

**09-1234 & 09-1261
ORAL ARGUMENT IS REQUESTED**

**IN THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT**

LAWRENCE GOLAN, ESTATE OF RICHARD KAPP,
S.A. PUBLISHING CO., INC., d/b/a ESS.A.Y. RECORDINGS,
SYMPHONY OF THE CANYONS, RON HALL d/b/a FESTIVAL FILMS,
AND JOHN McDONOUGH, d/b/a TIMELESS VIDEO ALTERNATIVES
INTERNATIONAL,
Plaintiffs-Appellees/Cross-Appellants,

v.

ERIC H. HOLDER, JR., in his official capacity as Attorney General of
the United States, and MARYBETH PETERS, Register of
Copyrights, Copyright Office of the United States,
Defendants-Appellants/Cross-Appellees.

On Appeal from the United States District Court for the District of Colorado,
Honorable Lewis T. Babcock, Chief Judge
Case No. 1:01-cv-01854 LTB-BNB

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CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure 26.1, Plaintiff-Appellees/Cross-Appellants hereby certify that they have no parent corporation, nor do any publicly held corporations own 10% or more of their stock.

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STATEMENT OF PRIOR OR RELATED APPEALS

The Court previously addressed this case in *Golan v. Gonzales*, 501 F.3d 1179 (10th Cir. 2007). We are aware of no other related appeals.

JURISDICTIONAL STATEMENT

Pursuant to 28 U.S.C. § 1331, Plaintiffs invoked the jurisdiction of the District Court over this action arising under the Constitution and laws of the United States. The district court entered final judgment in favor of Plaintiffs on April 7, 2009. (AR 746) The Government filed a timely appeal on June 5, 2009. (AR 748) Plaintiffs filed a timely cross appeal on June 18, 2009. (AR 751) This Court has jurisdiction under 28 U.S.C. § 1291.

STATEMENT OF THE ISSUE

Section 514 of the Uruguay Round Agreements Act (URAA), Pub. L. No. 103-465, 108 Stat. 4809, 4976-81 (codified as amended at 17 U.S.C § 104A, 109(a) (1994)), restored copyright protection in foreign works that had previously been part of the public domain in the United States – the common property of all Americans. The issue presented here is whether the URAA’s removal of these works from the public domain is constitutional under the First Amendment, both as applied to the Plaintiffs and others who have relied on the public domain status of restored works in building businesses and practicing their art, and on its face.

The resolution of this issue has substantial public consequences. The Plaintiffs in this case are part of an important class of First Amendment speakers that includes creators, performers, archivists, preservationists and businesses, all of whom depend upon the public domain for their work. Some in this class create derivative works based upon work in the public domain. Some expend significant capital resources to restore and make available works in the public domain. Some simply support the availability and distribution of works in the public domain by cheaply and efficiently selling copies of those works.

This fragile economy is critical for preserving and supporting access to our cultural past. All of these speakers supporting this economy — as with anyone inside any economy — rely upon the expectation that the investment they

make in the speech they make available will not be expropriated arbitrarily. If their investment can simply be taken away at any time, then the incentive to make that investment would diminish significantly, as it would with any business.

The question here is whether the public domain is subject to any constitutional protection, and whether this public property may be expropriated at will for the private benefit of U.S. and foreign copyright owners. A rule that permits Congress to remove works from the public domain will destroy the incentive to invest in the public domain, and to preserve, spread and build on its content. If the public domain can be privatized at will, then it cannot survive intact.

STATEMENT OF THE CASE

By “restoring” copyrights in material that has long been part of the public domain, Congress has burdened the free speech and expression rights of Plaintiffs and others who support the availability of public domain works, and those who build on these works to create new works. Plaintiffs initiated this action for declaratory judgment to protect those rights, and test the constitutionality of Congress’s actions against the limits articulated in the Constitution and in Supreme Court precedent.

Plaintiffs challenged the constitutionality of the URAA and the Sonny Bono Copyright Term Extension Act (CTEA), Pub. L. No. 105-298, 112 Stat. 2827

(codified as amended at 17 U.S.C. §§ 301-04 (1998)), alleging these provisions exceeded the scope of Congressional power under the Progress Clause, and also violated the First Amendment. The District Court dismissed all of Plaintiffs' claims. On appeal, this Court affirmed the judgment against Plaintiffs on all claims, except one: This Court held the URAA is subject to First Amendment scrutiny because it represents a substantial departure from the traditional contours of copyright law and regulates speech that is "near the core of the First Amendment." *Golan v. Gonzales*, 501 F.3d 1179, 1193 (10th Cir. 2007). It then remanded this case for First Amendment analysis under strict or intermediate scrutiny.

On remand, the District Court determined the URAA was a content-neutral regulation of speech subject to intermediate scrutiny. The Government contended the URAA should pass intermediate scrutiny on the ground the Government has an important interest in complying with the Berne Convention, which requires the restoration of certain copyrights, and the URAA is narrowly tailored to that interest. The District Court rejected that contention and held that while the Government does have a "legitimate interest in complying" with the Berne Convention, "Congress could have complied with the Convention without interfering with Plaintiffs' protected speech." *Golan v. Holder*, 611 F.Supp.2d 1165, 1177 (D.Colo. 2009). On that basis, the District Court concluded that the

URAA violates the First Amendment to the extent it suppresses the rights of reliance parties to use works they exploited while the works were in the public domain, and granted summary judgment in favor of Plaintiffs. *Id.* The Government appealed that judgment. Plaintiffs cross-appealed on the ground the District Court left unaddressed the question of whether the URAA is unconstitutional on its face and regardless of the importance of the Government's asserted interest.

STATEMENT OF FACTS

A. The Berne Convention

As the Government describes it, “the Berne Convention requires member nations to afford foreign copyright holders the same protections that countries afford their own nationals ... and establishes a minimum level of protections that all members must satisfy.” (Appellate Record (“AR”) 86) For two centuries, the United States required copyright holders to comply with certain formalities in order to obtain copyright protection. (AR 90-91) (§§ 304 and 401 of the 1976 Copyright Act, Pub. L. 94-553, 90 Stat. 2573) Failure to comply with these formalities resulted in the loss of copyright protection. (*Id.*) Traditionally, this loss has been permanent. For U.S. authors, it remains permanent. Many foreign authors, on the other hand, have now been relieved of the consequences of this failure by the URAA.

This anomaly is explained by the Berne Convention for the Protection of Literary and Artistic Works (“Berne Convention”), an international treaty first enacted in 1886. The Berne Convention rejects the formalities that U.S. law long imposed. *See* Berne Convention, Art. 5(2) (Paris Act, 1971). Among other things, Berne requires countries that join the treaty to restore copyrights of foreign authors that were lost due to their failure to comply with these formalities. Specifically, Article 18 of the Berne Convention states:

- (1) This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expir[ation] of the term of protection.
- (2) If, however, through the expir[ation] of the term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.
- (3) The application of this principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each in so far as it is concerned, the conditions of application of this principle.

Berne Convention, Art. 18.¹

The reason for the broad discretion Article 18(3) provides in how each country may implement restoration of copyrights is plain. Restoring copyrights in works that were not previously under copyright presents difficult problems, especially insofar as people have undertaken actions or investment that rely on the

¹ Available at <http://www.wipo.int/treaties/en/ip/berne>

expectation that public domain works are free to use, and will continue to be so.

See Claude Masouyé, *Guide To The Berne Convention For The Protection Of Literary And Artistic Works* 101 (WIPO (ed.) 1978). Under the broad discretion Article 18(3) provides, Berne members have therefore adopted a wide array of differing approaches to implementing restoration and protecting reliance interests. Many provide various forms of permanent protections for reliance interests, including the United Kingdom, Australia, New Zealand, Canada and India. (AR 240-45, 247-49) (Declaration of Professor Lionel L. Bently in Support of Plaintiffs’ Motion for Summary Judgment (“Bently Dec.”) at ¶¶ 15-22, 27-28, 33-37)

B. Berne Convention Implementation Act Of 1988

For more than a century, the U.S. was content to remain outside the Berne framework. In 1988, the United States decided to join the Berne Convention. To do so, it enacted the Berne Convention Implementation Act of 1988 (“BCIA”). But in enacting the BCIA, the Government chose not to restore any copyrights; it left the public domain intact. BCIA, Pub. L. 100-568, 102 Stat. 2853.

One reason the U.S. chose not to restore any copyrights in 1988 was because removing works from the public domain presented serious constitutional questions. As leading copyright scholar William Patry has explained:

In the Berne revision bills ... no protection was provided for preexisting works in the public domain in the United States. Representative Kastenmeier explained this decision in his floor statement introducing his bill: "... Because the public domain is precisely what it says it is — the common property of the people to use as they see fit, in or out of commerce — I am strongly disinclined to restore controls over this heritage to proprietary interests." ... [As reported by the House Committee on the Judiciary] "... The importance of maintaining intact the United States public domain of literary and artistic materials — from the points of view of commercial predictability and fundamental fairness — argues strongly for legislative caution. The question of whether and, if so, how Congress might provide retroactive protection to works now in our public domain raises difficult questions, possibly with constitutional dimensions."

