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ABUSE OF SUPREME COURT PRECEDENT: THE “HISTORIC KINSHIP”

DAVID W. BARNES¹

ABSTRACT

In Sony Corp. of America v. Universal City Studios, the Supreme Court applied a doctrine formulated for patent law to an issue arising in copyright law. The Court supplied a rationale for doing so by identifying a “historic kinship” between patent and copyright law based on fundamental goals of intellectual property law. The Court considered how the rationale applied in the particular factual context involved. The Court cautioned that the propriety of extending a doctrine developed in one intellectual property regime to another depends on the particular legal issue involved.

Despite the importance of ensuring that new rules are consistent with the underlying rationale for intellectual property law and the Supreme Court’s cautionary language, lower courts regularly quote the “historic kinship” as a justification for applying rules from one regime to another. This article surveys all of the cases referring to Sony’s “historic kinship” and finds that most lower courts abuse the precedent by failing to consider the rationale and heed the caution. The risk created by this misapplication of Supreme Court precedent is that new intellectual property rules may be inconsistent with the underlying goals or inconsistent with other doctrine.

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I. INTRODUCTION

In 1984, the Supreme Court transformed a statutory provision of patent law to a common law rule of copyright and recognized a “historic kinship” between the two regimes.² The new rule limited copyright owners’ ability to impose vicarious liability on copyright infringers. Two critical features of the Court’s opinion in *Sony Corp. of America v. Universal City Studios* are particularly relevant to lower courts using this ruling as precedent. First, the “historic kinship” refers to the shared rationale for limiting inventors’ and authors’ exclusive rights.³ Second, the Court encouraged lower courts to “exercise the caution which we have expressed in the past in applying doctrine formulated in one area to the other.”⁴ While scholars question whether there is indeed any kinship,⁵ lower courts leap at the opportunity to

2. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984).

3. *Id.* at 439, n.19; *see* Part II, *infra* (discussing this rationale).

4. *Id.* at 439, n.19 (citing *Mazer v. Stein*, 347 U.S. 201, 217–18 (1954) and *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1908), both of which are discussed in Part III).

5. *See, e.g.*, Edward C. Walterscheid, *Divergent Evolution of the Patent Power and the Copyright Power*, 9 MARQ. INTELL.PROP. L. REV. 307, 356 (2005) (stating “at the end of the eighteenth century, there was indeed a historic kinship between patent law and copyright law, as the Supreme Court has indicated, but today that kinship has largely, if not entirely, disappeared due to the divergent interpretation of the patent power and the copyright power by both Congress and the courts in the intervening 200 years. That divergence has occurred not so much because of changes in the interpretation of the patent power—although there have indeed been some—but rather as a result of the massive expansion that has been afforded to the interpretation of the copyright power).

apply doctrine formulated in one area to another, often without analysis or caution.

The analysis in this article is based on a simple proposition: it is improper to take a statement of the Supreme Court (or other authority) out of context and cite it without support or justification. The support may be in the form of precedent from another authority. The justification may come from considering the Supreme Court's rationale and heeding the Supreme Court's caution. During the three-plus decades following *Sony*, the vast majority of lower courts referring to the "historic kinship" have failed to mention the rationale and have failed to heed the caution. Thirty-seven opinions⁶ have cited the Supreme Court's recognition of the "historic kinship," mostly in copyright cases involving issues far removed from *Sony*'s vicarious liability context. The vast majority of these opinions fail to refer to the underlying rationale for extrapolating from one regime to the other, and if they do, fail to consider whether it applies to the issue at hand.

The vast majority of these thirty-seven opinions also fail to heed the Supreme Court's caution that there are significant differences between the regimes. Only a few mention the caution and fewer actually consider whether there are doctrinal similarities that justify extending the rules in one regime to another. Since 1984, when *Sony* was decided, only three of the thirty-seven cases cited the "historic kinship" in the same legal context, vicarious liability, as *Sony*.⁷ Since 1984, no court citing the "historic kinship" has both considered the rationale and heeded the caution when extending a rule in a new legal context. The result of three-plus decades of lower courts blindly relying on the "historic kinship" is a growing body of law creating parallels between patent and copyright law without detailed analysis or logical support. Taking the Supreme Court's proposition that patent and copyright should be treated similarly out of context without analysis is an abuse of the Supreme Court precedent.

6. A Westlaw search in the Federal Cases database for "historic kinship" yields 39 cases. *Sony* itself and another is a duplicate report, see *Sovereign Military Hospitaller Order of Saint John of Jerusalem of Rhodes and of Malta v. Florida Priory of Knights Hospitallers of Sovereign Order of Saint John of Jerusalem, Knights of Malta, Ecumenical Order*, 702 F.3d 1279, 1291 (11th Cir. 2012) (vacating and superseding an earlier opinion in the same case reported at 694 F.3d 1200 (11th Cir. 2012) without any effect on the content of the relevant analysis). That leaves thirty-seven cases that are the subject of this article.

7. Of the three cases, only *Dynacore Holdings Corp. v. U.S. Philips Corp.*, addressed the same issue as considered in *Sony*. See *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263 (Fed. Cir. 2004) (discussing vicarious liability through knowingly assisting a copyright infringer). A second opinion addressed a closely analogous issue, *Promega Corp. v. Life Technologies Corp.*, 773 F.3d 1338 (Fed. Cir. 2014) (discussing vicarious liability through inducing or encouraging another to infringe). The third that applied a portion of *Sony*'s analysis, *Monotype Imaging, Inc. v. Bitstream, Inc.*, 2005 WL 936882 (N.D. Ill. 2005) (considering whether there were substantial non-infringing uses). See Part III, *infra*, discussing these cases.

Part II of this article explains the Supreme Court's rationale so that one can properly evaluate lower courts' use of *Sony* as precedent. The Supreme Court's opinion in *Sony* facilitated the wholesale transfer of patent law rules into copyright law where copyright law had no applicable law. The Supreme Court justified its extension of patent law's vicarious liability rule by citing a particular rationale for limiting the exclusive rights of intellectual property rights owners. If *Sony* is to be precedent for extension of other rules, the same rationale must apply. Part II A and B explain the rationale and describe the balancing process inherent in formulating rules for patent and copyright law. Part II C illustrates what the Court meant when it admonished lower courts to use caution when treating copyright and patent law as identical. Part II establishes a framework for reviewing the thirty-seven cases quoting *Sony*'s "historic kinship."

Part III analyzes the use of the *Sony* as precedent in two kinds of cases. The first are cases where the lower court is considering the same legal issue as that considered in *Sony*. A lower court applying a vicarious liability doctrine formulated in patent law to copyright law need not reanalyze the rationale and caution in *Sony* because the Supreme Court has already done so. The second are cases where a lower court relies on an authoritative higher court's complete analysis when applying *Sony* to a new legal issue. It is not necessary for every court using a legal rule first adopted in one area to resolve a dispute in another area. If a lower court follows the precedent of a higher authoritative court, the lower court need not reinvent the wheel by independently justifying the rule it follows. Opinions falling into either of these two categories cannot properly be considered to have abused the Supreme Court precedent, even if they do not contain complete analyses of their own.

Part IV demonstrates the widespread failure of courts to consider the rationale for and caution underlying similar treatment of patent and copyright cases. The legal issues considered in these cases have no obvious connection to the issue considered in *Sony* and no precedential support, yet fail to consider *Sony*'s rationale or heed *Sony*'s caution. Many such opinions include only a bare citation to *Sony* without further elaboration. In the collection of all opinions citing the "historic kinship," there is a dramatic lack of analysis of whether it makes sense to apply a rule formulated in one area to another.

