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THE ORIGIN OF THE CONTEMPORARY STANDARD FOR COPYRIGHT INFRINGEMENT

Douglas Y’Barbo*

I. INTRODUCTION

Copyright is a federal legal regime of exceptional influence on both American art and commerce. Literature, film, music, sculpture, architecture, and software all rely primarily upon federal copyright law for protection against unauthorized copying, which if left unrestrained, would unquestionably squelch the incentive to create or to invest in such creation.

Nevertheless, the legal standard relied upon to determine copyright infringement is deeply fissured between the two major copyright courts—the Second and Ninth Circuits. The remaining circuits are apparently unaware of this fissure, as evidenced by the fact that several of them apply both tests interchangeably. Additionally, the infringement test is by consensus a complicated, time-consuming, multi-pronged test, containing vague and redundant nomenclature, which for these reasons alone, resists straightforward comparison of the two tests. No serious attempt has been made in the scholarly literature to reconcile or to harmonize these two disparate standards, nor to favor one over the other, despite the urgent need to do so. This is the focus of this Article.

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1 The two courts most significant (past, present, and future) to the development of copyright law are the Second and Ninth Circuits. The major dichotomy in the infringement standard also occurs between these two circuits. Granted, the legal standards for copyright infringement may differ among the other regional circuits; nevertheless, in copyright law, the operative legal standards are generally borrowed from the Second and Ninth Circuits.

2 The only critical comparison in the scholarly literature that I have been able to locate is: Aaron M. Broaddus, Eliminating the Confusion: A Restatement of the Test for Copyright Infringement, 5 J. ART & ENT. L. 43 (1995). However, this article does not discuss the positions of circuits other than the Second and Ninth, nor does it discuss what I believe to be the most significant difference between the two standards—the procedural disparity that arises from the Second Circuit’s “derivation” requirement, which is not part of the Ninth

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More particularly, the purpose of this Article is to provide a thorough explanation of these two legal standards with particular emphasis upon the points of disparity, its source and its significance. To accomplish these objectives, I shall trace the development of the two standards from their origin to the present, with particular emphasis on their historical point of divergence. As we shall see, although the Second and Ninth Circuits currently apply different standards for copyright infringement, the two circuits actually applied the same test many years ago. Indeed, the current Ninth Circuit standard is a direct descendant from a twenty-year-old Second Circuit decision. At about that time, a Ninth Circuit panel inadvertently misread that Second Circuit decision (though it purported to follow it), which resulted in a comprehensive recension of the Ninth Circuit standard for copyright infringement. Though the Ninth Circuit test is a sincere imitation of the venerable Second Circuit test, the two are in fact sharply distinct. They remain so today.

I shall also classify the infringement tests applied in the remaining circuits according to whether they apply either the Second or Ninth Circuit's standards; as well as demonstrate that although the Second/Ninth Circuit distinction is substantial, it is essentially ignored by the remaining circuits, who continue to apply the two tests more or less interchangeably. Finally, a nominally revised (actually not so much revised as clarified or just relabeled) infringement standard is offered. This revised standard is shown in Figure -E-. 3

II. THE SECOND CIRCUIT'S STANDARD FOR COPYRIGHT INFRINGEMENT

The purpose of this section and the next is to explain in detail the tests for copyright infringement presently relied upon in the Second and Ninth Circuits. These sections rely closely upon Figures -A- (Second Circuit)4 and -C- (Ninth Circuit).5 The reader

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3 See infra p. 322 (Figure -E-).
4 See infra p. 318 (Figure -A-).
5 See infra p. 320 (Figure -C-).
who is already familiar with these standards is encouraged to skip ahead to the section entitled, "A Comparison."  

The contemporary legal standard for copyright infringement applied in the Second Circuit is shown in Figure -A-. The acknowledged progenitor of the contemporary standard is Arnstein v. Porter. 7 Indeed, the current standard applied in the Second Circuit is virtually identical to the test recited in that 1946 decision. 8 According to the Supreme Court in Feist Publications, Inc. v. Rural Telephone Service Co., 9 a prima facie case of copyright infringement is established by proving ownership of a valid copyright and "[c]opying of constituent elements of the work that are original." 10 Or, in the Second Circuit’s own words: "[c]opyright infringement is established when the owner of a valid copyright demonstrates unauthorized copying." 11 The Feist standard is depicted in Figure -B-. 12 At this level of abstraction,

6 See infra Part IV.
8 Id. at 468. Though Arnstein is viable authority in the Second Circuit with respect to the legal standard for copyright infringement which it recites, this case has been overruled with respect to its holding on the standard for summary judgment in copyright infringement suits. Specifically, in Arnstein, the Second Circuit reversed the trial court’s ruling in the defendant’s favor on summary judgment, reciting its infamous "slightest doubt" standard: "[t]he principal question on this appeal is whether the lower court, under Rule 56, properly deprived plaintiff of trial of his copyright infringement action. The answer depends upon whether 'there is the slightest doubt as to the facts.'" Id. In fact, this standard has been repudiated everywhere, including the Second Circuit. See, e.g., Denker v. Uhrly, 820 F. Supp. 722, 729, 26 U.S.P.Q.2d (BNA) 1756, 1762 (S.D.N.Y. 1992) ("The Arnstein court’s conclusions regarding summary judgment, however, have been undermined by recent case law both on summary judgment in general and summary judgment in copyright actions in particular. The mere existence of disputed factual issues is no longer sufficient to defeat a motion for summary judgment.") (citing, inter alia, Knight v. United States Fire Ins. Co., 804 F.2d 9, 11-12 (2d Cir. 1986)). See also, Beal v. Lindsay, 468 F.2d 287, 291 (2d Cir. 1972) (stating that the Arnstein "slightest doubt" standard is no longer good law). The Ninth Circuit has relied heavily upon the liberalized summary judgment standards in film-adaptation disputes. Douglas Y’Barbo, Aesthetic Ambition Versus Commercial Appeal: Adapting Novels to Film and the Copyright Law, 10 St. THOMAS L. Rev. 299, 379 (1998). Again though, one should not for a moment mistake Arnstein’s demise in this limited aspect for a more general repudiation of its core holding that set the standard for infringement.

10 Id. at 361.
12 See infra p. 319 (Figure -B-).
the standard is not useable; it requires further refinement before it can be applied. The inter-circuit disparity that is the focus of this Article resides in the definition of the latter requirement, "unauthorized copying" (the bottom-most box in Figure -B-).

In the Second Circuit, the second prong of the Feist standard, "unlawful copying" (the first is establishing ownership of a valid copyright) is deliberately separated into two requirements: "a plaintiff must first show that his work was actually copied . . . [and] then must show that the copying amounts to an improper or unlawful appropriation." This is depicted in Figure -A-. Hence, "unlawful copying" is split into two elements: "copying" and "improper appropriation." The first of these can be shown either by direct evidence of copying (the accused infringer is caught red-handed creating their text with the plaintiff’s right beside him) or by evidence that the accused infringer had access to the plaintiff’s text (a reasonable opportunity to view it) plus some similarities between the two texts that is probative that the accused infringer copied (for example, a common misspelled word). If, and only if, the plaintiff traverses this prong, must he then show that the copying rises to the level of an “improper appropriation.” Mere copying (or derivation) becomes improper appropriation (hence copyright infringement) if the amount borrowed was substantial, and if it was copyrightable.

So the Second Circuit requires that the copyright plaintiff first prove that the accused text is derived from the plaintiff’s, and then that the material borrowed qualifies for copyright protection, that is, that the borrowing amounts to an “improper appropriation.”

The Second Circuit’s two prongs of the “unlawful copying” requirement and their relationship to one another require careful explanation. These two prongs are neither distinct requirements nor two components that together comprise a whole. Rather the first of these components, “actual copying,” is actually subsumed within the second, “improper appropriation.” Again, “actual copying” means that the accused text is derived from the plaintiff’s. “Improper appropriation” means that the material borrowed from the plaintiff must be copyrightable. Obviously, if the borrowed

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13 Castle Rock, 150 F.3d at 137 (quoting Laureyssens v. Idea Group, Inc., 964 F.2d 131, 139-40, 22 U.S.P.Q.2d (BNA) 1811, 1819 (2d Cir. 1992)).
material is copyrightable, then it is, by definition, original to the plaintiff; hence the accused text was by implication derived from the plaintiff's text. Put another way, the "actual copying" prong ("derivation") could be disposed of entirely, and in theory at least, one would arrive at the same result. I shall discuss in a moment the practical consequences of doing this.