7 William F. Patry, *Patry on Copyright* § 24:21 (2008).

In addition, there was wide agreement that insofar as any restoration was to be implemented, there must be strong protection for reliance parties – those who had already made use of public domain materials now being put back under copyright protection. The Copyright Office itself advised that “[r]ecapture *cannot cut off existing rights in the continued utilization of works in the United States, which were lawful prior to recapture.*” (AR 286) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 99th Cong. 662 (May 16, 1985, and April 15, 1986) (“Implementing Legislation to Permit U.S. Adherence to the Berne Convention,” a draft discussion bill and commentary))

As Ralph Oman, the Register of Copyrights, explained, “The rejection of any retroactive effect is consistent with American traditions against the removal of works from the public domain” and restoration of copyrights could raise serious constitutional concerns. (AR 308) (*The Berne Convention: Hearings on S. 1301 and S. 1971 before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 100th Cong. 150 (1988) (statement of Ralph Oman, Register of Copyrights))

Industry organizations like the Recording Industry of America (“RIAA”), and the Motion Picture Association of America (“MPAA”) agreed. The RIAA supported a restoration bill that protected reliance interests and advised, “the retroactive protection under this proposal would be subject to important safeguards, including [a substantial protection for reliance interests.] We believe that this approach is a reasonable compromise of the competing interests of foreign copyright owners and domestic users.” (AR 330) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 99th Cong. 684 (May 16, 1985, and April 15, 1986) (statement of the Recording Industry Association of America))

The MPAA – an amicus party in this appeal – took a similar position: “a country may allow preexisting users of such newly protected motion pictures to continue to be exploited by those prior users, and we accept that.” (AR 339) (*The*

Berne Convention Implementation Act of 1987: Hearings on H.R. 1623 before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Comm. on the Judiciary, 100th Cong. 231 (1987 and 1988) (statement of Peter Nolan, Vice President-Counsel, Walt Disney Prods, on behalf of the Motion Picture Association of America))

C. The URAA – Beyond Berne

In 1994, Congress revisited the terms of U.S. participation in Berne. This time, Congress chose to restore copyrights to foreign authors, but provided only limited protection to reliance parties. Specifically, reliance parties who are performing, selling, copying or otherwise using restored works are protected for only one year after a copyright owner files the notice necessary for restoration. *See* 17 U.S.C. § 104A(d)(2)(A)-(B). A party who creates a derivative work may continue to exploit the derivative work for a longer period, but only if the reliance party pays “reasonable compensation” to the copyright owner for using what was by definition free and previously in the public domain. *See id.* This restrictive protection of reliance interests stands in stark contrast to other Berne signatories, which provide permanent protection to certain reliance interests. (AR 240-45, 247-49) (Bently Dec. ¶¶ 15-22, 27-28, 33-39)

The Government’s decision to provide restrictive and temporary protection of reliance interests was not based on what it believed the Berne

Convention required. On the contrary, the plain text of Article 18 leaves each country broad discretion to determine for itself the scope of copyright restoration and protection of reliance interests. *See* Berne Art. 18(3); p. 5, above. Article 18 does not specify, demand or require any restoration of rights against reliance parties; nothing in Article 18 prohibits those interests from being protected completely and permanently. (AR 353-54) (*General Agreement on Tariffs and Trade (GATT): Intellectual Property Provisions: Joint Hearing before the Subcommittee on Intellectual Property and Judicial Administration of the House Comm. on the Judiciary and the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 103rd Cong. 1-3 (1994) (Opening Statement of Chairman Hughes; noting that the U.S. Trade Representative concluded TRIPS agreement did not require restoration of copyright at all, much less restoration against reliance parties)).

The Government made it plain that its intention was to “go beyond Article 18 of the Berne Convention” by providing less protection for reliance interests than Berne demanded:

In regard to the United States proposal, a participant saw problems with requiring protection to be accorded to pre-existing works. ... Responding to this and other comments, the representative of the United States said that the intention of the United States in this respect was to go beyond Article 18 of the Berne Convention and to require ... retroactive application of the obligations under a TRIPS agreement to pre-existing works.

(AR 364) (World Trade Organization, Meeting of Negotiating Group of 12-14 July, 1989, MTN.GNG/NG11/14, at para. 25 (1989))

This statement is consistent with the positions taken by the Government leading up to the enactment of the URAA: reliance interests were not to be adequately recognized not because Berne required it, but because some believed it would be a good means to induce other nations to adopt measures “beyond Berne.”

D. Plaintiffs And Their Claims

1. The Impact Of The URAA On Plaintiffs And Their Speech Activities

The Plaintiffs in this case include orchestra conductors, educators, performers, film archivists and motion picture distributors, all of whom depend upon the public domain for their work. Along with many others like them, Plaintiffs relied for years on the free availability of works in the public domain, which they performed, adapted and distributed. Upon the passage of the URAA, a vast number of important works were removed from the public domain and put back under copyright protection. These included symphonies by Prokofiev, Shostakovich and Stravinsky among others, films by Alfred Hitchcock, and books by authors such as J.R.R. Tolkien. Following enactment of the URAA, the Copyright Office received nearly 50,000 Notices of Intent to Enforce renewed copyrights. *See* www.copyright.gov/gatt.html

The enactment of the URAA therefore had a dramatic effect on Plaintiffs' free speech and expression rights. It eliminated their right to perform, share and build upon works they had once been able to use freely. Just a few examples from this case illustrate these harms.

Plaintiffs Lawrence Golan and Symphony of the Canyons perform music, as did Richard Kapp prior to his death. (AR 671) (Declaration of Lawrence Golan ("Golan Dec.") ¶ 3); (Supplemental Appendix ("SA") 213, 1336) (Declaration of Richard Kapp ("Kapp Dec.") ¶ 2; Declaration of Kortney Stirland ("Stirland Dec.") ¶ 6). Their artistic expression is facilitated by the availability of music in the public domain. Indeed, the vast majority of works they typically performed were public domain works. (AR 675-76) (Golan Dec. ¶ 17); (SA 215, 1336) (Kapp Dec. ¶ 8; Stirland Dec. ¶ 7) Without access to the public domain works that have been "restored" through the URAA, their range of performances is significantly restricted.

In addition to being a professional symphony, opera and ballet conductor, Plaintiff Golan is also a music educator. He directs the orchestral studies program and is a professor of conducting at the University of Denver, Lamont School of Music. (AR 671) (Golan Dec. ¶ 3) As a music director he is obligated to teach works by important classical and contemporary foreign composers including composers from the 20th Century like Shostakovich,

Prokofiev, Stravinsky, Glière, Khachaturian and Kabalevsky. (AR 672-73, 674, 676) (Golan Dec. ¶¶ 8, 12, 18) Golan’s students depend on these public domain works for a well-rounded education in orchestral studies, including studying and learning the industry’s “standard repertoire for auditions, competitions, and public performances.” (AR 674, 676-77) (Golan Dec. ¶¶ 11, 12, 18, 19) Unfortunately, because of copyright restoration in many foreign works, there are many early 20th Century works that are part of a musician’s “standard repertoire that, depending on the orchestra, (Golan) can no longer consider using” because they are no longer freely available in the public domain. (AR 674) (Golan Dec. ¶ 12)

Copyright restoration has had a similarly restrictive impact on Golan in his role as the conductor of the conductor of the Portland Ballet Orchestra, a group of 42 freelance professional members in Portland, Maine. (AR 674) (Golan Dec. ¶ 13). For example, in the past, the Ballet was able to borrow sheet music to perform Prokofiev’s *Peter and the Wolf*. (*Id.*) But today, since the copyright for this work has been restored, the Ballet is required to obtain a license for dramatic performance. As Golan explained the “increased cost caused by the restored copyright has severely reduced if not completely eliminated the Portland Ballet’s ability to perform [*Peter and the Wolf*].” (*Id.*)

Likewise, Plaintiff Kapp (who was an accomplished pianist and internationally renowned conductor prior to his death), testified that he had

“depended on the availability of musical works in the public domain” for performances and recordings for over thirty-five years. (SA 215) (Kapp Dec. ¶ 8) He explained that copyrighted works imposed significant performance fees and much higher sheet music rental costs than public domain works. (SA 217) (Kapp Dec. ¶ 14). Thus, given budget constraints, the vast majority of the works his orchestras perform must come from the public domain. (*Id.*) The removal of these works from the public domain greatly limits the pool of music from which his orchestra was able to select for performance. (*Id.*; *see also id.* at 219) (Kapp Dec. ¶ 18) (describing works by Prokofiev, Shostakovich, Vainberg and Schnittke that Kapp was no longer able to effectively consider for inclusion in programming for the Philharmonia)

Even orchestras that had already owned the sheet music of some restored works before Section 514 went into effect are stopped from performing these restored works because the additional performance fee restoration imposes adds substantial expense that smaller orchestras simply cannot absorb. (*E.g.*, SA 223-24) (Kapp Dec. ¶ 30). In addition, it now costs hundreds or thousands of dollars to simply rent restored works that previously could be purchased for a fraction of the cost. (SA 218) (Kapp Dec. ¶ 15) (Kapp described rental prices of \$1000 or more for works that were once available for purchase for \$20 or \$40.); (AR 677, 685) (Golan Dec. ¶ 20, Ex. D) (Golan found the cost for a single

performance of Shostakovich Symphony No. 1 went from approximately \$130 to purchase the work for the entire symphony and unlimited performances, to \$495 to merely rent the same music for a single performance.) On top of these added expenses, orchestras also lose significant investments of time and labor because they cannot keep marked and annotated copies of works they have to rent for a limited time. (SA 218-19) (Kapp Dec. ¶¶ 17-18) This obstructs their ability to adequately learn and rehearse these works. Kapp described how these added burdens and restrictions created substantial impediments and disincentives to perform many works subject to restored copyrights. (SA 217-20) (Kapp Dec ¶¶ 15-19)

Restored copyrights likewise greatly diminished the ability of Plaintiff S.A. Publishing Co. Inc. (d/b/a ESS.A.Y Recordings) to disseminate its collection of essential sound recordings. For example, ESS.A.Y Recording's distribution of Shostakovich String Quartets, named in 1991 by Time Magazine as some of the best recordings in classical music (*id.* at 220- 21)(Kapp Dec. ¶ 23), has been rendered economically unfeasible because at least nine of the works have been removed from the public domain and are subject to payment of mechanical royalties. (*Id.* at 220- 23) (Kapp Dec. ¶¶ 22- 27)

Plaintiffs Ron Hall and John McDonough suffered similar harm as a result of the URAA. Hall and McDonough own film distribution businesses in the

Midwest. (SA 131, 1023) (Declaration of Ron Hall (“Hall Dec.”) ¶ 2); Declaration of John McDonough (“McDonough Dec.”) ¶¶ 2- 4) These businesses disseminated public domain films (like 1962 French film, *La Jetée*, 1940 British film, *Night Train to Munich*, and Hitchcock’s 1932 film, *Number Seventeen*) for commercial sale and sometimes rental to colleges, universities and the public generally. (SA 131-33, 1023, 1025-26) (Hall Dec. ¶¶ 2- 9; McDonough Dec. ¶¶ 4, 8, 9) Hall and McDonough owned outright hundreds of formerly public domain films that they can no longer distribute. Hall listed over 100 films affected by the law. (SA 132-33, 210-12) (Hall Dec. ¶ 9, Ex. D) McDonough identified approximately 50 films he could no longer distribute. (SA 1023-25, 1261-72) (McDonough Dec. ¶ 5, 8, Ex. B)