Part V summarizes the history of abuse of Supreme Court precedent apparent in the vast majority of the cases citing the "historic kinship." It concludes that, judged by the standard of whether they used the *Sony* precedent correctly, lower courts have been seriously derelict. Failing to

consider whether transferring a rule from one area to another makes sense in light of the goals and doctrinal substance of copyright and patent law may lead to a coherent body of law, but only by chance. Thus, this article identifies a threat to the logical development of intellectual property law.⁸

8. This article does not consider the historical accuracy of the claim that patent and copyright law share an historic kinship. Nor does it consider whether adopting another regime's rule in a particular substantive or procedural context is desirable from a policy or doctrinal perspective. For a thoughtful examination of the relationship between patent and copyright law, see Peter S. Menell and David Nimmer, *Unwinding Sony*, 95 CAL. L. REV. 941 (2007), which concludes that vicarious liability rules in patent and copyright have their historical roots in tort law, but come from different tort principles. The authors conclude that the "historic kinship" premise of *Sony* cannot withstand scrutiny because the vicarious liability rules have different torts roots. *Id.* at 941. From *Sony*'s footnote 19, however, it appears that the Supreme Court was not referring to the roots of secondary liability specifically, but rather the underlying goal of limiting intellectual property owners' rights generally. The Supreme Court documents these historical roots, as discussed in Part II, *infra*. Whether examining the historical roots of secondary liability from a tort law perspective would have led to a superior result in the *Sony* context, as Menell and Nimmer suggest, is beyond the scope of this article.

Curiously, secondary liability in trademark law also has its roots in tort principles. The Supreme Court, however, emphatically denied in *Sony* that there was any historic kinship between patent and copyright on one hand and trademark law on the other:

We have consistently rejected the proposition that a similar kinship exists between copyright law and trademark law, and in the process of doing so have recognized the basic similarities between copyrights and patents. *The Trade-Mark Cases*, 100 U.S. 82 (1879); see also, *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 97 141 (1918) (trademark right "has little or no analogy" to copyright or patent); *McLean v. Fleming*, 96 U.S. 245, 254 (1877); *Canal Co. v. Clark*, 13 Wall. 311, 322, 20 L. Ed. 581 (1871). Given the fundamental differences between copyright law and trademark law, in this copyright case we do not look to the standard for contributory infringement set forth in *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 854-855 (1982), which was crafted for application in trademark cases. There we observed that a manufacturer or distributor could be held liable to the owner of a trademark if it intentionally induced a merchant down the chain of distribution to pass off its product as that of the trademark owner's or if it continued to supply a product which could readily be passed off to a particular merchant whom it knew was mislabeling the product with the trademark owner's mark. If *Inwood*'s narrow standard for contributory trademark infringement governed here, respondents' claim of contributory infringement would merit little discussion. *Sony* certainly does not "intentionally induce[]" its customers to make infringing uses of respondents' copyrights, nor does it supply its products to identified individuals known by it to be engaging in continuing infringement of respondents' copyrights.

Id. at 855. This quotation confirms the observation in the previous paragraph that the Supreme Court was referring to the underlying rights-limiting rationale for patent and copyright law rather than the historic roots of secondary liability rules because trademark law shares those torts roots with patent and copyright law.

Another possible basis for the "historic kinship" lies in the shared Constitutional origin of copyright and patent law in the so-called "Intellectual Property Clause," U.S. Const. art. I, § 8, cl. 8. Edward C. Walterscheid, in *Divergent Evolution of the Patent Power and the Copyright Power*, 9 MARQ. INTELL. PROP. L. REV. 307 (2005), observed:

This certainly seemed to suggest that there is nothing fundamentally different between the creative efforts of authors and inventors, so that "the exclusive Right" afforded to each of them ought to be treated similarly. As we shall now see, however, the interpretation afforded the patent and copyright power by both the Congress and the courts has diverged widely, particularly in the modern era.

This quotation supports the Supreme Court's admonition that courts should use caution in transferring the rules of one regime into another.

II. THE PRECEDENTIAL ROOTS OF THE “HISTORIC KINSHIP”

Nineteenth century German philosopher Friedrich Nietzsche is alleged to have said that the most common stupidity consists in forgetting what one is trying to do.⁹ In *Sony*, the Supreme Court tried to decide whether it was appropriate to apply patent doctrine to copyright law. The copyright owners offered a number of theories on which Sony could be held vicariously liable but none applied to the facts of the case. The Court then considered whether a statutory rule from patent law should be copied from patent law and newly imprinted on copyright law. This Part describes the process by which the Court developed the new copyright rule, its rationale for doing so, and how it warned lower courts to be cautious when translating rules from one substantive law area to another. This article begins with enough of a discussion of the facts of *Sony* that the context for this translation is clear. The goal of this Part II is to provide a framework for appreciating what constitutes a proper use of Supreme Court precedent by lower courts. The analysis shows that lower courts forget what they are trying to do – adopt new rules that are based on a logical and prudent analysis.

A. *The Supreme Court’s Rationale in Sony*

To understand the Court’s rationale in *Sony*, one must understand the context in which the claims in *Sony* arose. This section discusses the facts of the case, the relevant legal rules, and why the Court went beyond the boundaries of copyright law and imported a new rule from patent law. The “why” rests on the Court’s identification of a “historic kinship” between patent and copyright law that justified the new rule because of the nature of the facts and the legal issue presented.

1. The Facts and Legal Issue

In *Sony*, the Court considered a claim by the owners of some copyrighted television shows that the manufacturer of video tape recorders (“VTRs”) should be vicariously liable for unauthorized copying of those shows by consumers using the VTRs. Under copyright law, vicarious liability could be imposed only if Sony, the manufacturer, was “in a position to control the use of copyrighted works by others and had authorized the use without permission from the copyright owner.”¹⁰ Sony’s only contact with consumers was selling the VTRs. It had no control over use and authorized

9. L. L. Fuller & William R. Perdue, Jr., *The Reliance Interest in Contract Damages: I*, 46 YALE L.J. 52, 52 (1936).

10. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 437 (1984).

no particular uses.¹¹ There was no precedent in copyright law for imposing vicarious liability when a manufacturer sells equipment with “constructive knowledge of the fact that their customers may use that equipment to make unauthorized copies of copyrighted material.”¹²

It would be possible to impose vicarious liability in such a case under patent law. In patent law, a seller may under some circumstances be held indirectly or vicariously liable when a purchaser uses the sold article to infringe a patent.¹³ One exception to this indirect liability in patent law is that the manufacturer is not liable if the article is “a staple article or commodity of commerce suitable for substantial noninfringing use.”¹⁴ If the exception to this patent rule could be applied in the copyright context, Sony would be excused from vicariously liability for consumers’ making authorized copies even if Sony should have known customers were also using the equipment to make unauthorized copies.¹⁵ The Court justified the application of the substantial noninfringing use rule by finding that similar policy issues arose in patent and copyright law and that it was “appropriate to refer [to patent law] because of the historic kinship between patent law and copyright law.”¹⁶

2. The Basis for Finding a “Historic Kinship” between Patent and Copyright Law

The Court did not impress this patent rule on copyright law without considering the propriety of doing so. It based the “historic kinship” on three cases, all of which analogize copyright to patent and limit the rights of copyright owners. The oldest of these cases is *Wheaton v. Peters*.¹⁷ *Wheaton* limited authors’ rights after considered the underlying similarity of the works of authors and inventors in terms of the mental engagement necessary to produce their works and their entitlement of the fruits of their labors.¹⁸ *Fox*

11. *Id.* at 437–38.

12. *Id.* at 439.

13. *Patent Act*, 35 U.S.C. § 271(c) (2010) (stating “whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.”)