Therefore, in the Second Circuit, the plaintiff must show first that the accused text was derived from the plaintiff's text. Next, the plaintiff must show that at least some of the material that the defendant borrowed qualifies for copyright protection—if so, then copying becomes "unlawful copying" (Second Circuit's term) or "unauthorized copying" (Supreme Court's term). The first of these requirements, derivation, can be shown in one of two ways: either the plaintiff can provide direct evidence that the defendant copied from the plaintiff's text, this is very rare and almost requires an outright admission by the defendant or something like an admission, or the plaintiff can offer evidence of access—defined roughly as the "opportunity to view"—plus evidence that is probative of derivation ("probative similarity"). Evidence of access can be generally placed into one of three categories: (1) chain-of-events (e.g., the plaintiff gave the text to someone who gave it to defendant's personal secretary), (2) widespread dissemination (e.g., bestseller status), or (3) purely circumstantial (e.g., defendant prepared the accused text in less than half the time that it took plaintiff, defendant has a history of plagiarizing, etc.).

Probative similarity, which along with access proves derivation, is a simple concept. It is easy to understand and easy to prove.

17 The late Professor Alan Latman was the first to suggest this change in nomenclature. Alan Latman, "Probative Similarity" as Proof of Copying: Toward Dispelling Some Myths in Copyright Infringement, 90 COLUM. L. REV. 1187 (1990). Prior to Latman's article, the term "substantial similarity" appeared twice in the Second Circuit's infringement test: once in the copying prong, and once in the illicit copying prong, see infra page 318 (Figure -A-). See, e.g., Reyher v. Children's Television Workshop, 533 F.2d 87, 90, 190 U.S.P.Q. (BNA) 387,
The evidence, which consists of portions of the accused text compared with the plaintiff's, can be either protectable or unprotectable material. Additionally, as one might infer from this discussion, analytic dissection—performed either by experts or by counsel—is permitted to show probative similarity. In contrast, expert testimony is not permitted in the second prong of the unlawful copying requirement, "improper appropriation." Note also that to show derivation, the plaintiff need not show that the two texts are "substantially similar," in any sort of quantitative sense; indeed, highly probative evidence of derivation may consist of a single phrase, if there is no other plausible source for that phrase, other than the plaintiff's text. The point is this: probative similarity and substantial similarity are different concepts. This point will be discussed later.

If the plaintiff successfully proves that the accused text is derived from his or her text, then the plaintiff must then show that the copying amounts to "improper appropriation" (the box directly below the "actual copying" one in Figure -A-). Mere copying or derivation might not rise to the level of improper appropriation for three reasons. First, the material copied might not qualify for copyright protection—either because the plaintiff is not the author of it (it is not original) or because it is ineligible for copyright protection by statute or common law decision: for example, idea/expression dichotomy, scenes-a-faire, etc. Second, the copying may be quantitatively insignificant, that is, it is de minimis.18 Third, the material copied may be quantitatively significant and it may be protectable expression, yet it may still not give rise to infringement because: (1) the "ordinary observer" overlooks the similarity; or (2) the copying is judged a "fair use" since it is unlikely to harm the market (or any probably unexploited market).

390 (2d Cir. 1976) ("[Copying] is usually proved by circumstantial evidence of access to the copyrighted work and substantial similarities as to protectible material in the two works."). But a few years after Latman's article, the (not trivial) relabeling he suggested was firmly reticulated in Second Circuit law. See, e.g., Castle Rock, 150 F.3d at 137 ("Actual copying may be established 'either by direct evidence of copying or by indirect evidence, including access to the copyrighted work, similarities that are probative of copying between the work, and expert testimony.'") (citing Laureyssens v. Idea Group, Inc., 964 F.2d 131, 139-40, 22 U.S.P.Q.2d (BNA) 1811, 1819 (2d Cir. 1992)).

18 Castle Rock, 150 F.3d at 138.
for the plaintiff's text.

These three safe harbors are actually subsumed within the ordinary observer (or audience impression) standard, which is the test used to determine improper appropriation. The ordinary observer test is a deliberately un-analytical, almost superficial glance at the two texts side-by-side: "whether the 'ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.'"19 The only restriction imposed upon the ordinary observer is that she limit her comparison to the copyrightable features of the plaintiff's text: "This test for illicit copying to prove infringement of another's copyright demands that the similarities relate to protectible material. . . ."20

This concludes my discussion of the legal standard for copyright infringement currently applied by courts in the Second Circuit. Again, as evidenced by Figure -A-, the test has four essential requirements: ownership of a valid copyright, access, similarity that is probative of derivation, and substantial similarity as judged by the casual observer. As we shall see, the Ninth Circuit's test also possesses these four requirements, though subsumed within a different structure.

III. THE NINTH CIRCUIT'S STANDARD FOR COPYRIGHT INFRINGEMENT

The current standard used in the Ninth Circuit, as recited in *Apple Computer, Inc. v. Microsoft Corp.*, a recent decision in that circuit, is shown in Figure -C-.22 As evidenced by Figure -C- in comparison with Figure -A-, the two primary prongs, "ownership" and "unlawful copying," are identical in both the Second and Ninth

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20 Folio Impressions, 937 F.2d at 765.

21 See infra p. 318.

22 35 F.3d 1435, 1442, 32 U.S.P.Q.2d (BNA) 1086, 1091 (9th Cir. 1994). I shall also rely upon *Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th Cir. 1990), since that case recites certain portions of the infringement standard with slightly greater precision than does *Apple Computer*.

23 See infra p. 320.
Circuit tests. The disparity relates to requirements subsumed within the second of the two fundamental requirements, the "unlawful copying" requirement.

According to Apple Computer, unlawful copying requires that the plaintiff offer "circumstantial evidence of access and substantial similarity of both the general ideas and expression between the copyrighted work and the allegedly infringing work."\(^{24}\) "Substantial similarity" in turn is proved by a two-part test: an "extrinsic" or "objective" test and an "intrinsic" or "subjective" test.\(^{25}\) Again, the copyright plaintiff in the Ninth Circuit must first prove access, though unlike the plaintiff in the Second Circuit, he does not have to prove probative similarity. Indeed, the sharp separation between derivation and improper appropriation—the cornerstone of the Arnstein test\(^{26}\)—is conspicuously absent in the Ninth Circuit's test. Thus, the Ninth Circuit plaintiff proves access, then proceeds directly to the substantial similarity requirement. Under the objective test, the first of the two tests comprising the substantial similarity requirement, the plaintiff's text is divided into both protectable and unprotectable elements and compared element-by-element with the accused text.\(^{27}\) According to various Ninth Circuit decisions, the purpose of this objective test is to determine the scope of the plaintiff's copyright: "[a]nalytic dissection [that is, the objective test] is relevant not only to the copying element of a copyright infringement claim, but also to the claim's ownership element. One aspect of the ownership element is the copyrightability of the subject matter and, more particularly, the scope of whatever copyright lies therein."\(^{28}\) So, once the scope of the plaintiff's copyright is determined, the only question left is to determine whether the accused text—or some material part of it—lies within that scope. Apparently that determination is made in the objective test as well, since it involves a detailed, analytical

\(^{24}\) Apple Computer, 35 F.3d at 1442 (citing Brown Bag Software v. Symantec Corp., 960 F.2d 1465, 1472, 22 U.S.P.Q.2d (BNA) 1429, 1434 (9th Cir. 1992)).

\(^{25}\) Shaw, 919 F.2d at 1356.

\(^{26}\) See supra notes 7-8 (discussing Arnstein).

\(^{27}\) Thus, for instance, in the case of literary texts, the objective test examines a more-or-less predetermined set of components: plot, theme, characters, and dialogue. Brown Bag Software, 960 F.2d at 1477 (citing Shaw, 919 F.2d at 1356-57).