Third party music distributors Luck’s Music Library and Edwin F. Kalmus & Co., Inc. have built similar businesses for distributing orchestral sheet music in the public domain to orchestras, symphonies, schools and universities of all sizes. (SA 254, 677) (Declaration of Randy Luck (“Luck Dec.”) ¶ 3; Declaration of Ray Clark McAlister (“McAlister Dec.”) ¶¶ 2- 3) Access to public domain works by distributors like Hall, McDonough, Luck’s and Kalmus ensures the widest possible dissemination of these cultural materials to the public. As a result of the URAA, Luck’s and Kalmus, like Hall and McDonough, had to eliminate significant portions of their holdings and are no longer able to distribute

many important cultural works. (SA 255-56, 677-78) (Luck Dec. ¶¶ 8-9; McAlister Dec. ¶¶ 6- 7) For example, Luck’s Music’s offering of works by Prokofiev is reduced by 75% (from 50 works down to 12 works) as a result of the restored copyright to Prokofiev’s works. (*Id.* at 256) (Luck Dec. ¶ 9). Kalmus used to offer at least 16 works by Kabalevsky, but today it offers only one. (SA at 678) (McAlister Dec. ¶ 7)

The public domain does not merely facilitate the performance and dissemination of existing works. It also enables anyone to create new and derivative works based on works in the public domain. Third party John Blackburn, for example used what he thought was a public domain symphony by Shostakovich as the basis for creating a new composition for a high school band to perform at a community event commemorating 9/11. (SA 118-119) (Declaration of John Blackburn (“Blackburn Dec.”) ¶¶ 3- 5) He specifically chose the underlying Shostakovich work because he thought it was not encumbered by copyright. (*Id.*) Later, to his dismay, he learned that a copyright in the underlying work was “restored” and now he is unable to use his own derivative work. (*Id.* at 120-21) (Blackburn Dec. ¶¶ 8- 12)

2. Plaintiffs' Claims And Their Constitutional Basis

Plaintiffs initiated this lawsuit to protect their First Amendment rights from the substantial and debilitating effects of the URAA, and the tradition of a rich public domain that has long been an important feature of American copyright law.

Plaintiffs challenged both the URAA and CTEA under the Progress Clause and the First Amendment. Initially, the District Court dismissed all of Plaintiffs' claims. On appeal from that decision, this Court affirmed dismissal of Plaintiffs' CTEA claim, and Plaintiffs' claim that the URAA exceeds Congress's power under the Progress Clause.² But this Court reversed the District Court's dismissal of Plaintiffs' First Amendment challenge to the URAA, and reinstated that claim.

In doing so, this Court held the URAA departs from "the bedrock principle of copyright law that works in the public domain remain there." *Golan*, 501 F.3d at 1187. This Court went on to observe that the progression of works from creation, through a period of limited protection, and then into the public domain where they can become the building blocks of still other creativity is the "cycle" that "makes copyright 'the engine of free expression.'" *Id.* at 1183 (quoting *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 558

² Plaintiffs reserve the right to challenge these holdings on further review beyond the panel stage.

(1985)). The Court held that by breaking this cycle, the URAA had departed from the traditional contours of copyright and that the traditional safeguards of idea / expression and fair use were not adequate to protect First Amendment interests. *Golan*, 501 F.3d at 1192, 1195.

This Court specifically rejected the suggestion that Plaintiffs' First Amendment interests are attenuated or less weighty on the theory they are "making other people's speeches." *Id.* at 1193. Rather, it held Plaintiffs' speech rights are "near the core of the First Amendment." *Id.* Accordingly, the Court remanded the case to the District Court for full First Amendment analysis under strict or intermediate scrutiny. *Id.* at 1196.

On remand, the District Court held the URAA cannot satisfy intermediate scrutiny. While the Government asserted it had an important interest in complying with the Berne Convention, the District Court observed that Berne provides each member country with broad discretion to protect reliance interests, and concluded that the Government could therefore have complied with Berne without interfering with Plaintiffs' speech interests. *Golan v. Holder*, 611 F.Supp.2d 1165, 1177 (D.Colo. 2009). The Government tried to justify its decision to go beyond Berne and provide weak protection for reliance parties on the ground that going Beyond Berne would help promote the rights of U.S. authors abroad, and correct what the Government contended to be inequitable treatment of

foreign authors. *Id.* at 1172. The District Court rejected these justifications, concluding the Government offered no evidence sufficient to show these interests were important, or that the URAA is narrowly tailored to meet them. *Id.* at 1177. The District Court did not address the facial challenge. This appeal followed.

SUMMARY OF ARGUMENT

The URAA violates the First Amendment as applied to Plaintiffs and other reliance parties, and on its face. Even if Congress has the power to restore copyrights, and restrict the public's right to perform, distribute and build on public domain works, its exercise of this power is subject to full First Amendment scrutiny as a content-neutral restriction on speech. To pass that test here, the Government was required to prove it had an important interest in enacting the URAA, and the URAA is narrowly tailored to that important interest. The Government simply failed to do that.

The primary interest the Government asserts is complying with the Berne Convention. But the Berne Convention does not demand the restrictions and burdens the URAA places on reliance parties like Plaintiffs. On the contrary, it expressly provides each country with broad discretion to protect reliance interests. The narrow and largely temporary protections the URAA provides for reliance parties were not mandated by Berne. As a result, Congress could have complied with Berne by providing much broader – and permanent – protection for reliance

interests. In failing to do so, Congress burdened substantially more speech than it had to in order to comply with Berne. The other interests the Government asserts are likewise insufficient because they are unsupported by any real evidence, much less the substantial evidence intermediate scrutiny demands. The District Court was therefore correct to hold the URAA is unconstitutional as applied to reliance parties like Plaintiffs.

But the District Court did not address the larger question of whether the URAA is unconstitutional on its face. Plaintiffs submit that it is, because the First Amendment does not permit the Government to give away the public's speech and expression rights in the public domain, whether on the basis of treaty obligations or any other justification. That give-away is especially improper here, where Congress has transferred vested speech rights from one group (the American public) to another (foreign authors and their heirs and estates) simply to confer economic benefit on yet another group (U.S. authors).

While Congress may be empowered to pursue progress in a variety of ways, violating the "bedrock principle of copyright law that works in the public domain remain in the public domain" is simply not one. Neither Berne nor any other treaty can change that.

STANDARD OF REVIEW

The District Court's order granting summary judgment in favor of Plaintiffs is reviewed *de novo*. See *Ripley v. Wyoming Med. Ctr., Inc.*, 559 F.3d 1119, 1121 (10th Cir. 2009).

ARGUMENT

The URAA is a regulation of speech that must be tested under both intermediate scrutiny and substantial overbreadth. It flunks these tests and violates the First Amendment for two reasons: First, assuming that Congress has the power to restore copyrights at all, the restoration in this case goes far beyond any “important or substantial governmental interest” identified by the Government, and thus fails under either intermediate First Amendment scrutiny, or the substantial overbreadth doctrine. Second, Plaintiffs submit that Congress has no power consistent with the First Amendment to restore copyrights, because removing works from the public domain is not a legitimate means to any proper end, and signing a treaty cannot provide that power where it otherwise would not exist. As a result, the URAA is invalid both as applied to Plaintiffs and on its face.

I. THE URAA IS A REGULATION OF SPEECH THAT MUST BE TESTED UNDER INTERMEDIATE SCRUTINY AND REVIEWED FOR SUBSTANTIAL OVERBREADTH

One of “the bedrock principles of copyright law [is] that works in the public domain remain there.” *Golan*, 501 F.3d at 1187-88. By removing works

from the public domain and putting them back under copyright protection, the URAA violates that “bedrock principle” and departs from one of the most “traditional contours of copyright protection.” *Id.* (quoting *Eldred v. Ashcroft*, 537 U.S. at 221). In doing so, the URAA interfered with speech rights that lie “near the core of the First Amendment.” *Id.* at 1193. This Court held that the URAA is therefore subject to full First Amendment scrutiny, either as a content-based speech restriction tested under strict scrutiny, or a content-neutral restriction tested under intermediate scrutiny. *See id.* at 1196.

The Government purports to accept the previous panel’s holding (as it must at this stage) but quibbles with it repeatedly on the ground the Plaintiffs do no more than “make other people’s speeches.” *Compare* Holder Brief at 20 n.7 (recognizing this Court is bound by the previous panel decision) *with* Holder Brief at 50 (contending URAA “raises few First Amendment concerns”) (citing *Eldred v. Ashcroft*, 537 U.S. 186, 221 (2003)) and 55 (contending Plaintiffs’ speech interests are “highly attenuated”). Amici go so far as to expressly re-argue this Court’s prior holding on this same ground. *See, e.g.*, MPAA Amicus Brief at 12-20 (arguing intermediate scrutiny is inapplicable here based on *Eldred*); ICCP Amicus Brief at 2 (expressly requesting reconsideration of prior panel’s holdings).

There is simply no room to suggest Plaintiffs’ First Amendment interests are slight or trivial, or to re-argue the applicable level of scrutiny. *See,*

e.g., *U.S. v. Meyers*, 200 F.3d 715, 720 (10th Cir. 2000) (subsequent panel is “bound by the precedent of prior panels absent en banc reconsideration or a superseding contrary decision by the Supreme Court”). This Court has already rejected the contention that Plaintiffs’ speech interests are diminished or attenuated on the ground they involve “other peoples’ speeches.” *Golan*, 501 F.3d at 1193 (citing *Eldred v. Ashcroft*, 537 U.S. 186, 221 (2003)). In doing so, this Court held the speech interests at issue in this case lie “near the core of the First Amendment.” *Id.*

This is undoubtedly correct. The right to disseminate and receive information, whoever its author might be, is central to First Amendment freedoms. *See Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 756-57 (1976) (First Amendment protects the right to receive information and ideas as well as provide them). The freedom to publish, quote or perform Dante or Shakespeare is no less weighty because it is the speech of another. On the contrary, the fact speech originates from another speaker may only heighten the First Amendment interest in its dissemination. *See The Holy Bible, Revised Standard Version Containing the Old and New Testaments*. The speech that is now regulated by the URAA once belonged to everyone, including the Plaintiffs, and everyone had the right to “unrestrained artistic use of these works” including

the right to perform, adapt and disseminate them. *Golan*, 501 F.3d at 1193. The URAA eliminated those important expressive rights.

