Easterbrook on Copyright

Randal C. Picker

Follow this and additional works at: https://chicagounbound.uchicago.edu/law_and_economics

Part of the Law Commons

Recommended Citation

This Working Paper is brought to you for free and open access by the Coase-Sandor Institute for Law and Economics at Chicago Unbound. It has been accepted for inclusion in Coase-Sandor Working Paper Series in Law and Economics by an authorized administrator of Chicago Unbound. For more information, please contact unbound@law.uchicago.edu.
Easterbrook on Copyright

Randal C. Picker

THE LAW SCHOOL
THE UNIVERSITY OF CHICAGO

November 2009

This paper can be downloaded without charge at:
and at the Social Science Research Network Electronic Paper Collection.
Easterbrook on Copyright
Randal C. Picker*

Naming conventions for law books have always had a certain chunky reductionism to them. Williston on Evidence. Corbin on Contracts. Prosser on Torts. You undoubtedly see the pattern. That brings us to Easterbrook on Copyright. Go to any reputable law library and scan the shelves for the great copyright treatises. You will find Nimmer on Copyright (and not just one generation but two, as son David has stepped into father Melville’s shoes). If you like your treatises a little smaller, you will undoubtedly turn to Goldstein on Copyright. And if you are a digital sort, you will head to Westlaw and search Patry on Copyright. But look as you will, you won’t find Easterbrook on Copyright.

Of course, Easterbrook wasn’t a copyright scholar so it hardly seems fair to point out that he didn’t write a treatise on it. The heart of his academic work was antitrust, securities and corporate law, not intellectual property. Generations of students, law professors and practicing lawyers have read those works with care and they remain influential today. But students aren’t reading Easterbrook on Copyright. It just doesn’t exist.

And then you turn to the copyright casebooks and you see how widely you have missed the mark. You can read his dozen or so copyright opinions in one afternoon and still have time to spare. Put that way, that might seem like a smallish body of work and might be taken to suggest that he has left no noticeable wake in the law of copyright. The casebooks tell a very different story, as Frank’s batting average in copyright is staggeringly high. He has three opinions that turn up repeatedly in copyright casebooks: Nash v. CBS, Inc.; Lee v. A.R.T. Co.; and ProCD, Inc. v. Zeidenberg.¹

It seems remarkable that a typical copyright student will read 25% of Judge Easterbrook’s copyright opinions. Like most casebooks on a federal law, copyright casebooks are dominated by Supreme Court opinions, though Copyright isn’t Antitrust or the First Amendment where you can teach the entire course and read nothing but Supreme Court opinions. But once we step beyond the Supreme Court, Easterbrook faces a substantial disadvantage: copyright opinions arise where copyrights do, meaning the Second and Ninth Circuits. The publishing industry in based in New York, the movie industry in Los Angeles.²

* Copyright © 2009, Randal C. Picker. All Rights Reserved. Paul and Theo Leffmann Professor of Commercial Law, The University of Chicago Law School and Senior Fellow, The Computation Institute of the University of Chicago and Argonne National Laboratory. I thank the John M. Olin Foundation and the Paul H. Leffmann Fund for their generous research support.

¹ Nash v CBS, Inc., 899 F3d 1537 (9th Cir 1990); Lee v A.R.T. Co., 125 F3d 580 (7th Cir 1997); ProCD, Inc v Zeidenberg, 86 F3d 1447 (7th Cir 1996).

² For an extended look at the prevalence of opinions from different courts in copyright casebooks, see William K. Ford, Judging Expertise in Copyright Law, 14 J Intell Prop L 1 (2006).
A single judge on the Seventh Circuit shouldn’t stand a chance. We know why Frank has won: Easterbrook opinions are naturals for casebooks. He has an eye for fundamental questions, writes opinions that are brief while treating issues fully and has a distinctively lively Easterbrookian style, one that he preserves by refusing to outsource his opinions to his clerks. As a casebook author, those are the opinions that you want in your casebook.

Judges decide cases and that matters to the parties. Judges also influence the law directly through their opinions as lower court judges are bound by them and other appellate judges adopt them. But as opinions are the day-to-day working objects of law school, opinions also matter for how they shape students and getting opinions into the casebooks is the key way to do that. What are students learning from reading Easterbrook on Copyright?

