ARTICLES

Masking Copyright Decisionmaking: The Meaninglessness of Substantial Similarity

Amy B. Cohen*

Traditionally courts have placed great weight on the issue of substantial similarity in adjudicating copyright infringement lawsuits. Once access is proven, a court will usually find infringement if the works are viscerally determined to be substantially similar. This Article criticizes the traditional approach as failing adequately to distinguish copying from misappropriation, failing adequately to distinguish ideas from expression, failing to provide adequate guidelines for determining misappropriation, and as overlapping with fair use determinations. The Article also criticizes variations on the traditional approach imposed by the Third and Ninth Circuit Courts of Appeal as not remedying the traditional approach’s fundamental shortcomings.

The Article proposes replacing the substantial similarity test with fair use considerations. Such an approach would force courts to elucidate their reasons for determining infringement, and thus would promote consistency and predictability.

What factors are appropriate to consider in determining whether one work infringes the copyright in another work? Assume that one party

* Assistant Professor of Law, Western New England College School of Law; J.D., Harvard Law School, 1978; B.A., Connecticut College, 1974. The author wishes to express her appreciation to her colleagues, Joseph J. Basile, Jr. and Arthur D. Wolf, for the encouragement and helpful comments they provided during the preparation of this Article.
has obtained a copyright on a stuffed toy cat that has an oversized head with oversized purple eyes, large purple ears, a Cheshire grin, and a distinctive rainbow plaid fabric covering.1 Assume also that a second manufacturer markets a stuffed toy cat with an ordinary size head and ordinary size purple eyes, purple ears, no grin, but the same distinctive rainbow plaid fabric covering. In other words, the two works differ in head and eye sizes and in the presence of the grin, but use the same colors in the eyes, ears, and fabric covering. Does the second cat infringe the copyright in the first? Under current copyright law as developed in the cases and in the Copyright Act of 1976, there is no reliable way to predict an answer to that question, because neither Congress nor the courts have articulated the substantive basis used to determine if one work infringes the copyright in another.

The Copyright Act of 1976 specifically provides copyright owners with a right to sue for infringement.2 It also provides several remedies,3 but neither the statute nor its legislative history clearly defines the substantive showing a plaintiff must make to establish that a party has infringed the copyright. The statute simply states that anyone who "violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118" is liable for copyright infringement.4 When

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1 For purposes of this discussion, it is assumed that the work in question is validly copyrighted. A discussion of the question of copyrightability and originality is beyond the scope of this Article. For a discussion of those issues, see generally 1 M. Nimmer, NIMMER ON COPYRIGHT §§ 2.01, 2.03 (1985).

2 See Copyright Act of 1976, 17 U.S.C. § 501(b) (1982) [hereafter 1976 Act]. The 1976 Act provides the owner of any of the exclusive rights with a right to sue for infringement of the particular right or rights belonging to that party. Thus, exclusive licensees as well as those who own the entire copyright have a right to sue under § 501(b). See, e.g., Eden Toys, Inc. v. Florelee Undergarment Co., 697 F.2d 27 (2d Cir. 1982). See generally 3 M. Nimmer, supra note 1, § 12.02.

3 See 17 U.S.C. §§ 502 (injunctions), 503 (impounding infringing articles), 504 (statutory or actual damages and profits of infringer), 505 (costs and attorney's fees) (1982).

4 17 U.S.C. § 501(a) (1982). Section 106 of the 1976 Act enumerates five exclusive rights provided to the copyright owner. Specifically, they are the right (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual work, to perform the copyrighted work publicly; and (5) in the case of literary, musical, dramatic, and choreographic works,
the actual work itself is reproduced, distributed, publicly performed or publicly displayed by the alleged infringer, this definition of infringement is sufficiently clear. Interpretation difficulties arise when the copyright owner complains that the alleged infringer has used a work not identical to the protected work, but, as in our toy cat hypothetical, has used portions or variations of the protected work.

The legislative history of section 106 of the 1976 Act reveals Congress' intent that a work need not be reproduced in its entirety to constitute copyright infringement:

[A] copyrighted work would be infringed by reproducing it in whole or in any substantial part, and by duplicating it exactly or by imitation or simulation. Wide departures or variations from the copyrighted works would still be an infringement as long as the author's 'expression' rather than merely the author's 'ideas' are taken.5

This language does not indicate just how wide those departures and variations can be and still infringe the copyright. For example, are the differences in head and eye size and the absence of the Cheshire grin too wide for the second cat to infringe the copyright on the first?

The ambiguity surrounding the right to prepare a derivative work exacerbates the confusion generated by this loose definition of "reproducing." The Copyright Act of 1976 defines a derivative work in part as a "work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted."6 Because section 106(2) of the statute provides the copyright owner with the exclusive right to prepare derivative works, anyone who prepares a derivative work without permission is liable for copyright infringement. Again, what is left unclear is how much of the protected work the second work must use for it to be an infringing derivative work. The legislative history indicates only that "the infringing work must incorporate a portion of the copyrighted work in some

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form."

The failure of Congress to address completely the issue of what constitutes infringement would be less troubling if the case law enunciated an adequate standard. However, as we will see, no such enunciation exists. The courts have used a "substantial similarity" test to determine infringement. This test judges whether, in the eyes of the ordinary observer, there is a substantial similarity between the protected work and the allegedly infringing work. In other words, the second toy cat cannot infringe the copyright in the first cat unless a lay observer would consider the two cats to be "substantially similar." Understanding how to define copyright infringement requires knowing how courts determine substantial similarity.

Many commentators have observed, however, that there is no general agreement as to the exact meaning of "substantial similarity." It is a

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7 H.R. Rep. No. 94-1476, supra note 5, at 62; S. Rep. No. 94-473, supra note 5, at 58 (emphasis added). The 1976 Act also created an issue as to whether an alleged infringer violates an exclusive right by performing or displaying publicly the actual work, but a work that is either a "reproduction," as defined in the legislative history, or a "derivative work." Although the language of §§ 106(4) and 106(5) refers to performances or displays of the "copyrighted work," those rights are presumably also violated when the work that is performed or displayed is an infringing reproduction or an infringing derivative work. The statute defines "display" as "to show a copy," 17 U.S.C. § 101 (1982), so presumably as long as that copy is an infringing reproduction, the display right is violated, even though the actual copyrighted work has not been displayed. See Burwood Prods. Co. v. Marsel Mirror & Glass Prods., Inc., 468 F. Supp. 1215, 1218 n.5 (N.D. Ill. 1979); see also H. Rep. 1476, 94th Cong., 2d Sess. 64 (1976) ("the right of public display applies to original works of art as well as to reproductions of them") (emphasis added). As noted, supra text accompanying note 5, a reproduction need not be of the entire work to infringe the copyright. Furthermore, if the defendant performs a work, the performance will violate the § 106(4) exclusive right of performance even if the defendant has not produced a physical copy of the work. See Leo Feist, Inc. v. Demarie, 16 F. Supp. 827 (W.D. La. 1935) (playing copyrighted music by ear as opposed to from sheet music constitutes infringement). It would thus seem that if enough of the work has been reproduced in the performance to be considered a substantial part, that performance would also infringe the copyright.

8 See infra text accompanying notes 53-56.

9 See, e.g., 3 M. Nimmer, supra note 1, § 13.03[A]; Fleming, Substantial Similarity: Where Plots Really Thicken, 19 COPYRIGHT L. SYMP. (ASCAP) 252, 262 (1971) ("This nebulous area of similarity is the heart of copyright law, and no doubt it is the most evasive part."); Knowles & Palmieri, Dissecting Krofft: An Expression of New Ideas in Copyright?, 8 SAN FERN. V.L. REV. 109, 117 (1980) ("elusive element for establishing copyright infringement"); Comment, Copyright Fair Use — Case Law and Legislation, 1969 DUKES. J. 73, 81-86 [hereafter Comment, Fair Use] (existence of various approaches to defining substantial similarity noted); Note, Copyright: Hollywood v. Substantial Similarity, 32 OKLA. L. REV. 177, 178 (1979) [hereafter

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phrase that, instead of becoming more understood with each judicial interpretation, has become more ambiguous. Although some have written off this problem as inherent in copyright matters,\(^{10}\) it is a problem with obvious causes and possible solutions. More importantly, it is a problem that has resulted in jurisprudential confusion.

The purpose of this Article is to reduce the confusion surrounding determinations of infringement by proposing a new approach for deciding copyright infringement. However, it is first necessary to understand how the current tests evolved and how they are flawed. Part I of this Article traces the historical development of the tests for infringement from the nineteenth century through the early twentieth century to the pivotal opinions in *Arnstein v. Porter\(^ {11}\)* and *Ideal Toy Corp. v. Fab-Lu Ltd.\(^ {12}\)* In these cases, the Second Circuit defined what will be referred to as the “traditional” approach to determining copyright infringement. Part II discusses how courts currently apply the traditional approach, and particularly focuses on substantial similarity as the keystone of that approach. The part also discusses how some courts have attempted to improve the tests while still relying on the principle of substantial similarity. Finally, part III proposes a new approach that narrows the concept of substantial similarity to a more objective, predictable principle. This approach would force courts to articulate their reasons for deciding whether a particular defendant is liable for copyright infringement, thus making more predictable how much borrowing will constitute infringement.

I. HISTORICAL DEVELOPMENT

One of the most persistent problems in defining copyright infringement has been determining the proper context for evaluating the similarities between works. In one context, courts use similarities as evidence tending to support an inference that the defendant saw and copied from the copyrighted works. In that context, courts look for the
type and extent of similarities that are relevant to the likelihood of independent creation by the defendant. In the other context, courts evaluate the type and extent of similarities more on the basis of economic or aesthetic value to determine if the defendant has appropriated too much of the protected work in creating its work. In that context, courts are determining misappropriation, not simply copying. In other words, two ways exist to evaluate the similarities between two works: one as an evidentiary tool used to infer copying, the other as a substantive test of liability. Unfortunately, courts have often confused these two contexts in using the label “substantial similarity.” Tracing the historical roots of the copyright infringement standards reveals the evolution of this confusing duality.

A. Nineteenth Century Infringement Standards

In the nineteenth century, courts deciding copyright infringement claims focused on three separate issues. First, the issue of copying: Did the defendant use the plaintiff’s work, or did she create the second work independently? Second, the issue of misappropriation: If the defendant did use the plaintiff’s work, did that use appropriate enough of the plaintiff’s work to justify liability? Finally, the issue of fair use: Did the defendant in good faith use plaintiff’s work to create a new, independent, creative work entitled to protection as a fair use?

1. Proof of Copying

The first issue, copying, was the primary concern of many courts. In Emerson v. Davies, the author of an arithmetic textbook claimed that the defendant had copied tables from the plaintiff’s textbook and had arranged them in a way that made defendant’s arithmetic textbook appear similar to the plaintiff’s book. The court held that for plaintiff to succeed, he had to show not only that the defendant had seen the plaintiff’s book, but that “the resemblances in those parts and pages are so close, so full, so uniform, so striking, as fairly to lead to the conclusion that the one is a substantial copy of the other, or mainly borrowed from it. In short, that there is a substantial identity between them.”

Taken alone, this passage might seem to indicate that the court required the plaintiff to show that defendant had copied a substantial portion of the protected work in a quantitative, economic, or aesthetic sense. However, a further reading of the case indicates that the court

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13 8 F. Cas. 615 (C.C.D. Mass. 1845) (No. 4436).
14 Id. at 622 (emphasis added).
required "substantial identity" only to determine whether the defendant had used the plaintiff's work in creating his own. As the court observed: "[T]he real question on this point is, not whether such resemblances exist, but whether these resemblances are purely accidental and undesigned, and unborrowed, because arising from common sources accessible to both the authors."\(^{15}\) If the defendant, using public domain common sources, produced a book that coincidentally was similar to the plaintiff's book, he did not infringe the copyright. If, however, the similarities were "too exact, and various, to have been wholly accidental," then a jury could conclude that the defendant had produced his book not by independent research, but by copying from the plaintiff's book.\(^{16}\) Thus, the "substantial" in "substantial copy" and "substantial identity" referred to a degree of similarity that was probative of copying, not a determination that what defendant had copied was substantial in a quantitative, economic, or aesthetic sense.

Similarly, in *Greene v. Bishop*,\(^{17}\) the court again compared two textbooks, this time English grammar studies, and found infringement despite the defendant's argument that its book did not use the language of the plaintiff, but only "expresses and condenses [his] views . . . ."\(^{18}\) The court reasoned:

Copying is not confined to literal repetition, but includes, also, the various modes in which the matter of any publication may be adopted, imitated, or transferred, with more or less colorable alterations to disguise the piracy. In all such cases . . . the main question is, whether the author of the work alleged to be a piracy has resorted to the original sources alike open to him and to all writers, or whether he has adopted and used the plan of the work which it is alleged he has infringed, without resorting to the other sources from which he had a right to borrow.\(^{19}\)

A person thus infringed a copyright by using the protected work instead of doing independent work. The focus was not principally on how much or what aspects of the plaintiff's work defendant had borrowed, but on whether defendant had copied the plaintiff's work rather than doing his own work. The concern was with whether "the labors of the

\(^{15}\) *Id.* at 625.

\(^{16}\) *Id.; see also* Drury v. Ewing, 7 F. Cas. 1113, 1116 (C.C.S.D. Ohio 1862) (No. 4095) ("the true inquiry undoubtedly is, not whether the one is a facsimile of the other, but whether there is such a substantial identity as fairly to justify the inference that in getting up the guide, Mrs. Ewing has availed herself of Mrs. Drury's chart and has borrowed from it its essential characteristics").