The *Eldred* standard simply has no bearing here. That decision spoke only to when ordinary First Amendment scrutiny would be applied. It held that when an amendment to the Copyright Act falls within the “traditional contours of copyright protection,” ordinary First Amendment scrutiny would not apply. *Eldred*, 537 U.S. at 221. This Court has already held the URAA is a substantial departure from the “traditional contours of copyright protection.” *Golan*, 501 F.3d at 1192. *Eldred* does not suggest, much less hold, that the URAA or any other amendment that falls outside of traditional contours receive any lessened scrutiny.³

The question before the Court now is whether the URAA’s regulation of speech can survive ordinary First Amendment review. While all parties

³ Even if it were true that Plaintiffs did no more than “make other people’s speeches” it would not matter. Intermediate scrutiny is routinely applied to statutes that impose burdens on parties that transmit the content of others. *See, e.g., Turner Broadcasting Sys., Inc. v. FCC*, 512 U.S. 622, 661- 62 (1994) (applying intermediate scrutiny to regulations requiring cable television operators to carry certain programming); *U.S. West, Inc. v. United States*, 48 F.3d 1092 (9th Cir. 1994) (applying intermediate scrutiny and invalidating regulation that forbade local telephone companies from providing video programming over their own networks), *vacated on other grounds by U.S. v. U.S. West, Inc.*, 516 U.S. 1155 (1996). If anything, it should be applied even more stringently where, as here, the Government favors one class of speakers over another. *See* Neil W. Netanel, *Locating Copyright Within The First Amendment Skein*, 54 *Stan. L. Rev.* 1, 55-56 (2001) (copyright regulations fall within category of content-neutral regulations that courts scrutinize more rigorously because they allocate speech entitlements among different classes of speakers).

recognize the URAA is content-neutral, that leaves important questions, and a heavy burden for the Government to bear. Under the Supreme Court's First Amendment jurisprudence, the URAA must (1) survive intermediate scrutiny, and must not be (2) substantially overbroad in its scope and application. *See Turner Broad. Sys., Inc. v. FCC* ("Turner I"), 512 U.S. 622, 662 (1994); *see also Secretary of State v. Munson*, 467 U.S. 947, 964-65 (1984).

A. Intermediate Scrutiny

Under intermediate First Amendment scrutiny, a speech regulation can only be sustained if "it furthers an important or substantial governmental interest; if the governmental interest is unrelated to the suppression of free expression; and if the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest." *Turner I*, 512 U.S. at 662 (*quoting United States v. O'Brien*, 391 U.S. 367, 377 (1968)).

The Government bears the burden to establish that the URAA passes intermediate scrutiny. *Turner I*, 512 U.S. at 664-65. That burden is to do more than simply assert interests that are important in the abstract. It must demonstrate that the regulation will in fact advance those interests. Where the Government defends the regulation of speech as a means to redress past harms or prevent future harms, it must demonstrate that "the recited harms are real, not merely conjectural, and that the regulation will in fact alleviate these harms in a direct and material

way.” *Id.* at 664. While Congress’s predictive judgments are entitled to deference, the Government must nonetheless show that Congress “has drawn reasonable inferences based on substantial evidence.” *Id.* at 666. *See generally, Turner Broadcasting System, Inc. v. FCC (“Turner II”),* 520 U.S. 180, 196-213 (1997) (detailing extensive factual findings that supported Congress’s conclusions regarding potential harm to be addressed by regulation).

Assuming the Government can establish a sufficiently important interest and the substantial evidence necessary to support it, the Government must also demonstrate the regulation is narrowly tailored to that interest. *See Turner I,* 512 U.S. at 665. That requires the Government to show the regulation does not “burden substantially more speech than is necessary” to further the Government’s interest. *Id.* (quoting *Ward v. Rock Against Racism,* 491 U.S. 781, 799 (1989)). *See also American Target Advertising, Inc. v. Giani,* 199 F.3d 1241, 1247-48 (10th Cir. 2000). While this does not require the Government to show there were *no* less restrictive alternatives, the existence of *some* less restrictive alternatives tends to show a statute imposes a speech burden that is more extensive than necessary. *See Rubins v. Coors Brewing Co.,* 514 U.S. 476, 490-91 (1995) (striking down labeling ban because the availability of less intrusive options to advance the Government’s interest indicates that the law is more extensive than necessary); *City of Cincinnati v. Discovery Network,* 507 U.S. 410, 417 n.13 (1993) (“[I]f there are numerous and

obvious less-burdensome alternatives to the restriction . . . that is certainly a relevant consideration in determining whether the ‘fit’ between ends and means is reasonable.”).

B. Substantial Overbreadth

As well as passing intermediate scrutiny, any regulation of speech must also not be substantially overbroad in its application. Under this doctrine, a plaintiff may “challenge [] a statute that in all its applications directly restricts protected First Amendment activity and does not employ means narrowly tailored to serve a compelling government interest.” *Secretary of State v. Munson*, 467 U.S. 947, 965 n.13 (1984) (citing *Village of Schaumburg v. Citizens for a Better Environment*, 444 U.S. 620, 637-39 (1980)).

The core of a substantial overbreadth claim is that a statute sweeps too broadly. *See Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 255 (2002); *City of Houston v. Hill*, 482 U.S. 451, 458 (1987); and *Gooding v. Wilson*, 405 U.S. 518 (1972) (striking down criminal statutes that punished a substantial amount of constitutionally protected conduct and thus swept too broadly). *See also City of Ladue v. Gilleo*, 512 U.S. 43, 55 (1994). The Government “may serve its legitimate interests, but it must do so by narrowly drawn regulations designed to serve those interests without unnecessarily interfering with First Amendment freedoms.” *Schaumburg*, 444 U.S. at 637. “Broad prophylactic rules in the area of

free expression are suspect. Precision of regulation must be the touchstone.”

NAACP v. Button, 371 U.S. 415, 438 (1963) (internal citations omitted).

Thus, in *Schaumburg*, the Supreme Court struck down a law regulating charitable fundraising as overbroad because the statute’s requirements caused a direct and substantial limitation on protected First Amendment activity that “only peripherally promoted” the Government’s legitimate interest in protecting the public from fraud. *Schaumburg*, 444 U.S. at 636.

The Tenth Circuit applied a similar reasoning in *American Target Advertising v. Giani*, 199 F.3d 1241 (10th Cir. 2000), when it struck down a Utah law requiring professional fundraising consultants to be bonded or provide a letter of credit in the amount of at least \$25,000. “Bonding,” the Court held, imposed “a sizeable price tag upon the enjoyment of a guaranteed freedom,” and only peripherally promoted Utah’s interest in regulatory oversight and that this goal was “sufficiently served by others less destructive of First Amendment interests.” *American Target*, 199 F.3d at 1249 (quoting *Schaumburg*, 444 U.S. at 636).

II. THE URAA IS UNCONSTITUTIONAL AS APPLIED TO PLAINTIFFS AND ALL OTHER RELIANCE PARTIES

A. The URAA Flunks Intermediate Scrutiny And Is Substantially Overbroad Because It Burdens More Speech Than Necessary

Plaintiffs maintain that the First Amendment bars the restoration of copyright to works that have passed into the public domain. (Part III, below) But

even assuming Congress has the power to restore copyright, the URAA exceeds the limits of the First Amendment, because the Government has not identified a sufficiently “important or substantial governmental interest” to justify the URAA, and the regulation thus restricts speech “greater than is essential to the furtherance of” an important governmental interest. *Turner I*, 512 U.S. at 662 (quoting *United States v. O’Brien*, 391 U.S. 367, 377 (1968)).

In this case, the Government articulated three interests that it contends the URAA advances: “[1] complying with the Berne Convention, [2] protecting the interests of American authors abroad, and [3] correcting historic inequalities facing foreign authors.” Holder Brief at 12. While the Government tries to add new gloss to these interests, *see* Holder Brief at 24, 30, 32 (now asserting an interest in “indisputable compliance” with Berne), they remain insufficient for the same reasons the District Court found them insufficient.

1. The URAA Is Not Justified By The Government’s Interest In Complying With Berne

The first interest the Government asserts in defense of the URAA is the need to comply with Berne. But the Government’s interest in complying with Berne cannot justify the URAA because the URAA goes well beyond what was necessary to comply with Berne. As the District Court held, the Government could have complied with Berne while providing significantly stronger protection for the First Amendment interests of reliance parties like the Plaintiffs here.

a. Berne Does Not Require The Government To Ignore Or Limit Protection For Reliance Parties

There is no dispute the Berne Convention requires the restoration of copyrights. The important question is *how* copyrights are restored, and whether Berne permits the Government to restore copyrights in a way that protects the First Amendment interests at stake. Berne plainly does, and Congress was therefore free to provide substantially more protection for reliance interests than the URAA provides, while still complying with Berne.

While Article 18 does require restoration, its plain text leaves every member country the discretion to “determine . . . the conditions” of restoration. (P. 5, above.) Article 18 says nothing at all about restoration of rights against reliance parties. Its text demands no enforcement of restored copyrights against reliance parties and places no limits on the protections each member country may establish to protect reliance interests. It thus reserves broad discretion to each Nation about how best to implement the restoration principle. Based on the plain text of Berne and the wide discretion it permits, the District Court held the Government could have complied with Berne while still providing permanent protection to parties “such as [P]laintiffs, who have relied upon works in the public domain.” *Golan*, 611 F.Supp.2d at 1174.

The Government’s response to this is schizophrenic. It contends that the broad discretion conveyed by the plain language of Article 18(3) contains an

unstated limitation that requires any protection for reliance parties to be “transitional” and “temporary.” See Holder Brief at 28 (“accommodations for reliance parties must be temporary”) and 30 (accommodation for reliance parties must be “transitional” and “temporary”). On the basis of this unstated limitation, the Government contends that the United States would subject itself to substantial penalties if it provided anything more than “temporary” protection for reliance interests. See *id.* at 32-34. Yet the Government goes on to tout the supposed generosity of the URAA’s “permanent” protection for derivative works created by reliance parties. See *id.* at 35-36.