I. Nash: Idiosyncratic Facts

Copyright law draws some basic lines of demarcation. One of those is between expression and facts. Authors create expressions and enjoy extensive protection for them. Authors do not create facts: facts simply arise in the world and writing down those facts is still not an act of creation. It may take real effort and substantial resources to pin down facts, as investigative reporting isn’t cheap, but that doesn’t make it an act of creation. In *Feist*, the leading Supreme Court case on facts in copyright, the Court killed off the “sweat-of-the-brow” doctrine. Hard work alone isn’t enough to give rise to copyright, but instead an act of creation is required. *Feist* situated this in Section 102(b) of the copyright statute, even though that particular section never uses the word facts, and *Feist* went beyond the statute to conclude that originality was required under the Constitution.

The expression/facts line is largely self-executing, but with time passing, we have found some boundary cases. They raise the core, almost-epistemological question of what counts as a fact and whether the legal conception of fact tracks our ordinary sensibilities. One situation involves the SAT. Not that SAT—the Scholastic Aptitude Test that you took in high school—but rather the Seinfeld Aptitude Test. The new improved SAT was a series of trivia questions about *Seinfeld*. For most of us, these are questions that have “right” and “wrong” answers—that is answers that we can agree on and that are more firmly grounded in our day-to-day experience than many of the things that we regard as fact. George Costanza prefers to pretend to be an architect, not a marine biologist or something else. I know that through my own experience in a way that I can’t begin to know that Columbus came to America in 1492. Yet the Second Circuit concluded that these cultural facts weren’t copyright facts in the *Feist* sense of facts and instead remained in the control of the creators of *Seinfeld* itself. The new SAT then becomes an impermissible copy rather than a clever statement of particular culturally-salient facts of the day.

---

The *Seinfeld* case is a leading example of the universally-agreed-upon non-fact, or at least non-copyright fact. Judge Easterbrook’s opinion in *Nash* heads to the other boundary of the expression/fact distinction and poses a key conceptual question: if only one person believes something to be a fact, is it a copyright fact? In *Nash*, we confront the idiosyncratic fact, that is a claim of fact that may be believed by only one person and by no one else. Is this “fact” believed, perhaps, by only one person in the history of humanity, a copyright fact? Wouldn’t the notion of fact lose all meaning if we were to conclude that idiosyncratic facts were, for copyright at least, facts?

The opinion’s opening paragraph is classic Easterbrook. We are taken back to July 22, 1934, the day John Dillinger was shot outside the Biograph Theatre in Chicago. The lady in red appears, the FBI fires and Dillinger is dead. Easterbrook concludes: “Now a national historic site, the Biograph bears a plaque commemorating the event. It still shows movies, and the air-conditioning is no better now than in 1934.”5

At least that is the conventional history of Dillinger. Jay Robert Nash believes otherwise. Nash has examined a variety of forensic evidence and subsequent developments and concluded that the body outside the Biograph wasn’t Dillinger. Dillinger had got wind of the lady-in-red’s planned treachery and had arranged for a doppelganger. That was the person killed by the FBI and rather than admit that Public Enemy No. 1 had eluded them once again, the FBI buried the actual facts of what happened that day. Nash has two books backing his views, plus other works on worldwide disasters and celebrity slayings. Easterbrook concludes that description by noting that “the record does not reveal whether he is the life of the party wherever he goes.”6

Had Nash written his books as part of the genre of counterfactual history, he would have enjoyed full copyright protection for his books. As works of fiction—things which didn’t actually happen—he would be participating in the heart of the creative endeavor that animates copyright protection. Novels, even terrible novels, are fully protected by copyright, because the novels are original works. Works made up by—created by—their authors. A counterfactual history—a work that the author identified as something that she has created and that wasn’t an account of an actual occurrence—is similarly created and expressive and therefore original for copyright.

Easterbrook notes that Nash’s version of Dillinger’s history hasn’t found many takers, indeed, it isn’t clear that anyone else agrees with him. Nash has not rewritten history in the way that occurs when a conventional understanding of the facts of the past is overturned and a new account becomes accepted as history. Instead, Nash stands alone believing something as fact that no one else seems to treat as fact. A fact to Nash but no one else. The idiosyncratic fact.