14. *Id.*

15. *Sony*, 464 U.S. at 456 (stating “the Betamax is, therefore, capable of substantial noninfringing uses. Sony’s sale of such equipment to the general public does not constitute contributory infringement of respondent’s copyrights.”)

16. *Id.* at 439.

17. *See Wheaton v. Peters*, 33 U.S. 591 (1834) (involving a claim by Wheaton (and related other) to copyrights on their published reports of Supreme Court opinions. Because Wheaton failed to follow the legal formalities for obtaining the copyrights, he could not prevent others from publishing the reports).

18. *Wheaton*, 33 U.S. 591 at 657–58:

*Film Corp. v. Doyal*¹⁹ also illustrates the long-recognized limit on authors' exclusive entitlements. *Fox Film* is a tax case where the Court considered whether royalties from copyrights are taxable. The Court stated that copyright royalties and patent royalties are both taxable because "[a] copyright, like a patent, is 'at once the equivalent given by the public for benefits bestowed by the genius and meditations and skill of individuals, and the incentive to further efforts for the same important objects.'"²⁰ Note the identification of two interests: 1) obtaining benefits for the public and 2) providing rewards for creators to further efforts. The two interests are essential to *Sony's* rationale. As between these two interests, "the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors."²¹

The third case cited in *Sony* similarly emphasizes the limits on intellectual property rights for the public benefit. *United States v. Paramount Pictures*²² is an antitrust case in which the Court considered whether it was legal for producers and distributors of movies to require the performance of one copyrighted movie that the licensee acquire a license for other movies as a condition of licensing.²³ The producers and distributors used a technique of utilizing the popularity of one movie (to which it had exclusive rights under copyright law) to obtain more theatrical showings of its less popular movie to enlarge their monopoly. While the copyright monopoly is necessary to provide a reward to the creator of the copyrighted work, "the copyright law, like the patent statutes, makes reward to the owner a secondary consideration"²⁴ to encouraging access to creative works. Each of these cases illustrate the rationale for limiting authors' and inventors' rights.

When developing rules for patent and copyright, the Supreme Court in *Sony*, quoting legislative history, affirmed that two questions are relevant:

In what respect does the right of an author differ from that of an individual who has invented a most useful and valuable machine? In the production of this, his mind has been as intensely engaged, as long; and, perhaps, as usefully to the public, as any distinguished author in the composition of his book.

The result of their labours may be equally beneficial to society, and in their respective spheres they may be alike distinguished for mental vigour. . . .

That every man is entitled to the fruits of his own labour must be admitted; but he can enjoy them only, except by statutory provision, under the rules of property, which regulate society, and which define the rights of things in general.

19. *Fox Film Corp. v. Doyal*, 286 U.S. 123, 131 (1932).

20. *Id.* at 127–28, quoting *Kendall v. Winsor*, 62 U.S. 322, 327–28 (1858) (stating "that the limited and temporary monopoly granted to inventors was never designed for their exclusive profit or advantage; the benefit to the public or community at large was another and doubtless the primary object in granting and securing that monopoly.").

21. *Fox Film*, 286 U.S. at 127.

22. 334 U.S. 131 (1948).

23. *Id.* at 157.

24. *Id.* at 158.

First, how much will the legislation stimulate the producer [by rewarding creators] and so benefit the public, and, second, how much will the monopoly granted be detrimental to the public? The granting of such exclusive rights, under the proper terms and conditions, confers a benefit upon the public that outweighs the evils of the temporary monopoly.”²⁵

The Supreme Court has described the Intellectual Property Clause in Article I, § 8, Cl. 8 of the United States Constitution as “reflect[ing] a balance between the need to encourage innovation and the avoidance of monopolies which stifle competition without any concomitant advance in the ‘Progress of Science and useful Arts.’”²⁶ The intellectual property statutes reflect Congress’ attempts to address the “difficult balance between the interests of authors and inventors in the control and exploitation of the writings and discoveries on the one hand, and society’s competing interest in the free flow of ideas, information, and commerce on the other hand”²⁷ But benefit to the public through free access is given greater weight than inventors’ and authors’ interest in control and reward through the exclusive right to exploit the creation.

In 2016, the Supreme Court reaffirmed this underlying objective of copyright law in *Kirtsaeng v. John Wiley & Sons, Inc.* In that case, Justice Kagan said that the goal of copyright law is “enriching the general public through access to creative works” by “striking a balance between two subsidiary aims: encouraging and rewarding authors’ creations while also enabling others to build on that work.”²⁸ Justice Kagan approved a copyright owner’s argument for considering the “objective reasonableness” of a party’s litigating position when awarding attorney’s fees because it “enhance[es] the probability that both creators and users (*i.e.*, potential plaintiffs and defendants) will enjoy the substantive rights the statute provides.”²⁹ Justice Kagan’s analysis illustrates how striking the balance sometimes favors intellectual property rights holders.

25. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 n.10 (1984) (referring to what Congress should consider when developing patent and copyright rules and quoting H.R. REP. No. 60-2222, at 7 (1909)). See also Brett Frischmann, *Spillovers Theory and Its Conceptual Boundaries*, 51 WM. & MARY L. REV. 801, 813 n.49 (2009) (stating “of course, the need to balance incentives and access is nothing new and has been a long-standing feature of intellectual property scholarship in general and the economic analysis of intellectual property in particular.”).

26. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989).

27. *Sony*, 464 U.S. at 429.

28. *Kirtsaeng v. John Wiley and Sons, Inc.*, 136 S. Ct. 1979, 1986 (2016).

29. *Id.* at 1987.

B. Sony's Balancing Process

Sony provides an illustrative example of how lower courts should apply the general rationale underlying the structure of intellectual property law to particular legal questions. The video tape recorders (VTRs) manufactured by the alleged copyright infringers could be used by consumers to record a television program at one time and save it for viewing at another time.³⁰ This “time shifting” was the primary consumer use for the machine³¹ and one that fell within copyright law’s “fair use” provisions.³² In addition, some copyright owners other than the complainants had no objection to consumers copying for home use—particularly suppliers of sports, religious, and educational programming.³³ Permissible copying of these works was also noninfringing. There was no precedent in copyright law for imposing vicarious liability on a person who *should have known* that consumers would make unauthorized copies of some copyrighted works, but patent law provided a useful analogy in its contributory infringement rule of § 271(c), discussed in Part II.A.1, above.

Why is it appropriate here to analogize patent and copyright law in this case? Contributory infringement in patent law is limited to “the *knowing* sale of a component especially made for use in connection with a particular patent.”³⁴ Patent law does not object to sale of an article that is also useful in connection with other patents³⁵ or for other lawful uses.³⁶ The contributory infringement rule allows a patentee to control the distribution of articles that are “unsuited for any commercial non-infringing use.”³⁷ The exception for articles with substantial non-infringing uses (the “staple article of commerce” exception) limits that control, thereby achieving the proper balance of incentives through exclusive rights and public access:

[I]n both areas the contributory infringement doctrine is grounded on the recognition that adequate protection of a monopoly may require the courts to look beyond actual duplication of a device or publication to the products or activities that make such duplication possible. The staple article of commerce doctrine

30. *Sony*, 464 U.S. at 423.

31. *Id.* at 423. The copyright owners offered no evidence of decreased television viewing by Betamax owners. *Id.* at 424.

32. *Id.* at 454–55.

33. *Id.* at 424.

34. *Id.* at 440.

35. *Id.*

36. *Id.* at 441–42 (quoting *Henry v. A.B. Dick Co.*, 224 U.S. 1, 48 (1912), stating “[A] sale of an article which though adapted to an infringing use is also adapted to other and lawful uses, is not enough to make the seller a contributory infringer. Such a rule would block the wheels of commerce”), *overruled on other grounds* by *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 517 (1917).