The Government’s insistence that protection for reliance parties must be “temporary” also conflicts with the position it took in 1988, when the Copyright Office explained that insofar as copyrights were restored, permanent protection for reliance interests was necessary because restoration “cannot cut off existing rights in the continued utilization of works in the United States, which were lawful prior” to restoration. (Pp. 7-9, above; pp. 41-45, below; (AR 286) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 99th Cong. 662 (May 16, 1985, and April 15, 1986) (“Implementing Legislation to Permit U.S. Adherence to the Berne Convention,” a draft discussion bill and commentary))

The Government tries to find support for the implied limitation it advocates based on the report of its sole expert, Mihály Ficsor. While Ficsor insists that protection for reliance interests must be “temporary,” his own report demonstrates that a variety of Berne signatories provide varying forms of permanent protection to reliance parties. According to Ficsor, the United Kingdom imposes “no deadline after which the ‘reliance parties’ could not continue using the works concerned, unless the [restored] owners of rights ‘buy back’ their rights.” (AR 158) (Report of Dr. Mihály Ficsor (“Ficsor Report”) ¶ 85) This is also true for Australia and New Zealand, which, he concedes, “followed the same approach.” (*Id.*) (Ficsor Report ¶ 84) Canada likewise provides permanent protection to reliance parties in much the same way Australia does. (AR 248) (Bently Dec. ¶ 36). As demonstrated by the report of Plaintiffs’ expert, Cambridge University Professor Lionel Bently, at least nine more Berne signatories provide some form of permanent protection to reliance parties, including Hong Kong, India, Ireland and Singapore. (AR 248, 272-75) (Bently Dec. ¶ 37 and Ex. D)

The obvious disconnect between Ficsor’s opinions and the actual implementation of Berne by the United Kingdom and a dozen other signatories may be explained by the fact Ficsor spends a significant portion of his report analyzing the *wrong treaty*: Instead of analyzing the Berne Convention, Ficsor analyzes the 1993 EU Copyright Term Directive (93/98/EEC) and its

implementation in Europe. (AR 144-58) (Ficsor Report ¶¶ 67-83) Ficsor and the Government likewise miss the point when they contend the URAA provides more generous protection to reliance parties than the United Kingdom does. *See* Holder Brief at 37-39; AR 166-67 (Ficsor Report ¶¶ 101-03). Although the Government's assertion is false, the question is not whether one country or the other is more generous; the question is whether stronger and permanent protection for reliance parties is permissible. The provisions implemented by the United Kingdom and a dozen other signatories confirm what the text of Berne makes clear: permanent protection of reliance interests is permissible.

The Government suggests its unstated limitation on the protection of reliance interests finds additional support in the “informal view[]” of WIPO official Arpad Bogsch expressed in a 1995 letter. *See* Holder Brief at 29-30. According to the Government, that letter says protections for reliance parties should not last more than two years. *See id.* It turns out that letter was written by Ficsor. *See* Holder Brief at 29 n.8. In his report, Ficsor urges the same two-year limitation, despite acknowledging the “idea of fixing a time limit” on measures to protect reliance parties under Article 18(3) was discussed and rejected more than 100 years ago, in 1896. (AR 141-42) (Ficsor Report ¶¶ 61)

Forced to look elsewhere to support the two-year limitation he and the Government propose, Ficsor purports to find that support in Article 13(2) of the

1971 Paris Act. He reports that provision protects the right to reproduce certain sound recordings “until a date two years after [a] country becomes bound by this Act.” (AR 141-42) (Ficsor Report ¶ 61) But insofar as Article 13(2) demonstrates anything, it demonstrates the drafters of Berne know how to impose temporal limitations when they intend to do so, and when they intend to do so they do so expressly. The conspicuous absence of any temporal limitation in the text of Article 18(3) suggests no such limitation should be implied.⁴

The wide array of approaches to protecting reliance parties adopted by Berne signatories, and the fact that more than a dozen of them include some form of permanent protection for reliance parties, confirms the plain meaning of Article 18(3): it grants wide discretion for each country to decide how to protect reliance interests, and permits permanent protection of these interests. Yet the Government

⁴ Ficsor’s attempt to revise the terms of Berne by introducing limitations that exist nowhere in the text of Berne are not limited to this case. In 1978, the World Intellectual Property Organization (WIPO) published the *Guide to the Berne Convention*, written by Claude Masouyé, WIPO’s then Director of the Copyright and Public Information Department. In discussing the protection of reliance interests and “acquired rights” Mr. Masouyé echoed the broad discretion Article 18(3) plainly provides. He explained that under Article 18(3), it “is a matter . . . for each member country to decide on the limits of this retroactivity and, in litigation, for the courts to take into account these acquired rights.” *Id.* at 101. In 2003, WIPO commissioned a new volume – the *Guide to the Copyright And Related Rights treaties Administered by WIPO*. This volume was written by Dr. Ficsor, and cautioned it represents his views, not WIPO’s. In his 2003 volume, Ficsor abandons the view expressed in the 1978 guide in favor of his own view that the broad discretion provided by Article 18(3) nonetheless limits each member to temporary measures. Accordingly, Dr. Ficsor’s views are neither supported by the plain language of Article 18(3), nor WIPO itself.

would have this Court ignore that plain meaning and widespread understanding in favor of imposing an unwritten limitation that would throw into doubt the laws of the United States and other important Berne signatories. (AR 163-64) (Ficsor Report ¶¶ 94-95 (explaining why he believes the UK approach violates Berne))

Nothing in the Berne Convention limits protection for reliance parties to “transitional” or “temporary” measures. (AR 243-45) (Bently Dec. ¶¶ 25-27 (protection for reliance parties may be perpetual)) Rather than adopting an interpretation of Berne that has no basis in the text of Article 18(3) and puts the United States and other member nations in violation of Berne and TRIPS, Plaintiffs suggest this Court should simply follow the plain meaning of the discretion granted by Article 18(3), and conclude that any Nation has broad discretion to protect reliance interests when restoring copyrights — much broader than the United States has exercised in the URAA.

b. The Government’s Decision On How To Exercise The Broad Discretion Berne Provides Is The Decision That Demands Scrutiny, Not Deference

Instead of coming to grips with the plain meaning of Article 18(3), and the broad discretion it provides, the Government demands deference to its decision to impose much greater harm on free speech interests than Berne required. Specifically, the Government contends Congress is entitled to the “special deference” given to “other branches [of government] in matters relating to foreign

affairs, international relations and national security.” Holder Brief at 28 (citing *Citizens for Peace in Space v. City of Colorado Springs*, 477 F.3d 1212, 1221 (10th Cir. 2007)).

But no such deference is applicable here. The Government concedes, as it must, that no treaty can give Congress the power to do what the Constitution would otherwise prohibit. See Holder Brief at 23 (citing *Boos v. Barry*, 485 U.S. 312, 324 (1988); *Reid v. Covert*, 354 U.S. 1, 16 (1957) (plurality opinion)). Here, the “First Amendment protects [P]laintiffs’ right to the unrestrained artistic use” of the material in which copyrights have been restored. *Golan*, 501 F.3d at 1193. Neither Berne nor any other treaty insulates from constitutional review the Government’s decision to restrict these First Amendment rights. See *Boos*, 485 U.S. at 324.

The question at the center of that review is whether the URAA “burden[s] substantially more speech than necessary.” *Turner II*, 520 U.S. at 189. The fact Berne provides wide discretion in how to implement copyright restoration demonstrates the Government had lots of options, and could have provided greater protection to reliance parties while still complying with Berne. It is the Government’s decision to exercise its Berne discretion in a way that provides minimal protection for reliance parties that must be scrutinized here.

No special deference is due simply because this decision involves foreign affairs or international obligations. On the contrary, where an international treaty provides Congress with the latitude to implement its treaty obligations in a way that restricts less speech, principles of deference do not permit Congress to ignore that latitude and implement treaty obligations in a manner that restricts more speech than necessary. *See, e.g., Boos*, 485 U.S. at 325-27 (argument that Court should defer to Congressional judgment on how to implement treaty obligations had “little force” given existence of less speech-restrictive alternative); *Bullfrog Films, Inc. v. Wick*, 847 F.2d 502, 511-12 (9th Cir. 1988) (rejecting Government’s demand for a “deferential level of scrutiny” simply because treaty implementation “implicate[s] ‘the delicate area of foreign relations’”); *Bullfrog Films, Inc. v. Wick*, 646 F.Supp. 492, 510 (C.D. Cal. 1986) (striking down speech regulation where Government “may be capable of discharging the United States’ obligation under the Beirut Agreement, while at the same time complying with the Constitution”); *cf. Gonzales v. O Centro Espirita Beneficente Uniao do Vegetal et al.*, 546 U.S. 418, 438 (2006) (generalized assertions of need to honor treaty obligations do not establish sufficiently compelling governmental interest where government submitted no evidence “addressing the international consequences of granting [limited] exemption” to treaty requirements).

While *Boos* and *Bullfrog* involved content-based restrictions reviewed under strict scrutiny, intermediate scrutiny still demands “narrow tailoring” and prohibits the Government from “burden[ing] substantially more speech than is necessary.” *Turner I*, 512 U.S. at 662. Regardless of which standard applies, the rule is the same. Congress is not entitled to automatic deference when it decides to implement a treaty in a way that restricts more speech than the treaty demands.

Nor do any of the international relations cases the Government relies on support the automatic deference the Government demands here. *See* Holder Brief at 23, 26-28. Most involve no constitutional right at all, much less a fundamental right. *See United States v. Stuart*, 489 U.S. 353, 366 (1989) (holding U.S. statutory law does not prevent IRS from conveying taxpayer information pursuant to international treaty); *Vimar Seguros y Reaseguros, S.A. v. M/V Sky Reefer*, 515 U.S. 528 (1995) (declining to imply prohibition on forum selection clause that compelled owner of damaged fruit to pursue claims in foreign arbitration pursuant to international treaties); *Schroeder v. Bush*, 263 F.3d 1169, 1174 (10th Cir. 2001) (rejecting lawsuit seeking injunction that would force government officials to pursue international trade policies more favorable to small farmers); *United States v. Conners*, 606 F.2d 269, 271-72 (10th Cir. 1979) (determining whether Migratory Bird Treaty Act applied to “captive-reared ducks”). One involved no legislative action at all. *See First National City Bank v.*

Banco Nacional de Cuba, 406 U.S. 759 (1972) (challenging Cuban bank’s seizure of assets). The only international relations case the Government cites that did involve First Amendment rights upheld one city’s temporary time, place and manner restrictions that followed NATO protocols to protect international “conference delegates from terrorist threats and violent demonstrations, including the detonation of vehicle or human-borne explosives.” *Citizens for Peace*, 477 F.3d at 1223.