\(^{17}\) 10 F. Cas. 1128 (C.C.D. Mass. 1858) (No. 5763).

\(^{18}\) *Id.* at 1130.

\(^{19}\) *Id.* at 1134 (emphasis added).
original author are substantially to an injurious extent appropriated by another. The similarities between the works were thus relevant to determine if the defendant had in fact used the plaintiff's work.

The emphasis placed on the question of independent creation by the defendant was most obvious in nonfiction works such as those at issue in Emerson and Greene. Even in fictional works, however, courts focused on whether the defendant had copied from the plaintiff or independently created an original composition. For example, in Daly v. Palmer, the plaintiff and the defendant each used what today would be considered a rather cliched railroad rescue scene in their otherwise different plays. The court held the defendant liable because the "substantial identity" between the two scenes would naturally lead to the conclusion, that the later one had been adapted from the earlier one. The court concluded:

The true test of whether there is a piracy or not, is to ascertain whether there is a servile or evasive imitation of the plaintiff's work, or whether there is a bona fide original compilation, made up from common materials, and common sources, with resemblances which are merely accidental, or result from the nature of the subject.

This court was thus also using the term "substantial identity" to refer to a type of similarity that would be relevant in determining the likelihood of independent work by the defendant. Because the court concluded that the defendant did not independently create that scene in the play but copied from the plaintiff's play, it held the defendant liable. Thus, the initial issue in determining infringement was whether the similarities between the works resulted from copying by the defendant. The court used the adjective "substantial" to signify a degree or type of similarity that would be relevant in proving that issue.

2. Misappropriation

Already confused in determinations of infringement, however, was the quite different question of whether the defendant had copied enough of the plaintiff's work to be held liable. As Judge Story observed, the distinctions in copyright law even then were "subtle and

20 Id.
21 6 F. Cas. 1132 (C.C.S.D.N.Y. 1868) (No. 3552).
22 The scene depicted the intended victim tied to railroad tracks and then having the victim pulled from the tracks just before the train's arrival. Id. at 1133.
23 Id. at 1138 (emphasis added).
24 Id.
refined, and, sometimes, almost evanescent.”

However, courts recognized that it was “certainly not necessary, to constitute an invasion of copyright, that the whole of a work should be copied, or even a large portion of it, in form or in substance.”

If what was copied was small in amount but of substantial value to the copyright owner’s work, then the defendant could be liable for copyright infringement. For example, in Daly the plaintiff alleged that the copied railroad scene was very important to the attraction and success of the plaintiff’s play, even though it was only one scene. The court concluded that copying of even just a part of the copyrighted work was actionable. The adjective “substantial” in this context referred to the economic or aesthetic significance of what the defendant had copied.

26 Id. at 348.
27 See Story v. Holcombe, 23 F. Cas. 171, 173 (C.C.D. Ohio 1847) (No. 13,497) (infringement “does not depend so much upon the length of the extracts as upon their value”); Gray v. Russell, 10 F. Cas. 1035, 1038 (C.C.D. Mass. 1839) (No. 5728) (in finding defendant liable for infringing plaintiff’s copyright in his Latin grammar text, court observed that focus “is not so much on the quantity as of the value of the selected materials”); Folsom, 9 F. Cas. at 348 (infringement does not “necessarily depend on the quantity taken,” but also on “the value of the materials taken”).
28 6 F. Cas. 1132 (C.C.S.D.N.Y. 1868) (No. 3552).
29 See id. at 1133, 1138. In discussing the allegedly similar scene in the two different plays, the court observed that the defendant’s use of the scene would be a piracy if that scene, “although performed by new and different characters, using different language, is recognized by the spectator . . . as conveying substantially the same impressions to, and exciting the same emotions in, the mind, in the same sequence or order.” Id. at 1138. This passage has often been cited in support of the spectator test for copyright infringement, i.e., that a work is not an infringement of a protected work unless the ordinary observer would see them as substantially the same. In fact, however, this passage is only dicta relating to the separate issue of whether copyright extended to protect the idea of this scene when the dialogue, the setting, and the rest of the story differed. The Daly court concluded that it did if the scene itself conveyed the same impressions and emotions to the audience. The court’s principal focus on similarities, however, related to the question of independent creation, discussed supra in text accompanying notes 21-24. Daly thus is weak support for the notion that there is no infringement unless the entire works are seen as substantially similar by the ordinary observer. The case is better read as looking for sufficient similarities to infer copying. See also Note, Hollywood, supra note 9, at 180 (“spectator test” is merely dicta in Daly opinion).
30 See Folsom v. Marsh, 9 F. Cas. 342, 348 (C.D.D. Mass. 1841) (No. 4901) (infringement may exist “if so much is taken, that . . . the labors of the original author are substantially to an injurious extent appropriated by another”) (emphasis added); Daly, 6 F. Cas. at 1138 (a work “conveying substantially the same impressions” is piracy of another) (emphasis added).
3. Fair Use

Even if a plaintiff established enough copying to state a claim against the defendant, the courts permitted the defendant to assert the defense of fair use or fair "abridgement." To be a permitted abridgement, the second work had to condense substantially the content of the protected work, had to have been done in good faith, and had to be itself a new work that was the product of the defendant’s own intellectual labor and judgment. 31 The degree of similarity between the two works was also one of several factors considered in determining the broader equitable defense of fair use. The fair use doctrine also considered the type of work involved and the way that the defendant had used that work. 32

Thus, each of the three general issues considered in the nineteenth century — independent creation, misappropriation, and fair use — required considering the extent of similarity between the two works. Moreover, the adjective “substantial” was often used in evaluating the extent of similarity in each of these contexts.

B. Changes in the Early Twentieth Century

In the early twentieth century, the tests for infringement began to change. Courts began to place several more specific burdens on copyright plaintiffs. First, the plaintiff had to prove that the defendant had access to the protected work. Courts also began regularly to force plaintiffs to confront the issue of whether what the defendant had copied was copyrightable subject matter. Finally, the plaintiff specifically had to prove substantial similarity as a determinant of substantive liability.

1. Access

Although some courts had, in earlier cases, mentioned circumstances indicating that the defendant had been exposed to the plaintiff’s work, 33

31 Story v. Holcombe, 23 F. Cas. 171, 173-75 (C.C.D. Ohio 1847) (No. 13,497) (fair abridgment must involve “real substantial condensation of the materials and intellectual labor and judgment bestowed thereon”); Folsom, 9 F. Cas. at 347-49 (copying entire letters of George Washington, not just “abbreviated or select passages,” is not fair abridgment).

32 See, e.g., Lawrence v. Dana, 15 F. Cas. 26, 58-62 (C.C.D. Mass. 1869) (No. 8136) (privilege of fair use extends only to uses that “will not cause substantial injury . . . where the amount copied is small and of little value, if there is no proof of bad motive”). See generally W. Patry, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW 18-64 (1985).

33 For example, in Daly, 6 F. Cas. at 1133-34, the plaintiff alleged that his play was well known and that the defendant had procured a copy of the play. The court did not,
in the 1920’s and 1930’s courts began to require that the plaintiff show more than similarities between the two works to prove copying; the plaintiff also had to show that the defendant had seen, or at least had had an opportunity to see, the plaintiff’s work. By 1940, this requirement had evolved into the principle that is now a key part of the traditional approach to determining copyright infringement: the plaintiff must prove that the defendant had access to the protected work. Although some dispute still exists as to whether the plaintiff must prove actual access or only opportunity for access, courts generally agree that showing some possibility of access is very much a part of the plaintiff’s case.

however, discuss these allegations’ relevance. Similarly, in Emerson, 8 F. Cas. at 621, the court reasoned:

[Δ] the book of Emerson was published in 1829, and had a wide circulation, and that of Davies was not published until 1840, the natural inference certainly is, that, composing a book on the same subject, for the same professed object . . . he should . . . have examined all the existing works published and on sale in the neighboring states upon the same subject.

However, access was not critical according to the court, since the defendant could have seen the plaintiff’s work but still compiled his own from other sources. This further demonstrates the nineteenth century’s overriding concern with independent creation. See supra text accompanying notes 13-24.

34 The earliest case found that explicitly required a showing of access was Simonton v. Gordon, 12 F.2d 116 (S.D.N.Y. 1925), involving a claim that the defendant’s play had infringed plaintiff’s novel. The court held:

[A] play may fairly be subjected to a charge of piracy, if a substantial number of its incidents, scenes and episodes are, in detail, arrangement, and combination, so nearly identical with those to be found in a book, to which the author has access, as to exclude all reasonable possibility of chance coincidence, and lead inevitably to the conclusion that they were taken from the book.

Id. at 120 (emphasis added). By the mid-1930’s, courts were regularly referring to the element of access as a part of the plaintiff’s case distinct from the element of substantial similarity. See, e.g., Deutsch v. Arnold, 98 F.2d 686, 688 (2d Cir. 1938); Wilkie v. Sanlyn Bros., 91 F.2d 978, 979 (2d Cir.), cert. denied, 302 U.S. 735 (1937); Arnstein v. Edward B. Marks Music Corp., 82 F.2d 275, 276 (2d Cir. 1936); Caruthers v. R.K.O. Radio Pictures, Inc., 20 F. Supp. 906, 907 (S.D.N.Y. 1937); Hirsch v. Paramount Pictures, Inc., 17 F. Supp. 816, 817 (S.D. Cal. 1937); Echevarria v. Warner Bros. Pictures, 12 F. Supp. 632, 638, 639 (S.D. Cal. 1935).

35 Compare, e.g., Schwarz v. Universal Pictures Co., 85 F. Supp. 270 (S.D. Cal. 1945) (access not established if no proof that protected work was actually seen by party creating allegedly infringing work) with Smith v. Little, Brown & Co., 245 F. Supp. 451 (S.D.N.Y. 1965), aff’d, 360 F.2d 928 (2d Cir. 1966) (evidence of opportunity to see protected work is sufficient to establish access); see also Selle v. Gibb, 741 F.2d 896, 901 (7th Cir. 1984) (must be evidence sufficient to infer reasonable possibility of access); 3 M. Nimmer, supra note 1, § 13.02[A].
2. The Idea/Expression Dichotomy

More significantly, at about the same time courts began consistently to address whether the defendant had copied protected material and not simply uncopyrightable materials. This required the courts to consider whether a defendant had copied simply uncopyrightable ideas or the plaintiff’s protected expression. In *Dymow v. Bolton*, the defendant used a love plot similar to that used by the plaintiff in his play, but the defendant set his play in the theatre industry instead of the garment industry, which the plaintiff had used. The court concluded that even if the defendant had copied the plot from the plaintiff’s play, he took nothing copyrightable since copyright does not protect ideas and fundamental plots.

With Judge Learned Hand’s famous pronouncement in 1930 in *Nichols v. Universal Pictures Corp.* regarding the vague line between protectable expression and unprotectable idea, the dichotomy between expression and idea became an increasingly important issue in copy-

An exception to this requirement does exist, however, if the similarities between the two works are so striking that there could be no other possible explanation for those similarities but that the defendant had access to and copied the plaintiff’s work. See, *e.g.*, Association of Am. Medical Colleges v. Mikaelian, 571 F. Supp. 144, 150-51 (E.D. Pa. 1983), aff’d mem., 734 F.2d 3 (3d Cir. 1984) (similarities in test questions “preclude the possibility of independent creation”); see also Ferguson v. National Broadcasting Co., 584 F.2d 111, 113 (5th Cir. 1978) (insufficient evidence of striking similarity to support summary judgment for plaintiff); Heim v. Universal Pictures Co., 154 F.2d 480, 488 (2d Cir. 1946) (although not found in case at bar, “copying might be demonstrated, with no proof or weak proof of access, by showing that a single brief phrase, contained in both pieces [of music], was so idiosyncratic in its treatment as to preclude coincidence”); Strachborneo v. Arc Music Corp., 357 F. Supp. 1393, 1403 (S.D.N.Y. 1973) (striking similarity, which requires demonstration “that such similarities are of a kind that can only be explained by copying, rather than by coincidence, independent creation, or prior common source,” not proven in case at bar). But see Selle v. Gibb, 741 F.2d 896, 901 (7th Cir. 1984) (must be at least minimal evidence supporting reasonable possibility of access); see also 3 M. NIMMER, supra note 1, § 13.02[B].

36 11 F.2d 690 (2d Cir. 1926).

37 45 F.2d 119, 121 (2d Cir. 1930):

Upon any work, and especially upon a play, a great number of patterns, of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his ‘ideas,’ to which, apart from their expression, his property is never extended.
right cases. The expanded importance of that principle reduced the significance of the independent creation issue because it recognized that defendants were allowed to copy some aspects of a copyright owner's work. If the defendant copied ideas rather than expression, the defendant was not liable.

3. Misappropriation

Courts also altered the focus in infringement litigation by requiring the plaintiff to show that the defendant had created a work that the ordinary observer would consider a misappropriation of the copyrighted work. Although case authority for this notion dates back at least to Daly, the Second Circuit explicitly made this requirement a regular part of proving copyright infringement in Arnstein v. Porter. In that case the plaintiff alleged that the defendant, Cole Porter, had infringed the copyright in several musical compositions created and copyrighted by the plaintiff. The court outlined a two-part test for copyright infringement: whether there was copying, and if so, whether "the copying . . . went so far as to constitute improper appropriation." In making the first determination, the trier of fact would examine evidence of access and similarity: "Of course, if there are no similarities, no amount of evidence of access will suffice to prove copying. If there is evidence of access and similarities exist, then the trier of fact must determine whether the similarities are sufficient to prove copying." To evaluate competently the likelihood of copying, expert testimony and analysis would be admissible. Thus, the first part of the Arnstein test focused

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38 In the Copyright Act of 1976, Congress made this principle part of the statutory law by excluding from the subject matter of copyright "any idea, procedure, process, system, method of operation, concept, principle, or discovery." 17 U.S.C. § 102(b) (1982).