37. *Sony*, 464 U.S. at 440 (quoting *Dawson Chemical Co. v. Rohm & Hoss Co.*, 448 U.S. 176, 198 (1980)).

must strike a balance between a copyright holder's legitimate demand for effective—not merely symbolic—protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce. Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.³⁸

The Court recognized “substantial differences”³⁹ between patent and copyright law, but stated that in both areas, courts must look beyond actual duplication of a patented device or copyrighted work and strike this balance.⁴⁰

Meaningful copyright protection, like patent protection, requires that owners of intellectual property be able to control articles provided by indirect infringers that can only be used by direct infringers to violate the owner's rights. But allowing a copyright or patent owner to block sale of a commodity with substantial non-infringing uses would inappropriately “block the wheels of commerce.”⁴¹ Free access to commodities with noninfringing use in both regimes trumps the exclusive right to control distribution. Thus, the legal question became whether the VTRs have substantial noninfringing uses. The Court found that they did because both copying of TV shows broadcast by those who did not object to copying and time shifting were lawful uses.⁴²

Implicit in this recitation is the assertion that a lower court properly citing the “historic kinship” as authority for adopting a rule other than the vicarious liability rule of *Sony* from one regime to another should engage in a similar exercise to see whether doing so would further the underlying rationale.⁴³ A review of lower court opinions citing the “historic kinship” shows that they routinely fail to do so. Only six of the thirty-seven cases referring to the “historic kinship” even mentioned the rationale and only four considered whether extending a rule from one regime to another was consistent with the goals of intellectual property law.⁴⁴ The implication of this failure is that rules from one regime may be arbitrarily or inappropriately translated to another and potentially work against the stated goals of patent and copyright law.

38. *Id.* at 442.

39. *Id.*

40. *Id.*

41. *Henry v. A.B. Dick Co.*, 224 U.S. 1, 48 (1912).

42. *Sony*, 464 U.S. at 456.

43. A lower court that applied the new *Sony* contributory liability rule would, of course, not need to do so because it can rely on *Sony* for authority. *See* Part III, *infra*, discussing cases.

44. *See* Table I, *infra*.

C. Using Caution When Translating Rules from One Regime to Another

Sony also provides illustrative examples of why courts must use caution when translating rules from one regime to another. The Court cites *Bobbs-Merrill Co. v. Straus*⁴⁵ and *Mazer v. Stein*,⁴⁶ two widely cited copyright cases that compare patent and copyright law. The distinction in both cases arises from the nature of the fundamental rights awarded to authors and inventors. A copyright gives authors an exclusive right to copy, distribute, and sell copies of a work.⁴⁷ Patent law, by contrast, gives creators an exclusive right to prevent others from making, using, selling, or offering to sell useful articles.⁴⁸ In *Bobbs-Merrill*, the Court quoted Judge Lurton, who stated:

There are such wide differences between the right of multiplying and vending copies of a production protected by the copyright statute and the rights secured to an inventor under the patent statutes, that the cases which relate to the one subject are not altogether controlling as to the other.⁴⁹

These differences require different legal rules in the two regimes.

The fundamental differences between patent and copyright law was also important in *Mazer* because the issue was whether an artistic creation (specifically, a sculpture) that was incorporated into a useful manufactured article (specifically, as the base of a table lamp) could be copyrighted.⁵⁰ The Supreme Court dismissed the potential overlap between copyright and patent law in *Mazer* by recognizing that a copyright gives no exclusive right to the underlying useful idea. In *Mazer*, the useful idea was supporting a table lamp by a sculptural figure. Copyright only grants the exclusive right to prevent others from copying the particular artistic creation, here, the appearance of the particular statuettes.⁵¹ Whether the useful idea is protectable is the domain of patent law.⁵² Thus, the Court in *Mazer* held that there was nothing

45. See generally *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339, 339–51 (1908).

46. See generally *Mazer v. Stein*, 347 U.S. 201, 201–221 (1954).

47. Additional rights subsequently bestowed on authors by copyright law appears in 17 U.S.C. § 106 of the Copyright Act.

48. See 35 U.S.C. § 271(a): “Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”

49. *John D. Park & Sons Co. v. Hartman*, 153 F. 24, 28 (6th Cir. 1907).

50. *Mazer*, 347 U.S. at 202.

51. *Id.* at 217 (stating “Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself.”)

52. See 35 U.S.C. § 101 (stating “Inventions patentable: Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.”)

to bar copyright protection for artistic works whose intended use was in industrial applications.⁵³

The Court's cautionary language focuses lower courts' attention on the differing approaches of patent and copyright law to different legal issues and requires lower courts to focus on the particular legal issue they are considering. The fundamental nature of copyrightable as opposed to patentable works was the focus of the Court's concern in *Mazer* because the legal issue was whether the artistic works in question were the type of subject matter that could be protected. The Court applied different rules in copyright and patent law because each covers different subject matter. Each has a distinct statutory provision providing for different coverage.⁵⁴ It would, therefore, be inappropriate to import into copyright law a subject matter rule from patent law.

To exercise caution about extending the rule from one regime into another, a court should focus on differences between patent and copyright law as they relate to the specific issue at hand. The court in *Sony* did so by comparing the regimes' vicarious liability rules in light of the underlying rationale for protection of inventions and authored works.⁵⁵ *Sony* also cited other cases in which patent and copyright law were compared – each time focusing on the specific legal issues and facts presented in those cases. In *Fox Film*,⁵⁶ the Court said that, when considering the taxation of copyright royalties, “*in this aspect* royalties from copyrights stand in the same position as royalties from the use of patent rights.”⁵⁷ In *Paramount*,⁵⁸ the Court said that, when consider the anticompetitive effects of licenses granted by copyright and patent owners, “a copyright may no more be used than

53. *Mazer*, 347 U.S. at 218 (stating “We find nothing in the copyright statute to support the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration. We do not read such a limitation into the copyright law.”)

54. Compare 17 U.S.C. § 102 (describing the subject matter of copyright) with 35 U.S.C. § 101 (describing the subject matter of patent law).

55. The Court in *Mazer* refers to the rationale after distinguishing patentable and copyrightable subject matter:

The copyright law, like the patent statutes, makes reward to the owner a secondary consideration.” United States v. Paramount Pictures, 334 U.S. 131, 158 (1948). However, it is “intended definitely to grant valuable, enforceable rights to authors, publishers, etc., without burdensome requirements; ‘to afford greater encouragement to the production of literary (or artistic) works of lasting benefit to the world.’” *Washingtonian Pub. Co. v. Pearson*, 306 U.S. 30, 36 (1939).

The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in ‘Science and useful Arts.’ Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.

Mazer, 347 U.S. at 219.

56. *Fox Film Corp. v. Doyal*, 286 U.S. 123 (1932).

57. *Id.* at 131 (emphasis added).

58. *United States v. Paramount Pictures*, 334 U.S. 131 (1948).

a patent to deter competition between rivals in the exploitation of their licenses.” Both cases appropriately limit their conclusions about the similarities or differences to the particular question at hand—taxation and competition policy, respectively.

The preceding discussion of how to apply the cautionary language of *Sony* indicates that a lower court properly citing the “historic kinship” as authority for adopting a rule other than the vicarious liability rule of *Sony* from one regime to another should engage in a similar exercise to see whether the two regimes are fundamentally similar with respect to the issue in question. A review of lower court opinions citing the “historic kinship” shows that they routinely fail to use caution. Only seven of the thirty-seven cases referring to the “historic kinship” considered whether patent and copyright law were doctrinally similarly enough to justify applying a rule formulated for one area in another.⁵⁹ The vast bulk of the cases mechanically quoted *Sony*’s cautionary language without further analysis. Of the thirty-seven cases quoting the “historic kinship” language of *Sony*, only two referred to both the rationale and the caution and fully analyzed both whether the rationale applied and whether it was doctrinally appropriate to treat the two areas similarly.⁶⁰ The implication of this failure is that rules from one regime may be again be arbitrarily or inappropriately translated to another.