The Government cites no case that gives Congress automatic discretion to restrict more speech than it has to in order to comply with treaty obligations. The rule is the opposite. Insofar as the Government can implement its treaty obligation without sacrificing First Amendment rights, it should be required to do so. Given the wide discretion Berne provides, Congress could have complied with Berne while providing much greater protection for the First Amendment interests of reliance parties. Its decision not to do so is entitled to no special deference.

c. At The Time Congress Enacted The BCIA, There Was Broad Agreement That Berne Did Not Require Restoration Against Reliance Interests; And The Understanding Behind The URAA Was To Go “Beyond Berne”

The broad discretion Berne provides in respect to copyright restoration is confirmed by a wide range of participants in the discussions leading

up to the enactment of the Berne Convention Implementation Act (BCIA), Pub. L. No. 100-568, 102 Stat. 2853 (1988), the precursor to the URAA, including from some of the strongest proponents of the BCIA.

When Congress first considered meeting its obligations under Berne by enacting the BCIA, it decided that it was not obligated to restore copyrights to works that had passed into the public domain. In making this decision, Congress considered two approaches to Berne compliance proposed by the Copyright Office. (AR 285) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 99th Cong. 661 (May 16, 1985, and April 15, 1986) (“Implementing Legislation to Permit U.S. Adherence to the Berne Convention,” a draft discussion bill and commentary)

The first approach proposed by the Copyright Office involved no restoration at all. (*Id.*) Congress adopted this option precisely because restoration of copyrights in public domain works presented grave questions of fairness and constitutionality. (Pp. 7- 9, above) But the second option proposed by the Copyright Office (but rejected by Congress) contained provisions that would have restored copyrights in foreign works pursuant to Berne. (AR 285) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 99th Cong. 661

(May 16, 1985, and April 15, 1986) (“Implementing Legislation to Permit U.S. Adherence to the Berne Convention,” a draft discussion bill and commentary)) Yet it also provided strong – and permanent – protection for reliance parties. (AR 285-88) (*Id.*) It provided that restoration “shall [not] prejudice lawful acts done or rights in copies lawfully made or the continuance of enterprises lawfully undertaken within the United States prior to the effective date” of restoration. (AR 285) (*Id.*)

The rationale for this strong protection for reliance interests was clear. The Copyright Office explained that “[r]ecapture [of copyrights] cannot cut off existing rights in the continued utilization of works in the United States, which were lawful prior to recapture.” (AR 286) (*Id.*) Even industry groups like the RIAA and MPAA, which desired restoration in order to obtain restoration of their members’ works in foreign countries, acknowledged this strong and permanent protection of reliance interests was essential. The RIAA admitted this strong and permanent protection for reliance interests was “a reasonable compromise of the competing interests of foreign copyright owners and domestic users.” (AR 330) (*U.S. Adherence to the Berne Convention: Hearings before the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary, 99th Cong. 684* (May 16, 1985, and April 15, 1986) (statement of the Recording Industry Association of America)) The MPAA took a similar position,

acknowledging that under Berne “a country may allow preexisting users of such newly protected motion pictures to continue to be exploited by those prior users, and we accept that.” (AR 339) (*The Berne Convention Implementation Act of 1987: Hearings on H.R. 1623 before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Comm. on the Judiciary*, 100th Cong. 231 (1987 and 1988) (statement of Peter Nolan, Vice President-Counsel, Walt Disney Prods, on behalf of the Motion Picture Association of America))

The Government would now have this Court conclude that Representative Kastenmeier who submitted the House Report on the Berne Convention Implementation Act, H.R. REP. NO. 100-609 (1988) (and is arguably the father of the 1976 Copyright Act), the Copyright Office, Register Oman, the RIAA and the MPAA were all wrong in the 1980s; that contrary to their express representation, Berne did require restoration without significant and permanent protection for reliance interests.

When the question of Article 18 returned, first in the context of the NAFTA treaty, and then in the proceedings surrounding the URAA, the Government did not take the position that Berne required restoration at the expense of reliance interests. Instead, as a representative of the United States stated in an international negotiating group in July 1989, the purpose of the URAA was to “go beyond Article 18 of the Berne Convention”:

In regard to the United States proposal, a participant saw problems with requiring protection to be accorded to pre-existing works. ... Responding to this and other comments, the representative of the United States said that the intention of the United States in this respect was to go beyond Article 18 of the Berne Convention and to require ... retroactive application of the obligations under a TRIPS agreement to pre-existing works.

(AR 364) (World Trade Organization, *Meeting of Negotiating Group of 12-14 July, 1989*, MTN.GNG/NG11/14, at para. 25 (1989))

The plain language of Berne demonstrates that the weak and temporary protection of reliance interests the URAA provides is not required by Berne, and the statements of the Government leading up to the enactment of the URAA confirm this inadequate protection of reliance interests was enacted not to comply with Berne, but to go beyond Berne. The Government interest in complying with Berne thus provides no justification for the URAA's narrow protection of reliance interests. It thus cannot serve as the "important or substantial governmental interest" under *Turner*.

2. Any Interest In Going "Beyond Berne" Is Too Speculative To Qualify As "Important Or Substantial" Under *Turner*

Recognizing the URAA went well beyond what Berne required for compliance, the Government contends that doing so was necessary to induce other nations to adopt adequate measures for restoring and protecting United States copyrights. *See* Holder Brief at 42-48.

But the Government’s argument confuses two distinct points. At the time the URAA was enacted, the concern the United States faced was that other countries would not restore copyrights of U.S. authors if the U.S. declined to comply with Article 18 by restoring foreign copyrights. *See* Holder Brief at 43-44. Congress was therefore justified in believing that unless it enacted legislation to comply with Article 18, other nations would not adequately protect American copyrighted works. The issue here, however, is not whether it was necessary to enact legislation that complied with Article 18. The question is whether it was necessary to enact legislation that went well beyond Article 18’s requirements – that is whether it was necessary to restore copyrights without adequate protection for reliance interests in order to induce other nations to enact or maintain protection for U.S. copyrights.⁵

⁵ At various points in its brief, the Government attempts to conflate the issue of what Berne requires (restoration) with what more the Government chose to do (provide weak and largely temporary protection for reliance parties when it could have provided much stronger protection). It tries to blur this line by asserting an interest in “indisputable” and “unquestionable” compliance with Berne. *See* Holder Brief at 24, 28, 42. But re-labeling the interest does not change the disconnect between the wide discretion the plain text of Berne allows and the very restrictive protection of reliance interests Congress chose to provide. It does not change the fact that permanent protection of reliance interests is permissible under the plain terms of Berne, and does not change the fact the Government itself took the position that complete and permanent protection for reliance interests is permitted under Berne. (Pp. 41-45, above.) An interest in “indisputable” compliance has no apparent limit, and is nothing more than an interest in doing anything Berne permits, regardless of whether that choice is necessary to comply with Berne. In this respect, the Government’s asserted interest in “indisputable”

In order to justify the decision to go beyond what Berne requires, the Government must show that Congress drew “reasonable inferences based on substantial evidence.” *Turner I*, 512 U.S. at 666. Here, all of the evidence the Government relies on relates to the need to *comply* with Berne, and provides no support for the need to go *beyond* Berne. *See* Holder Brief at 27, 33-34, 43 (reciting excerpts from testimony of Ira Shapiro, Christopher Schroeder and Eric Smith); *see also* MPAA Brief at 24 (explaining the “record before Congress when it enacted Section 514” showed there would be substantial benefits to U.S. companies “if the United States and its trading partners *implemented Article 18 of the Berne Convention*) (emphasis added). While this evidence might be sufficient to show that compliance with Berne would further the interests of U.S. copyright holders, it provides no support for the conclusion that enacting more stringent measures against reliance parties than was required under the treaty would have any impact whatsoever on the behavior of foreign countries.

In fact, the only evidence in the record relating to the effect of going beyond Berne suggests that doing so would have *no impact* on the conduct of other countries. At the URAA hearings, Irwin Karp, formerly the Chairman of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, testified that he did not think that the URAA’s draconian restrictions on reliance parties would

compliance with Berne is simply another way of asserting an interest in going beyond Berne’s requirements. *See* Holder Brief at 42.

have an effect on other countries. “There is no doubt that we do well to grant retroactivity so that Thailand and other countries who are not giving us retroactivity will reciprocate, and they probably will. But ... there is no way in the world that they would cut their own throats by adopting these [reliance] provisions.” (AR 464) (*General Agreement on Tariffs and Trade (GATT): Intellectual Property Provisions: Joint Hearing before the Subcommittee on Intellectual Property and Judicial Administration of the House Comm. On the Judiciary and the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. On the Judiciary*, 103rd Cong. 224 (1994) (statement of Irvin Karp, Counsel, Committee for Literary Studies))

Under *Turner*, the Government has to do more than simply identify an important interest in protecting U.S. authors abroad. It has to demonstrate the harms it sought to prevent “are real, not merely conjectural, and that the regulation will in fact alleviate these harms in a direct and material way.” *Turner I*, 512 U.S. at 664; *Time Warner Entertainment Co. v. FCC*, 240 F.3d 1126, 1130 (D.C. Cir. 2001) (regulation failed intermediate scrutiny where the Government could not point to substantial evidence the threatened harm was likely to occur without the regulation). The claim that going beyond Berne and trampling on the interests of reliance parties, as the Government did here, would have any additional benefit to

U.S. authors has no evidence to support it, let alone the substantial evidence required under *Turner*.⁶

Even if the Government had the proper evidence to support an interest to go beyond Berne in order to “promote[] the rights of U.S. copyright holders abroad” (Holder Brief at 40) that interest would still be insufficient. In this case, the Government’s pursuit of greater economic rewards for “U.S. copyright holders abroad” comes at the expense of the recognized First Amendment rights of Plaintiffs, and the public at large. In short, the Government has chosen to transfer a liberty interest from the American public to foreign copyright owners, all for the supposed benefit of U.S. copyright holders. That reallocation of speech interests should not qualify as an important interest. *Cf. Netanel*, 54 *Stan. L. Rev.* at 55-56 (copyright regulations fall within category of content-neutral regulations that

⁶ The Government tries to make up for Congress’s lack of substantial evidence that going beyond Berne was necessary to avoiding harm to U.S. copyright owners by pointing to two things that happened following the enactment of the URAA. *See* Holder Brief at 44-45. First, the Government reports that Japan recognized protection for pre-1971 sound recording and restored foreign copyrights in them. *See id.* Second, the Government reports that Russia finally enacted restoration of foreign copyrights pursuant to Berne in 2004. *See id.* Even assuming this subsequent evidence could provide the substantial evidence *Turner* requires, neither of these developments provides any justification for going beyond Berne. Both relate to compliance with Berne in that Japan and Russia finally got around to enacting the restoration Berne plainly requires. In any event, the Government does not contend Congress’s decision to provide minimal protection for reliance parties induced these actions and the Government provides no evidence that would support that conclusion.

courts scrutinize more rigorously because they allocate speech entitlements among different classes of speakers).

