

Client Alert

A report
for clients
and friends
of the firm

September 2004

Sixth Circuit Eschews Use of Substantial Similarity, *De Minimis* and Originality Analyses In Copyright Infringement Actions Involving Digital “Sampling” of Sound Recordings

In a dramatic departure from well-established precedent under the Copyright Act, the United States Court of Appeals for the Sixth Circuit has taken the view that any unlicensed sample of copyrighted recorded music, however insubstantial, will lead to liability for copyright infringement.

In *Bridgeport Music, Inc. v. Dimension Films*, 2004 U.S. App. LEXIS 18810 (6th Cir. Sep. 7, 2004), the Sixth Circuit held that a court should not undertake a substantial similarity or *de minimis* analysis — or, indeed, even an originality analysis — in a copyright infringement action involving the digital “sampling” of a sound recording (i.e., the digitally copying and insertion into a new recording of a portion of a pre-existing sound recording), where the defendant has not disputed that sampling has taken place. In doing so, the Court departed from traditional infringement analyses, including those used by courts in analyzing whether a musical composition has been infringed, opting instead for a “new” “bright-line rule” in sound recording infringement cases.

The decision is the latest development in a long-running dispute between Bridgeport Music, Inc. (“Bridgeport”), and related entities Westbound Records, Inc. (“Westbound”), Southfield Music, Inc.,

and Nine Records, Inc. on the one hand, and the “rap” or “hip-hop” music industry on the other. In May 2001, these plaintiffs filed a 1077-page complaint alleging hundreds of instances of unauthorized sampling by record companies, music publishers, artists and others of various sound recordings and musical compositions in which plaintiffs claim an interest. In August 2001, the district court severed that complaint into 476 separate actions, *Dimension Films* being one of them.

Bridgeport and Westbound claim to own, respectively, the musical composition and sound recording copyrights in “Get Off Your Ass and Jam” by George Clinton, Jr. and the Funkadelics (“Jam”). Bridgeport and Westbound sued No Limit Films LLC (“No Limit”) in the United States District Court for the Middle District of Tennessee (Nashville Division), claiming that No Limit infringed their copyrights by sampling portions of Jam in the rap song “100 Miles and Running” (“100 Miles”), and by including 100 Miles in the sound track of the movie “I Got the Hook Up,” which was released by No Limit on VHS, DVD, and cable television. It was alleged that 100 Miles used a two-second sample from Jam’s opening guitar solo. The pitch was lowered, the copied piece was “looped” and extended to sixteen beats and inserted into 100 Miles at five different places, and each looped segment lasted approximately seven seconds. *Id.* at *6. These allegations were apparently undisputed. *Id.* at *4-5.

No Limit moved for summary judgment, arguing that Bridgeport’s claims alleging infringement of the Jam musical composition were barred by the terms of an oral synchronization license that had previously been granted to No Limit, and that the portion of the composition sampled was, in any event, *de minimis*. No Limit also argued that the portion sampled from Westbound’s sound recording was unoriginal and also *de minimis*. The district court agreed that Bridgeport’s claims were barred by the license and granted No Limit’s motion as to

Bridgeport's composition claim. See *Bridgeport Music, Inc. v. Dimension Films*, 230 F. Supp. 2d 830, 838 (M.D. Tenn. 2002). Bridgeport did not appeal from that determination. 2004 U.S. App. LEXIS 18810, at *5.

