
96 Prosser, supra note 89, at 429.
is to encourage the production of original, creative works, and this purpose would surely be substantially defeated if the protections afforded the copyright owner were limited to willful infringement. Innocent infringement can just as seriously impair the value of the copyright. Furthermore, it seems well founded that as between two innocent parties—the copyright owner and the innocent infringer—it is the latter who should bear the loss sustained.

This does not mean, however, that the loss should remain with the innocent infringer. As has been indicated, in most cases the secondary infringer has no effective means of determining whether or not the work he prints, distributes, or sells, is, in fact, an infringement. In many areas, such secondary parties are protected by indemnity agreements, or "save harmless" clauses, but such protections may not be so common in others.

Thus, there would seem good reason, when the innocent secondary infringer is the party sued, to give him an "action over" against any preceding non-innocent infringer. And since copyright is a congressionally created right, and thus infringement a congressionally created wrong, it would seem desirable that such an "action over" be established by statute. If such an action were available, the plaintiff would be assured a just recovery, and ultimately the burden of the loss would be placed where it belongs.

**Conclusion**

Although a completely satisfactory resolution of the difficulties posed by the language of section 101(b) can only be achieved through a general revision of the Copyright Act, there are several areas in which the courts

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97 The constitutional authorization of copyright and patent legislation comes from art. I, § 8: "The Congress shall have power . . . To promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

98 See text accompanying note 78 supra.


100 In Detective Comics, Inc. v. Bruns Publications, Inc., 28 F. Supp. 399 (S.D.N.Y. 1939), an approach analogous to an "action over" was invoked. There, the plaintiff joined the publisher and distributors of infringing comic books. The court, recognizing the latter's innocence, declared them only secondarily liable for the plaintiff's damages. Thus, the innocent distributors would be liable only if the primary infringer were insolvent.
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can rectify existing confusion and inconsistency. Application of the common law joint tort concept to infringement actions, for example, could prevent the possibility of multiple recoveries for the same injury. For although the statute can certainly be read to render each infringer severally liable, reference to the prevailing case law, and the general nature and purposes of the act,\(^1\) indicates that such a reading should be rejected. Since the purpose of the damage provisions is to assure the copyright owner full protection in the enjoyment of his statutory rights, and to provide him with compensation for injuries sustained as a result of infringement, the courts in cases like *McCulloch* and *Goody* could reasonably decide that once the plaintiff has been compensated for his loss, there is no statutory command for any further recovery. By so deciding, the courts could prevent potential abuse of the remedy provisions by copyright owners and yet assure them full recovery for whatever damages they may have sustained. Any statutory revision, of course, should make such reasoning imperative.

In interpreting the specific provisions of section 101(b), the courts can certainly resolve the present confusion concerning the award of damages and/or profits. Although there is respectable authority to justify either the cumulative or the alternative award, the “unjust enrichment” rationale, as well as the possibility of duplicate awards for the same infringing sale, clearly suggest that the alternative interpretation is to be preferred. By treating the plaintiff’s damages as an element of the infringer’s deductible costs, the courts could remain consistent with the language of the statute, its legislative history, and the only justification provided for the award of profits. But, again, any revised act should make this interpretation explicit.

Furthermore, in rendering awards of infringer’s profits to copyright owners, the courts could avoid the anomaly suggested by the *Capitol Theater* case by enlarging current conceptions of deductible costs to include the opportunity costs of the infringer. Since it is reasonable to assume that an innocent secondary infringer would not have handled the infringing items had he known they were infringements, and that he would have obtained non-infringing items instead, there appears to be no valid objection to allowing him to deduct from the profits he made from the infringing items the profits he would likely have made had he not infringed. Moreover, since awards of profits as they are currently made may often serve to reward the copyright owner for the efficiency

\(^1\) See Berlin v. E. C. Publications, Inc., 329 F.2d 541, 543 (1964): “In the words of Article I, Section 8, of the Constitution, copyright protection is designed ‘To promote the Progress of Science and useful Arts,’ and the financial reward guaranteed to the copyright holder is but an incident of this general objective, rather than an end in itself.”
and good will of the infringer (the propriety of which is certainly questionable), adoption of the proposed analysis would ensure that the copyright owner only be awarded those profits to which he is equitably entitled. Since in the case of innocent secondary infringers such profits are likely to be negligible, it appears desirable that a revised act provide that no award of profits be made against such infringers.

Although some courts have withheld awards of statutory damages against innocent infringers in certain cases, the great weight of authority has interpreted the "in lieu" clause to require an award of at least the statutory minimum against all infringers. But even without the difficulties created by joint infringements, in many cases such awards seem wholly unjustified. Since an innocent infringer, by definition, cannot be deterred, in the absence of actual injury to the copyright owner the only function such an award has is to penalize the infringer and provide a windfall to the plaintiff. And although the courts could, and perhaps should, read into the statute an exception for such cases, it seems likely that this anomaly will have to be rectified by statutory revision. However, in awarding more than the statutory minimum, the courts could certainly require that the plaintiff first establish that he has in fact been injured by the infringement and that proof of the amount of such injury is difficult or impossible. In this way the possibility of undeserved awards of statutory damages would be minimized, but without any substantial change in the plaintiff's right to a meaningful recovery.

Finally, to prevent the possibility of an innocent secondary infringer being burdened with the entire brunt of the plaintiff's damages, a revised act should provide for an action over by such infringers against preceding non-innocent infringers. For although any Copyright Act should be primarily concerned with protecting the copyright owner, there is no reason why the innocent infringer should not be protected as well. The action over, as well as the other proposals here made, are desirable steps in the achievement of these ends.