---

5 *Nash*, 899 F3d at 1538.
6 Id at 1538 n**.
We don’t have a lawsuit yet, but you can guess what happens next. Simon & Simon focused on pair of brothers running their own private investigation service, a premise good for an eight-season run on CBS in the 1980s. Late in the third season, CBS broadcast an episode entitled The Dillinger Print. The episode opens with what appear to be old black-and-white images—we can’t tell whether they are real or fake—of the Dillinger era, the Biograph Theatre, and posters offering a reward for the capture of Public Enemy No. 1. The scene shifts to a grandfather telling a late-night story to the grandkids. He was part of the group chasing Dillinger that evening and while someone died that night, it wasn’t Dillinger.

As you might imagine, Nash recognized that story and sued for copyright infringement. Easterbrook’s opinion quickly takes us down two paths. The first is to conceive of Nash’s works as fiction and to ask whether The Dillinger Print borrowed enough of that work to infringe it. As the opinion notes, this is a question of the level of abstraction at which the works are situated, though Easterbrook quickly notes the fruitlessness of this line of attack. Fortunately, he sidesteps the abstraction question by focusing on Nash’s characterization of books as fact: “The inventor of Sherlock Holmes controls that character’s fate while the copyright lasts; the first person to concluded that Dillinger survived does not get dibs on history.”

Easterbrook is addressing Nash’s situation in 1990, one year before the Supreme Court’s decision in Feist. That means that sweat-of-the-brow was still alive and well, so the Nash opinion turns to question of incentives to dig up new facts. Easterbrook notes with concern that broad subsequent use of newly-discovered facts would squelch the incentives to discover those facts in the first place. Good copyright policy would seem to require an intermediate position between allowing all uses of investigative facts and barring subsequent uses. But, as the opinion notes, this isn’t a question of first principles or good policy, but instead one of law. It is nice if those coincide, but there are no guarantees, and here, Section 102(b), as widely understood even before Feist, protected CBS’s broadcast.

Nash is casebook-worthy alone because of the factual situation it encompasses, as it is the law-school hypo come alive. The opinion nails down a key conceptual boundary question for copyright: Copyright facts and actual facts may have little to do with each other. We may reject as copyright fact something everyone knows—the created “facts” of Seinfeld—while counting as a copyright fact something that everyone else thinks is wrong and that only one person “knows.” Copyright, as always, is about the use of a particular source. Simon & Simon couldn’t borrow wholesale from a fictionalized alternative life-history for Dillinger, but if the show just reproduces facts as known to Nash, it faces no liability. Nash offers a model of the constrained role of the judge.

7 Id at 1540.
8 Id at 1541.
Easterbrook doesn’t let his independent assessment of creation/use trade-offs guide his analysis, but instead sees himself as a faithful agent to Congress’s copyright statute.

II. Lee: What Does Glue Do?

Our second case in our tour of Easterbrook on Copyright is *Lee v. A.R.T. Co*. The facts are simple. Annie Lee created postcards of her original art. A.R.T. Co. glued postcards to tiles and sold them. In doing so, does A.R.T. violate Lee’s exclusive right to make derivative works as set forth in Section 106(2)?

With the emergence of the Internet, the derivative-works right has taken on new prominence and controversy. Skipping niceties for a second, a derivative work is another work based on a prior work. Think Harry Potter should have ended up with Hermione Granger instead of Ginny Weasley? Write your own version. Home computers make that easy, but you could tell your version of the story with a typewriter. What you couldn’t do easily was find large numbers of like-minded souls who might be interested in your story. The Internet makes that a snap and makes possible a large “market” in fan fiction. Take a quick tour of [www.fanfiction.net](http://www.fanfiction.net) to get a sense of the breadth of the work. Multiply that example many times and you get why we have conflicts over derivative works. Individuals have the means both to create derivative works and to distribute them widely.