As for Westbound's sound recording claim, the district court found that the sample was sufficiently original, 230 F. Supp. 2d at 839, and No Limit did not appeal from that determination. But the district court concluded that the amount of Jam that was sampled was *de minimis*, and therefore non-actionable. The district court considered the *de minimis* analysis as "fall[ing] under the rubric of the substantial similarity element necessary to prove a copyright infringement claim." *Id.* at 840. That is, it is the plaintiff's burden to demonstrate, in addition to proof of copying, that the copied work and the allegedly infringing work are substantially similar, and a work will not be considered substantially similar where the portion copied from plaintiff's work is "small and insignificant." *Id.* at 840-41. The district court noted that the courts that have addressed the defense in the context of digital sampling (albeit with respect to allegations of infringement of a musical composition) "have focused on whether the defendant appropriated, either quantitatively or qualitatively, 'constituent elements of the work that are original.'" *Id.* at 841 (citing *Newton v. Diamond*, 204 F. Supp. 2d 1244 (C.D. Cal. 2002), *aff'd*, 349 F.3d 591 (9th Cir. 2003)). (The district court added that another court addressing the *de minimis* defense in a digital sampling case alleging infringement of a composition "used Professor Nimmer's 'fragmented literal similarity' analysis," *id.* (citing *Williams v. Broadus*, 60 U.S.P.Q.2d 1051, 1054 (S.D.N.Y. 2001)), but we note that test also requires a court to consider whether the similarity relates to matter that constitutes a substantial part of plaintiff's work, either quantitatively or qualitatively. See 4 M. & D. NIMMER, NIMMER ON COPYRIGHT § 13.03[A][2](2002).) The district court held that regardless of which of these two analyses is used, No Limit's sampling of Jam did not "rise to the level of a legally cognizable appropriation." 230 F. Supp. 2d at 841. The district court concluded that no reasonable juror, even one familiar with the works of George Clinton, would recognize the source of the sample without having been told of its source. *Id.* at 842. "This fact, combined with the minimal quantitative copying and lack of qualitative similarity between the works, warrant[ed] dismissal of Westbound's claims arising from infringement of its sound recording." *Id.*

Westbound appealed, arguing that no substantial similarity or *de minimis* inquiry should be undertaken at all when the defendant has not disputed that it digitally sampled a copyrighted sound recording. The Sixth Circuit agreed, and reversed the grant of summary judgment. The court also reversed the district court's finding of originality (even though it had not been appealed by No Limit) because

"the requirement of originality is met by the fixation of sounds in the master recording. Only an actual physical copy of a master recording will be exactly the same as the copyrighted sound recording." 2004 U.S. App. LEXIS 18810, at *12-13.

According to the Sixth Circuit, "[t]he analysis that is appropriate for determining infringement of a musical composition copyright, is not the analysis that is to be applied to determine infringement of a sound recording." *Id.* at *11. The question of whether the works are substantially similar, or whether the defendant's taking is *de minimis*, "does not enter the equation" when analyzing sound recording infringement claims. The court admitted that this analysis "admittedly raises the question of why one should, without infringing, be able to take three notes from a musical composition, for example, but not three notes by way of sampling from a sound recording." *Id.* at *19. The court answered that question by pointing to the language of the statute. Section 114(b) of the Copyright Act provides that the sound recording copyright owner's exclusive rights to reproduce, and prepare derivative works based on, the copyrighted work are limited to, respectively, "the right to duplicate the sound recording in the form of phonorecords or copies that directly or indirectly recapture the actual sounds fixed in the recording," and "the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality," and "do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording." *Id.* at *15-16 (quoting 17 U.S.C. § 114(b)). Quoting a law review note, the Sixth Circuit interpreted the derivative works language as follows: "it does not matter how much a digital sampler alters the actual sounds or whether the ordinary lay observer can or cannot recognize the song or the artist's performance of it. Since, the exclusive right encompasses rearranging, remixing, or otherwise altering the actual sounds, the statute by its own terms precludes the use of a substantial similarity test." *Id.* at *18 (quoting Susan J. Latham, *Newton v. Diamond: Measuring the Legitimacy of Unauthorized Compositional Sampling — A Clue Illuminated and Obscured*, 26 Hastings Comm. & Ent. L. J., 119, 125 (2003)).

The Sixth Circuit further reasoned that "even when a small part of a sound recording is sampled, the part taken is something of value. No further proof is necessary than the fact that the producer of the record or the artist on the record intentionally sampled because it would (1) save costs, or (2) add something to the new recording, or (3) both." *Id.* at *20. The court believed that applying such a strict-liability type rule will not stifle creativity because an artist who wants to incorporate a "riff" from another work

in his or her recording is free to duplicate the sound of that “riff” in the studio, and is not unfair because “sampling is never accidental. . . . When you sample a sound recording, you know you are taking another’s work product.” *Id.* at *19. The court emphasized the “importance of the resolution of this issue to the music industry,” *id.* at *11, and articulated its belief that the “music industry, as well as the courts, are best served if something approximating a bright-line test can be established.” *Id.* at *14; *see also id.* at *21 (“When one considers that [the district court] has 800 other cases all involving different samples from different songs, the value of a principled bright-line rule becomes apparent.”).