III. EXCUSABLE LACK OF ANALYSIS

The preceding review of lower courts’ use of Supreme Court precedent slightly overstates the abysmal record of abuse. *Dynacore Holdings Corp. v. U.S. Philips Corp.*⁶¹ was the only court that cited both *Sony*’s rationale and caution when addressing the vicarious liability in copyright law issue presented in *Sony*. It would be redundant and therefore unnecessary for courts facing this issue to repeat *Sony*’s analysis when they can justifiably rely on *Sony*’s precedent because of the identical issue involved. For that reason, the dissenting judge in *Promega Corp. v. Life Technologies Corp.*⁶² and the court in *Monotype Imaging, Inc. v. Bitstream, Inc.*⁶³ might also be excused from referring to either the rationale or the caution. *Promega* considered vicarious liability of a slightly different sort, inducing or encouraging another to infringe a copyright rather than knowingly assisting

59. See *infra* Table I.

60. See *infra* Table I.

61. *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263 (Fed. Cir. 2004) (discussing the rationale for limiting vicarious liability in patent and copyright law).

62. *Promega Corp. v. Life Technologies Corp.*, 773 F.3d 1338, 1358 (Fed. Cir. 2014) (Prost, C.J., dissenting).

63. *Monotype Imaging, Inc. v. Bitstream, Inc.*, 2005 WL 936882, at *6 n.5 (N.D. Ill. Apr. 21, 2005).

another's infringement as in *Sony. Monotype Imaging* did not refer to the "historic kinship" or to *Sony* in the context of vicarious liability but rather when evaluating whether comparing the number of infringing and non-infringing uses in which the defendant had engaged.⁶⁴ Since this factual question is similar to the substantial non-infringing use question involved in *Sony*,⁶⁵ the *Monotype* court's quick reference to the "historic kinship" is also probably acceptable. Thus, these three cases should be removed from the list of thirty-seven courts abusing Supreme Court precedent.

Fairness also requires looking for additional examples of lower courts that followed higher courts' precedent that had properly followed *Sony*'s guidance when apply a rule formulated in one regime to another. The greater the number of such instances, the less egregious is the history of lower court abuse of Supreme Court precedent. The most notable opinion citing the "historic kinship" and setting precedent for lower courts involving a legal issue other than vicarious copyright liability is *Harris v. Emus Records Corp.*,⁶⁶ which involved transferability of copyright licenses. *Harris* both applied the rationale and considered the Supreme Court's caution before applying a patent law rule to copyright. Perhaps this not surprising because *Harris* was decided the same year as *Sony* and had the fresh *Sony* opinion in front of it.⁶⁷ Six other subsequent opinions referred to the "historic kinship" also involved this licensing question⁶⁸ and two others arguably involved related licensing issues.⁶⁹ Because *Harris* applied the rationale to the licensing context and followed the Supreme Court caution and four of these opinions properly cited *Harris* as authority, their references to the "historic kinship" cannot be considered abuse. The other two licensing cases, *Cincom Systems, Inc. v. Novelis Corp.*,⁷⁰ can perhaps be excused for not engaging in a detailed analysis given that the legal issue (transferability of copyright licenses) had been well-settled by *Harris* (albeit in a different circuit)

64. *Id.*

65. See text accompanying notes 14 to 17, describing the factual context.

66. *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1333 (9th Cir. 1984).

67. The second most faithful consideration of the rationale and caution appears in an antitrust case, where a balancing of procompetitive benefits and anticompetitive harms associated with various practices (here, licensing conditions) are to be expected. See *In re Indep. Serv. Organizations Antitrust Litig.*, 989 F. Supp. 1131, 1143 (D. Kan. 1997). See *infra* Table I.

68. *SQL Solutions Inc. v. Oracle Corp.*, 1991 WL 626458, at *6 (N.D. Cal. Dec. 18, 1991); *In re Patient Educ. Media*, 210 B.R. 237, 241 (Bankr. S.D.N.Y. 1997); *Gardner v. Nike, Inc.*, 279 F.3d 774, 778 (9th Cir. 2002); *In re Buildnet, Inc.*, 2002 WL 31103235, at *5 n.3 (Bankr. M.D.N.C. Sep. 20, 2002); *Cincom Systems, Inc. v. Novelis Corp.*, 2007 WL 128999, at *2 n.5 (S.D. Ohio Jan. 12, 2007); *Cincom Systems, Inc. v. Novelis Corp.*, 581 F.3d 431, 435 n.2 (6th Cir. 2009); see *infra* Table I.

69. See *Twin Books Corp. v. Walt Disney Co.*, 877 F. Supp. 496, 500 (N.D. Cal. 1995) *rev'd* 83 F.3d 1162 (9th Cir. 1996); *Davis v. Blige*, 505 F.3d 90, 104 (2d Cir. 2007); see *infra* Table I.

70. See *Cincom Systems, Inc.* WL 128999, at *2 n.5; *Cincom Systems, Inc.*, 581 F.3d at 435 n.2 in Table I, *infra*.

twenty-five years earlier. *Twin Books* involved licensee estoppel⁷¹ and *Davis* involved the prospective nature of licenses⁷² rather than transferability but cited *Harris* for the proposition that patent and copyright licensees should be treated similarly.⁷³ These eight cases probably should not be considered abusive. On the other hand, at least one case not involving licensing inappropriately cites *Harris* as authority for transferring a rule from one area to another without further analysis.⁷⁴

Among all the other cases citing the “historic kinship,” there are a few in which several courts addressed the same legal issues. If later opinions properly relied on the thorough prior analysis of a higher authority, like *Harris*, these later opinions are not abusive. In the three preemption cases,⁷⁵ and three right-to-a-jury-trial cases,⁷⁶ however, there is no analysis of the rationale or caution appearing in *Sony*, even though the legal issues are entirely different from the *Sony*’s vicarious liability question, nor did the later courts cite the earlier as supporting precedent. These cases stand in the same “abusive” category as the overwhelming majority of the thirty-seven cases that blindly cite *Sony* without considering whether the rationale for intellectual property protection applies or whether patent and copyright are similar enough to justify transferring a rule from one area to another.

This review suggests that twelve of the thirty-seven cases should not be considered abusive. The three cases citing the “historic kinship” in the same context of patent and copyright vicarious liability are not abusing the precedent by failing to reanalyze the rationale or obey the caution. The principle also applies to courts extending the logic of the historic kinship to new legal issues. The Ninth Circuit’s opinion in *Harris v. Emus Records Corp.*⁷⁷ and the cases citing it in the licensing context illustrate such an extension. Thus, there are 25 out of the thirty-seven cases that failed properly to consider the rationale and caution.

71. *Twin Books*, 877 F. Supp. at 500.

72. *Davis*, 505 F.3d at 104.

73. See *Twin Books*, 877 F. Supp. at 500; *Davis*, 505 F.3d at 104.

74. See *Hendricks & Lewis PLLC v. Clinton*, 766 F.3d 991, 996 (9th Cir. 2014) (execution of copyright to satisfy a judgment); *infra* Table I.