\(^{28}\) Brown Bag Software, 960 F.2d at 1476.
“comparison” of the two texts.²⁹

Next, the court proceeds under the Ninth Circuit standard to the subjective test. Under this test, the ordinary observer—deliberately eschewing an analytical perspective—assesses the overall similarity of the two texts. In light of the thorough analysis that comprises the intrinsic test, the extrinsic test is difficult to justify. For instance, in the intrinsic test, the features common to both texts are identified and then assessed for copyrightability. Thus, by the completion of this test, the fact finder knows whether the accused text contains protectable expression owned by the plaintiff (and

²⁹ A critical examination of the Ninth Circuit’s test raises this question: What is the purpose of the subjective test? Its ostensible, or stated purpose is to assess the overall similarity of the two texts, but what is not clear is why that is necessary once the fact finder has performed the objective test. In the objective test—analogue, though not identical to the Second Circuit’s “probative similarity” prong—the text-in-suit and the accused text are placed side-by-side. Then the protectability of the elements common to both texts are broken down, element-by-element, and the protectability of each element is assessed. Again, the purpose of this test appears to be two-fold: (1) to determine the scope of the plaintiff’s copyright, and (2) to determine whether the accused text contains any protectable expression from the plaintiff’s text. See id. (“Analytic dissection [a.k.a. “the objective test”] is relevant not only to the copying element of a copyright infringement claim, but also to the claim’s ownership element. One aspect of the ownership element is the copyrightability of the subject matter and, more particularly, the scope of whatever copyright lies therein... Data East teaches that the source of the similarity must be identified and a determination made as to whether this source is covered by plaintiff’s copyright.”) (citing Data East USA, Inc. v. Epyx, Inc., 862 F.2d 204, 209, 9 U.S.P.Q.2d (BNA) 1322, 1326 (9th Cir. 1988)). Once the objective test is applied, it is not clear what is left to do to determine infringement. For instance, suppose that execution of the objective test reveals that the accused text contains several copyrightable elements from the plaintiff’s text. Aside from fair use—which does not destroy a prima facie case of infringement, but rather is an affirmative defense to an infringement charge, and in any event is rarely invoked in the case of fictional works—is that not the end of the matter? Put another way, the presence of the subjective test—a.k.a., the “audience” or “ordinary observer” test—suggests that an accused’s text may contain substantial protectable subject matter from the plaintiff’s text, yet still not infringe. This must be true, otherwise there would be no need for the subjective test. Indeed, one panel in the Ninth Circuit remarked that the test is “virtually devoid of analysis, for the intrinsic test has become a mere subjective judgment as to whether two literary works are or are not similar.” Shaw, 919 F.2d at 1357 (citing Berkie v. Crichton, 761 F.2d 1289, 1294, 226 U.S.P.Q. (BNA) 787, 790 (9th Cir. 1985), as a case “reaching a result under the intrinsic test in one paragraph”). Perhaps the subjective test embeds within the infringement standard the concept that a text, even though it copied protectable expression from another text, still does not infringe that text if the average consumer would not recognize meaningful similarity (e.g., derivation). This is a plausible explanation: it fits the data, is not contradicted by any of it, and is not unnecessarily complicated. Yet for this particular datum, a simpler explanation exists, whose source is the historical development of the current Ninth Circuit infringement standard.
since protectable expression is by definition original to the plaintiff, then that implicitly proves that the accused text is derived from the plaintiff's). Provided the amount of protectable expression borrowed traverses some de minimis threshold, what more is needed to establish copyright infringement?

Yet the Ninth Circuit's test—just like the Second Circuit's—permits the accused infringer who borrowed substantial protectable expression to exculpate himself if the casual observer would not recognize the accused text as having been derived from the plaintiff's text. Put another way, merely borrowing some nontrivial, even significant, amount of protectable expression from another's text does not necessarily make one an infringer. If the two texts appear different enough to conceal the similarities from the deliberately unreflective impression of the ordinary observer, then the accused infringer may borrow with impunity.

IV. A COMPARISON OF THE SECOND AND NINTH CIRCUITS' STANDARDS FOR COPYRIGHT INFRINGEMENT

A. INTRODUCTION

If the Second and Ninth Circuit standards are in fact identical, then their disparate vernacular and structure need to be reconciled. And if they are indeed different, then the implications that flow from the differences need to be understood—with one standard selected over the other.

Two legal standards can differ from one another in two essential ways: content/substance or procedure. As we shall see, the Ninth Circuit's test has the same essential requirements as the Second Circuit's standard, though the requirements have been complexly reshuffled, almost beyond recognition, compared with its Second Circuit progenitor. Hence, the two legal standards discussed in this Article have roughly the same content; indeed, their differences relate primarily to structure, which in turn confers a procedural distinction, with significant consequences.

As evidenced by the preceding discussion (Figures -A- versus -C-), the two tests are at least facially different (for example, the Second Circuit has no "objective" nor "subjective" tests). There are two primary differences between the circuit tests under which all other
lesser differences are subsumed. First, while the Second Circuit extracts from the "unlawful copying" prong, a separate derivation requirement, the Ninth Circuit test includes no such distinction; instead, derivation and copying copyrightable material are blended into a single inquiry, "substantial similarity." Second, while the Ninth Circuit divides the substantial similarity inquiry into two components, an objective and a subjective test, the Second Circuit's substantial similarity inquiry has a single component.

Nevertheless, upon closer inspection by displaying and comparing the two standards graphically, Figures -A- and -C-, they may not be so different. Most significantly, they have identical requirements, which viewed piecemeal, appear at different points in the test, and are sometimes performed with different endpoints in mind. More specifically, the Arnstein test depicted in Figure -A- has four specific requirements (the elements appearing at the ends of the tree): ownership, access, an analytical test (probative similarity), and a subjective test (substantial similarity based on an audience impression). Likewise, the Apple Computer test depicted in Figure -C- also has four requirements: ownership, access, an analytical test (the objective test), and a subjective test.

The ownership and access requirements are not discernibly different between the two circuits. That leaves the latter two requirements: probative similarity and substantial similarity (Second Circuit) and the objective test and the subjective test (Ninth Circuit). As I shall explain below, these two tests vary between the circuits not only with respect to their content but more significantly with respect to their position in the overall infringement standard.

B. PROBATIVE SIMILARITY VERSUS THE OBJECTIVE TEST

The Second Circuit's analytical test—"probative similarity"—is directed solely at identifying discrete similarities that are probative

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30 Infra p. 318.
31 Infra p. 320.
32 See supra notes 7-8 (discussing the Arnstein test).
33 Infra p. 318.
34 See supra notes 22-24 and accompanying text (discussing the Apple Computer test).
35 Infra p. 320.
of derivation. Here, there is no need that such similarities be "substantial," nor that they relate to protectable material. Probative similarity is used, along with the access requirement to answer the question: "Is the accused text derived from the plaintiff's?"

In contrast, the Ninth Circuit's analytical test—the "objective test"—is one half of that Circuit's substantial similarity determination. There, the combined objective of these two tests is to identify unlawful copying, that is, copying protectable material, which implicitly subsumes a derivation requirement. Thus, "derivation" is not at issue—indeed, it is never explicitly determined in the Ninth Circuit's test but is embedded within the overall unlawful copying determination. Also, the Ninth Circuit's objective test differs from the Second Circuit's probative similarity requirement in that the former is apparently directed in part to determining copyrightability of each element that appears in both texts. In contrast, the Second Circuit's probative similarity determination is focused solely upon identifying whether the accused text is derived from the plaintiff's; copyrightability is virtually irrelevant.

C. SUBSTANTIAL SIMILARITY VERSUS THE SUBJECTIVE TEST

The Second and Ninth Circuits are also both comprised of an audience-impression test. As evidenced by Figure -A-, the Second Circuit's audience test is the sole vanguard that distinguishes mere derivation from copyright infringement. Therefore, this prong must perform two tasks: one, it must separate the protectable and unprotectable elements, though only nominally; next, considering only those protectable elements common to both texts, it must determine whether the two are—according to the casual observer—"substantially similar." In contrast, the Ninth Circuit's audience test (or subjective test) has become almost vestigial, since the objective test, discussed in the previous section, has been expanded after Sid & Marty Krofft Television Products,

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36 See Figure -A-, infra p. 318.
37 Figure -C-, infra p. 320.
38 See infra p. 318.
Inc. v. McDonald's Corp.\textsuperscript{39} to include an analysis of both protectable as well as unprotectable material. Thus, the Ninth Circuit’s audience test does not separate protectable from unprotectable material (that was done in the objective test) as the Second Circuit’s audience test does. Moreover, just like the analytical test, perhaps the most significant difference between the audience tests in the two circuits is their position in their respective standards. In each circuit, the audience test is performed last; however, by the time Ninth Circuit courts perform the audience test, they have already determined which of the common elements qualify for copyright protection. In contrast, this analysis is left for the Second Circuit courts to perform during, or within the audience test.