A few observations are in order. First, the Sixth Circuit rested its decision in large part on the fact that Section 114(b) gives the sound recording copyright holder the exclusive right to rearrange, remix, or otherwise alter the actual sounds embodied in that recording, which the Sixth Circuit interpreted as “the exclusive right to ‘sample’ his own recording,” *Id.* at *18. But Section 106(2) of the Act similarly grants all copyright holders, including, for example, holders of copyrights in musical compositions, the exclusive right to prepare derivative works based on the copyrighted work, and this necessarily encompasses the right to rearrange or otherwise alter the original work. *See* 17 U.S.C. § 101 (a “derivative work” is “a work based on one or more preexisting works, such as . . . an abridgement, condensation, or any other form in which a work may be recast, transformed or adapted.”). Thus, under the Sixth Circuit’s approach, any adaptation of a copyrighted work would infringe, no matter how little was actually copied.

But the language of Section 106(2) has never stood as an absolute bar to copying or using the original work in a new work, even where the copying or use is *de minimis* or results in a new work that is not substantially similar to the copyrighted work. *See, e.g., Newton*, 349 F.3d at 594 (applying substantial similarity test and finding use of sampled segment of composition *de minimis*); *Williams*, 60 U.S.P.Q.2d at 1053-56 (finding genuine issue of fact as to whether song containing sampled segment of plaintiff’s composition was substantially similar to plaintiff’s composition, precluding summary judgment); *Jarvis v. A&M Records*, 827 F. Supp. 282, 289-292 (D.N.J. 1993) (same); *see also* 4 NIMMER §13.03[A][2] (“The practice of digitally sampling prior music to use in a new composition should not be subject to any special analysis; to the extent that the resulting product is substantially similar to the sampled original, liability should result.”) (emphasis added).

Moreover, it appears that Congress intended to *limit* the sound recording copyright owner’s derivative use right, not *expand* it. One reason for granting sound recording

copyright owners an exclusive right to prepare derivative works was the concern, expressed by the Department of Justice, “that an unauthorized duplicator who made a ‘derivative’ work by *slightly* altering the original copyrighted sound recording would claim that he did so legally since the copyright owner is given no exclusive right to make derivative works” *See* Danielson Bill, H.R. 5345, *reprinted in* Second Supplementary Register’s Report on the General Revision of the U.S. Copyright Law (1975), Chapter VIII, Exclusive Rights in Sound Recordings, which, in turn, is *reprinted in* 9 NIMMER Appendix 16, at 16-153 (emphasis added). Thus, Part 2 of section 106 was included in section 114’s list of exclusive rights granted to a sound recording copyright owner, but it was considered that doing so “grant[ed] to sound recording copyright owners no more rights than they [at that time] possess[ed].” *See id.* The “rearrang[ing], remix[ing], or otherwise alter[ing]” language was added to make it clear that the sound recording copyright owner “has no rights against the unauthorized maker of derivative works such as ‘mirror records’ or ‘sound-alikes’ — simulations which are, in fact, ‘independent fixations of other sounds.’” *Id.* at 16-153 to 16-154; *see also* House Report on the Copyright Act of 1976, H.R. REP. No. 94-1476, 94th Congress, 2d Sess. (1976), *reprinted in* 8 Nimmer Appendix 4, at 4-92.

Second, the Sixth Circuit opted for a “bright-line” rule that precludes any analysis of whether the work is sufficiently creative or original to qualify for copyright protection based on the premise that “the requirement of originality is met by the fixation of sounds in the master recording. Only an actual physical copy of a master recording will be exactly the same as the copyrighted sound recording.” 2004 U.S. App. LEXIS 18810, at *12-13. But the premise that every fixation of sounds is *per se* original may be flawed. What if the sound recording consists solely of “straight-miked” recording of a ship’s fog horn, or crickets chirping at night, or the sound of one piano note being struck and naturally decaying? There would seem to be little creativity in the fixation of those sounds, and thus the recording should not be entitled to copyright protection. Ease of administration is no justification for creating a “bright-line” rule that extends copyright protection to material that does not meet some minimum level of creativity. “Originality is a constitutional requirement,” and the “very premise of copyright law.” *Feist Publ’ns, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340, 346-47 (1991).