We should trace the development of the derivative-works right in the U.S. and then tack back to *Lee*. Our first federal copyright act, the act of 1790, is notable for its narrowly circumscribed coverage. The term of copyright was only 14 years, only maps, charts and books were covered, and the rights of the copyright holder covered only “printing, reprinting, publishing and vending.” Of course, each of those terms is quite different in our current statute. The 1790 statute had nothing akin to a derivative-works right.

What can you do with a work once you have purchased it? The 1856 copyright act suggested a new way in which copyright itself might constrain subsequent use of a purchased work. That statute created a new right in favor of the author of a dramatic composition. Authors could continue to control printing, reprinting and publishing as under the 1790 act, but the author was also given “the sole right also to act, perform, or represent the same, or cause it to be acted, performed, or represented, on any stage or public place.”

The public-performance right recognizes the notion that a single copyrighted work might have quite different uses in different markets and that authors might want to charge different prices for those. And that might be good for society more generally. Absent a separate public-performance right, sale of a single copy of the work would bring with it a right to perform the work publicly. Authors would then face a choice about which market to serve. The author could set a high price for the dramatic work knowing full well that

---

9 1 Stat 124 (1790).
10 11 Stat 138 (1856).
she would lose the vast bulk of ordinary readers who might want to partake of the work through the text itself. The author might instead choose to sacrifice that market and set a higher price for the play with the hope of capturing a greater chunk of the returns when the work was going to be performed publicly. A narrow set of copyrights operates to bundle together uses which might be usefully separated.

We might think of a public performance as being derived from a written play and hence a nice example of a derivative work. A plausible notion but not quite correct as our notion of a derivative work has evolved. An 1856 play performance wouldn’t give rise to a fixed work. You couldn’t videotape plays back then. The derivative work notion then captures works based on works and works that are fixed as an original work would be. The 1870 copyright act started us down that path in providing that “authors may reserve the right to dramatize or to translate their own works.”

Jump forward to the 1909 act. That act gave to authors a precisely-defined set of rights as to derivative works. We might think of these as a form of copying—copying across uses—such as converting a novel into a dramatic work or vice versa. But the language was more open-ended than that in giving authors the sole right for literary works to “make any other version thereof.” And then consider the definition of derivative work in the current statute “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”

Return to Lee. Lee sold her postcards. A.R.T. wasn’t making copies of those postcards. It had to buy one postcard for each tile that it created. Lee shouldn’t care whether people buy her postcards and mail them or stick them on their refrigerators or attach them to tiles. Or should she? The natural objection is that Lee would like to price discriminate between markets. Postcard mailers are willing to pay one price, postcard-on-tile users presumably another substantially higher price. Price discrimination is a key feature of our copyright system and a derivative-works right helps to make that possible. Lee might like to block A.R.T. precisely so that she can charge it a higher price for A.R.T.’s contemplated use. And, like the discussion of the public-performance right, we might want Lee to be able to separate the uses, as she might otherwise conclude to sell only into the high-price tile market leaving ordinary postcard users in a lurch.

11 16 Stat 212 (1870).
12 35 Stat 1075 (1909).
13 Sec. 1(b): That any person entitled thereto, upon complying with the provisions of this Act, shall have the exclusive right … to translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it if it be a nondramatic work; to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art.
14 17 USC 101 (definition of derivative work).
That said, this example suggests some of the awkwardness of the derivative-works right. A.R.T. may have found a high-end market for Lee’s work missed by Lee. If A.R.T. were forced to approach Lee to pay specifically to use the work in the tile market, Lee would undoubtedly capture some chunk of the incremental value that the new market represented. It is hard for A.R.T. to propertize its idea such that Lee can’t just take it and run with it. We have that problem—or is it a feature?—in much new market entry but it does mean here that A.R.T. may choose not to pursue a new market given the need to negotiate for the right to enter it from Lee. How much we should care about that undoubtedly depends on how many artists there are and the extent to which they might want to integrate into the card-on-a-tile business. If there are many such artists and few of them want to do their own tiles, A.R.T. may not be discouraged from pursuing the new market even if the occasional artist declines A.R.T.’s offer and sets up a tile business on her own.