D. THE SIGNIFICANCE OF THE DIFFERENCES BETWEEN THE TWO STANDARDS

So why bother to separate the “unlawful copying” requirement into two parts, mere derivation and improper appropriation, as the Second Circuit has done? This question is worth answering because the Ninth Circuit’s standard includes no such separation. Since the separation adds nothing—again, both tests have the same four requirements—it can, at most, confer only a procedural advantage.

Despite any similarity, there are only two ways that the accused text may not infringe, that is, that it may not have “copied unlawfully.” First, the infringer may not have derived his text from the plaintiff’s—that is, the similarity may be due to coincidence, or more likely, to the fact that both authors derived their texts from a common third-party text. Second, even if the accused infringer did prepare his text from the plaintiff’s, that is, he copied from the text—he is only an infringer if what he took was eligible for copyright protection. If the accused infringer borrowed only uncopyrightable elements, for example, elements not original or not sufficiently concrete to qualify as protectable expression, he is not an infringer no matter how much material he copied. Thus, derivation alone does not determine infringement. At the same

\textsuperscript{39} 562 F.2d 1157 (9th Cir. 1977).
time, if the accused infringer borrowed copyrightable elements from the plaintiff's text, then by definition, he derived his text from the plaintiff's; hence, there is no need, in theory at least, to separately determine derivation. Indeed, dividing the "unlawful copying" inquiry into derivation and improper appropriation—as the Second Circuit has done—is really just a procedural short-cut, similar to the scientist who classifies a microorganism by first performing an assay to determine whether it is a bacteria or a fungi. Although her ultimate classification must be far more nuanced, by performing this single preliminary test, she can quite often eliminate the need for an extensive battery of tests. Hence, the piecemeal analysis is not just a heuristic device but a time-saving one as well. Moreover, truncating the analysis, on average, reduces the error rate.

And so it is with the Second Circuit's separation of the unlawful copying requirement into two prongs: derivation (my term) and unlawful appropriation. The procedural advantage is the simplest way to justify the division: if the accused text is not derived from the plaintiff's text, then he is not an infringer, regardless of the degree of similarity between the two texts, and more importantly, regardless of whether the material in common qualifies for copyright protection. Consider how much simpler this derivation inquiry is than the subsequent inquiry, or an inquiry blending the two, which the Ninth Circuit requires. In the Second Circuit, to prove derivation, the plaintiff proffers a list of a few discrete similarities, either protectable or not, it doesn't matter, between the two texts, from which, along with proof of access, or the opportunity to view the plaintiff's text, the fact finder can infer derivation. These proffered similarities may be slight indeed—for example, that the accused city map contains a misspelled street name also found on the plaintiff's map, but not found on the actual street sign, nor anywhere else. But like this example, it can nevertheless be highly probative of derivation, which can make this inquiry unusually facile in the sense that it is unusually objective and quickly performed.\textsuperscript{40} Most importantly, the emphasis in the

\textsuperscript{40} See Cooling Sys. and Flexibles, Inc. v. Stuart Radiator, Inc., 777 F.2d 485, 492, 228 U.S.P.Q. (BNA) 275, 281 (9th Cir. 1985) ("[C]ourts have regarded the existence of common errors in two similar works as the strongest evidence of piracy, but proof of common errors
derivation inquiry inevitably converges to the *source* of the proffered similarity. Thus, if the accused infringer could show that an old map in the public domain also contains the misspelled street name, then the probative value of that evidence vanishes. Identifying that public domain map may not be easy—which is certainly not the fact finder's problem—but if it is proffered by the accused infringer, then the fact finder's job is straightforward. Notice also that the derivation inquiry will never drift towards protectability, which is a far more difficult inquiry, and furthermore, whether the particular element proffered by the plaintiff to prove derivation qualifies for copyright is irrelevant. Indeed, often the most probative evidence of derivation is unprotectable subject matter, as evidenced by the map example. One way to view the Second Circuit's infringement test is that it is structured so that it avoids, as much as possible, the virtually intractable determination of protectability.41 Thus, in the Second Circuit, before the two texts are handed to the ordinary observer for a final verdict on infringement, we know that at least one element in the plaintiff's text is copyrightable (a presumption triggered by proffering the copyright registration), and that the accused text was derived from the plaintiff's text. Granted, these facts, coupled with the ordinary observer's impression, do not guarantee that the accused infringer copied *protectable expression*, they just make it much more likely. Thus, these three elements taken together are a proxy, though a coarse one, for the generally tedious and *ad hoc* task of determining whether the elements common to the two texts qualify for copyright protection.

Now contrast the derivation requirement with the "improper appropriation" prong. (Again, the former is subsumed within the latter, which is explicit in the Second Circuit's test, and implicit/invisible in the Ninth Circuit's test). There, the emphasis is less on the source of the proffered similarity, and more on whether it

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41 See, Douglas Y'Barbo, The Heart of the Matter: The Property Right Conferred by Copyright, 49 MERCER L. REV. 643, 643-44 (1998) (arguing that a "'copyright' is not an enforceable property right in relation to a particular work of authorship or the expression embodied in it, [but rather] that it is a far more qualified property right in relation to a legally structured market position").
qualifies for copyright protection. Granted, one way that something can be uncopyrightable is if it is not original (hence the derivation and improper appropriation inquiries overlap). But more often than not, the focus of the protectability inquiry is whether the particular element qualifies as protectable expression according to the "idea/expression dichotomy," which is beyond question a very time-consuming and highly subjective (and therefore error-prone) inquiry. And so the Second Circuit's test places this determination temporarily to one side—to the extent that the court performs it all—avoiding the test until it is absolutely necessary. By contrast, the protectability determination is the undisputed center of gravity of the Ninth Circuit's test.

Therefore, it is clear that the Second Circuit and the Ninth Circuit use very different legal standards to determine copyright infringement. What is interesting is how the approaches of the two Circuits became so different.

E. THE ORIGIN OF THE DIFFERENCE BETWEEN THE SECOND AND NINTH CIRCUITS' STANDARDS

1. The Krofft Standard. At one time, the Second Circuit and the Ninth Circuits applied the same legal standard—both derived from Arnstein. The two standards diverged in the 1977 decision of Sid & Marty Krofft Television Products, Inc. v. McDonald's Corp., an a priori overhaul of the then-current standard. The Krofft test is shown schematically in Figure -D-, so that it can be compared with the Arnstein test, depicted in Figure -B-, and the current Ninth Circuit standard as shown in Figure -C-.

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42 See, e.g., Reyher v. Children's Television Workshop, 533 F.2d 87, 91, 190 U.S.P.Q. (BNA) 387, 390 (2d Cir. 1976) ("The difficult task in an infringement action is to distill the nonprotected idea from protected expression.").
43 See supra notes 7-8 and accompanying text (discussing the Arnstein test).
44 562 F.2d 1157, 1162, 196 U.S.P.Q. (BNA) 97, 102 (9th Cir. 1977).
45 See, e.g., Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1398, 42 U.S.P.Q.2d (BNA) 1184, 1187 (9th Cir. 1997) ("this court's two-part test for substantial similarity finds its roots in Sid & Marty Kroff... ").
46 Infra p. 321.
47 Infra p. 319.
48 Infra p. 320.
As evidenced by Figure -C-, the Krofft court divided the substantial inquiry into two components: an "extrinsic" test and an "intrinsic" test. Prior to Krofft, the substantial inquiry test consisted of a single element, similar to the Second Circuit's test in Figure -B-. To summarize, the Krofft court split the substantial similarity test as a result of a deficiency perceived by the court in the then-current test. More precisely, the Krofft court believed that the then-current substantial similarity test would condemn an accused text that copied only ideas from the plaintiff's text, which are per se unprotectable. Thus, according to the Krofft court, a refinement was needed, to separately assess whether the accused text copied protectable expression or mere ideas.

As a result, the purpose of the extrinsic test is to determine whether substantial similarity exists with respect to ideas. The Krofft court labeled the test "extrinsic" because:

[I]t depends not upon the responses of the trier of fact, but on specific criteria which can be listed and analyzed. Such criteria include the type of artwork involved, the material used, the subject matter, and the setting for the subject. Since it is an extrinsic test, analytic dissection and expert testimony are appropriate. Moreover, this question may often be decided as a matter of law.