75. See *American Assoc. Med. Colleges v. Carey*, 728 F. Supp. 873, 880 n.6 (N.D.N.Y. 1990) (*rev’d sub nom.* *American Assoc. Med. Colleges v. Cuomo*, 928 F.2d 519 (2nd Cir. 1991)); *Ultra-Precision Mfg., Ltd. v. Ford Motor Co.*, 411 F.3d 1369, 1382 (Fed. Cir. 2005); *Carson Optical, Inc. v. Prym Consumer USA, Inc.*, 411 F. Supp. 3d 317, 331 n.5 (E.D.N.Y. 2014); Table I, *infra*.

76. See *Taylor Corp. v. Four Seasons Greetings, LLC*, 403 F.3d 958, 965 (8th Cir. 2005); *American Society for Testing and Materials v. Public.Resource.Org, Inc.*, 78 F. Supp. 3d 534, 539 (D.D.C. 2015); *American Educational Research Association, Inc. v. Public.Resource.Org, Inc.*, 78 F. Supp. 3d 542, 547 (D.D.C. 2015); *infra* Table I.

77. *Harris v. Emus Records Corp.*, 734 F.2d 1329 (9th Cir. 1984).

IV. OPINIONS WITH A LACK OF RATIONALE AND CAUTION

Lower court opinions citing the “historic kinship” without following *Sony*’s rationale or caution cover a vast range of legal issues to which the logic of *Sony* may not apply. The following topics, addressed by courts identified in Table I, below, have no logical connection to the vicarious liability issues in patent and copyright law that the Supreme Court concluded deserved similar treatment:

- Justification for award of attorney’s fee;
- Preemption;
- Requirement of an “actual controversy”;
- Extraterritoriality;
- Suit against U.S. by employee;
- Patent and copyright misuse;
- Contract interpretation;
- Accrual of action;
- Assignee’s right to sue;
- Right to jury;
- Waiver of sovereign immunity;
- Validity of release;
- Copyright registration;
- Remedies;
- Materiality standard for inequitable conduct;
- Use of agency theory in direct infringement;
- Standing in declaratory judgment action;
- Copyrights subject to execution;
- Predicate act doctrine; and
- Compulsory counterclaims.

Many involve procedural issues (such as the right to a jury trial, standing, and whether counterclaims are compulsory) that are entirely different from the substantive issue involved in *Sony*. This list invites further analysis of whether each extension is consistent with the rationale for and doctrinal structure of patent and copyright law that is beyond the scope of this article.

The forgoing discussion is not meant to suggest that the courts came to the wrong results or *otherwise* misused authority when deciding these issues. This article focuses only on the impropriety of referring to the “historic kinship” to transfer a rule from one legal regime to another without proper analysis of whether it is proper to do so. All of these areas are, presumably,

open for research to consider whether the similar treatment of patent and copyright and, apparently, trademark⁷⁸ issues is appropriate.

Quite frequently, a bare reference to the “historic kinship” in a footnote is all the analysis lower courts employ. For example, *John Wiley & Sons, Inc. v. DRK Photo*,⁷⁹ involved a copyright question quite divorced from the substantive question of what facts would create a foundation for vicarious liability as in *Sony*. The legal issue was the copyright standard for standing in the declaratory judgment context.⁸⁰ The court merely stated that “The Court’s reliance on cases concerning patent law is entirely appropriate here.”⁸¹ The court then cited *Sony* and another case summarized on Table I, *Davis v. Blige*,⁸² which involved an entirely different legal issue (licensing). There was no analysis of the applicability of the rationale derived from the historic kinship or of whether copyright and patent law should be treated similarly in this respect. In such cases, the bare reference is no support at all for applying doctrine formulated in one area to the other.

A bare citation to the “historic kinship” does not mean that the opinion is lacking other support for its ultimate ruling. In this respect, the Federal Circuit Court of Appeals opinion in *Therasense, Inc. v. Becton, Dickinson and Co.*⁸³ is another typical reference to the “historic kinship.” It contains considerable analysis of whether its adoption of a “but for” materiality standard for patent applicant misconduct is desirable.⁸⁴ But it cites *Sony* and refers to the “historic kinship”⁸⁵ without considering whether its adoption furthers the rationale for protecting intellectual property generally. While its

78. See the issue of fraud in trademark applications discussed in *Sovereign Military Hospitaller Order of Saint John of Jerusalem of Rhodes and of Malta v. Florida Priory of Knights Hospitallers of Sovereign Order of Saint John of Jerusalem, Knights of Malta, Ecumenical Order*, 702 F.3d 1279, 1291–92 (11th Cir. 2012). The court rejected an analogy between fraud in patent and trademark applications:

It was error to look to this case for the applicable standard to analyze a claim for fraud on the PTO. We have been admonished to exercise caution before importing standards from one area of intellectual-property law into another. See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 n.19 (1984). The Florida Priory has not pointed to any authority to establish the sort of “historic kinship” that may justify translation of a patent-infringement standard into the mark-application context. *Id.* at 439; see also *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (noting “little or no analogy” between trademark rights and those of patent or copyright); *McLean v. Fleming*, 96 U.S. 245, 254 (1877) (“Property in the use of a trade-mark . . . bears very little analogy to that which exists in copyrights or in patents for new inventions or discoveries. . .”).

Id.: See also footnote 9, *supra*, (quoting the Supreme Court’s view of the similarity between patent and copyright on one hand and trademark on the other).

79. *John Wiley & Sons, Inc. v. DRK Photo*, 998 F. Supp. 2d 262, 291 n.23 (S.D.N.Y. 2014).

80. *Id.* at 291 n.23.

81. *Id.*

82. *Davis v. Blige*, 505 F.3d 90, 104 (2d Cir. 2007).

83. *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276, 1295 (Fed. Cir. 2011).

84. *Id.* at 1291–94.

85. *Id.* at 1295.

discusses comparable rules in copyright and trademark law,⁸⁶ the court does not consider whether there are differences in patent and copyright (or trademark) law that suggest different treatment. Citing to *Sony* in this way is merely a “makeweight” that carries no weight. Again, this is not to suggest that the Federal Circuit’s adoption of the copyright/trademark rule is inappropriate. It only suggests that the bare citation to the “historic kinship” in *Sony* in this context lacks needed analysis. The lack is highlighted by the inclusion of the analogy of trademark law in the comparison after the *Sony* Court denied that trademark law was analogous.

Overall, the lack of analysis by lower courts is astounding. Since *Sony* was decided, only a few intellectual property licensing cases and one antitrust case considered whether the rationale underlying the adoption of a patent rule in a copyright case applies when referring to the “historic kinship.” Only seven cases consider whether the structures of patent and copyright law are similar enough to justify applying doctrine formulated in one area to the other.

V. CONCLUSION

The underlying premise of this review is, presumably, uncontroversial. When citing a higher court for a proposition and applying it in a new context, a lower court must determine whether the higher court’s original rationale applies. When the higher court warns lower courts to use caution when applying the proposition in a new context, the lower court must heed that caution. Lower courts risk adopting arbitrary and/or random rules by failing to consider the rationale and use caution. The bare citation of a higher court’s proposition out of context provides no support for a lower court’s conclusion or, for that matter, a lawyer’s assertion. Applying a higher court’s ruling to a new factual context requires consideration of whether that precedent fits the new circumstances.

In *Sony*, the Supreme Court provided a rationale for apply a patent rule to copyright law and accompanied it with a caution. The rationale was that both patent and copyright law are based on the premise that the primary object of exclusive patent and copyrights is providing the public with the benefits of innovation and original expressive works. To achieve these benefits, intellectual property law awards exclusive rights to inventors and authors. When considering the adoption of a new rule or interpretation, courts should, therefore, consider the balance between incentives to create

86. *Id.* at 1295 (observing that “but-for proof is required to invalidate both copyrights and trademarks based on applicant misconduct.”).

and society's interest in the free flow of ideas, information, and commerce. Caution must be used, however, to ensure that patent and copyright law are similar enough in their structure and design that treating them the same way is appropriate. The cases cited by the Supreme Court illustrate the balancing process and ways in which the differences between copyright and patent law require different treatment or the similarities permit the transfer of rules from one regime to the other.