39 See, e.g., Mazer v. Stein, 347 U.S. 201, 217 (1954) (copyright extends to particular form of plaintiff's statuettes, but not to idea of using statuette of human figures as lamp base); Baker v. Selden, 101 U.S. 99, 109 (1879) (copyright protects author's explanation of bookkeeping method, but not method itself); Nichols v. Universal Pictures Corp., 45 F.2d 119 (2d Cir. 1930) (copyright on play does not extend to basic idea of lovers of different backgrounds and parental disapproval of their relationship).

40 6 F. Cas. 1132 (C.C.S.D.N.Y. 1868) (No. 3552); see supra note 29.

41 154 F.2d 464 (2d Cir. 1946).

42 Id. at 468.

43 Id.

44 Id. Such analysis was particularly important for musical works. As the Second Circuit observed in Darrell v. Joe Morris Music Co., 113 F.2d 80, 80 (2d Cir. 1940): "While there are an enormous number of possible permutations of the musical notes of the scale, only a few are pleasing; and much fewer still suit the infantile demands of
simply on the issue of independent creation.

The second part of the *Arnstein* test was in some ways a departure from earlier definitions of infringement. The court said that even if the plaintiff established copying by evidence of access and similarities properly dissected and analyzed, it is still necessary to determine whether that copying went so far as to constitute improper appropriation. This second test was related to the nineteenth century concern with the value of what the defendant had copied.45 The court, however, now applied a test based on the subjective reactions of lay observers: “On that issue . . . the test is the response of the ordinary lay hearer”46 as to “whether defendant took from plaintiff’s works so much of what is pleasing to the ears of lay listeners, who comprise the audience for whom such popular music is composed, that defendant wrongfully appropriated something which belongs to the plaintiff.”47 The court further held that expert testimony, detailed analysis, and careful dissection were not a proper basis for determining misappropriation:

The proper criterion on [the misappropriation] issue is not an analytic or other comparison of the respective musical compositions as they appear on paper or in the judgment of trained musicians . . . . The impression made on the refined ears of musical experts or their views as to the musical excellence of plaintiff’s or defendant’s works are utterly immaterial on the issue of misappropriation; for views of such persons are caviar to the general—and the plaintiff’s and defendant’s compositions are not caviar.48

The trier of fact was thus left to depend upon some visceral reaction as the basis for determining misappropriation. Copyright infringement hinged on whether an ordinary observer would conclude that the defendant had copied too much of the plaintiff’s material. Instead of using some objective standards or criteria based on economic impact or quantity, courts were to determine infringement on an unpredictable, impressionistic basis.

The Second Circuit exacerbated this test’s ambiguity in 1966 when it

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45 See supra text accompanying notes 27-30.
46 *Arnstein*, 154 F.2d at 468.
47 *Id.* at 473.
48 *Id.*
decided Ideal Toy Corp. v. Fab-Lu Ltd.\textsuperscript{49} Although the Second Circuit in Arnstein\textsuperscript{50} had separated the issue of copying from the issue of misappropriation, in Ideal Toy Corp. the court effectively abandoned that separation. In that case the plaintiff claimed that the defendant had infringed the copyrights in two of plaintiff's dolls. The plaintiff requested a preliminary injunction against the defendant's manufacture and sale of the accused dolls. The district court denied the plaintiff's request, finding that the defendant's dolls did not misappropriate the expression in the plaintiff's dolls. According to the district court, "the total effect of the image conveyed to an ordinary observer by the accused dolls is quite distinct from that of plaintiff's dolls."\textsuperscript{51} On appeal, the plaintiff argued that the district court had erred by relying on the misappropriation requirement incorrectly imposed on plaintiffs in Arnstein.\textsuperscript{52} That is, the plaintiff seemingly argued that the court should abandon the second element of the Arnstein test, which required a showing of misappropriation in addition to a showing of copying.

In response to this argument, the Second Circuit stated first that proof of copyright infringement required a showing of "substantial similarity" between the two works, and that "substantial similarity" was present when "an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work."\textsuperscript{53} In other words, the ordinary observer's determination that the two works were substantially similar was to be based on that observer's determination that the defendant had copied from the plaintiff. The court then said that the element of misappropriation identified in Arnstein "was merely an alternative way of formulating the issue of substantial similarity . . . although the use of the term 'improper appropriation' somewhat obscures the issue."\textsuperscript{54} Thus, instead of conducting two separate inquiries into the works' similarities, first to establish copying and then to determine misappropriation, the court indicated that there need be just one determination of "substantial similarity" based on whether an ordinary observer could detect copying. If copying was so detectable,

\textsuperscript{49} 360 F.2d 1021 (2d Cir. 1966).
\textsuperscript{50} 154 F.2d 464.
\textsuperscript{51} Ideal Toy Corp. v. Fab-Lu Ltd., 266 F. Supp. 755, 756 (S.D.N.Y. 1965), aff'd, 360 F.2d 1021 (2d Cir. 1966).
\textsuperscript{52} See Ideal Toy Corp., 360 F.2d at 1023 n.2.
\textsuperscript{53} Id. at 1022. Although the phrase "substantial similarity" had been used earlier, see, e.g., Comptone Co. v. Rayex Corp., 251 F.2d 487 (2d Cir. 1958), it was in Ideal Toy Corp. v. Fab-Lu Ltd. that the court first defined that phrase in connection with the ordinary observer test.
\textsuperscript{54} Ideal Toy Corp., 360 F.2d at 1023 n.2.
then the defendant had misappropriated as well.

By combining the issues of copying and misappropriation, the Second Circuit reduced the infringement test to, first, proof of access and, second, substantial similarity to the ordinary observer. This test is referred to hereafter as the "traditional approach" to copyright infringement.

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55 See Ideal Toy Corp. v. Kenner Prods. Div. of General Mills Fun Group, Inc., 443 F. Supp. 291, 303 n.11 (S.D.N.Y. 1977) (the two steps of the Arnstein process "seem to have merged into the single lay-observer test for substantial similarity announced in Ideal Toy Corp. v. Fab-Lu Ltd. (Inc.)" (citation omitted)).

56 In Walker v. Time Life Films, Inc., 784 F.2d 44 (2d Cir.), cert. denied, 106 S. Ct. Rptr. 2278 (1986), the Second Circuit seemed to recognize the need to restore a bifurcated analysis of copying and misappropriation. In describing the plaintiff's burden of proof, the court, citing Arnstein and other decisions, held that the plaintiff "must show that his book was 'copied,' by proving access and substantial similarity between the works, and also show that his expression was 'improperly appropriated,' by proving that the similarities relate to copyrightable material." Walker, 784 F.2d at 48. This bifurcation is in fact quite different from and, at first glance, an improvement over the Arnstein approach. The court seemed to be saying that evidence of access and substantial similarity would be used to determine the issue of copying, not misappropriation. The second element of the plaintiff's claim would not be misappropriation in the traditional sense, i.e., copying of too much of what was valuable in the plaintiff's work, but rather would require only a showing that what the defendant had copied was protectable expression. Such an approach is similar to that proposed in this Article, and would greatly improve the copyright decisionmaking process for the reasons described herein. See infra text accompanying notes 135-56.

In fact, however, the Second Circuit did not go quite so far and the copyright decisionmaking process remains quite muddy. Later in its opinion, in discussing the question of whether expert analysis is admissible to prove substantial similarity, the court restates its earlier bifurcated test. First, the plaintiff must show copying and then ""illicit copying" . . . which demands that such similarities relate to protectible [sic] material." Walker, 784 F.2d at 51. The court then quotes the language from Arnstein providing that on the first issue expert analysis and dissection are admissible, but that on the second issue, the test is the response of the lay observer, and dissection is irrelevant. Id. This seems inconsistent. If the second test is a determination of whether what was copied was protectable expression, then dissection seems critical; the response of the lay observer would be irrelevant. The court nowhere explains this inconsistency.

Moreover, its application of this bifurcated test in the case before it is not instructive. The defendant's evidence of expert analysis consisted of an affidavit from a literary expert demonstrating how the plot, themes, structure, pace, and character of the defendant's film differed from the plaintiff's book. The court used this evidence in concluding that all that the defendant had copied from the plaintiff's book was uncopyrightable facts and ideas. Thus, it was used to determine if "illicit copying" had occurred. This is the second prong of Arnstein, which considers such dissection inappropriate. Id. at 52. The court thus seems to be clinging to Arnstein in words only, not in application.
II. THE ROLE OF SUBSTANTIAL SIMILARITY IN CURRENT TESTS FOR INFRINGEMENT

As discussed above, in the first half of the twentieth century, courts combined two of the three copyright infringement issues addressed separately in nineteenth century cases. In the nineteenth century, courts separately considered the issues of copying, misappropriation, and fair use. By relying on the concept of "substantial similarity" as determined by an ordinary observer, the Second Circuit in *Ideal Toy v. Fab-Lu Ltd.* conflicted the issue of copying with that of misappropriation. The confusion of these two issues had many undesirable consequences, as is shown by examining the way more recent courts have used "substantial similarity" in determining infringement.

A. The Traditional Approach

The principal difficulty with the traditional approach is not the issue of access, but rather the way courts use the concept of substantial similarity. At least four problems plague the concept of substantial similarity as used in the traditional test for copyright infringement. First, it fails to separate the issue of copying from the issue of misappropriation. Second, it ineptly deals with the dichotomy between idea and expression by obscuring that legal principle in determinations that eschew dissection and analysis. Third, it nowhere indicates how to determine how much similarity is too much. Thus, it leaves the courts with an ad hoc, subjective approach that is not workable or fair. Finally, combining the test with the fair use doctrine as currently defined causes courts to consider the degree of similarity between the works twice when the fair use defense is asserted, resulting in an inefficient use of the courts' time.

1. The Failure to Distinguish Copying from Misappropriation

Several cases involving alleged infringement of the copyright in fabric patterns illustrate the traditional approach's obscuring of the issue of whether the similarities between two works support an inference of copying. In *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, the Second Circuit concluded, in comparing two fabric patterns and finding a likelihood of infringement, that the "ordinary observer, unless he set

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57 See *supra* text accompanying notes 13-32.
58 360 F.2d 1021 (2d Cir. 1966).
59 See *supra* text accompanying notes 55-56.
60 274 F.2d 487 (2d Cir. 1960).
out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.” The opinion in *Peter Pan Fabrics*, written in 1960, predated *Ideal Toy Corp.*, in which the Second Circuit defined “substantial similarity” as whether the ordinary observer would be able to detect copying. By contrast, *Peter Pan Fabrics* focused simply on the overall aesthetic appeal to the ordinary observer. The issue of copying was a separate concern. In three fabric design cases decided after *Ideal Toy Corp.*, however, the court merged the ordinary observer test as used to gauge overall aesthetic appeal with the definition of substantial similarity as detectable copying with undesirable results. Now the determination of copying was based simply on the overall aesthetic appeal to the ordinary observer.

For example, in *Novelty Textile Mills v. Joan Fabrics Corp.*, the court quoted both the *Peter Pan Fabrics* “aesthetic appeal” test and the *Ideal Toy Corp.* “detectable copying” test in its definition of substantial similarity, without commenting on the differences between them. The defendant admitted access to the copyrighted fabric pattern, but claimed that it did not copy the pattern in creating its own pattern. Without ever analyzing the similarities to determine either the likelihood of such independent creation or the likelihood of copying, the court simply concluded that to lay eyes, the fabrics were “almost identical,” and that therefore the defendant had infringed the plaintiff’s copyright.

Similarly, in two district court decisions, the courts relied on the *Peter Pan Fabrics* formulation of the ordinary observer test in concluding that the fabrics at issue were substantially similar. That is, in the courts’ views, the fabrics would have the same overall effect and would appear identical or almost identical to the ordinary observer. Again, the courts conducted no separate analysis of the similarities to support the inference of copying. Many basic fabric patterns, including floral

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61 *Id.* at 489 (preliminary injunction affirmed).
62 558 F.2d 1090, 1093 (2d Cir. 1977).
63 *Id.*
65 In *Kenbrooke Fabrics*, 602 F. Supp. at 154-55, the defendant unsuccessfully attempted to prove independent creation by introducing rebuttal evidence. Copyright law generally provides that once the plaintiff demonstrates access and substantial similarity, a presumption of copying by the defendant arises. The burden then shifts to allow the defendant to rebut that presumption by introducing evidence that would explain how those similarities occurred if not by copying. *Miller v. Universal City Studios, Inc.*, 650
patterns and plaids, existed for hundreds of years. Therefore, it would arguably have been appropriate for the courts to have considered the likelihood that the defendants created their designs independently or by using common public domain sources rather than the plaintiffs’ works.