In contrast, the purpose of the intrinsic test is to determine whether the two texts are substantially similar with respect to expression. Unlike the extrinsic test, which is analytic, the intrinsic test is administered by the ordinary observer, who assesses similarity after a casual glance at the two texts.

This is a peculiar reformulation of the venerable Arnstein standard, to say the least. It is not clear why one needs an entire test (the extrinsic test) merely to determine similarity with respect to (unprotectable) ideas. By definition, ideas can be freely copied. Therefore, that an accused infringer has copied ideas from the

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49 Krofft, 562 F.2d at 1164.
50 Id.
51 Id.
plaintiff's work is irrelevant for purposes of determining infringement.\textsuperscript{52}

In fact, the Krofft standard has been harshly and consistently criticized, so there is little point in reiterating its shortcomings here.\textsuperscript{53} Instead, what is of interest is the reason for the Krofft court's departure from established law and whether the departure was necessary, or even justifiable. Also of interest is the path from the Krofft standard to the current Ninth Circuit standard.

So why did the Krofft court depart from the then-current standard? According to the court's own admission, it did so to restrict the scope of a plaintiff's copyright from extending to (unprotectable) ideas. Thus it sought to construct a mechanism to separate ideas from protectable expression:

[I]nfringement would be established upon proof of ownership, access, and substantial similarity. Application of this rule, however, would produce some untenable results. For example, a copyright could be obtained over a cheaply manufactured plaster statue of a nude. Since ownership of a copyright is established, subsequent manufacturers of statues of nudes would face the grave risk of being found to be infringers if their statutes were substantially similar and access were shown. The burden of proof on the plaintiff would be minimal, since most statues of nudes would in all probability be substantially similar to the cheaply manufactured plaster one.\textsuperscript{54}

Having identified the problem, the Krofft court noted the need for a limiting principle, so that copyright protection is not unduly

\textsuperscript{52} Of course, copying of any material is probative of derivation, though that is certainly not what the Krofft court had in mind.

\textsuperscript{53} See, e.g., MELVILLE AND DAVID NIMMER, 4 NIMMER ON COPYRIGHT, § 13.03[D] at 13-77 & n.198.6 (1997) (acknowledging that the Krofft decision has much wrong with it while affirming the decision's structure of analysis).

\textsuperscript{54} Krofft, 562 F.2d at 1162-63 (citations omitted).
extensive. The court found this limiting principle in the "idea/expression" dichotomy:

The test for infringement therefore must be given a new dimension. There must be ownership of the copyright and access to the copyrighted work. But there must also be substantial similarity not only of the general ideas but of the expression of those ideas as well. Thus two steps in the analytical process are implied by the requirement of substantial similarity.

Thus, the Krofft court departed from the Arnstein test in two crucial respects: (1) it disregarded the separation of the copying (or derivation) prong from the more general requirement of unlawful copying (Arnstein subsumed a mechanism to release the accused infringer who can prove he did not copy from the plaintiff's text, even though the two are alike), and (2) it incorporated a two-part substantial similarity inquiry.

It is necessary to determine whether this new legal standard devised by the Krofft court was even necessary. The Krofft court began by stating that "[i]nfringement would be established upon proof of ownership, access, and substantial similarity." All that followed in the court's opinion depended on the veracity of the above statement. Unfortunately, the statement is materially incorrect. The statement above proves that the Krofft court misunderstood the Arnstein standard. Under the Arnstein test, one does not establish infringement by showing ownership, access, and substantial similarity; Arnstein said no such thing. Rather, as evidenced by Figure -A-, one proves copyright infringement under Arnstein by showing ownership of a valid copyright, derivation from the plaintiff's text by the accused, which is proven by access plus probative similarity, and by proving "unlawful appropriation," which is shown by "substantial similarity". The source of

55 Id.
56 Id. at 1164.
57 Id. at 1162.
58 Infra p. 318.
the Krofft court's concern (and confusion) was the term "substantial similarity." This term has never included similarity with respect to unprotectable portions of the work at issue. Courts have consistently instructed the ordinary observer to disregard unprotectable subject matter.

Although the term "substantial similarity" was never used by the Arnstein court, the court did use the term "improper appropriation" in reference to the second prong of the infringement analysis. The first prong is copying (more precisely referred to as "derivation"). The Arnstein court created a legal standard for copyright infringement which first required the plaintiff to prove that the accused text was derived from a text in which the plaintiff held a valid copyright. If that requirement was met, then the plaintiff was further required to prove that the copying was "illicit," or "unlawful." As a result of the court's two-pronged approach, not all copying was actionable. The Arnstein court repeatedly emphasized that copying must be "illicit" in order to be actionable:

In applying that standard here, it is important to avoid confusing two separate elements essential to a plaintiff's case in such a suit: (a) that defendant copied from the plaintiff's copyrighted work and (b) that the copying (assuming it to be proved) went so far as to constitute improper appropriation.59

If copying is established, then only does there arise the second issue, that of illicit copying (unlawful appropriation).60

Assuming that adequate proof is made of copying, that is not enough; for there can be 'permissible copying,' copying which is not illicit.61

Therefore, the Arnstein court crafted a legal standard that expressly accounted for the fact that an accused infringer may have copied

60 Id.
61 Id. at 472.
from the plaintiff's text—even to the point that the two appear "substantially similar"—yet the material taken may not be eligible for copyright protection. As a result, even "substantially similar" texts may not satisfy the test for finding infringement.

The **Krofft** court was concerned about protection for uncopyrightable ideas. More specifically, the Court was concerned that two texts could be "substantially similar" and that it would be unjust to condemn the copying because the material copied consisted of unprotectable ideas rather than protectable expression. Although the **Arnstein** court did not expressly mention this scenario, the **Arnstein** standard subsumes this concern by distinguishing copying from illicit copying, although one can copy without the copying rising to the level of "illicit" for reasons other than that the material consists of mere ideas. For instance, the borrowed material could have been borrowed by the plaintiff from a text whose copyright has long since lapsed or the material could be classified as scenes-a-faire. 

Second Circuit decisions closely following **Arnstein** have even further clarified the role of the substantial similarity prong. This provides additional evidence that the **Krofft** court was fixated on a concern already accounted for in the Second Circuit's test:

> "[S]ubstantial similarity" requires that the copying [be] quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actionable copying) has occurred. The qualitative component concerns the copying of expression, rather than ideas. . . .

> "It is only after actual copying is established that one claiming infringement" then proceeds to demonstrate that the copying was improper or unlawful by show-

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62 For a more complete discussion of the categories of material that comprise the public domain, see Jessica Litman, *The Public Domain*, 39 Emory L.J. 965 (1990) (discussing the importance of a public domain to the otherwise unworkable copyright system).

ing that the second work bears "substantial similarity" to protected expression in the earlier work.\(^{64}\)

[Copying] is usually proved by ... substantial similarities as to protectible material in the two works.\(^{65}\)

It is doubtless that the Krofft standard was based on a flawed premise: that the existing standard would condemn texts which incorporated from the plaintiff's text only unprotectable ideas. Notably, however, the Arnstein test had already subsumed a reliable mechanism to ensure that outcome would not occur.

2. The Role of Second Circuit Law in the Krofft Standard. One must keep in mind that Krofft purports to follow Arnstein: "We believe that the court in Arnstein was alluding to the idea-expression dichotomy [by distinguishing copying from illicit copying] which we make explicit today."\(^{66}\) And later: "We believe Arnstein is still good law."\(^{67}\) This is surprising since one would never expect Krofft to be faithful prodigy of Arnstein after a close look at the Krofft standard. Therefore, it is not difficult to prove that Krofft is based upon a misreading of Arnstein.\(^{68}\) The Krofft court apparently believed that the existing standard overprotected original material because it subsumed no mechanism to distinguish mere unprotectable ideas from protectable expression.\(^{69}\) The interesting question is precisely what led to the obvious error by the Krofft court.