Thirty-seven cases have cited the historic kinship between copyright and patent law as support for their interpretation of the law. Table I reveals that only two cases, *Harris v. Emus Records Corp.*⁸⁷ and *In re Independent Service Antitrust Litigation*⁸⁸ both apply the Supreme Court's rationale and consider the Supreme Court's caution. Two groups of opinions should also be excluded from the list of those opinions that have abused the Supreme Court's precedent by failing to consider the rationale and use caution when applying the *Sony* rule. In the first, the lower court is consider the same issue of vicarious liability and substantial non-infringing use the Court was addressing in *Sony*. If the context does not change in any relevant way, citing the precedent without repeating the analysis is not problematic. Of the thirty-seven cases, three opinions were related to vicarious liability or substantial non-infringing use. These are the vicarious liability cases discussed in Part III, *infra*.

In the second group, the lower court cites the "historic kinship" when facing a legal issue in a context already addressed by an authoritative (higher) court cited by the lower court. Being as generous as possible, perhaps nine cases involving the issue of intellectual property licensing, fall into this category. These are the licensing cases discussed in Part III, *infra*. In these opinion, a citation to the controlling authority would be sufficient support for applying the rule that higher court borrowed from another regime. There would be no independent need for the lower court to cite *Sony*, as each of these opinions does.

The vast majority of the cases citing the "historic kinship" fail to do so properly. Removing the two cases with adequate analysis, the three cases properly relying on *Sony* in the vicarious liability context, and the eight licensing cases relying, however adequately, on precedent, leaves almost two-thirds of the cases (twenty-four of thirty-seven) abusing the Supreme Court precedent. This analytical failure may lead to new rules in patent and copyright law that are not determined by reason or principle.

87. See *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1333-34 (9th Cir. 1984) in Table I, *infra*.

88. *In re Indep. Serv. Organizations Antitrust Litig.*, 989 F. Supp. 1131 (D. Kan. 1997).

TABLE I: Cases Citing “Historic Kinship”⁸⁹

Case, reference to “historic kinship”	Cited Rationale⁹⁰	Applied Rationale	Cited Caution	Applied Caution	Legal Issue
Harris ⁹¹	Yes ⁹²	Yes ⁹³	No	Yes ⁹⁴	Transferability of license
Casella ⁹⁵	No	No	Yes ⁹⁶	No ⁹⁷	Justification for attorney’s fees
A.A.M.C. ⁹⁸	No	No ⁹⁹	No	No	Copyright preemption of state law
SQL Solutions ¹⁰⁰	No	No ¹⁰¹	No	No	Transferability of license
Atari ¹⁰²	No ¹⁰³	No ¹⁰⁴	No	No	Existence of actual controversy
Subafilms ¹⁰⁵	No	No	No	No	Extraterritorial application of copyright laws
Twin Books ¹⁰⁶	No	No	No	No	Licensee estoppel
Matthew Bender ¹⁰⁷	No	No	No	No ¹⁰⁸	Justiciability requirement for declaratory judgment
Herbert ¹⁰⁹	No	No	No	No	No suit against U.S. by author/employee
Patient ¹¹⁰	Yes ¹¹¹	No ¹¹²	No	No	Transferability of license
Ind. Service Organizations ¹¹³	Yes ¹¹⁴	Yes ¹¹⁵	No	Yes ¹¹⁶	Patent and copyright misuse
RT Computer ¹¹⁷	Yes ¹¹⁸	No	No	No ¹¹⁹	Licensing contract interpretation
Gardner ¹²⁰	No	Yes ¹²¹	No	No	Transferability of license

Buildnet ¹²²	No ¹²³	No	No	No	Transferability of license
Wechsberg ¹²⁴	No	No	Yes ¹²⁵	No ¹²⁶	Accrual of action
Dynacore ¹²⁷	No	No ¹²⁸	No	No	Vicarious liability
Silvers ¹²⁹	Majority: No Dissent (Berzon): Yes ¹³⁰ (Bea): No Dissent	Majority: No Dissent (Berzon): Yes ¹³¹ Dissent (Bea): No	Majority: No Dissent (Berzon): No Dissent (Bea): Yes ¹³²	Majority: Yes ¹³³ Dissent (Berzon): Yes ¹³⁴ Dissent (Bea): Yes ¹³⁵	Standing: Assignee's right to sue.
Taylor ¹³⁶	Yes	No	No	No	Clearly erroneous standard and right to jury
Monotype Imaging ¹³⁷	No	No	No	No	Infringement
Ultra-Precision ¹³⁸	No	No	No	No	Preemption
Cincom Systems [I] ¹³⁹	No	No	No	No	Transferability of license
Blueport ¹⁴⁰	No	No	No	Yes ¹⁴¹	Jurisdiction: waiver of sovereign immunity
Davis ¹⁴²	No	No	No	Yes ¹⁴³	Validity of release
Walton ¹⁴⁴	No	No	Yes ¹⁴⁵	No	Jurisdiction: copyright Registration
Goldman ¹⁴⁶	No	No	Yes ¹⁴⁷	Yes ¹⁴⁸	Remedies
Cincom Systems [II] ¹⁴⁹	No	No	No	No	Transferability of license
Therasense ¹⁵⁰	No	No	No	No	Materiality standard for

					inequitable conduct
Akamai ¹⁵¹	No	No	No	No	Agency theory in direct infringement?
Sovereign ¹⁵²	No	No	Yes ¹⁵³	Yes ¹⁵⁴	Fraud in trademark application ¹⁵⁵
John Wiley ¹⁵⁶	No	No	No	No	Standing: declaratory judgments
Carson Optical ¹⁵⁷	No	No	No	No	Preemption by patent law?
Hendricks ¹⁵⁸	No	No	No	No	Copyrights subject to execution?
Promega ¹⁵⁹	No	No	No	No	Defining inducement
A.S.T.M. ¹⁶⁰	No	No	No	No	Right to jury?
A.E.R.A. ¹⁶¹	No	No	No	No	Right to jury?
WesternGeco ¹⁶²	No	No	No	No	Predicate act doctrine
Touchpoint ¹⁶³	No	No	No	No	Counterclaims compulsory?

89. This table describes every case in the Westlaw federal cases database that contains the phrase “historic kinship.” All cite *Sony* and all are intellectual property cases except for two antitrust cases involving either patents or copyrights. The Table summarizes each lower court’s analysis. The entry in each cell inevitably reflects the author’s judgment. For instance, while the rationale for intellectual property protection calls for a balance of incentives and access calls for consideration of both the reasons for providing incentives for creators and access to the public, some courts focus only on providing incentives. The table would record these courts as not having applied the rationale. Similarly, when the court does not quote *Sony*’s admonition to use caution when equating the two areas, courts occasionally compare the laws in the two areas to determine whether they are similar enough to support equal treatment. For these occasions, the table records that the caution was not cited but it was applied. *See, e.g.*, footnote 94. Also, courts occasionally relied on precedent in cases involving the same legal issue or a comparison of patent and copyright policy as a basis for applying the rule of one regime to another. In such cases, the table reflects no citing to the caution but an application of the caution. *See, e.g.*, footnote 141. When a court cites precedent for applying one regime’s rules to another regime but the precedent involve a different legal issue, the table records no application of the caution. *See, e.g.* footnote 158.