Somewhat surprisingly, the opinion in *Lee* doesn’t spend much time on these issues. The assumption that Judge Easterbrook would always bring to bear the cold tools of law-and-economics just isn’t borne out in a case like *Lee*. Again this is the difference between law and policy and between deciding cases and writing academic articles. *Lee* mentions the possibility that an artist might want to control a second market such as the tile market, but focuses in the main on the definition of derivative works and the mechanics of what is at stake here. That definition is clearly premised on the notion that we are working with two works when we contemplate derivative works, the original work and the new second work, the derivative work itself.

It is critical not to confuse the copyrighted work itself with any particular physical embodiment of it. Section 202 of the Copyright Act makes clear that we need to separate the work as concept from particular physical embodiments of it. When Lee creates a work on a notecard and then reproduces it on a notecard, she presumably has made a second copy of the work, as of course she has the full right to do so under Section 106(1). Nothing in copyright suggests that reproducing that notecard on a different medium—tile—changes the reproductive act. This reflects a certain media neutrality in copyright and that is most straightforwardly seen as we move between two-dimensional media such as paper and tile. All of this is copying and we still have only one work in hand.

The definition of derivative work tracks this analysis. Again, we need to have two works, since a derivative work is “a work based upon one or more preexisting works.” We are then told to look for particularly well-known ways in which we can create a second work from a first work “such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction,

---

16 “Cases such as *Gracen v. The Bradford Exchange, Inc.*, 698 F.2d 300 (7th Cir. 1983) show that neither A.R.T. nor Lee herself could have obtained a copyright in the card-on-a-tile, thereby not only extending the period of protection for the images but also eliminating competition in one medium of display.” *Lee*, 125 F3d at 581.

17 17 USC 202: Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied.
abridgment [or] condensation.” The notecard attached to the tile doesn’t fit but then we have the more general “or any other form in which a work may be recast, transformed, or adapted.” Again, this requires an alteration of the work itself, so if the work itself isn’t altered—where again we need to distinguish between the work and a particular embodiment of it—we don’t have a derivative work.

Lee notes the uncomfortable awkwardness of the derivative work right in copyright, though is fortunate in not having to nail down some of the boundary issues. In the case itself, the work and the notecard embodiment of it are never altered, unless gluing the card on a tile alters it. The opinion spends some time talking about framing art, treats the tile as a flush frame and moves on to conclude that no new second work has been created hence no derivative work exists That makes Lee itself less problematic than some of the hypotheticals that Easterbrook explores. Does any alteration of the notecard, such as a handwritten note added to the card, qualify as a derivative work? Lee wants to avoid going that far both because of the possible practical consequences and because of the conflict between the scope of the derivative works right and the status of moral rights in the United States.

As to the latter, as the opinion notes, the United States has resisted full embrace of the moral rights contemplated by Article 6bis of the Berne Convention.18 In the U.S., the Visual Artists Rights Act of 1990 provides this sort of protection for certain limited edition works of visual art but not for copyrighted works generally.19 As Easterbrook notes, this all gets awkward very quickly. What exactly is the line between a derivative work and the protections contemplated by the visual rights act? Some cases are easy. If I burn the only copy of an original oil painting, the resulting pile of ashes is unlikely to qualify as a derivative work, but I have undoubtedly violated the artist’s right to attribution and integrity under Section 106A(a)(3)(B).

But for our purposes the more interesting case is one of modification, not destruction. Modification might trigger the derivative rights limit in Section 106(2), but also the integrity rights of Section 106A(a)(3)(A). That gets us to the conundrum Easterbrook identifies: why do we need a separate integrity right for visual works if the derivative works right is already sufficiently broad to block the modification? The existence of the visual works right suggests that the derivative right is narrower than it might otherwise seem, as that would then give the integrity right some room to work. There are ways around this of course. The integrity right runs in favor of the author even if she isn’t the copyright holder20 so we could see the integrity right as a special protection for authors

---

18 Article 6bis of the Berne Convention for the Protection of Literary and Artistic Works: “Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation” (online at http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html).

19 See 17 USC 106(a); 17 USC 101 (definition of work of visual art).

20 See 17 USC 106A(b).
even in the face of a passive copyright owner who chooses not to protect a work from infringing derivatives.