While Arnstein is the undisputed ancestor of the infringement standard applied in every regional circuit, it nevertheless intro-

\(^{64}\) Id. at 137 (citing Repp v. Webber, 132 F.3d 882, 889, 47 U.S.P.Q.2d (BNA) 1285, 1291 (2d Cir. 1997) and Laureyssens v. Idea Group, Inc., 964 F.2d 131, 139-40, 22 U.S.P.Q.2d (BNA) 1811, 1819 (2d Cir. 1992)).
\(^{66}\) Sid & Marty Krofft Television Prod., Inc. v. McDonald's Corp., 562 F.2d 1157, 1165, 196 U.S.P.Q. (BNA) 97, 103 (9th Cir. 1977).
\(^{67}\) Id.
\(^{68}\) Actually, Krofft cites Second Circuit precedent decided after Arnstein, in particular, Reyher, 533 F.2d at 90.
\(^{69}\) Krofft, 562 F.2d at 1164-65.
duced two slight but insidious flaws into the standard which later metastasized into chronic confusion over how to apply the standard. Yet one must be careful to note that while Arnstein introduced these flaws, it did not itself contain them. Indeed, the flaws relate solely to nomenclature—the particular labels affixed to the prongs comprising the test. The Arnstein court knew what it meant. As we shall see, other courts have been less sure.

Refer again to Figure -B-. In its most general form, copyright infringement is proved by copying and ownership of a valid copyright. As evidenced by Figure -A-, which depicts the Arnstein test, this second requirement in turn has two prongs, copying and improper appropriation. For the latter requirement, Arnstein used the term “illicit copying.” Therefore, Arnstein included the term “copying” three different times in one legal standard. In each of these occurrences, “copying” meant different things. This casual usage of the already vague term “copying” has directly caused chronic, material confusion over the proper infringement standard, confusion that persists today. Such casual usage has also led to a different standard used in the Ninth Circuit, a standard which originally deviated from Arnstein because of a misunderstanding over Arnstein’s multiple uses of the term “copying.”

Thus Arnstein said that “[i]f there is evidence of access and similarities exist, then the trier of the facts must determine whether the similarities are sufficient to prove copying.” In that instance the court was referring to what I have relabeled as the derivation prong in Figure -E- and the upper most appearance of the term “copying” in Figure -A-. Significantly, many courts after Arnstein confused the term “copying” as Arnstein used it above, with “unauthorized copying,” the leftmost appearance of the

70 Infra p. 319.
71 Infra p. 318.
72 Actually, Arnstein never stated the infringement test in its most abstract form (ownership plus unlawful copying). Rather, Arnstein focused only on the second prong’s two requirements, copying and illicit copying/improper appropriation, without referring to the name of the second prong itself. Arnstein used the terms “illicit copying” and “improper appropriation” interchangeably. Arnstein, 154 F.2d at 464.
73 Id. at 468.
74 Figure -E-, infra p. 322.
75 Figure -A-, infra p. 318.
term “copying” in Figure -A-. In other words, while Arnstein was speaking about mere derivation, other courts believed it was talking about the entire “unauthorized copying” inquiry, of which derivation is only a part.

Most relevant here, the Reyher court, in an influential 1976 Second Circuit decision, with the intention of applying the Arnstein standard, said that “[copying is] proved by circumstantial evidence of access to the copyrighted work and substantial similarities as to protectible material in the two works.” One can compare this excerpt with the one from Arnstein above and see that they are roughly the same: copying is shown by access plus similarity. However, in Arnstein the court was referring to the derivation prong. The Reyher court misread Arnstein, and believed that it was referring to the “unlawful copying” prong. In other words, while the Arnstein court was reciting just a portion of the test (the other part being “unlawful appropriation,” in Figure -A-) the Reyher court thought that the Arnstein court was reciting the entire test. This misinterpretation was due solely to the multiple occurrences of the term “copying” in the standard and led the Reyher court to effectively sever from the standard Arnstein’s “unlawful appropriation,” or “illicit copying,” prong. Indeed, Krofft is perhaps best understood as an attempt to reintroduce that element back into the standard, which the Krofft court understandably believed was missing.

So the Reyher court restated the Arnstein test with two effects. First, the Reyher court believed it was reciting the entire test, thus

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76 Infra p. 318.
78 Figure -A-, infra p. 318. How can we be sure that the Reyher court misread Arnstein? First, we can simply compare the two legal standards, noting that the Reyher court faithfully cites Arnstein at critical points in the opinion. Second, Reyher begins by stating the infringement test in its most fundamental form: infringement requires ownership and “copying.” Id. Next, Reyher states that “copying” is proved by access and “substantial similarities as to protectible material in the two works.” Id. Therefore, beyond question, Reyher, had in mind the broad meaning of the term “copying,” labeled as “unauthorized copying” in Figure -A-, and not the narrower use of the term copying applied by the Arnstein Court, labeled as “derivation” in Figure -B-. Again, the Arnstein court said that copying, meaning “derivation”, was proved by access plus similarity probative of copying. Once plaintiff established this “factual type of copying,” he must prove that the copying is legally actionable, which is done by proving that some of the purloined material qualifies for copyright.
completely omitting the "improper appropriation prong" from the "revised" test that it decreed. Second, precisely because the Reyher court believed it was reciting the entire test, it slightly reworked the first portion of the Arnstein test. Thus, paraphrasing the two passages above, the Arnstein court said that copying, that is, derivation, is proved by access plus similarity probative of derivation. Yet the Reyher court said that copying, meaning unlawful copying, is proved by access plus "substantial similarities as to protectable material..." Thus the term "substantial similarity" was introduced into the infringement test.

The Reyher court then required access plus "substantial similarity." But the Arnstein standard for derivation requires only similarity that is probative of copying; this similarity need not be "substantial," that is, it need not be pervasive, nor must it relate to protectable material. Subsequent courts, attempting to reconcile the Arnstein and Reyher standards, introduced a dual usage of the term "substantial similarity," so that it referred to both similarities probative of derivation and to similarities probative of unlawful appropriation.

Reyher's misreading of Arnstein is significant because it was Reyher that Krofft followed, hence Reyher's obvious misreading of Arnstein was instantly infused into Ninth Circuit law.

3. From Krofft to the Present Ninth Circuit Standard. By comparing the Krofft standard, depicted in Figure -D-, with the current Ninth Circuit standard, depicted in Figure -C-, one can see that it has changed very little. Indeed, its essential structure has not changed at all. Aside from re-labeling the two prongs of the "substantial similarity" test by swapping "extrinsic" and "intrins- ic" for "objective" and "subjective", the only observable change has been to the extrinsic test. The post-Krofft modifications shall be discussed below.

From its inception, the extrinsic test, to determine similarity of unprotectable ideas, had little to justify it. Yet, since the test permitted analytical dissection, courts gradually began to use it to separate ideas from protectable expression. In effect, courts used

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79 Id.
80 Infra p. 321.
81 Infra p. 320.
the extrinsic test to determine the scope of the copyright claim, since once the court reached the intrinsic test, it could no longer scrutinize individual elements but would be forced to rely upon the subjective impressions of the casual observer, who would inevitably ignore the crucial distinction between protectable and unprotected expression. Also, once the ideas were separated from protectable expression, the court could proceed to the intrinsic test, examining the two texts only in light of the similarities that related to protectable expression. Thus, the inevitable metamorphosis, the expansion of the extrinsic test, occurred.

Again, the major difference between the *Krofft* standard and the one used today is not a structural one, but a slight change in nomenclature, from extrinsic/intrinsic to objective/subjective. Though the terms "objective" and "subjective" had appeared in Ninth Circuit opinions earlier,\(^8\) *Shaw v. Lindheim*,\(^9\) a 1990 decision, is generally cited as the genesis of the reformulation:

Now that it includes virtually every element that may be considered concrete in a literary work, the extrinsic test . . . can no longer be seen as a test for mere similarity of ideas. Because the criteria incorporated into the extrinsic test encompass all objective manifestations of creativity, the two tests are more sensibly described as objective and subjective analyses of expression, having strayed from *Krofft's* division between expression [intrinsic test] and ideas [extrinsic test].\(^{10}\)

More recently, the Ninth Circuit commented on the scope of the extrinsic test in *Apple Computer, Inc.*: "[T]he extrinsic test now objectively considers whether there are substantial similarities in

\(^8\) At least as early as 1984, seven years after *Krofft*, Ninth Circuit panels began to expand the extrinsic test to include the entire text, and to separate protectable from unprotected material. Litchfield v. Spielberg, 736 F.2d 1352, 1356, 222 U.S.P.Q. (BNA) 965, 967 (9th Cir. 1984). *See also*, e.g., Data East USA, Inc. v. Epyx, Inc., 862 F.2d 204, 208, 9 U.S.P.Q.2d (BNA) 1322, 1325 (9th Cir. 1988) ("[the extrinsic test is] an objective test which rests upon specific criteria that can be listed and analyzed.").