By relying upon the ordinary observer test alone and thus rejecting dissection, analysis, and expert testimony, the courts were deprived of the evidence necessary to analyze properly the likelihood of independent creation. Thus, when the ordinary observer test for substantial similarity is based on overall aesthetic appeal, as it was in these cases, courts may overlook the important issue of the likelihood of copying by the defendant, an issue for which such an ordinary observer test is not well-suited.66 Simply because a party had an opportunity to see a pro-

F.2d 1365, 1375 (5th Cir. 1981); John L. Perry Studio, Inc. v. Wernick, 597 F.2d 1308, 1310 (9th Cir. 1979); Granite Music Corp. v. United Artists Corp., 532 F.2d 718, 721-24 (9th Cir. 1976); see also Original Appalachian Artworks, Inc. v. Toy Loft, Inc., 684 F.2d 821, 829 (11th Cir. 1982); Kamar Int'l, Inc. v. Russ Berrie & Co., 657 F.2d 1059, 1062 (9th Cir. 1981); Novelty Textile Mills v. Joan Fabrics Corp., 558 F.2d 1090, 1092 n.2 (2d Cir. 1977). For example, evidence of the use of preexisting common sources, see Granite Music Corp., 532 F.2d at 720, or of entirely independent creation, John L. Perry, 597 F.2d at 1309 n.2, would be probative and relevant to this issue. Although the court in Kenbrooke Fabrics recognized that sometimes such proof can overcome a finding of copying based on “substantial similarity,” the court’s finding of substantial similarity between the fabrics was based on a test that by definition precluded any analysis of the likelihood of copying by the defendant. Since a presumption of copying arises from a finding of substantial similarity, it would seem logical to define “substantial similarity” so as to consider factors relevant to the likelihood of copying, not simply similarity in aesthetic impact. Otherwise, the presumption has no logical basis and is based on pure conjecture.

66 Furthermore, even if courts were to use the Ideal Toy Corp. v. Fab-Lu Ltd. formulation of the ordinary observer test, which asks if the ordinary observer would be able to tell that the defendant copied from the plaintiff, the test is flawed. Many commentators have recognized that the ordinary observer is not really capable of determining if copying has occurred. Professor Nimmer observed that the lay observer’s visceral reactions “may not always prove an accurate guide to ferreting out the existence of literary theft,” 3 M. Nimmer, supra note 1, § 13.03[E][2], because the ordinary observer cannot realistically determine if the defendant’s work had to be the result of copying from the plaintiff’s work, as opposed to the result of independent creation. Thus, Professor Nimmer concludes that the ordinary observer test is not an effective method to determine copying.

Robert Fuller Fleming also asks, “Why should the ordinary observer be expected to detect spontaneously and immediately the theft which probably took weeks and months to disguise?” Fleming, supra note 9, at 275. In discussing the confusion generated when the substantial similarity test is used to compare two works with similar plots, Fleming concludes that “[p]erhaps the greatest obstacle to copyright protection of plots is the wholesale and unrelenting use of the ordinary observer test as the test of similarity for the factfinder, along with the use of its corollary, the limitation on expert testi-
tected work, and produces a work that ordinary observers would see as

mony.” Id. at 279. Because infringers can disguise the copying of plots by slight variations in insignificant settings or incidents, an ordinary observer may not be able to detect that copying has occurred without the assistance of expert testimony. Id. at 275; see also Sorensen & Sorensen, Re-examining the Traditional Legal Test of Literary Similarity: A Proposal for Content Analysis, 37 CORNELL L.Q. 638, 649 (1952) (proposing quantitative content analysis approach to determine “the probability that such similarity did not occur by chance,” rejecting use of emotional reaction of ordinary observers as means of determining that issue).

Others have specifically criticized the ordinary observer test as a way to detect copying when the sophisticated nature of the copyrighted materials allegedly infringed makes that test entirely inappropriate. For example, in Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc., 797 F.2d 1222 (3d Cir. 1986), cert. denied, 107 S. Ct. 877 (1987), the court concluded that the ordinary observer test “is of doubtful value in cases involving computer programs on account of the programs’ complexity and unfamiliarity to most members of the public.” Id. at 1232. The court therefore decided to “adopt a single substantial similarity inquiry according to which both lay and expert testimony would be admissible,” id. at 1233, in cases involving exceptionally complex works such as computer programs. See also E.F. Johnson Co. v. Uniden Corp. of Am., 623 F. Supp. 1485, 1493 (D. Minn. 1985) (“fiction” of ordinary observer test replaced with an “iterative” approach relying on expert analysis in cases involving infringement of computer software copyrights). See generally Note, Copyright Infringement of Computer Programs: A Modification of the Substantial Similarity Test, 68 MINN. L. REV. 1264 (1984); Note, Defining the Scope of Copyright Protection for Computer Software, 38 STAN. L. REV. 497 (1986).

In fact, those commentators who praise the ordinary observer test and consider it the most effective way to determine substantial similarity focus not on the use of substantial similarity as evidence used to establish the existence of copying, but on the use of substantial similarity to determine the substantive issue of misappropriation. For example, Jeffrey G. Sherman concludes that the lay audience is best suited to determine substantial similarity between musical works. Sherman, Musical Copyright Infringement: The Requirement of Substantial Similarity, 22 COPYRIGHT L. SYMP. (ASCAP) 81 (1977). Sherman reasons that because “a certain amount of similarity with previously written music is statistically impossible to avoid,” id. at 124, only the lay audience will be able to determine if those similarities are substantial enough to justify liability: “The mechanics of the sequence of notes are not what an audience hears or cares about. If a composer takes only those aspects of a composition, he has taken nothing of value and should therefore not be made to pay damages,” id. at 135. Thus, Sherman apparently believes substantial similarity should be used to determine not copying, but misappropriation.

Similarly, in Note, Infringements, supra note 9, the author proposes that instead of the average lay observer being the appropriate one to determine substantial similarity, the specific audience for the particular work should be the focus because the members of that audience are the ones who provide the copyright owner with the economic incentive and rewards. The author reasons that since the plaintiff will only be injured if that specific audience would replace its work with the defendant’s copy, it is that audience’s view that should be determinative. Id. at 393-94. Again, the focus is on determining misappropriation, not proof of copying. See Knowles & Palmieri, supra note 9,
substantially the same, should not always raise an inference of copying.

2. The Failure to Distinguish Ideas from Expression

A second problem with using the standard of substantial similarity as determined by the ordinary observer as the keystone to copyright infringement is that the test inadequately deals with the dichotomy between the uncopyrightable elements of a copyrighted work and copyrightable expression. This separation is particularly important with respect to the dichotomy between idea and expression. If the plaintiff is using substantial similarity as proof of copying, reliance on similarities in ideas as well as expression may be appropriate, as those similarities may be probative of the issue of independent creation by the defendant. However, if the court is considering similarity in ideas to determine misappropriation and thus liability, there is a problem because those ideas are not protected by copyright and thus cannot be “misappropriated.” The traditional approach casually assumes that the ordinary observer is able to keep this dichotomy in mind when determining whether the aesthetic appeal of the two works is the same.

Consider, for example, the two series of “action figures” at issue in Mattel, Inc. v. Azrak-Hamway International:

Though the dolls’ bodies are very similar, nearly all of the similarity can be attributed to the fact that both are artist’s renderings of the same unprotectable idea — a superhuman muscleman crouching in what since Neanderthal times has been a traditional fighting pose. The rendering of

at 141-44 (ordinary observer test should not be used to determine, objectively, likelihood of independent creation, but rather should be used to determine, on personalized, subjective basis, if infringement has occurred); Note, Video Games, supra note 9, at 1310-11 (because key issue in infringement is whether public believes two works are substantially similar, audience test should be used to determine if two video games are similar with respect to the “play” of game as well as visual and literal expression). All these commentators see the ordinary observer test as a good method of determining misappropriation, that is, whether the works are similar enough to cause the plaintiff harm; their analysis does not relate to the separate and essential question of whether the defendant copied from the plaintiff’s work.

As discussed infra note 71, the ordinary observer test is also not well-suited to determine misappropriation because of the confusion that test creates with respect to the dichotomy between the protected expression and the unprotected elements of the copyrighted work. Certainly when all three issues are considered at once — copying, misappropriation, and the scope of protected expression — the ordinary observer test is not an adequate basis for determining infringement.

There would, of course, still need to be a separate finding that some of what was copied was protected expression. See supra text accompanying notes 36-39 and cases cited therein.
such an idea is not in itself protectable; only the particularized expression of that idea, for example, the particular form created by the decision to accentuate certain muscle groups relative to others, can be protected. . . . In this case a lay observer would recognize certain differences in the way the two sculptors have created images of strength by overemphasizing certain muscle groups. 68

This court's assumptions about the perceptiveness of the lay observer are probably too generous. After all, the lay observer is not supposed to be dissecting or analyzing the two works. 69 To expect that observer to notice which muscle groups are emphasized, in order to see if just ideas or expression are similar, is obviously inconsistent with the visceral, generalized approach that the courts prefer. The ordinary observer is therefore likely to include the unprotected idea — the general notion of a crouching, muscular man — in determining substantial similarity. Misappropriation should, however, be determined by looking only at how that idea is expressed, e.g., which muscle groups are emphasized. 70 The ordinary observer relying upon generalized reactions is not well-suited for that task. 71

68 724 F.2d 357, 360 (2d Cir. 1983) (emphasis added).
69 See supra text accompanying notes 46-48.
71 The difficulty of this task is also indicated by the failure of some judges to agree on how ordinary observers would react in a particular case. For example, in Eden Toys, Inc. v. Marshall Field & Co., 675 F.2d 498 (2d Cir. 1982), the judges could not agree as to whether the defendant's snowman doll was substantially similar only in ideas or also in expression to the plaintiff's copyrighted snowman doll. The defendant's snowman had a different shaped body (round v. square), different type of hat (large and shaped v. floppy), different color face (rosy v. white) and scarf (tattersall v. green) from the plaintiff's doll. The majority affirmed summary judgment in favor of the defendant, agreeing with the district judge that the similarities were only those that "would appear to the ordinary observer to result from the fact that both are snowmen." Id. at 500. Judge Lumbard dissented because he concluded that the ordinary observer would overlook the differences and find the dolls similar in expression as well as ideas. He did not explain, however, how the ordinary observer would separate the expression from the ideas, nor how he himself had separated them.

Others have recognized the inability of jurors as ordinary observers to separate ideas from expression. In Bevans v. Columbia Broadcasting Sys., Inc., 329 F. Supp. 601, 604 n.3 (S.D.N.Y. 1971), Judge Tyler criticized the use of the ordinary observer test except for "comparatively simple fields such as fabrics or clothing designs." In that case the court compared a play (Stalag 17) and a television program (the Hogan's Heroes pilot). The court overturned the verdict in the plaintiff's favor because unprotectable
3. The Failure to Provide Guidelines to Determine Misappropriation

A third problem with the concept of substantial similarity as used in the traditional approach to copyright infringement is the inconsistencies it has created in the determinations of how much similarity in expression is "substantial." There is no objective framework for defining how much copying is too much.

Some courts emphasize the aesthetic or financial value of the portion that a defendant has substantially copied. This approach may be termed the "value" approach. For example, in *WPOW, Inc. v. MRLJ Enterprises*, the court compared the defendant's engineering report in its application to the Federal Communications Commission for construction of broadcasting facilities with a report the plaintiff had included in its application. The court found infringement, reasoning that

ideas had been considered in finding the works substantially similar. Judge Tyler observed:

Although the jury was specifically instructed to disregard those similarities which were virtually necessitated by the use of the same historical setting, clearly in the public domain, the difficulty of sifting out for comparison only the protectible [sic] material is particularly great where, as here, non-protectible [sic] similarities are so pervasive.

*Id.* at 607.

Professor Gary L. Francione also criticized the ordinary observer test for giving factfinders too broad a role in determining the dichotomy between unprotected ideas and facts, and protected expression. He argued that the determination is subsumed in determinations of substantial similarity. Professor Francione pointed out that this may create first amendment problems if ideas are in fact given copyright protection as a result of the "totality approach" to determining copyright infringement. Thus, he would prefer an approach wherein the determination of what is protected expression and what is unprotectable idea or fact is determined as a matter of law, not fact. Francione, *Facing the Nation: The Standards for Copyright, Infringement, and Fair Use of Factual Works*, 134 U. PA. L. REV. 519, 557-67 (1986).

Professor Nimmer has also criticized the ordinary observer or audience test, for similar reasons. He recognized that by avoiding dissection and analysis the lay observer will be unable to distinguish the protected elements from the unprotected elements of the plaintiff's work. 3 M. Nimmer, *supra* note 1, § 13.03[E], at 13-60. Another author has suggested that the ordinary observer test has led to "sloppy jurisprudence" in which the courts find copying without distinguishing idea from expression. The author suggests that this is a particular problem in determining infringement of the copyright in motion pictures. Because themes are frequently reused in motion pictures, the overall films could seem similar to a lay observer. The author argues that a test using some analysis of the works, as well as some recognition of the industry custom of reviving popular themes, should be adopted to determine substantial similarity between works involving the motion picture industry. Note, *Hollywood, supra* note 9, at 181, 187-90.

"[w]hatever similarities or differences there are in the reports generally, the critical parts of the reports — the antenna design — are identical. Taking what is in essence the heart of the work is considered a taking of a substantial nature, even if what is actually taken is less than extensive."\(^{73}\) The court did not focus on the many overall differences between the two reports. Rather, the court based its finding of substantial similarity on the fact that the defendant had incorporated this one part, the design, into the report.

The court did not consider whether an ordinary observer would see the whole report as the same. It looked only at the antenna design, and because of the importance of that one part and the similarities with respect to that one part, the court found substantial similarity.\(^{74}\) Thus, sometimes the "substantial" in substantial similarity focuses on the importance or value of the portion copied, and not on substantiality relative to the overall work.

Other courts focus instead on whether observers will confuse the two works as a whole and will thus be likely to substitute one for the other. This approach to determining misappropriation may be termed the "audience confusion" approach. In those cases, courts consider both differences and similarities in the works. Differences added by the defendants can serve to offset the degree of similarity between the works.