Lee is a refreshingly brief opinion, little more than five columns in F3d, yet, like Nash, it poses in simple fashion a basic question about the operation of copyright. Boundary cases are particularly important because legal analysis frequently builds off of what is taken as given: if x is right, then y must follow. Lee does exactly that for derivative works, an area of increasing importance for copyright.

III. ProCD: Contract and Copyright: Harmony or Conflict?

Third and last, but hardly least in our tour of Easterbrook on Copyright, is ProCD, Inc. v. Zeidenberg. This may be one of Easterbrook’s best-known opinions, in part because it is a twofer. The case addresses an important question about contract formation in the Uniform Commercial Code, so first-year law students often see it and ProCD would also make it into an upper-level Sales course. But for us here, it is the third of our copyright trio. The facts are again simple. ProCD sold CDs with factual information assembled from telephone directories. Putting these facts together was no simple matter and indeed ProCD spent more than $10 million on its directory. Nonetheless, after Feist, ProCD starts in a rather large copyright hole. The individual facts themselves are not copyrightable and while the facts could be organized in an interesting fashion such that that organizational form would be copyrightable, that still would not preclude use of the underlying facts.

ProCD sold information to different markets selling a professional version at a high price and a consumer version at a much lower price. As the opinion notes, this is exactly the sort of price discrimination that we should expect for a good with a large fixed cost of creation and a zero marginal cost of duplication. Of course, sustainable price discrimination depends on being able to separate customers and to keep them in their categories. What you simply cannot have is for someone to buy as a consumer and then act as a professional. If that behavior became widespread, a firm such as ProCD might very well choose to drop lower-priced consumer sales entirely.21

That wasn’t Zeidenberg’s concern. Zeidenberg bought the consumer version and quickly commenced selling the information online. That made Zeidenberg a direct competitor of ProCD and, unsurprisingly, ProCD didn’t plan on selling that right in either version of its product. That gets us to the contracts issue. ProCD’s database came subject to a so-called shrinkwrap license. The details of that matter and for the contracts folks, there are real disagreements about how to think about the interaction between Zeidenberg and ProCD.22 Easterbrook concluded that Zeidenberg accepted the contract offered by

---


ProCD at the point that the click-through contract was presented when Zeidenberg first booted the ProCD disks. In Easterbrook’s view, the agreement wasn’t concluded when Zeidenberg walked out of his local retail store in Madison, Wisconsin with the ProCD box in hand.

The contracts analysis in *ProCD* has received a great deal of attention but my interest here is in the copyright portion of the opinion. Recall that copyright itself offered little protection to ProCD’s hard work. Copyright cares not one whit how much effort has gone into assembling facts: anyone can use those facts without infringing a copyright, since no copyright exists in facts as facts. The European Union has implemented a database directive to respond to this situation, but we don’t have anything like that in the U.S. This is why ProCD turned to contract. The point at which ProCD handed over the CDs to Zeidenberg was the natural point to set the terms and conditions of the use of the facts in those CDs.

How do contract and copyright interact? Is this a case of harmonious coexistence or does federal copyright law somehow trump the underlying state law of contract? Section 301 of the Copyright Act addresses the extent to which it preempts other laws. There are many details of course but the core idea is that the copyright statute “govern[s] exclusively” “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103.” Equivalent rights under state common law or statute are blocked; rights that are not so equivalent are left intact.

Where do contracts like those of ProCD fit? Easterbrook turns to this question at the end of the *ProCD* opinion. Having found the contract between ProCD and Zeidenberg enforceable as a matter of state law that still leaves the question of whether Zeidenberg can weasel out of the contract by relying on Section 301. The opinion treats the facts in the ProCD databases as being within the subject matter of copyright even though use of those facts does not give rise to infringement. Those facts are part of the public domain. That means that states are barred from creating copyright equivalents for those facts under Sections 301(a) and 301(b)(1).