\(^9\) 919 F.2d 1353 (9th Cir. 1990).

\(^{10}\) *Shaw*, 919 F.2d at 1357 (emphasis added).
both ideas and expression, whereas the intrinsic test continues to measure expression subjectively.\textsuperscript{85}

Moreover, probably by Brown Bag Software, and at least by Apple Computer, Inc., the extrinsic test has evolved into a full-blown analysis of the boundaries of the plaintiff's property right, that is, which elements borrowed by the accused infringer are protectable and which are not: "the purpose of analytic dissection is to define scope of copyright protection."\textsuperscript{86} Hence, the extrinsic/objective test has expanded at the expense of the now almost atavistic intrinsic/subjective test.

V. AN INTERIM SUMMARY AND A PROPOSED RELABELED TEST FOR INFRINGEMENT

To summarize, these are the indisputable facts: (1) the current tests for copyright infringement applied in the Ninth Circuit (Apple Computer) and in the Second Circuit (Castle Rock) are not the same; (2) this difference is material; (3) both tests claim to be faithful progeny of Arnstein; (4) the current Ninth Circuit test originated with Krofft, which claims to follow Arnstein; (5) Krofft is based on a substantial, though inadvertent misreading of Arnstein; and therefore (6) the current Ninth Circuit test is ultimately based on a misreading of Arnstein.

The preceding discussion should convince the reader that the confusion over the copyright infringement standard is more likely than not due to the multiple usage of the same terms to describe different legal requirements. Indeed, not only are two key terms used multiple times in a single legal standard, but the two terms are themselves vague—"substantial similarity" and "copying."

One source of the confusion has been largely cured, at least in the Second Circuit. Thus the "substantial similarity" requirement that once appeared in the derivation portion of the test has been replaced with "probative similarity" so that it cannot be confused with the "substantial similarity" requirement in the second prong.


\textsuperscript{86} Apple Computer, 35 F.3d at 1443 (citing, inter alia, Brown Bag Software, 960 F.2d at 1475).
of the test, which means illicit copying or improper appropriation.\textsuperscript{87} Still, the term "copying" appears too many times in the infringement test. The most abstract formulation of the test is: ownership of a valid copyright and copying. The latter requirement subsumes two requirements: mere copying and illicit copying. That is \textit{three} occurrences of the term "copying." To avoid confusion and to better clarify the objectives of the test, the term "derivation" should be used to refer to the requirement that the accused text was prepared from the plaintiff's text. This requirement, which does not appear separately in the Ninth Circuit test, is not \textit{distinct from} illicit copying; actually, derivation is subsumed within illicit copying. Thus, a text can be derived from another, yet still not be an "illicit" copy of the first text if, for example, the borrowed material was not protectable by copyright. The next prong, whether the derivation amounts to unlawful copying, should be referred to as "unlawful appropriation." This is not a new term—it was used in Arnstein\textsuperscript{88} (though interchangeably with the term "illicit copying"), and it is used occasionally in Second Circuit decisions today.\textsuperscript{89} In addition, the first time the term is used, that is, to refer to the most abstract form of the test, it should be replaced with "actionable copying," which captures the two requirements that it subsumes: derivation and unlawful appropriation. Figure -E- illustrates this suggested nomenclature.\textsuperscript{90}

Besides nomenclature, another reason for the persistent confusion over the infringement standard is that the two prongs subsumed under the actionable copying requirement are not actually \textit{separate} requirements, but rather one is actually a part of the other, that is, derivation is part of the unlawful appropriation prong. In other words, if the accused text includes copyrightable expression from the plaintiff's text, then derivation is implicitly proved, since if the material was copyrightable, then it is by definition original to the plaintiff (he is the author) and, therefore, the only source of it is the plaintiff's text. Thus, one inherently

\begin{footnotesize}
\begin{enumerate}
\item Alan Latman, "Probative Similarity" as Proof of Copying: Toward Dispelling Some Myths in Copyright Infringement, 90 Colum. L. Rev. 1187, 1190 (1990).
\item Infra p. 322.
\end{enumerate}
\end{footnotesize}
proves derivation by proving unlawful appropriation. The significance of this is that one could avoid the derivation prong altogether and instead proceed to the second prong, unlawful appropriation. Indeed, this is why the Arnstein test (Second Circuit) and the Apple Computer test (Ninth Circuit) are, in the end, more or less the same, as we have seen. Arnstein insists upon extracting from the infringement test the predicate sub-requirement of derivation, no doubt as a way of avoiding both the arbitrary and labor-intensive unlawful appropriation analysis to assess substantial similarity under the ordinary observer in those inevitably frequent instances in which it is not needed. In contrast, the Ninth Circuit test blends the two inquiries of derivation and unlawful appropriation.

In theory at least, the Ninth Circuit’s test should converge on the same result as the Second Circuit’s test, even without an explicit predicate derivation requirement. This is because under the substantial similarity test, an accused text that does not embody any protectable expression found in the plaintiff’s text will be released. Under the Second Circuit’s test, it might very well have been determined that the accused text was derived from the plaintiff’s, for example, it was proved by unprotectable material common to the two texts, though it would later be determined during the unlawful appropriation prong that what was taken did not qualify for copyright protection, and hence there was no infringement. The Ninth Circuit would have reached the same result, though without having bothered to first determine that the accused text was derived from the plaintiff’s.

But what about the opposite scenario? Suppose the accused text was not derived from the plaintiff’s, but they are highly similar. The Second Circuit test would detect that right away, and stop right there, avoiding the unlawful appropriation requirement. The Ninth Circuit would, in theory, reach the same result, but it would take longer, which always increases the potential for error. Without a mechanism to detect derivation, or the absence thereof, then a Ninth Circuit tribunal must plod through the substantial similarity test, both the objective and subjective prongs. After doing that, the court would (again, in theory) conclude that the accused text does not infringe, though not because it was not derived from the plaintiff’s text (it has no way to discern that), but because it does not embody protectable expression from the
plaintiff's text. As previously mentioned, it is much easier to argue over the source of the similarities, than it is to argue over whether elements in the plaintiff's text (for which there exists a similar element in the accused text) qualify for copyright protection. The practical significance of this distinction cannot be overstated.

Perhaps these differences alone are reason enough to favor the Second Circuit test over the Ninth Circuit test, aside from the fact that the Ninth Circuit test is derived from a 50-year-old inadvertent misreading of a Second Circuit decision. Thus, the Second Circuit has a far more summary judgment-friendly standard since it allows accused infringers, particularly in those instances involving two highly similar texts in which the plaintiff's is characterized by low originality, to walk away from the dispute once they can show that they did not derive their text from the plaintiff's. Yet in the Ninth Circuit, which again should yield the same result, the accused infringer must suffer through the substantial similarity analysis, or at least the objective portion of it anyway, since the plaintiff's prima facie case does not include proof of derivation apart from the requirement to prove similarity with respect to protectable elements. Therefore, splitting the actionable copying prong into two separate requirements is not only sensible but procedurally (and heuristically) useful. It allows the fact finder to stop and assess derivation separate from the far more tedious and complicated task of determining whether what was borrowed qualifies for protection by copyright. It is also procedurally superior since it allows the court to truncate the dispute if the plaintiff is unable to prove derivation, and thus avoids becoming mired in the next part of the test.

VI. THE REMAINING REGIONAL CIRCUITS

In the first portion of this Article, I sought to show that a genuine difference exists between two standards for copyright infringement. Having shown that it is significant, I shall now argue that the distinction is underappreciated—indeed, virtually ignored—among the Courts of Appeals.