For example, in *Novelty Textile Mills, Inc. v. Joan Fabrics Corp.*,\(^{75}\) a federal district court had denied preliminary injunctive relief to the plaintiff, when the plaintiff claimed that the defendant had infringed its copyright in a fabric design. The district court had found no substantial similarity because it concluded that the differences would be apparent to a furniture manufacturer or serious consumer.\(^{76}\) The Second Circuit reversed, finding substantial similarity to the ordinary observer,\(^{77}\) even though, as pointed out in Judge Mansfield's concurring opinion, there were several "marked differences" in the dimensions and composition of the pattern.\(^{78}\) The determining factor was not the amount taken in

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\(^{73}\) *Id.* at 136 (emphasis added).


\(^{75}\) 558 F.2d 1090 (2d Cir. 1977).

\(^{76}\) *Id.* at 1093.

\(^{77}\) *See id.* at 1094.

\(^{78}\) *Id.* Judge Mansfield concurred with the majority because he concluded that by
absolute or relative terms, but only whether the ordinary observer would tend to see the two works as the same.\textsuperscript{79} In other words, would creating a fabric using the same colors as well as the same general pattern of plaid, the defendant had created a fabric that had the same overall effect as the plaintiff's fabric. See id. at 1095. He thus focused on the overall work and its effect on the consumer. He differed with some dicta in the majority's opinion, however, in that he concluded that if someone were to use that plaid with different colors, the effect would not be substantially similar. See id. The majority observed that changing the colors would not protect a defendant from liability for infringement of the design, even though some of those changes would make the two patterns not appear substantially similar to the ordinary observer. See id. at 1094 n.6. In the majority's view, if only the pattern of the plaid was protected, the ordinary observer should compare only that pattern in determining substantial similarity. See id. Such fine distinctions are probably beyond the perceptive abilities of a lay observer viewing the works without analysis or dissection, just as the subline between idea and expression would often be missed by that ordinary observer. See supra note 77.

\textsuperscript{79} The importance of overall impressions is evident in cases that find no liability because the defendant, although copying some protected expression, made sufficient changes so that the works as a whole do not appear substantially similar. See, e.g., American Greetings Corp. v. Easter Unlimited, Inc., 579 F. Supp. 607 (S.D.N.Y. 1983) ("cumulative effect" of differences between plaintiffs' and defendant's plush bears undercut the similarities between them); Smith v. Weinstein, 578 F. Supp. 1297, 1304 (S.D.N.Y.), aff'd mem., 738 F.2d 419 (1984) ("Even assuming that [defendant's screenplay] 'Stir Crazy' was written with the [plaintiff's] script in hand, the 'numerous differences . . . undercuts substantial similarity.' "). Of course, sometimes the differences do not go far enough to eliminate the overall similarity between the works. See, e.g., Atari, Inc. v. North Am. Philips Consumer Elec. Corp., 672 F.2d 607 (7th Cir.), cert. denied, 459 U.S. 880 (1982) (changes in facial features and colors used in video games were not enough to avoid liability, as "overall similarities not minute differences" were critical); Ace Novelty Co. v. Superior Toy & Novelty Co., 1984 COPYRIGHT L. REP. (CCH) ¶ 25,656 (N.D. Ill. 1983) (despite minor differences in parties' bears, they are still "almost indistinguishable"); Original Appalachian Artworks, Inc. v. The Toy Loft, Inc., 489 F. Supp. 174 (N.D. Ga. 1980), aff'd, 684 F.2d 821 (11th Cir. 1982) (introducing differences does not save one from liability for infringement if works are still substantially similar).

In Warner Bros., Inc. v. American Broadcasting Co., 720 F.2d 231 (2d Cir. 1983), the court addressed the significance of differences added by a defendant in using some parts of a protected work. In that case the defendant's character in its television program, The Greatest American Hero, allegedly infringed the plaintiff's copyright in the Superman character, although there were several personality and physical differences between the two characters. The court observed that differences can undermine the extent of similarity between works most effectively in visual works where every difference theoretically eliminates a visual similarity (e.g., a change in color or size). See id. at 241-42. In literary works, differences can be added while theoretically retaining all the similarities as well (e.g., by adding a paragraph or inserting a chapter). Id. Thus, even in making overall comparisons, the courts rely on varying standards to determine the degree of copying that will be permitted, depending on the type of work involved. See generally Hazen, Contract Principles as a Guide for Protecting Intellectual Prop-
the defendant's work as a whole be mistaken for or confused with the plaintiff's work as a whole. This concern with audience confusion is also demonstrated in those cases proposing that a different test for substantial similarity should be applied where the works at issue appeal primarily to children, since courts assume that children are less likely than adults to notice fine distinctions. For example, in considering whether certain lines used in the defendant's *Greatest American Hero* television show (e.g., "slower than a speeding bullet") infringed the copyright in certain verbal descriptions of the plaintiff's "Superman" character, the court, in *Warner Bros. v. American Broadcasting Co.*, 720 F.2d at 244, found no audience confusion, given the comical tones of the defendant's show and the timid, bumbling nature of the defendant's character. The court noted, however, that "[i]f Hero were a children's series, aired on Saturday mornings among the cartoon programs, we would have greater concern for the risk that lines intended to contrast Hinceley with Superman might be mistakenly understood to suggest that Hero was a Superman program." *Id.*

Similarly, in *Atari v. North Am. Philips Consumer Elec. Corp.*, 672 F.2d 607 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982), the court, in comparing two video games, noted the importance of the nature of the works and the audiences to which they appeal in assessing the impact of differences in expression:

> Video games, unlike an artist's painting or even other audiovisual works, appeal to an audience that is fairly undiscriminating insofar as their concern about more subtle differences in artistic expression . . . . A person who is entranced by the play of the game 'would be disposed to overlook' many of the minor differences in detail and 'regard their aesthetic appeal as the same.'

*Id.* at 619 (citation omitted). The court also considered evidence that the defendant's game was sometimes referred to by the name of the plaintiff's game as probative of substantial similarity. *Id.* Thus, again, a principal concern was whether the audience for the specific works would confuse the defendant's work with the plaintiff's work.

The confusion that surrounds the question of how to define "substantial" is well-illustrated by a recent Second Circuit case. In *Horgan v. MacMillan, Inc.*, 789 F.2d 157 (2d Cir. 1986), the plaintiff, executrix of the estate of choreographer George Balanchine, alleged that the defendant had infringed Balanchine's copyright in the choreography of *The Nutcracker* ballet by publishing a book containing still photographs of various scenes from a performance of the ballet. The district court had refused to issue a preliminary injunction, finding no likelihood of success on the merits because the ballet as a performance could not be recreated from the still photographs. *Horgan v. MacMillan, Inc.*, 621 F. Supp. 1169 (S.D.N.Y. 1985), *rev'd*, 789 F.2d 157 (2d Cir. 1986). The court of appeals reversed, holding that the district court had applied the wrong standard: "Even a small amount of the original, if it is qualitatively
4. The Overlap with Fair Use Determinations

A final problem with the traditional approach to copyright infringement is the confusing overlap it creates with the fair use doctrine. As significant, may be sufficient to be an infringement, although the full original could not be recreated from the excerpt.” Horgan, 789 F.2d at 162. Thus, the appellate court adopted a “value” approach, whereas the district court had followed an “audience confusion” approach, looking at the total work, not simply the excerpt taken.

Professor Nimmer also recognized that courts used different standards in determining substantial similarity, depending on whether the works were characterized by “comprehensive nonliteral similarity” as opposed to “fragmented literal similarity.” The former refers to similarities in the overall structure or pattern of the two works; the latter describes cases in which specific portions of the two works are identical or nearly identical. In determining if the “comprehensive nonliteral similarity” is substantial enough to constitute infringement, Professor Nimmer suggests that the courts follow the approach discussed by Professor Chafee. Professor Chafee’s approach compares the specific patterns used by the plaintiff and the defendant to see if their works are similar only in the basic, copyrightable level of ideas or whether the defendant has also taken much of the plaintiff’s specific method of developing and expressing that idea. See Chafee, Reflections on the Law of Copyright: I, 45 COLUM. L. REV. 503, 513-14 (1945). Professor Nimmer recognizes, however, that courts have been inconsistent in defining how much similarity in the overall “pattern” is substantial. 3 M. NIMMER, supra note 1, § 13.03[A][1], at 13-28, 13-29. This inconsistency stems in part from the underlying flaw discussed above: The courts do not articulate whether substantial similarity in the patterns is relevant for determining copying or for determining misappropriation. Even if it is clear that the issue is misappropriation, there is no objective or consistent analytical framework for determining how much of that specific way of developing a pattern must be taken to infringe the copyright.

In “fragmented literal similarity,” the defendant’s work contains an identical or nearly identical segment of the plaintiff’s expression. Professor Nimmer comments that in determining if the amount used should be considered substantial, both quantitative and qualitative factors should be considered. However, ultimately the decision “requires a value judgment” reflecting the type of work at issue. 3 M. NIMMER, supra note 1, § 13.03[A][2], at 13-39. Again, he defines no structure in which to make that value judgment. Moreover, this focus on value and quantity would seem to indicate that only misappropriation and not copying is at issue in cases of “fragmented literal similarity;” this is not necessarily true. Even some precise identity in expression may be coincidental.

Professor Nimmer also comments that ultimately in cases of “fragmented literal similarity,” it is necessary to consider not simply the extent of similarity, but also, in the context of the doctrine of fair use, the defendant’s purpose in using the plaintiff’s expression. 3 M. NIMMER, supra note 1, § 13.03[A][2], at 13-35. As discussed infra in text accompanying notes 136-45, in my view it is much wiser to consider all questions concerning the value and amount of copying as well as the purpose of the copying in the context of fair use. Professor Nimmer would apparently continue to have a “misappropriation” factor considered as part of the plaintiff’s case in addition to the fair use analysis, despite the resulting confusion and duplication.
noted above,\textsuperscript{82} the fair use doctrine has long been available as a defense to claims of copyright infringement. Although originally a judicially created doctrine, Congress codified the fair use defense in the 1976 Copyright Act. Section 107 provides in pertinent part:

\begin{quote}
In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—\\
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole . . . .\textsuperscript{83}
\end{quote}

Thus, the extent of similarity between the works is one of the factors considered relevant in determining if a use is fair under the 1976 Act. The greater the amount of the plaintiff's work that the defendant has used, the more difficult it will be to prove that use is fair. Thus, after considering the extent of similarities to determine substantial similarity, the court must reconsider the extent of similarity between the two works in weighing the "amount and substantiality" factor of section 107. This unnecessarily duplicates the evidence and unduly confuses the analysis of similarities.\textsuperscript{84}

Thus, the use of substantial similarity as determined by the ordinary observer presents many conceptual and evidentiary problems. Other approaches to determining infringement have evolved, but each has conceptual and practical flaws.

\textsuperscript{82} See supra text accompanying notes 31-32.

\textsuperscript{83} In full, 17 U.S.C. § 107 (1982) provides:

\begin{quote}
Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—\\
(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;\\
(2) the nature of the copyrighted work;\\
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and\\
(4) the effect of the use upon the potential market for or value of the copyrighted work.
\end{quote}

\textsuperscript{84} Others have criticized this overlap. See Comment, Fair Use, supra note 9, at 79-80, 105-06; Note, Infringement, supra note 9, at 395. These critics' views are discussed in more detail infra at note 143.
B. The Salkeld Approach

In Universal Athletic Sales Co. v. Salkeld, the Third Circuit modified the traditional test for copyright infringement. In effect, the court restored the bifurcated analysis described in Arnstein. It held that the plaintiff alleging copyright infringement first must prove copying and then "that copying went so far as to constitute improper appropriation." Because in granting the plaintiff's motion for summary judgment the district court made no finding on this second prong, misappropriation, the appellate court reversed.

To determine whether there was improper appropriation, the court mandated the standard of "whether an ordinary lay observer would detect a substantial similarity between the works." As in the traditional approach, therefore, substantial similarity was the label used to determine both copying and improper appropriation.

The Salkeld test differed, however, in that the court recognized that "substantial similarity to show that the original work has been copied is not the same as substantial similarity to prove infringement." However, as in Arnstein, the court indicated that although using expert analysis and dissection is proper in evaluating similarities to establish copying, such analysis is not appropriate for determining misappropriation.

In theory, employing a test based first on an analytical determination and then on a visceral determination of substantial similarity was an improvement over the traditional approach. This is because the new test separated the issues of copying and misappropriation. However, as applied, this approach failed to clarify adequately the test for infringement, because it failed to resolve the problems caused by relying on the substantial similarity concept.

1. Failure to Clarify the Misappropriation Standard

The Salkeld approach still left entirely undefined just how much similarity would constitute misappropriation. In the Salkeld case itself, this flaw is obvious. At issue in Salkeld were charts created by both the plaintiff and the defendant. The two parties manufactured similar ex-

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86 154 F.2d 464 (2d Cir. 1946).
87 Salkeld, 511 F.2d at 907.
88 See id.
89 Id.
90 Id.
91 See id.
ercise machines, and each made a chart using stick figures and textual material to explain how to use the machines. The appellate court did not disturb the district court's finding of copying, but found the similarities between the two charts insufficient to constitute misappropriation. We are left without any clear idea as to why this was not enough, or how much would be enough, because the court commented only:

It is difficult to explain all the points of similarity and dissimilarity between the two charts without going into great detail. . . . [t]he more the court is led into the finer points of the drawings, the less likely it is to stand upon the firmer, if more naive, ground of its considered impressions after its own perusal.92

In other words, the court was reluctant to give too much guidance because it preferred an entirely visceral basis for determining misappropriation.