But the states are left with full power to create rights that aren’t equivalent to copyright and so we have to figure out what the ProCD contracts accomplish. The opinion surveys three other circuits quickly and notes that each has generally rejected contract rights as equivalent to copyrights. The opinion then turns to the reason for that conclusion: Copyrights are good against the world and the copyright holder doesn’t need to establish privity with the person against whom the copyright is asserted. In contrast,

---

24 17 USC 301(a).
25 17 USC 301(b)(3).
contractual rights usually only bind the parties to the contract. That suffices to break the equivalence of contract and copyright and thus makes ProCD’s contract fully enforceable against Zeidenberg. Zeidenberg can go dig up the facts on his own; what he can’t do is buy the consumer version and do an end-run on the license restrictions attached to it.

If Nash and Lee are the fun opinions in Easterbrook on Copyright, ProCD is the opinion that the copyright casebooks love to hate. Gorman and Ginsburg jump on the opinion for failing to even cite what they regard as a key case or making any effort to distinguish it. The COOL copyright book—the casebook by Cohen, Okediji, O’Rourke and Loren—devote more than two pages to criticizing the opinion. We are told that the “majority of commentators disagreed vehemently with both ProCD’s contract and copyright law holdings” and then given a sense of the criticism of the opinion in the courts.

But the disagreements here may be more fundamental. Both Nash and Lee allow use of the copyright work in question and truncate the power of the author to limit subsequent use. CBS gets to use Nash’s “facts” even though no one else believes him and Annie Lee can’t prevent A.R.T. from going into the notecard-on-a-tile market. Subsequent use is allowed in both cases. In contrast, ProCD limits subsequent use by Zeidenberg. He can’t do an end-run on the user license and go into the database business himself. In large swaths of modern copyright scholarship, limiting subsequent use is a no-no and ProCD does that in a powerful way in vindicating the underlying contracts at stake there. Contract operates in the background and even federal copyright law is held in check.

As I have tried to suggest, my guess is that Frank would explain each opinion as starting with—and in many ways ending with—an interpretation of the copyright statutory text put before him. The opinions certainly don’t just do law-and-economics for the fun of it or for deciding cases. Lee could spend more time on the price discrimination issues at stake in that case, but it instead wrestles extensively with the definition of derivative works set forth in Section 101. The factual setting in ProCD is all about price discrimination, as the opinion of course recognizes. You do see in ProCD a hint of the view that we see in Nash, namely the strong—and correct—recognition that finding facts is expensive work and that we should be nervous about eliminating all mechanisms that might make possible a recovery of those expenses.

Nash is pre-Feist, while ProCD is post. Zeidenberg obtained access to the CDs based on contracts that presumably reflected the fact that copyright itself offered no meaningful protection for facts. Easterbrook’s understanding of equivalence in Section 301 reflects both the language of that Section and his belief in, as he puts it, “private ordering, essential to the efficient functioning of private markets.” Students reading Easterbrook

---

28 ProCD, 86 F3d at 1455.
on Copyright are never very far from the text of the copyright statute, but here they finally see a bit of Easterbrook’s strong pre-judicial academic philosophy emerge in the analysis.

**IV. Conclusion**

What does Easterbrook on Copyright look like? Three of Judge Easterbrook’s copyright opinions—*Nash, Lee* and *ProCD*—are casebook favorites. Easterbrook has authored around a dozen copyright opinions, so if judges want to reach students through their opinions, this is an astonishing success rate. Student learn to pay close attention to the text of the copyright statute and to appreciate how that text operates in critical boundary settings. The opinions are written with a distinctive elan, with a little bit of law and economics thrown in, though less than you might expect given Frank’s deep academic roots. Students should understand that the business of deciding cases is a different one than of engaging in an abstract academic inquiry. Easterbrook on Copyright is somehow a work of interest, fun and yet discipline all at the same time.