According to my research, the Courts of Appeals are roughly split between the two polar standards decreed by the Second and Ninth Circuits. Of the nine remaining regional circuits, four follow the
Second Circuit and five have adopted the Ninth Circuit approach. This division roughly follows geography: The First, Fifth, Tenth, and Eleventh Circuits follow the Second Circuit approach, while the Third, Fourth, Sixth, Seventh, and

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91 CMM Cable Rep., Inc. v. Ocean Coast Properties, Inc., 97 F.3d 1504, 1513, 41 U.S.P.Q.2d (BNA) 1065, 1072 (1st Cir. 1996) ("To show actionable copying and therefore satisfy Feist's second prong, 'a plaintiff must first prove that the alleged infringer copied plaintiff's copyrighted work as a factual matter; to do this he or she may either present direct evidence of factual copying or, if that is unavailable, evidence that the alleged infringer had access to the copyrighted work and that the offending and copyrighted works are so similar that the court may infer that there was factual copying (i.e., probative similarity).' Next, a plaintiff must 'prove that the copying of copyrighted material was so extensive that it rendered the offending and copyrighted works substantially similar.') (citations omitted).

92 Engineering Dynamics, Inc. v. Structural Software, Inc., 26 F.3d 1335, 1340-41, 31 U.S.P.Q.2d (BNA) 1641, 1644 (5th Cir. 1994) ("Two separate components underlie proof of actionable copying. First is the factual question whether the alleged infringer actually used the copyrighted material to create his own work. Copying as a factual matter typically may be inferred from proof of access to the copyrighted work and 'probative similarity.' Not all copying, however, is copyright infringement. The second and usually more difficult question is whether the copying is legally actionable. This requires a court to determine whether there is substantial similarity between the two works.") (citations omitted) (citing, inter alia, Plains Cotton Coop. Ass'n v. Goodpasture Computer Serv., Inc., 807 F.2d 1256, 1 U.S.P.Q.2d (BNA) 1635 (5th Cir. 1987)).

93 Country Kids 'N City Slicks, Inc. v. Sheen, 77 F.3d 1280, 1284, 38 U.S.P.Q.2d (BNA) 1017, 1019 (10th Cir. 1996) ("Plaintiff can indirectly prove copying by establishing that Defendants had access to the copyrighted work and that there are probative similarities. [Copying, however, does] not end the court's inquiry, as liability for copyright infringement will attach only where protected elements ... are copied. To impose such liability, the court must find substantial similarity between those aspects of Plaintiff's dolls which are legally protectable and the Defendant's dolls.") (citations omitted).

94 MiTek Holdings, Inc. v. Arce Engineering Co., 89 F.3d 1548, 1554, 39 U.S.P.Q.2d (BNA) 1609, 1613 (11th Cir. 1996) ("Proof of copying may be shown either by direct evidence, or, in the absence of direct evidence, it may be inferred from indirect evidence demonstrating that the defendant had access to the copyrighted work and that there are probative similarities between the alleged infringing work and the copyrighted work.") (citations omitted).

95 Ford Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 291, 18 U.S.P.Q.2d (BNA) 1417, 1428 (3d Cir. 1991) ("Copying is proven by 'showing that the defendant had access to the allegedly infringed work, ... that the allegedly infringing work is substantially similar to the copyrighted work.' (citing Whelan Assocs., Inc. v. Jaslow Dental Labs., Inc., 797 F.2d 1222, 230 U.S.P.Q. (BNA) 481 (3d Cir. 1986)).

96 Towler v. Sayles, 76 F.3d 579, 582, 37 U.S.P.Q.2d (BNA) 1785, 1786 (4th Cir. 1996) ("Towler [the plaintiff] can raise a presumption of copying by showing both that Sayles had access to 'Crossed Wires' [the work involved in the suit] and that the two screenplays in question are substantially similar.") (citing Dawson v. Hinshaw Music Inc., 905 F.2d 731, 732, 15 U.S.P.Q.2d (BNA) 1132, 1133 (4th Cir. 1990)). Additionally: "there are two prongs to the substantial similarity inquiry ... an 'extrinsic' or 'objective' inquiry ... [and an] 'intrinsic' or 'subjective' test." Dawson, 905 F.2d at 732-33.
Eighth	extsuperscript{99} Circuits follow the Ninth Circuit approach. More importantly though, this list is a little less than precise, since a few of the circuits have occasionally blended the two approaches in a single opinion, or switched back and forth between the two from one opinion to the next. This suggests that the circuits generally regard any disparity between the Second and Ninth Circuits' infringement standards as a mere difference in nomenclature, rather than as a genuine difference that may lead to a difference in outcome. Again, one objective of this Article is to urge the significance of the difference between the two circuits' tests for infringement.

For instance, the term "probative similarity" appears infrequently in Ninth Circuit opinions and in opinions from courts that ostensibly follow the Ninth Circuit approach. Again, the term "probative similarity" is properly used to distinguish evidence that tends to prove derivation versus evidence that tends to prove legally actionable copying (infringement); the latter is referred to in Second Circuit vernacular as "substantial similarity." Beyond question—and as discussed in this Article—the Ninth Circuit eschews this distinction. Yet, a recent Ninth Circuit decision, 	extit{Fodor v. Time}
Warner, used the term "probative similarity," though interchangeably with the term "substantial similarity." A recent district court decision in the Eighth Circuit (again, a circuit that purports to follow the Ninth Circuit's approach) also refers to "probative similarity," though like Fodor, uses it interchangeably with "substantial similarity." And therefore, these courts do not extract from the infringement analysis a distinct derivation requirement, as a faithful reading of Arnstein requires.

Consider also this remark from a frequently cited Fourth Circuit decision:

Some courts use a different set of labels for the two-prong inquiry, referring to the first prong as establishment of copying and the second prong as establishment of illicit appropriation (citation omitted). The difference in labels need not concern us because the apparent consensus as to the nature of the tests applicable to each prong of the substantial similarity inquiry smooths over, as a practical matter, underlying differences in the inquiry's two characterizations.

Therefore, as I have shown, though the Second and Ninth Circuit tests are genuinely different legal standards, this difference, or at least its significance, has escaped the attention of the remaining regional Courts of Appeals.

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100 Fodor v. Time Warner, Nos. 92-56169, 92-56454, 1994 WL 65287, at *2 (9th Cir. Mar. 2, 1994). This is the only Ninth Circuit decision that refers to "probative similarity." In Fodor, the court cites Nimmer's treatise for the proposition that proof of copying, which along with proof of ownership equals infringement, requires access plus probative similarity. Yet the court states in the very next sentence that: "Even if two works are substantially similar, however, there is no infringement liability if the challenged work was independently created." Id.

101 Control Data Sys., Inc. v. Infoware, Inc., 903 F. Supp. 1316, 1320 (D. Minn. 1995). Consider this passage from the opinion: "The Court next considers whether there are "probative similarities" between [the two works]. Control Data asserts that the AlphaCyber source code is substantially similar to the NOS source code." Id. at 1321. Just a few sentences later the court goes on to say: "[T]he Court finds that the similarities in these areas are indeed substantial and constitute probative evidence of copying." Id. These passages indicate that the court has confused the two terms—beyond question, it believes the two terms are synonymous.

The Current Second Circuit Infringement Standard

Copyright Infringement

- Direct Evidence of Copying
- Access
- Probative Similarity (Analytic Dissection)
- Substantial Similarity (Audience Impression)
- Actual Copying (Derivation)
- Improper Appropriation/Illicit Copying
- Ownership of a Valid Copyright
- Unlawful Copying

or

plus
Figure B. The First Infringement Standard

- Ownership of a Valid Copyright
- Unlawful Copying

Copyright Infringement
Figure D.

The Krofft Infringement Standard

- Access
- Ownership of a Valid Copyright
- Copying
- Substantial Similarity
  - Extrinsic Test (Analytic Dissection)
  - Intrinsic Test (Audience Impression)
Figure -E-
A Proposed Infringement Standard (Complete Form)

Ownership of a Valid Copyright

Copyright Infringement

Derivation

Access

plus

Probative Similarity (Analytic Dissection)

Unlawful Appropriation

Direct Evidence of Copying

A copyright registration if prima facie evidence of ownership (17 U.S.C. § 410(c))

usually unavailable; e.g., admission by defendant, or similar ("design around," former licensee, failed license negotiations)

1. chain-of-events evidence; or
2. widespread dissemination; or
3. purely circumstantial (non-text based)

similarity between the two texts that is probative of derivation—either protectable or unprotectable elements (e.g., common errors)

1. ordinary observer test; or
2. quantitative/qualitative test; or
3. single-protectable-element test

Substantial Similarity