This failure to provide some objective context for defining misappropriation has left the Third Circuit district courts as confused as those courts using the traditional approach in determining misappropriation.93 For example, in *Albert E. Price, Inc. v. Metzner*,94 the court found substantial similarities between the duck card box manufactured by the plaintiff and that made by the defendant:

If an average person saw the [plaintiff's] duck card box set at a friends' [sic] house and then went shopping to purchase such a duck card box, he or she would probably buy [defendant's product] and not realize that the duck card box which they had purchased was not the duck card box admired at the friend's house.95

The court thus seemed to be adhering to the audience confusion approach for determining misappropriation.

On the other hand, in *Educational Testing Services v. Katzman*,96 the court seemed more concerned with value than audience confusion. In that case, the defendant allegedly copied test questions that the plaintiff had prepared and used in its standardized examinations. The plaintiff claimed that the defendant used the questions in its preparatory course for those examinations. The court found a likelihood of success on the merits for the plaintiff despite the defendant's claim that only a "handful of questions out of thousands that [the plaintiff] has generated" were allegedly copied.97 The court rejected the argument

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92 *Id.* at 908-09 (footnote omitted).
93 *See supra* text accompanying notes 72-81.
95 *Id.* at 285, 286.
96 793 F.2d 533 (3d Cir. 1986).
97 *Id.* at 542 (quoting brief of Defendants-Appellants, at 25).
that any copying was de minimis because of the "qualitative significance" of that copying with respect to the integrity of the plaintiff's examinations. Thus the court applied the value approach as opposed to the audience-confusion approach.

2. Failure to Resolve Problems Involving the Idea/Expression Dichotomy

Not only does the Salkeld approach fail to address the difficulties caused by determining misappropriation on such a loosely defined, subjective basis; it also does not resolve any of the problems existing under the traditional approach with respect to the idea-expression dichotomy. The ordinary observer is still left with the impossible task of comparing only protected expression in determining substantial similarity without engaging in any thoughtful dissection or analysis of the works.

For example, in Midway Manufacturing Co. v. Bandai-America, the court recognized the two separate uses of substantial similarity to determine infringement as outlined by the Third Circuit in Salkeld, and applied the concept to determine both copying and misappropriation. The court noted that in determining substantial similarity, considering the idea-expression dichotomy was necessary in deciding the misappropriation issue. In applying that principle, the court rejected the defendant's assertion that the physical characteristics of the characters appearing in the plaintiff's video game were unprotected ideas: "The 'idea' of any work could always be defined in such detail that the description of the expression would add nothing to the 'idea,' thus allowing a defendant to engage in all but verbatim copying. Such a ploy cannot be allowed."101

After engaging in this analysis, however, the court refused to grant plaintiff's motion for summary judgment. The court held that the issue of substantial similarity for appropriation purposes is one for a trier of fact, and that summary judgment was thus only appropriate when the two works were virtually identical. Thus, ironically, the issue would still go back to the jury, which would determine substantial similarity on the basis of the ordinary observer test, a generalized visceral approach that would not carefully consider the idea-expression

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98 Id. at 542-43.
100 See id. at 139 n.8.
101 Id. at 148.
102 See id. at 149.
dichotomy.\textsuperscript{103}

3. Failure to Separate Copying from Misappropriation

Even in the area in which it could have improved upon the traditional approach by separating the issues of copying and misappropriation, the \textit{Salkeld} approach remains ineffective. Courts still seem to address these issues either together in an unfocused way, or by ignoring one issue while addressing only the other. For example, in \textit{Association of American Medical Colleges v. Mikaelian},\textsuperscript{104} based on some verbatim similarities plus typeface and graphic irregularities that appeared in both works, the court found that the defendant had copied the plaintiff's test questions. The court concluded that the defendant took ninety percent of its questions from the plaintiff. However, the court never specifically discussed how much of the plaintiff's work the defendant had copied, or why enough similarities existed to infer not only copying, but also to find misappropriation. Thus, despite the \textit{Salkeld} outline of the test for infringement, the court did not specifically address misappropriation.

On the other hand, in \textit{Tomkins Graphics, Inc. v. Zipatone, Inc.},\textsuperscript{105} the court considered similarities between the parties' art products, which were arrangements of various shapes and designs. Although the court recognized that these were common shapes and thus by definition had to be similar, it made this observation in the context of deciding whether the defendant had copied too much of the plaintiff's work. The court noted that only a small proportion of the shapes in the two sets were exactly the same in dimensions, and thus that the ordinary observer would not find any "noteworthy similarity."\textsuperscript{106} In other words, the court jumped to the issue of misappropriation — questioning whether the defendant copied too much — without making any finding on the primary question — were there enough similarities to infer copying? Because geometric shapes are common and in the public domain, only close similarity in arrangement and dimensions would justify concluding that the defendant copied rather than independently created its arrangement. The court's focus on the ordinary observer caused it to

\textsuperscript{103} See also Custom Decor, Inc. v. Nautical Crafts, Inc., 502 F. Supp. 154, 157 (E.D. Pa. 1980) (two sculptures of duck heads considered substantially similar to ordinary observer without any consideration of fact that idea of duck dictates some similarities in expression).


\textsuperscript{105} 1984 COPYRIGHT L. REP. (CCH) ¶ 25,698 (E.D. Pa. 1983).

\textsuperscript{106} Id. at 19,133.
miss this issue completely.

Finally, in *Klitzner Industries v. H.K. James & Co.*, the court granted the plaintiff a preliminary injunction, concluding that the plaintiff had demonstrated a reasonable likelihood of success on its infringement claim. The plaintiff argued that the defendant’s advertisements for its belt buckles commemorating the Great Seal infringed the plaintiff’s advertisements for its Great Seal commemorative belt buckles. The court considered several parallel textual passages in the two advertisements and concluded that the similarities in phrasing, sequence, and general content were sufficient to support an inference of copying for purposes of the preliminary injunction motion. The court recognized that the degree of similarity needed to infer copying was not necessarily the same as that needed to find misappropriation, but then muddied its reasoning by finding misappropriation because the similarities between the advertisements went “beyond mere coincidental use of descriptive phrases.”

The probability of coincidence is relevant, however, to the issue of copying, since it relates to the likelihood of independent creation. Coincidence is irrelevant in deciding if too much has been copied or misappropriated. The extent of copying is determinative of that issue. Although the court did also conclude that the defendant had appropriated “virtually the entire text and form” of the protected advertisement, its

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108 See id. at 1256-57. For example, the plaintiff’s advertisement contained the following passage: “Today the eagle continues to soar strong and free over the greatest nation the world has ever known.” Id. at 1255. In a similar location in the textual sequence of its advertisement, the defendant provided this sentence: “Now two hundred years later — the eagle continues to soar free and unfettered over the greatest bastion of freedom the world has ever known.” Id. The parallel phrasing, the use of some identical words — “the eagle continues to soar strong and . . . over the greatest . . . the world has ever known” — and the similar placement in the advertisements are arguably enough to infer copying of the text, even though the similar subject matter would create some similarities absent any copying.
109 See id. at 1256.
110 Id.

111 *Id.* This conclusion is not inevitable. If we return to the passages quoted above in note 108, the defendant’s use of some different and distinctive words and phrases — “Now two hundred years later” instead of “Today,” and “unfettered” in addition to “free,” and “bastion of freedom” in place of “nation” — is arguably different enough to distinguish the two advertisements and avoid audience confusion and also different enough to conclude that the defendant copied only common words and not what was truly valuable in the plaintiff’s text.

reference to "coincidence" reveals the possibility of some confusion in the court's reasoning.

4. Failure to Eliminate the Overlap with Fair Use

Finally, the Salkeld approach does not eliminate the duplication in considering the extent of similarity between the works, first as part of determining substantial similarity and then as a factor in determining fair use. A court must still determine the amount of similarity to determine if copying and misappropriation exist, and then reconsider the extent of similarity to evaluate the third factor for determining fair use pursuant to section 107 of the 1976 Act.

Thus, despite the Salkeld approach's potential appeal, it has not resolved, either in theory or in application, the ambiguities and confusion troubling determinations of copyright infringement. Using "substantial similarity" in two different tests only seems to confound the courts even more than the traditional approach.

C. The Krofft Approach

In 1977, the Ninth Circuit formulated another approach to determining copyright infringement in Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.112 The case involved the plaintiff's children's television show, H. R. Pufnstuf, which was about an imaginary land peopled by strange fantasy characters, both good and evil. The plaintiff claimed that the defendant's McDonaldland advertising campaign infringed the copyright in H. R. Pufnstuf.113 The court first stated the general outline of a case for copyright infringement: access

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112 562 F.2d 1157 (9th Cir. 1977).
113 Id. at 1162.
and substantial similarity. The defendant did not dispute access, as it had in fact been negotiating with the plaintiffs for a license to use the Pufnstuf characters prior to "creating" their own. The court then went on to discuss the need to show substantial similarity.

The court recognized the flaws with using substantial similarity as determined by the ordinary observer test, in particular those flaws relating to the idea-expression dichotomy. It reasoned that using the ordinary observer test to determine substantial similarity without first separating the idea from the expression "would produce some untenable results." The plaintiff would be able to protect a simple idea simply expressed against someone else expressing that idea in an equally simple way. This is the difficulty presented by the Mattel case involving the crouching, overdeveloped muscular "action figures." The Ninth Circuit recognized that the ordinary observer is unlikely to be able to separate idea from expression in comparing two works without dissection or analysis. Therefore, this test would improperly prohibit others from copying ideas.

1. The Extrinsic Test

Although the Ninth Circuit thus recognized at least one of the flaws in the traditional approach, its attempted resolution was equally flawed. The court proposed a new two-step test for determining substantial similarity, once the plaintiff had proven access. First, the test compared the works extrinsically for similarities in ideas. Based on specific criteria, analytic dissection, and expert testimony, the court was to determine if the ideas in the two works were substantially similar. The court said that the type of artwork, materials, and setting used were relevant in applying this extrinsic test.

Unfortunately, the court did not have to apply this test in the case before it, because the defendant conceded that it copied its ideas from the plaintiff. Moreover, the court did not explain whether determining substantial similarity of ideas was relevant to determining copying

114 See id.
115 See id. at 1161.
116 Id. at 1162-63. The example used by the court was a plaster statue of a nude: "The burden of proof on the plaintiff would be minimal, since most statues of nudes would in all probability be substantially similar to the [plaintiff's]." Id. at 1163 (footnote omitted).
117 See supra text accompanying notes 68-71.
118 See Krofft, 562 F.2d at 1164.
119 See id. at 1165.
or misappropriation or both. A court can compare and analyze ideas to determine if it can infer copying of those ideas, but determining if expression as well as ideas were copied is still necessary to find copyright infringement. Thus, a court must also consider expression analytically to decide if it should infer copying as opposed to independent creation of that expression. However, as discussed later, the court rejected using expert testimony and analysis in comparing the expression of those ideas. Thus, the extrinsic test may help to determine if a defendant has copied ideas, but the test does not adequately determine copying of protected expression.

Examining lower courts' attempts to apply the extrinsic test makes its problems even more obvious. In Litchfield v. Spielberg, the plaintiff sued Steven Spielberg, claiming that his film E.T. infringed the plaintiff's copyright in its musical play Lokey from Maldemar. Like E.T., the plaintiff's play was about aliens with telekinetic powers who are temporarily stranded on earth and then become friendly with some children. Although at some basic level these are substantially similar ideas, the court looked to the sequence of events, the dialogue, the char-

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120 See infra text accompanying note 126.

121 Professor Nimmer also criticized the Krofft test as an incorrect reading of the first step of the Arstein test. Professor Nimmer suggested that by only comparing ideas, the Krofft test "unnecessarily limited the scope of the court's determination under the preliminary, extrinsic test." 3 M. Nimmer, supra note 1, § 13.03[E], at 13-58.

Steven Knowles and Ronald Jason Palmieri try to defend the Krofft bifurcated test and its attempt to clarify the role of the idea-expression dichotomy in determinations of substantial similarity. See Knowles & Palmieri, supra note 9. In order to do so, however, the authors modify what the court in fact held in Krofft. The authors argue that there really is no distinction between an idea and its expression, id. at 124-29, and that the first prong of the Krofft test is really a determination of whether there is objective as opposed to subjective similarity between the expression used in the two works, id. at 132-34. The authors suggest that the court intended the use of a detailed, analytical comparison of the expression in the two works to see if the defendant used too much of the essential, original expression used by plaintiff. The authors describe this test as applied to Romeo and Juliet and West Side Story, indicating that by use of significant expert analysis, the court would make this initial, quantitative conclusion. Only then would a jury apply the subjective intrinsic test. Id. at 140, 153-66.

This is not, however, what the Ninth Circuit described in its opinion. The opinion called for a separate, extrinsic comparison of ideas and then an intrinsic comparison of expression. Krofft, 562 F.2d at 1164. Although the authors' approach is interesting, it is not the approach described by the court in Krofft. Moreover, the author's approach does not address the question of how the issue of copying would be determined, nor does it provide a clear definition of where the line should be drawn in applying the first test — the extrinsic or objective comparison of expression.

122 736 F.2d 1352 (9th Cir. 1984).
acters, and the mood of the works. All of these factors are arguably elements of expression. Referring to the *Krofft* extrinsic test, the court found no substantial similarity in ideas.\textsuperscript{123} Thus, the court used expression to compare the ideas and found them dissimilar. Consistent with *Krofft*, the court nowhere indicated whether the insufficiency of the similarities in ideas was relevant to the issue of copying or misappropriation or both.