Readers with comments should address them to:

Randal C. Picker  
University of Chicago Law School  
1111 East 60th Street  
Chicago, IL 60637  
rpicker@uchicago.edu
Chicago Working Papers in Law and Economics
(Second Series)

For a listing of papers 1–399 please go to Working Papers at http://www.law.uchicago.edu/Lawecon/index.html

400. Shyam Balganesh, Foreseeability and Copyright Incentives (April 2008)
401. Cass R. Sunstein and Reid Hastie, Four Failures of Deliberating Groups (April 2008)
407. Cass R. Sunstein, Two Conceptions of Irreversible Environmental Harm (Mary 2008)
408. Richard A. Epstein, Public Use in a Post-Kelo World (June 2008)
410. Adam B. Cox and Thomas J. Miles, Documenting Discrimination? (June 2008)
413. Thomas J. Miles and Cass R. Sunstein, Depoliticizing Administrative Law (June 2008)
414. Randal C. Picker, Competition and Privacy in Web 2.0 and the Cloud (June 2008)
417. Omri Ben-Shahar, How to Repair Unconscionable Contracts (July 2008)
418. Richard A. Epstein and David A. Hyman, Controlling the Costs of Medical Care: A Dose of Deregulation (July 2008)
428. Irina D. Manta, Privatizing Trademarks (abstract only) (September 2008)
432. Cass R. Sunstein, Beyond Judicial Minimalism (September 2008)
433. Bernard E. Harcourt, Neoliberal Penalty: The Birth of Natural Order, the Illusion of Free Markets (September 2008)
437. Richard H. McAdams, Beyond the Prisoners’ Dilemma: Coordination, Game Theory and the Law (October 2008)
438. Dhammika Dharamapala, Nuno Garoupa, and Richard H. McAdams, Belief in a Just World, Blaming the Victim, and Hate Crime Statutes (October 2008)
443. Lee Anne Fennell, Adjusting Alienable (November 2008)
444. Nuno Garoupa and Tom Ginsburg, Guarding the Guardinas: Judicial Councils and Judicial Independence (November 2008)
446. Cass R. Sunstein and Richard Zeckhauser, Overreaction to Fearsome Risks (December 2008)
448. David A. Weisbach, Responsibility for Climate Change, by the Numbers (January 2009)
452. Richard Epstein, The Case against the Employee Free Choice Act (January 2009)
453. Adam B. Cox, Immigration Law’s Organizing Principles (February 2009)
454. Philip J. Cook, Jens Ludwig, and Adam M. Samaha, Gun Control after Heller: Threats and Sideshows from a Social Welfare Perspective (February 2009)
455. Lior Jacob Strahilevitz, The Right to Abandon (February 2009)
457. Lee Anne Fennell, Commons, Anticommons, Semicommons (February 2009)
464. Anupam Chander, Corporate Law’s Distributive Design (June 2009)
465. Anupam Chander, Trade 2.0 (June 2009)
467. Eric A Posner, Kathryn Spier, and Adrian Vermeule, Divide and Conquer (June 2009)
468. John Bronsteen, Christopher J. Buccafusco, and Jonathan S. Masur, Welfare as Happiness (June 2009)
469. Richard A. Epstein and Amanda M. Rose, The Regulation of Sovereign Wealth Funds: The Virtues of Going Slow (June 2009)
470. Douglas G. Baird and Robert K. Rasmussen, Anti-Bankruptcy (June 2009)
472. Bernard E. Harcourt, Neoliberal Penalty: A Brief Genealogy (June 2009)
473. Lee Anne Fennell, Willpower and Legal Policy (June 2009)
475. Randal C. Picker, Online Advertising, Identity and Privacy (June 2009)
476. M. Todd Henderson, Credit Derivatives Are Not “Insurance” (July 2009)
477. Lee Anne Fennell and Julie Roin, Controlling Residential Stakes (July 2009)
481. Lee Anne Fennell, The Unbounded Home, Property Values beyond Property Lines (August 2009)
484. Omri Ben-Shahar, One-Way Contracts: Consumer Protection without Law (October 2009)
485. Ariel Porat, Expanding Liability for Negligence Per Se (October 2009)
486. Ariel Porat and Alex Stein, Liability for Future Harm (October 2009)
487. Anup Malani and Ramanan Laxminrayan, Incentives for Surveillance of Infectious Disease Outbreaks (October 2009)
488. Anup Malani, Oliver Bembom and Mark van der Laan, Accounting for Differences among Patients in the FDA Approval Process (October 2009)
489. David Gilo and Ariel Porat, Viewing Unconscionability through a Market Lens (October 2009)
491. M. Todd Henderson, Justifying Jones (November 2009)
497. Randal C. Picker, Easterbrook on Copyright (November 2009)