The long-term result of this pursuit is even more suspect. The Government reports “its ability to push for a stronger intellectual property regime historically depends on its own diligence in protecting foreign intellectual property rights at home.” Holder Brief at 43. So a supposedly “virtuous” circle of reallocation is born; enhanced protections for restored works at home lead to enhanced protections for restored works abroad and vice-versa. Except all of these new protections for restored works are also new speech restrictions. They diminish and erode what would otherwise be public speech rights. In this respect, the “virtuous” circle of enhanced protection the Government wants to stimulate is more akin to the global looting of the public domain. And because restoration is backward-looking by definition, this cycle of enhanced restrictions on what was the public domain cannot create any prospective incentive for the creation of new works. For this reason, the Government’s interest in enhancing protection of U.S. authors abroad at the expense of public speech rights is neither important nor sufficient to justify the URAA.

3. The URAA Is Not Justified By Any Supposed Interest In Equitable Treatment

The final interest the Government asserts in support of the URAA is the need to correct for the supposedly inequitable treatment of foreign authors who

lost their copyrights because they did not comply with now-discarded copyright formalities like registration and renewal. *See* Holder Brief at 48-49. There is plainly no inequity here, since U.S. authors were subject to the same formalities. The Government tries to avoid this fact by suggesting that these formalities were burdensome and difficult to understand; as a result, many foreign authors lost copyright by failing to comply with these rules. *See* Holder Brief at 48. But the fact is the same rules applied to U.S. authors and no evidence suggests they were any less burdensome or confusing to them, assuming they were really all that complicated in the first place.⁷ Insofar as the Government really wants to “redress . . . inequitable effects” of complicated formalities (Holder Brief at 49) that redress should theoretically apply to U.S. and foreign authors alike. It does not justify the Government’s decision to favor foreign authors at the expense of the speech rights of U.S. reliance parties.

⁷ The only evidence the Government refers to is a passing remark in the testimony of Professor Shira Perlmutter. *See* Holder Brief at 48. She acknowledges that complying with formalities was “difficult” for U.S. authors, but opines without explanation that it was “even more difficult for foreign authors.” (AR 513) (*General Agreement on Tariffs and Trade (GATT): Intellectual Property Provisions: Joint Hearing before the Subcommittee on Intellectual Property and Judicial Administration of the House Comm. on the Judiciary and the Subcommittee on Patents, Copyrights and Trademarks of the Sen. Comm. on the Judiciary*, 103rd Cong. 187-213 (1994) (Statement of Shira Perlmutter) This bare conclusion, unsupported by explanation or evidence, does not constitute the substantial evidence *Turner* demands.

The Government also contends that some foreign authors “were even more innocent” on the ground they lost copyright protection because the United States did not have copyright relations with their nations at the time their works were created. *See* Holder Brief at 49. While this interest might justify restoration in general, it does not necessarily justify a restoration scheme that favors foreign authors at the expense of speech rights of U.S. reliance parties.

III. THE URAA IS UNCONSTITUTIONAL ON ITS FACE

In its amicus brief, the International Coalition for Copyright Protection (ICCP) asserts “there is simply no basis” for distinguishing between the First Amendment rights of reliance parties and those of the public at large, because free speech is a “liberty interest” that should not be enlarged or diminished based on who has spent money speaking and who has not. *See* ICCP Brief at 3-4, 7 (“[t]here is simply no *First Amendment* basis for distinguishing between the two potential symphony players . . . on the ground one spoke in the past and the other did not”) (original emphasis).

Plaintiffs agree in this limited respect: The URAA is unconstitutional on its face, and therefore imposes impermissible liberty restrictions on all Americans, whether they are reliance parties or not.

A. The First Amendment Prohibits The Government From Removing Works From The Public Domain

Thus far, Plaintiffs have, like the District Court, assumed that removing a work from the public domain is a legitimate means to a constitutional end. On this assumption, the only question is whether complying with a treaty is an important governmental interest, and if it is, whether the URAA restricts substantially more speech than necessary to comply with that treaty. On this assumption, the District Court held the URAA is unconstitutional as applied to reliance parties. *Golan*, 611 F.Supp.2d at 1177.

In invalidating the URAA as applied to reliance parties, the District Court left unaddressed Plaintiffs' facial challenge to the URAA.⁸ In that claim, Plaintiffs contend that removing works from the public domain can never be a legitimate means to an important governmental interest, and that no statute that removes copyrighted work from the public domain for whatever purpose can satisfy the "important governmental interest" requirement of intermediate review. In short, Plaintiffs contend the Government is not free to give away the public's

⁸ Plaintiffs' Second Amended Complaint alleges the URAA is "unconstitutional on its face and as applied to Plaintiffs." (AR 56) (Second Amended Complaint ¶ 83) Plaintiffs pursued summary judgment as to both challenges below. (AR 230-234) (contending URAA is invalid on its face because Congress has no legitimate interest in removing works from public domain). The District Court did not rule on, or address, Plaintiffs' facial challenge. *Golan*, 611 F.Supp.2d 1165.

First Amendment rights in the public domain, whether on the basis of treaty obligations or any other justification.

The distinction between means and ends is crucial to the question of the URAA's facial constitutionality. Obviously, there are many cases in which an otherwise important governmental interest is rendered illegitimate because of the means chosen to pursue it. For example, commandeering state legislatures to enact global warming legislation would be an improper means to an important governmental end, even if the end were complying with an international treaty. *NY v. United States*, 505 U.S. 144 (1992). Likewise, banning the possession of handguns in violation of the Second Amendment would be an improper means to a governmental end, even if the end were complying with an international gun-violence treaty. *District of Columbia v. Heller*, 554 U.S. ____ (2008).

In each of these cases, the means is illegitimate because it is independently constitutionally proscribed. Here the proscription arises from the First Amendment, the contours of which may be informed by the Progress Clause. Plaintiffs acknowledge that this Court has already held the Progress Clause does not, on its own, ban the removal of works or inventions from the public domain.⁹ But even if there is no independent Progress Clause bar to removing work from the public domain, this Court should hold that for purposes of the First Amendment,

⁹ Plaintiffs respectfully disagree with that conclusion, and reserve the right to challenge it on further review beyond the panel stage.

restoring a *copyright* (as distinct from a patent) is an illegitimate means to an important governmental end.

The clearest instance of a similar example is the Supreme Court's analysis in *Bolling v. Sharpe*, 347 U.S. 497 (1954). *Bolling* addressed whether segregated public schools in the District of Columbia were unconstitutional. The case was decided immediately after the Supreme Court had held that segregated public schools violated the Equal Protection Clause. *Brown v. Board of Ed. of Topeka*, 347 U.S. 483 (1954). The Equal Protection Clause, however, does not apply to the federal government. *Bolling*, 347 U.S. at 498-99. It therefore could not invalidate directly segregated schools subject only to federal government control.

The *Bolling* Court held that even though the Equal Protection Clause could not directly invalidate federal law, it could inform a Due Process analysis under the Fifth Amendment, by indirectly affecting the scope of proper governmental means. Since Due Process requires that every law be a "legitimate means to a proper governmental end," a judgment about the legitimacy of segregation could indirectly affect the scope of federal government power, by restricting the range of "legitimate means" that the Government could use for purposes of the Due Process Clause.

Thus, based on limits imposed by the Equal Protection Clause set forth in *Brown*, the Court was able to conclude that segregation was “not reasonably related to any proper governmental objective,” *Bolling*, 347 U.S. at 500, and thus violated the Due Process Clause. Even if there had been other justifications not blocked by *Brown* — even if, for example, the purpose of the segregation was to avoid allegedly higher costs of integrated schools — that would not have sufficed to allow the statute to survive rational review. As Justice Souter explained the reasoning:

What the Court did in *Bolling* was not simply to say, “look, all along there was an equal protection component in due process.” They said something very different. ... “We are going to say, ‘is there, at the present time, a legitimate governmental object which is being served by this particular restriction, that is, the restriction on total freedom to attend schools in an integrated basis?’”

The most interesting thing about *Bolling* is that the Court said, no, that is not a legitimate governmental objective. Hence, the Court solved the problem of segregation not by pretending that due process simply means equal protection but we never noticed it before. They solved it by doing a kind of due process analysis. They said there is no legitimate governmental objective to be served here.

The Nomination of David H. Souter to be Associate Justice of the Supreme Court of the United States: Hearing Before the Sen. Comm. on the Judiciary, 101st Cong. 305 (1990) (testimony of Hon. David H. Souter, To Be Associate Justice of the Supreme Court of the United States)

This is precisely the structure of argument that Plaintiffs advance here. Plaintiffs concede for purposes of this argument that, like the Equal Protection Clause in *Bolling*, the Progress Clause does not directly block the removal of works from the public domain. But as with the Due Process Clause in *Bolling*, the First Amendment analysis must consider the legitimacy of the means chosen, independently of the ends. In light of the plain purpose of the Progress Clause design, Plaintiffs contend that removing works from the public domain of *copyright* (as distinct from patents) is an illegitimate means regardless of the end or the importance of the interest.¹⁰

The clear purpose of the Progress Clause, is to support *both* the creation *and* spread of culture, or as the Constitution describes it, the “Progress of Science.” U.S. Const., art. I § 8, cl. 8. In other words, the Progress Clause has two basic aims. The first is to create incentives to produce original works in the first place -- “Writings” — thus the “exclusive Right.” The second, equally important aim, is to assure such work would spread freely — thus the only explicit limit in the Progress Clause, that terms be “limited.” As dictionaries from the Founding

¹⁰ Copyright is plausibly different from patent in that removing patents from the public domain does not raise a free speech issue. No doubt, liberty is affected. But the constitutional protections for liberty are obviously different from the constitutional protections of speech. *See* Mark A. Lemley and Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147, 237 (1998) (“In short, patent law is qualitatively different from copyright law because most of the acts it restricts don’t involve speech at all.”); *see generally* Neil W. Netanel, *COPYRIGHT’S PARADOX* (2008).

make clear, “Progress,” as scholars have argued, originally meant “spread.” So “to promote the progress of science” is roughly “to promote the spread of science.”