On the other hand, in *Universal City Studio, Inc. v. J.A.R. Sales, Inc.*,\textsuperscript{124} the owners of the *E.T.* copyright sued the manufacturers of an alien doll that they alleged infringed the copyright in the *E.T.* character. Again, the court applied the *Krofft* extrinsic test for similarity of ideas, and this time found substantial similarity in ideas, \textit{i.e.}, the idea of a creature from outer space.\textsuperscript{125} Why the court considered these abstract ideas substantially similar in this case while not considering the similarities in ideas between the *Lokey* play and *E.T.* substantial is unclear. Perhaps the court's conclusions with respect to similarities in ideas were influenced by the difference in expression of those ideas. Perhaps the use of a substantially similar way of expressing the idea of the alien is what made the court find the ideas similar in *J.A.R.*, whereas in *Litchfield*, the differences in the way the aliens were depicted and in the stories told about them led the court to conclude that these ideas were not similar. In fact, then, the first step in the *Krofft* analysis, the extrinsic test for similar ideas, requires courts to compare expression under the guise of comparing ideas. Thus it has not provided any useful way for distinguishing unprotectable ideas from protectable expression.

2. The Intrinsic Test

The second step in the *Krofft* approach is also troublesome. The Ninth Circuit held that after finding substantial similarity of ideas by applying the extrinsic test, the courts should use the ordinary observer's responses to evaluate intrinsically the similarities in expression. The inquiry must be made without analysis, dissection, or expert testimony, but rather must focus on the subjective question of whether the defendant took "so much of what is pleasing to the audience" to be held liable.\textsuperscript{126} This is just a fanciful way of stating the old ordinary observer

\textsuperscript{123} See id. at 1356-57; see also 1 M. Nimmer, *supra* note 1, § 13.03[E], at 13-59 n.121.9.
\textsuperscript{124} 1982 COPYRIGHT L. REP. (CCH) ¶ 25,460 (C.D. Cal. 1982).
\textsuperscript{125} See id. at 17,743.
\textsuperscript{126} *Krofft*, 562 F.2d at 1164, 1165.
test for substantial similarity. The courts in the Ninth Circuit, like those elsewhere, have had problems applying this test. As in the other jurisdictions, sometimes the courts applying Krofft seem to define “substantial” by focusing on audience confusion, while at other times the courts rely more on the value of what the defendant has taken.

For example, in the Krofft decision itself, the court focused on “the impact of the respective works upon the minds and imaginations of young people”127 because these were works directed at children. The court concluded: “We do not believe that the ordinary reasonable person, let alone a child, viewing these works will even notice that Puffstuf is wearing a cummerbund while Mayor McCheese is wearing a diplomat’s sash.”128 The principal concern in determining substantial similarity was thus audience confusion. In many cases the courts make this decision by simply comparing the “total concept and feel” of the works.129

By contrast, in Cooling Systems & Flexibles, Inc. v. Stuart Radiator,130 when the plaintiff argued that the defendant’s illustrated radiator catalog was substantially similar to its catalog because the ordinary observer would find them “virtually indistinguishable,” the court responded by observing: “This misses the point. What is important is not whether there is substantial similarity in the total concept and feel of the works . . . but whether the very small amount of protectible [sic] expression in Cooling System’s catalog is substantially similar to the equivalent portions of [the defendant’s] catalog.”131 The Ninth Circuit

127 Id. at 1166.
128 Id. at 1167.
130 777 F.2d 485 (9th Cir. 1985).
131 Id. at 493 (citation omitted). Further, in Eisenman Chemical Co. v. NL Industries, 595 F. Supp. 141, 146 (D. Nev. 1984), the court found defendant’s training manual to be substantially similar to plaintiff’s manual because a substantial portion of defendant’s manual, more than half, was “virtually verbatim” from plaintiff’s manual. As in Mikaelian, 571 F. Supp. 144, there is no indication in Eisenman as to how much of plaintiff’s expression had been taken, only how much of defendant’s expression resulted from copying. The court was primarily concerned with the “[a]ppropriation of another’s labor and skill in order to publish a rival work,” Eisenman, 595 F. Supp. at 146, and not with audience reaction to the “total concept and feel” of the two works. Thus, in Eisenman the court seemed to be adopting the value approach to misappropriation.
modified the Krofft intrinsic test to take into consideration the type of material allegedly infringed, recognizing that "the fewer the methods of expressing an idea, the more the allegedly infringing work must resemble the copyrighted work in order to establish substantial similarity . . . ."

The court never adequately explained, however, how the ordinary observer eschewing dissection and analysis could make that determination.

The Krofft test, then, fails to resolve any of the problems presented by the traditional approach. The test does not isolate the issue of copying from the issue of misappropriation; in fact, the two issues are not in focus at all. The test still leaves defining the substantive meaning of misappropriation to the unpredictable, undefined ordinary observer test. The test still confusingly considers the extent of similarity both as part of substantial similarity and as part of fair use. Even in the one area that the Krofft test could have been potentially helpful — in separating the idea from the expression — its unexplained use of an extrinsic test to compare the ideas in two works has led courts to define "idea" broadly enough to include expression. Thus, courts dissect and analyze that "expression" by labelling it an "idea." The failure to explain the basis of the two-step inquiry also has caused some to characterize as expression what arguably is simply unprotected idea.

Thus, the ordinary observer is still left poorly equipped to separate the protected elements from the unprotected elements of the plaintiff's work.

The Krofft test, the Salkeld test, and the traditional approach are all seriously flawed because each relies on the concept of substantial similarity without placing that concept in a definite context in which the courts can make objective and consistent determinations of whether the degree of similarity between the works at issue is substantial. Each also creates an inefficient and confusing overlap with the fair use doctrine.

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132 Cooling Sys., 777 F.2d at 491.
133 See, e.g., Litchfield, 736 F.2d at 1356-57 (sequence, dialogue, mood, and characters compared under extrinsic test for similarity in ideas); Overman v. Universal City Studios, 1984 COPYRIGHT L. REP. (CCH), at ¶ 18,958 (plot, character, and tone compared under extrinsic test); Columbia Pictures Industries v. Embassy Pictures, 1982 COPYRIGHT L. REP. (CCH) ¶ 25,440 (C.D. Cal. 1982) (plots compared as ideas under extrinsic test).
134 In Litchfield, 736 F.2d at 1357, as part of its application of the intrinsic test for similarity in expression, the court compared the themes of the two works, finding one focused on the relationship between the alien and the boy while the other having as its theme mankind divided by fear and hatred. It is arguably preferable to consider these basic "themes" as underlying ideas and not as expression.
III. A New Test

As we have seen, the real confusion in the various tests for infringement begins when courts use substantial similarity to determine misappropriation. This approach generates problems with distinguishing idea from expression, and with deciding whether to focus on the value of what was copied or on audience confusion. To reduce this confusion, the courts should adopt a new approach to determining copyright liability.

A. The New Approach Described

1. Proof of Copying

Under this new approach, a court would first decide if there are any similarities between the works. If so, the court would ask whether those similarities involve only ideas, or if they involve expression as well. The court should not make any determinations based on the amount copied, but should be focusing solely on the specific similarities between the works, and whether they constitute ideas or expression.

At this point, the court should engage in the linedrawing described in Nichols v. Universal Pictures Corp.\textsuperscript{135} For example, in considering two stories about aliens stranded on earth or two crouching musclemen, the court would determine if similarities exist beyond the basic idea in each, and if those similarities fall on the idea or expression side of the copyright dichotomy. This determination would depend in part on the commonness of the elements at issue. Thus, a court might consider how common it is to write about an alien who eats candy, or to emphasize biceps in muscular figures. The determination would also depend on whether protecting those elements — in this case candyeating aliens or overdeveloped biceps — is consistent with copyright policy.\textsuperscript{136}

\textsuperscript{135} 45 F.2d 119, 121 (2d Cir. 1930).

\textsuperscript{136} In fact, courts engage in this type of analysis in cases in which the defendant moves for summary judgment, arguing that it has not copied any protectable elements of the plaintiff's work. In cases in which courts conclude that no protected expression appears in the defendant's work, the court properly enters judgment for the defendant, obviating any need for considering the issues of copying or misappropriation. See, e.g., Eden Toys, Inc. v. Marshall Field & Co., 675 F.2d 498 (2d Cir. 1982) (summary judgment for defendant upheld because two snowmen not substantially similar in expression); Hoehling v. Universal City Studios, Inc., 618 F.2d 972 (2d Cir.), cert. denied, 449 U.S. 841 (1980) (historical interpretation concerning destruction of Hindenburg in copyrighted work could be freely used by subsequent authors as it constituted an uncopyrightable idea); Zambito v. Paramount Pictures Corp., 613 F. Supp. 1107 (E.D.N.Y. 1985) (screenplay not substantially similar to movie in expression); Pendle-
If the court finds that any expression, even if just one line of prose, for example, appears in both works, then the trier of fact should next determine only whether these similarities resulted from copying. In other words, by looking at the universe of possible works and the extent of similarity between the two works at issue, the trier of fact, with the help of expert testimony, analysis, and dissection, will determine whether concluding that the defendant created such similar expression by copying from the plaintiff's work is reasonable.

The degree of similarity needed to support the inference of copying will vary, depending on the type of work. For example, similarities in a photograph of a famous subject need to be extremely numerous because the universe of possible modes of expression is smaller, and thus the likelihood of similar works being independently created is greater. On the other hand, verbatim similarities between two literary works need not be as extensive, since the chances that two people would choose exactly the same words to express an idea are not as great. Other similarities, such as similar errors, would also be probative of copying.

137 See, e.g., Adventures in Good Eating, Inc. v. Best Places to Eat, Inc., 131 F.2d 809, 811 (7th Cir. 1942) ("strikingly similar" phraseology used in defendant's restaurant guide book supports inference of copying); Association of Am. Medical Colleges v. Mikaelian, 571 F. Supp. 144 (E.D. Pa. 1983) (repeated exact similarities in test questions can only be explained by copying).

138 See, e.g., Eckes v. Card Prices Update, 736 F.2d 859, 863-64 (2d Cir. 1984) ("numerous common errors" in defendant's and plaintiff's baseball card price guides
In assessing the degree of similarity as evidence of copying, the trier of fact would also continue to consider evidence of access. If there is persuasive evidence of access and motive to copy, such as in *Sid & Marty Krofft Television v. McDonald's Corp.*,140 in which the parties had been negotiating the defendant’s right to use the protected work, then the degree of similarity between the works need not be overwhelming to find copying. However, if evidence of access is weak, such as when the only evidence is some public distribution of the work, then the degree of similarity needs to be more significant to infer copying.141 If the works are strikingly similar, such as when they are nearly identical or verbatim or when unique or highly unusual features appear in each, then discussing access as a separate issue is not necessary. Rather, it can be inferred from these similarities.142

Thus, the issue of copying can be determined by an objective test looking at evidence of access and substantial similarity in the context of the type of works at issue. The use of substantial similarity for this purpose appears valuable and workable.

2. Justification of Copying: Fair Use

Establishing that copying of some protected expression has taken place will make a prima facie showing of copyright infringement. The burden should then shift to the defendant to justify that copying by proving, under section 107 of the 1976 Act, that that copying is a fair use. Under this approach, the extensiveness of the similarities between the two works would be considered part of the fair use analysis. Be-

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140 562 F.2d 1157, 1161 (9th Cir. 1977); *see also* Time, Inc. v. Bernard Geis Assoc., 293 F. Supp. 130, 135-36 (S.D.N.Y. 1968) (defendant tried to secure permission to use plaintiff’s copyrighted photographs).

141 *See*, e.g., *Selle v. Gibb*, 741 F.2d 896 (7th Cir. 1984) (no access found when song performed and distributed to very limited extent); *Scott v. WKJG, Inc.*, 376 F.2d 467 (7th Cir.), *cert. denied*, 389 U.S. 832 (1967) (no access proven when play performed only twice and only few copies distributed and no verbatim sentences appeared in defendant’s work). *See generally* 3 M. *Nimmer*, *supra* note 1, § 13.02[A], at 13-13, 13-14.