Third, what if the use of the sound recording is so small, or altered to so great an extent, that it is completely unrecognizable to any listener? Recall that the district court had concluded that no reasonable juror, even one familiar with the works of George Clinton, would recognize the source of the sample without having been told of its source. *Id.* at 842. The Sixth Circuit offered no principled basis for departing from traditional substantial

similarity principles, which require that the use of the copyrighted work in the allegedly infringing work be observable or recognizable to the average audience member. *See, e.g., Sandoval v. New Line Cinema*, 147 F.3d 215, 218 (2d Cir. 1998) (Sandoval's photographs were not identifiable to the average lay person viewing film "Seven"); *Fisher v. Dees*, 794 F.2d 432, 434 n. 2 (9th Cir. 1986) ("A use is considered *de minimis* only if it is so meager and fragmentary that the average audience would not recognize the appropriation."). While, technically, even if vastly changed, one who copies a sound recording may still infringe if the elements or portions of the recording that were copied on an interim basis (*i.e.* prior to editing and remixing) are found to be substantial, *see, e.g., Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1518 (9th Cir. 1993) ("[T]he Copyright Act does not distinguish between unauthorized copies of a copyrighted work on the basis of what stage of the alleged infringer's work the unauthorized copies represent."), the Sixth Circuit's "bright-line" rule skirts the fact finder's responsibility to determine whether what was copied in the first instance amounts to actionable copying.

The Sixth Circuit's decision is reminiscent of Judge Kevin Duffy's decision in the first digital sampling case, *Grand Upright Music Ltd. v. Warner Bros. Records, Inc.*, 780 F. Supp. 182 (S.D.N.Y. 1991), in which Judge Duffy began and ended his analysis with the first prong of an infringement claim: ownership of the copyrighted work, and completely failed to address either protectability or substantial similarity. (Recall that Judge Duffy took a rather unique approach to copyright jurisprudential analysis by citing and quoting Exodus, Chapter 20, Verse 15 ("Thou shalt not steal").) That case involved infringement of a musical composition copyright. Courts since *Grand Upright* have, in composition sampling cases, engaged in protectability and substantial similarity analyses. It remains to be seen whether, after *Dimension Films*, courts in sound recording sampling cases will do the same.

**NEW YORK • LOS ANGELES • WASHINGTON
BOSTON • BOCA RATON • NEWARK • PARIS**

Client Alert

Proskauer Rose LLP offers broad experience in and knowledge of the global entertainment industry. This includes service to motion picture producers; television networks; recording companies and music publishers; sports leagues and franchises; live theatrical producers; recording artists; Internet content providers; museums; orchestras; dance and opera companies; theatres and arenas; multimedia businesses; and publishing companies. Proskauer offers a full range of services meeting the particularized needs of the entertainment industry.

Proskauer Rose LLP's copyright practice has a long, richly deserved reputation for its depth and sophistication. We enjoy a rare combination of substantive skill, trial experience and technological know-how that is virtually unparalleled within a single firm. For information on this matter, please contact:

Charles B. Ortner
(212) 969-3990
cortner@proskauer.com

Jon A. Baumgarten
(202) 416-6810
jabaumgarten@proskauer.com

Sandra A. Crawshaw
(212) 969-3915
scrawshaw@proskauer.com

William M. Hart
(212) 969-3565
whart@proskauer.com

Hank Goldsmith
(212) 969-3418
hgoldsmit@proskauer.com

Frank P. Scibilia
(212) 969-3095
fscibilia@proskauer.com

Michael T. Mervis
(212) 969-3565
mmervis@proskauer.com

Proskauer Rose is an international law firm with more than 600 attorneys who handle a full spectrum of legal issues worldwide.

This publication is a service to our clients and friends. It is designed only to give general information on the developments actually covered. It is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice or render a legal opinion.

© 2004 PROSKAUER ROSE LLP. All rights reserved.

You can also visit our Website at www.proskauer.com