See Malla Pollack, *What Is Congress Supposed to Promote? Defining ‘Progress’ in Article I, Section 8, Clause 8 of the U.S. Constitution, or Introducing the Progress Clause*, 80 Neb. L. Rev. 754, 794-98 (2001).

This Court has already recognized these dual aims. It recognized the Progress Clause is intended to both incentivize the creation of new works, and to ensure the wide availability of these works once their limited period of protection has expired. *See Golan*, 501 F.3d at 1183 (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984)). It acknowledged both are essential to making “copyright ‘the engine of free expression.’” *Id.* at 1183 (quoting *Harper & Row Publishers Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985)).

The need to ensure widespread access and free availability is what gives rise to what this Court called the “bedrock principle of copyright law” that “works in the public domain remain there” and the “time-honored tradition of allowing works in the public domain to stay there” *Golan*, 501 F.3d at 1187, 1192. It also explains why Solicitor General Olson recognized the “bright line” that is crossed when works are removed from the public domain:

[T]here is a bright line there. Something that has already gone into the public domain, which other individuals or companies or entities may have acquired an interest in, or rights to, or be involved in disseminating . . .

Transcript of Oral Argument at 44 11.8-12, *Eldred v. Ashcroft*, 537 U.S. 186 (2003); *see also Golan*, 501 F.3d at 1193 n.4.

Recognizing a power in Congress to remove works from the public domain obviously would not affect the first aim of the Progress Clause — the “Writing” is already written; no further incentive could help. But recognizing a power in Congress to remove works from the public domain would profoundly weaken the incentives to spread creative work broadly. It therefore threatens the “Progress” the Constitution demands we promote. As every Nation beyond the reach of Hugo Chavez recognizes, the most certain way to destroy the incentives necessary to support a market is to make resources within that market subject to arbitrary expropriation. The mere threat of expropriation weakens the incentive to produce, and that threat is even more dangerous where profits are small. Judicially sanctioned expropriations could destroy those already weak incentives.

Plaintiffs represent just some of the wide range of creators who depend upon being able to rely upon work in the public domain. These creators build businesses to restore and make accessible public domain works. They create derivatives that keep public domain stories alive and relevant. Plaintiffs and other like them depend upon these creators to assure access to our past, even though the market within which they operated in the best of times is fiercely competitive with a very low return. To hold now that their work can be expropriated whenever

Congress finds a good reason is certain to radically weaken this already fragile economy.

The importance of protecting the right to use, and continue using, the public domain can be captured in one particularly prominent example. Much of Walt Disney's most successful work involved creations that built upon the public domain. See Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* 23-25 (2004). Some of the most famous Disney films, for example, are adaptations of stories from the Brothers Grimm. See *id.* Could there be any doubt that Disney's incentives to so create — a crucial type of innovation within any culture — would have been radically reduced if Congress remained free to gift to the German government the favor of a restoration of the copyright of the Brothers Grimm, requiring Disney to pay for the right to continue to exploit its creative works?

This is precisely the issue at stake in this case, even if the favors are being distributed differently. As the Government argues, Congress's motivation was to gift restored copyrights to certain foreigners, as a way to induce higher returns for certain American works. It thus chose to help the Prokofiev estate, in order to get Russia to help the Disney Corporation, with the plain harm visited upon creators like Plaintiff Golan and the Portland Ballet Orchestra, who had relied upon Prokofiev's work remaining free.

In the abstract, that tradeoff could make sense. But to hold that Congress has the power to make that tradeoff makes no sense of the Constitution's design. While a grant of power to Congress "to secure Copyrights" (which is the standard form of the grant in every other Nation around the world) would certainly authorize this tradeoff, a grant of power that explicitly limits terms can only be understood as an express support for the free flow of culture once it passes out of the copyright's reach. We, unlike the Nations that crafted the Berne Convention, have a constitutionally limited grant of copyright power. It should be no surprise that there would be cases then when the law of other nations permitted more regulation than the law of the United States does.

A proper respect for the design of the Progress Clause, in light of the speech issues raised by copyrights, but not patents, should lead this Court to find that regardless of the importance of complying with a treaty, there are certain means that are inconsistent with the First Amendment. Removing a right to speak freely held in common by everyone, and assigning it to some currently favored individual, or group, is an illegitimate means in every case. Regardless of how narrowly the URAA is crafted, it therefore does not advance an important governmental interest.

Finally, even if the Progress Clause does not inform the contours of the First Amendment or the legitimacy of the Government's means, the First

Amendment should render the Government's means illegitimate all by itself. The URAA's restoration of copyrights in foreign works transfers vested speech rights from one group (the American public) to another (foreign authors and their heirs and estates) simply to confer economic benefit on yet another group (U.S. authors). While Congress may be empowered to pursue Progress in a variety of ways, violating the "bedrock principle of copyright law that works in the public domain remain in the public domain" is simply not one of them.

B. The Government Cannot Immunize Unconstitutional Legislation By Laundering It Through An International Treaty

The Government purports to acknowledge that it cannot expand its powers by treaty, and that signing a treaty cannot provide the power to restrict fundamental rights in ways the Constitution would otherwise prohibit. *See* Holder Brief at 23 (citing *Reid*, 354 U.S. at 16). Yet the Government demands precisely that power here by implication.

All of the Government's purported justifications for the URAA are expressly tied to participation in Berne and TRIPS. *See, e.g.*, Holder Brief at 23 (asserting important interest in complying with Berne and TRIPS), 40-41 (asserted interest in promoting right of U.S. authors abroad accomplished through Berne and TRIPS), 48-49 (asserted interest in equitable treatment of foreign authors arises due to participation in Berne). The Government did not and does not contend it

has any justification for restoring copyrights independent of these treaties, or provide any important interests unrelated to these treaties and their obligations.

See id.

Having made no attempt to justify the URAA independently of Berne and TRIPS, the Government concedes by implication that Congress could not restore copyrights on its own, through a statute unconnected to any international treaty. Yet the Government now claims the power to implement restoration pursuant to Berne and TRIPS, and do under these treaties what it presumably could not do absent these treaties. On top of that, the Government asks for additional “deference” on the ground a treaty is involved. So it not only demands the power to do by treaty what it could not do independently of the treaty, it asks for additional deference to implement that treaty in any manner it deems fit.

On this theory, the Government could restrict any number of constitutional rights in whatever manner it deems fit, simply because other nations agreed to like restrictions. The Government could restrict hate speech because the European Union banned it by treaty, prohibit the possession of firearms as part of NAFTA, or eliminate the right to trial by jury for crimes affecting international interests pursuant to any number of other treaties. Moreover, the Government’s asserted interest in “indisputable compliance” (*e.g.*, Holder Brief at 39) and becoming a “leading advocate” of whatever restrictions a given treaty imposes

(e.g., Holder Brief at 40) would presumably give the Government the latitude to go even farther, and implement restrictions that go beyond those demanded by a treaty.

The Constitution cannot be defined by this least common denominator, and the Government must be held to a stricter constitutional standard. A treaty cannot give Congress the power to do what the Constitution would otherwise forbid. *See Boos*, 485 U.S. at 324; *Reid*, 354 U.S. at 16 (“no agreement with a foreign nation can confer power on the Congress, or on any other branch of Government, which is free from the restraints of the Constitution”); *In re Aircrash in Bali*, 684 F.2d 1301, 1308-09 (9th Cir. 1982) (if treaty provisions were not subject to same constitutional limitations as regular legislation, then “a constitutional limitation on governmental power could be circumvented by means of a treaty, although the same objective could not be accomplished through legislation”). No deference on matters of international relations is appropriate when fundamental individual rights are at stake. *See Boos*, 485 U.S. at 325-27; *Bullfrog Films*, 847 F.2d at 511-12 (rejecting Government’s demand for a “deferential level of scrutiny” simply because treaty implementation “implicate[s] ‘the delicate area of foreign relations’”).

The Government must posit an important interest beyond complying with or implementing a treaty in order to justify its interference with Plaintiffs’

core speech rights. It cannot be allowed to create an important interest simply by signing a treaty, and then demand deference to its judgment in how to implement that treaty, all in order to shield itself from constitutional scrutiny and invent an answer to an otherwise unanswerable constitutional objection.

The Government has not posited any important interest that is independent of Berne and TRIPS, or any substantial evidence to support that interest. Neither these treaties nor any others can give Congress the power to do what the First Amendment would otherwise prohibit, so the URAA flunks intermediate scrutiny and substantial overbreadth analysis on its face and regardless of the specific terms of Berne.

CONCLUSION

The URAA is unconstitutional under the First Amendment, both as applied to Plaintiffs and other reliance parties, and on its face.

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Respectfully Submitted,

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STATEMENT REGARDING ORAL ARGUMENT

On remand from this Court, the District Court held that Section 514 of the Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809, 4976-4981 (codified as amended at 17 U.S.C. §§ 104A, 109(a) (1994)), violates the First Amendment to the extent it suppresses the rights of reliance parties to use works they exploited while the works were in the public domain. The Government appealed that judgment. Plaintiffs cross-appealed on the ground the District Court left unaddressed the question of whether the URAA is unconstitutional on its face.

Oral argument is necessary given the complexity and constitutional importance of the questions presented on these cross-appeals.

CERTIFICATE OF COMPLIANCE

I hereby certify that, according to the word count provided in Microsoft Word 2007, the foregoing brief contains 15,126 words. The text of the brief is in proportional Times New Roman font with 14-point type, and the brief thus complies with the type-volume limitations, typeface requirements and type style requirements of Federal Rule of Appellate Procedure 28.1(e)(2), 32(a) and 10th Circuit Rule 32(a).

 /s/

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CERTIFICATE OF DIGITAL SUBMISSION

Pursuant to this Court's General Order filed March 18, 2009, I hereby certify that:

1. All required privacy redactions have been made and, with the exception of those redactions every document submitted in Digital Form or scanned PDF format is an exact copy of the written document filed with the Clerk; and
2. The digital submissions have been scanned for viruses with the most recent version of the following commercial virus scanning program, which indicates that the submissions are free of viruses.

Program: Sophos Anti-Virus
Version: 7.6.14
Last Updated: December 4, 2009

 /s/
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CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of December, 2009, I filed and served the foregoing "OPENING AND RESPONSE BRIEF FOR THE APPELLEES/CROSS-APPELLANTS" by submitting a digital copy via the ECF system and causing the original and 7 hard copies to be dispatched to the Clerk of this Court by Federal Express, overnight delivery, and by effecting service via the ECF system and causing one hard copy to be served upon the following by Federal Express, overnight delivery:

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