142 *See*, e.g., *Heim v. Universal Pictures Co.*, 154 F.2d 480 (2d Cir. 1946) (“striking similarity” between two song compositions); *cf. Selle*, 741 F.2d 896. *See generally* 3 M. *Nimmer*, *supra* note 1, § 13.02[B].
cause the new test would eliminate the misappropriation element of the plaintiff's case, courts would only consider a subjective evaluation of the degree of similarity between the two works in the context of fair use. Thus, the undesirable duplication and overlap created by considering the similarities both as part of the plaintiff's case and as part of the fair use defense would be eliminated.\footnote{Some authors have proposed the opposite approach. For example, in Note, Infringement, supra note 9, at 395-96, the author suggested that to avoid duplication, courts should incorporate the fourth fair use factor, the effect of the use on the market for or value of the copyrighted work, into the audience test for substantial similarity. In other words, the ordinary observer test would be used to determine not simply audience confusion, but displaced demand as a result of that confusion. Similarly, in Comment, Fair Use, supra note 9, at 105-09, the author suggested that the effect on the demand for the plaintiff's work be a factor considered as part of the plaintiff's case and not as part of the fair use defense. In fact, the author argued that Congress should delete the third and fourth factors, i.e., the amount and substantiality factor and the effect of the use factor, from the fair use section of the then proposed bill for revision of the copyright laws. The author concluded that fair use should be concerned only with the nature of the plaintiff's work and the purpose and character of the defendant's use, and that the plaintiff should bear the burden of presenting and proving the substantiality of use and the economic impact. Obviously, Congress disagreed with this approach, since it enacted the third and fourth factors as part of 17 U.S.C. \S\ 107 and its provisions regarding determinations of fair use. The Comment also argued that the plaintiff already bears the burden of proving damages. Comment, Fair Use, supra note 9, at 106. The author suggested that since proof of displaced demand would be an element in proving damages, it makes more sense to have all this evidence presented as part of the plaintiff's case. Id. In those instances in which displaced demand is an element in the plaintiff's proof of damages, this allocation of the burdens might be more efficient. However, there are several flaws in this argument. First, the plaintiff is not required to prove damages in order to obtain recovery under the 1976 Copyright Revision Act. Section 504(b) provides the copyright owner with the right to elect statutory damages in lieu of proof of actual damages and profits. As this section's legislative history makes clear, "the plaintiff in an infringement suit is not obliged to submit proof of damages and profits and may choose to rely on the provision for minimum statutory damages." H.R. Rep. No. 94-1476, supra note 5, at 161. Thus, if a plaintiff did not choose to seek actual damages and profits, the efficiency argument would not follow. Moreover, to impose a burden of proving economic injury on the plaintiff in order to prove infringement when Congress has relieved the plaintiff of such a burden would violate congressional intent. From a broader perspective, it is generally more appropriate to put the burden of proving the issue of economic impact on the defendant. Imposing such a burden on copyright owners would undermine copyright policy. Copyright is not conditioned on the proven economic or aesthetic value of a work. See, e.g., Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 251 (1902) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits."). A copyrighted work of little proven economic value might be copied without any provable}
The amount used would, however, be only one factor in determining fair use. Courts would weigh and consider the other factors outlined in section 107 in relation to the amount of the work that the defendant has used. The factors under section 107 include: purpose and character of the defendant’s use, the nature of the copyrighted work, and the effect of the use upon the potential market for or value of the copyrighted work. Comparing two recent Supreme Court opinions reflecting application of the fair use doctrine illustrates how the amount used is a variable in those determinations, not an isolated indicator of infringement.

In Sony Corporation of America v. Universal City Studios, Inc., the Court concluded that videotaping an entire copyrighted television program for private viewing at a later time was a “fair use” of that work. Despite assuming that the amount copied was the entire expression included in the protected work, the Court reasoned that because such use did not result in any significant negative impact on “the potential market for or value of the copyrighted work,” it is a fair use. On the other hand, in Harper & Row v. Nation Enterprises, the Court found that the defendant’s use of only 300 verbatim words out of a manuscript containing approximately 200,000 words was not a fair use. Despite the relatively small amount of the protected work that the defendant had used and the public interest in the material, the Court held that because the plaintiff had not yet published its material and

economic injury. To deny that copyright owner any recovery because no actual injury or displaced demand could be shown would be to deny in effect the value of the copyright on that work. This would sneak in through the back door what Justice Holmes cautioned against in \textit{Bleistein}. \textit{See also} Jochnowitz, \textit{Proof of Harm: A Dangerous Prerequisite for Copyright Protection}, 10 COLUM. J.L. \\& ARTS 153 (1985) (requiring proof of economic harm as prerequisite to recovery would be contrary to copyright precedent as well as contrary to public policies underlying copyright law); Ladd, \textit{The Harm of the Concept of Harm in Copyright}, 30 J. COPYRIGHT SOC’Y U.S.A. 421, 422 (1983) (criticizing increasingly common tendency to view copyright as meant to “extend no further than to what is financially indispensable to motivate creation and publication” and arguing that purpose of copyright is not merely to reward authors, but to promote marketplace of ideas and creative expression).

Moreover, placing the burden of proving economic injury on the plaintiff would not necessarily encourage the articulation of reasoning that the fair use doctrine promotes. The courts would still be able to reach decisions on the basis of the substantial similarity standards, with all its ambiguity and inconsistency, rather than identifying the real factors in their decisions.

\footnote{17 U.S.C. \$ 107 (1982).}
\footnote{464 U.S. 417 (1984).}
\footnote{Id. at 450-54.}
\footnote{471 U.S. 539 (1985).}
had suffered economic injury as a result of the defendant's use, there was not fair use.\textsuperscript{148} Hence, in one case an extensive use was considered fair, whereas in the other the use of only a small amount was considered unfair.

The fair use doctrine thus allows the courts to consider the substantiability of the use in a context in which other relevant factors are articulated. If the amount used is slight, but the use has serious impact on the plaintiff and is not justified by any social benefits, a court can find liability.\textsuperscript{149} However, if the amount used is great, but the use has little impact on the market for the protected work,\textsuperscript{150} or the nature of the work and the defendant's use of that work make it socially desirable to promote that use,\textsuperscript{151} then a court can find fair use. Similarly, if the amount copied is insubstantial and the impact insignificant, fair use allows a court to save the defendant from liability, even though some copying has occurred.\textsuperscript{152}

Critics may argue that applying the fair use doctrine will not make determinations of copyright infringement any more predictable than using the doctrine of substantial similarity. It may be suggested that like the test of substantial similarity, the fair use test applies variable facts to a nebulous legal standard. This assertion is at least partially true; the use of the fair use doctrine would not make the line between liabil-

\textsuperscript{148} See id. at 560-69.


\textsuperscript{150} See, e.g., Sony, 464 U.S. 417; The Williams & Wilkins Co. v. United States, 487 F.2d 1345, 1354-55 (Ct. Cl. 1973), aff'd per curiam, 420 U.S. 376 (1975) (photocopying entire articles is fair use in part because no showing of injury to copyright owners).

\textsuperscript{151} See, e.g., Williams & Wilkins, 487 F.2d at 1354 (photocopying medical journals considered fair use in part because of purpose of promoting medical and scientific research); Time, Inc. v. Bernard Geis Assocs., 293 F. Supp. 130, 146 (S.D.N.Y. 1968) (copying plaintiff's photographs of Kennedy assassination considered fair use, given insignificance of injury and the "public interest in having the fullest information available on the murder of President Kennedy").

\textsuperscript{152} See, e.g., Consumers Union of United States, Inc. v. General Signal Corp., 724 F.2d 1044, 1050 (2d Cir. 1983), cert. denied, 469 U.S. 823 (1984) (no showing of likelihood of success on merits for plaintiff when defendant's use of 26 words out of 2100 in copyrighted article would not "usurp the demand for the [plaintiff's] original work"); Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc., 626 F.2d 1171, 1177 (5th Cir. 1980) (fair use defense established when defendant used only covers of plaintiff's magazines in way found not to have "any effect — other than possibly de minimus — on the commercial value of the copyright").
ity and nonliability absolute or precise. It would still require some evaluation of the variables to predict the likelihood of a finding of copyright infringement.

The difference, however, would be that in making that evaluation, the specific factors that are appropriate to consider in determining fair use are stated openly in the statute and in the case law. Courts deciding the fair use issue are guided by the statute explicitly to consider the four section 107 factors, and the opinions thus reveal why a certain use of copyrighted material is held to be actionable or not actionable on the basis of those factors. As we have seen, the courts relying on substantial similarity do not necessarily articulate why the standard has been met in some cases but not in others. Thus, we often do not know why such a determination was made in a particular case. Adopting the fair use test would improve the degree of predictability, not by providing a precise standard, but by revealing the real reasons underlying a decision so that parties and attorneys evaluating a certain use of copyrighted material would know which uses are acceptable and why.

B. The New Approach Applied

Returning to the toy cat hypothetical illustrates the benefits of this approach. If we add to the description of the cats some other facts, we can compare the results under the old approaches and the new proposal. For example, assume that the plaintiff is an independent crafts-person who handmade the toy cats and sold close to two hundred of them at crafts fairs in New England for $30 each in 1985. Assume that the defendant is a major department store that has been selling its toy cats since January 1986, for $25 each, in its branch stores throughout the United States, including New England. Assume also that the defendant employs buyers to travel to crafts fairs to locate possible new products.

155 Compare, e.g., Salinger v. Random House, Inc., 811 F.2d 90, 96-100 (2d Cir. 1987) (applying and interpreting the four § 107 factors in concluding that paraphrasing of an author's unpublished letters in an unauthorized biography was not fair use) with Maxtone-Graham v. Burtchall, 803 F.2d 1253, 1260-64 (2d Cir. 1986) (applying and interpreting the four § 107 factors in concluding that the copying of verbatim quotations from plaintiff's book was fair use); see also Harper & Row, 471 U.S. at 560-69; Sony, 464 U.S. at 448-56; Hustler Magazine, Inc. v. Moral Majority, Inc., 796 F.2d 1148, 1151-56 (9th Cir. 1986).
156 See supra text accompanying notes 57-134.
Given these facts, a court using the traditional approach would probably be able to infer access from the defendant's practice of sending buyers to crafts fairs. The court would then shift to the substantial similarity test, using the visceral reactions of the ordinary observer as its standard. Applying that standard, one court might conclude that the toys are substantially similar because the color and fabric pattern give the cats the same overall "touch and feel." A second court might find them not to be substantially similar because the change in the grin, eye size, and head size give the toy a different facial expression. Finally, a third court might agree with the second court as to overall "touch and feel," but might conclude that the colors and fabric pattern were the most valuable features and that the defendant had used those features in a substantially similar way. The first and third courts would thus find substantial similarity, whereas the second would not.

Unfortunately, this method of decision would not require courts to explain their conclusions, nor would it allow us to know whether the courts had remembered that the basic idea of a toy cat is not copyrightable. Moreover, courts would not be forced to consider the possibility of independent creation by the defendant in spite of the likely exposure to the plaintiff's work. As we have seen, neither the Salkeld approach nor the Krofft approach would successfully resolve all these problems either, in large part because courts still ultimately determine liability on the basis of "substantial similarity" without articulating any basis for finding or not finding its presence.¹⁵⁷

In contrast, the proposed new approach would not allow the court to mask its conclusions behind the label of substantial similarity. The court would first identify the cats' similarities and determine whether any are similarities in expression. Some of these similarities clearly go beyond the basic unprotectable idea of a fabric-covered, stuffed toy cat. The coloring and the fabric pattern used on the toy are similarities in expression not dictated by the idea of a toy cat.

The court would then consider the likelihood that the defendant, having had the opportunity to see the plaintiff's work, could have independently decided to use the same unusual colors and fabric pattern. This determination would perhaps rest on expert testimony as to the universe of possibilities and past and current practice. If the court concluded that the use of these colors and fabric patterns was copying, the plaintiff would have successfully demonstrated that the copying was of protected expression. Having proven the initial element of opportunity

¹⁵⁷ See supra text accompanying notes 85-134.
to see the work (access), and copying of protected expression (substantial similarity), the plaintiff would have established a prima facie case of copyright infringement.

The burden would now shift to the defendant to justify that copying as a fair use. The court would consider the extent of copying in terms of the effect it would have on the plaintiff. In our hypothetical, this impact could be devastating: the defendant is mass producing cheaper cats and selling them in New England. If the defendant's cat is so much like the plaintiff's cat as to supplant sales of the plaintiff's cat, the defendant could not establish fair use. If, however, the cats are different enough that most buyers would still purchase plaintiff's handmade version, the defendant might establish fair use.

Tied in with these factors, however, could also be facts relating to public interest or the defendant's good faith or charitable intentions. For example, imagine the defendant were a craftsperson who handmade the toy cats after seeing them at the plaintiff department store. If the defendant then sold the cats for charitable purposes or gave them away as gifts, the court might find fair use even though the similarities between the toy cats were substantial enough to cause some consumers to buy the defendant's cat instead of buying the plaintiff's copyrighted version. In reaching these decisions, the court would consider the factors defined in section 107, and would justify its conclusion by articulating how it weighed the factors.

Fair use in this way provides a mechanism for balancing the amount of copying with other important factors. In contrast, the ambiguous and confusing notions of substantial similarity allow the courts to use seemingly arbitrary lines, masking the real reasons for their decisions. Revealing the true basis for judicial decisions would provide a higher degree of predictability, integrity, and accountability.

**Conclusion**

The traditional approach to determining copyright infringement, and the modifications thus far attempted, are all seriously inadequate. Each relies in part on the concept of substantial similarity as determined by the ordinary observer. As we have seen, this concept cannot be used effectively to determine infringement because (1) it rejects the expert testimony and analysis necessary to determine if copying can be inferred; (2) it tends to blur the line between unprotected idea and protected expression; and (3) it does not define when similarity is substantial, *i.e.*, do we use audience confusion or some other measure tied to the value of the material being used? Despite years of trying to define
and refine this concept of substantial similarity, it remains a confused, ambiguous, and unhelpful concept which enables courts to obscure the real reasons behind their decisions.

Courts should therefore adopt a new approach to determine copyright infringement. Courts initially should consider as a matter of law whether any protected expression appears in both works or only unprotected ideas. The plaintiff then should prove that the defendant has in fact copied that expression. To do this the plaintiff should present evidence of access and of any similarities between the accused work and the plaintiff's work. This evidence should be examined, dissected, and analyzed to determine objectively whether it should be inferred that the defendant copied from the plaintiff and did not create its work independently. If the defendant has copied some protected expression, the burden should then shift to the defendant to demonstrate fair use. The amount copied is a factor to be considered, but only one factor. The parties and the court should analyze thoroughly the question of fair use, using all relevant factors and articulating how it weighed those factors in reaching its decision.

Such an approach would preserve the integrity of the copyright laws by providing a workable framework for deciding copyright cases. Moreover, by deciding such cases in this way, the courts can avoid strained and inconsistent results, and can better serve the public.