90. The summary entered in each cell indicates whether the court discussed the rationale in the context of the legal issue for which the “historic kinship” was cited. As the following footnotes indicate,

courts occasionally considered the rationale in the context of other legal issues present in the case, such as copyright fair use. *See, e.g.*, footnotes 108, 112, and 113.

91. *Harris*, 734 F.2d at 1333.

92. *Id.* at 1334.

93. *Id.* at 1334 (stating:

Such an interpretation of a license accords with the policies underlying enactment of the Copyright Act. The legislative history reveals an acute awareness of the need to delicately balance competing interests. On the one hand, there was a strong reluctance to allow a monopolization of works or compositions; at the same time, there was an awareness of the necessity of preserving the rights of authors and composers in order to stimulate creativity. H.R. Rep. No. 2222, 60th Cong., 2d Sess. 7 (1909). Illustrative of the compromises adopted is the compulsory licensing provision which permitted the copyright holder to control first use while providing a mechanism for others to obtain licenses once first use had been authorized. The notice provision for compulsory licenses insures that the copyright owner can monitor use in order to determine that accountings are accurate. The same consideration is relevant here. By licensing rather than assigning his interest in the copyright, the owner reserves certain rights, including that of collecting royalties. His ability to monitor use would be jeopardized by allowing sublicensing without notice. In fact precisely such a scenario underlies this litigation).

94. The court stated “A patent license has been characterized as “a naked license to make and sell the patented improvement as a part of its business, which right, if it existed, was a mere personal one, and not transferable, and was extinguished with the dissolution of the corporation.” citing *Hapgood v. Hewitt*, 119 U.S. 226, 233 (1886) and other cases. *Harris*, at 1333. The court further stated:

Such an interpretation of a license accords with the policies underlying enactment of the Copyright Act. The legislative history reveals an acute awareness of the need to delicately balance competing interests. On the one hand, there was a strong reluctance to allow a monopolization of works or compositions; at the same time, there was an awareness of the necessity of preserving the rights of authors and composers in order to stimulate creativity. H.R. Rep. No. 2222, 60th Cong., 2d Sess. 7 (1909).

Id. at 1334. The court then described how the licensing provisions of the Copyright Act were illustrative of this compromise. *Id.* at 1334. The court did not quote the cautionary language. Its comparison of patent and copyright law and principles in the language quoted constitute its analysis of the rationale and caution.

95. *Casella v. Morris*, 820 F.2d 362, 367 n.6 (11th Cir. 1987).

96. *Id.* at 367 n. 6.

97. While the court was persuaded by the reasoning of a patent case in this copyright case, it did not explain why it adopted the patent rule despite acknowledging the differences. *See Casella*, 820 F.2d at 367 n.6 (noting that “Both patent law and copyright law allow awards of attorney’s fees. The standards, however, are different: patent law authorizes fee awards in ‘exceptional cases. [Citing 35 U.S.C. § 285.] Copyright law has no corresponding threshold: ‘The court in its discretion may allow....’ [Citing 17 U.S.C. § 505.]”

98. *American Assoc. Med. Colleges v. Carey*, 728 F. Supp. 873, 880 n.6 (N.D.N.Y. 1990).

99. The court cited neither the rationale nor the caution in the preemption context, though it did discuss the rationale as applied to a separate copyright fair use issue. *A.A.M.C.*, 728 F. Supp. at 882 (“The tension between the Copyright Act’s dual goals of greater access to information and its provision for exclusivity of ownership rights makes the question of fair use “the most troublesome in the whole law of copyright.”” citing *Maxtone-Graham v. Burtchaeil*, 803 F.2d 1253, 1255 (2d Cir. 1986) (quoting *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir.1939)).

100. *SQL Solutions Inc. v. Oracle Corp.*, Not Reported in F. Supp., 1991 WL 626458, at *6 (N.D. Cal. 1991).

101. The court did not reconsider the rationale and did not apply the caution, but cited *Harris v. Emus Records Corp.*, 734 F.2d 132 (9th Cir. 1984), which considered both in a case involving the same legal issue. *SQL Solutions*, 1991 WL 626458 at *6 (“The *Emus Records* court observed that a parallel prohibition against the transfer of copyright licenses gave effect to the policy of protecting creativity underlying enactment of the Copyright Act.”). Note that this quotation only refers to one half of the policy balancing—protecting copyright owners.

102. *Atari Games Corp. v. Nintendo of America, Inc.*, 975 F.2d 832, 841 n.4 (Fed. Cir. 1992).

103. *Id.* at 842. The court does not apply the rationale for treating patent and copyright similarly when considering the existence of an actual controversy (for which the “historic kinship” was cited), but does cite and apply the rationale when considering the applicability of the copyright fair use doctrine. *Id.* at 842–43.

104. Again, the court does not apply the rationale for treating patent and copyright similarly when considering the existence of an actual controversy (for which the “historic kinship” was cited), but does cite and apply the rationale when considering the applicability of the copyright fair use doctrine. *Id.* at 842–43.

105. *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1092 n.7 (9th Cir. 1994).

106. *Twin Books Corp. v. Walt Disney Co.*, 877 F. Supp. 496, 500 (N.D. Cal. 1995).

107. *Matthew Bender & Co. v. West Publishing Co.*, Not Reported in F. Supp., 1996 WL 223917, at *1 n.1 (S.D.N.Y. 1996).

108. The court does not apply the caution as illustrated in *Sony* but cites precedent for applying a patent rule in the copyright justiciability context, *Id.* at *1 n.1 (citing *Re-Alco v. National Center for Health Education*, 812 F. Supp. 387, 395 (S.D.N.Y. 1993) (applying patent standards articulated in *Wembley v. Superba Cravats*, 315 F.2d 87 (2d Cir. 1963) to copyright case)).

109. *Herbert v. U.S.*, 36 Fed. Cl. 299, 305 n.4 (Ct. Fed. Claims 1996).

110. *In re Patient Educ. Media*, 210 B.R. 237, 241 n.7 (U.S. Bankruptcy Ct. 1997).

111. *Id.* at 240.

112. The court cites the rationale, but in its policy analysis only mentions the policy supporting exclusive rights. *Id.* at 242 (stating “The federal policy designed to protect the limited monopoly of copyright owners and restrict unauthorized use constitutes applicable nonbankruptcy law” and observing that “the fundamental policy of the federal patent system is to encourage the creation and disclosure of new advances in technology.”)

113. *In re Indep. Serv. Organizations Antitrust Litig.*, 989 F. Supp. 1131, 1143 (D. Kan. 1997).

114. *Id.* at 1142.

115. The court in *Ind. Serv. Organizations*, at 1143, cites two cases, *Atari Games Corp. v. Nintendo of Am., Inc.*, 897 F.2d 1572 (Fed. Cir.1990) and *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990). These cases cited additional cases involving copyright misuse that had previously identified the underlying policies of both regimes as being consistent with treating both the same. *See, e.g., Lasercomb*, 911 F.2d at 976 (“[S]ince copyright and patent law serve parallel public interests, a “misuse” defense should apply to infringement actions brought to vindicate either right.”).

116. *Indep. Serv. Organizations*, at 1133–34.

117. *RT Computer Graphics Inc. v. U.S.*, 44 Fed. Cl. 747, 758 n.10 (U.S. Ct. Claims 1997).

118. *Id.* at 752.

119. *R.T. Computer* is a case based on 28 U.S.C.A. § 1498 (b), which gives copyright owners the right to sue the government for infringement. While the court neither cited the caution nor analyzed in detail whether it was appropriate to extend patent law rules to copyright rules, it did quote *Boyle v. United States*, 44 Fed. Cl. 60 (Fed.Cl.1999) (“Section 1498(b) was created when Congress ‘extended’ the provisions of section 1498(a) [relating to patent infringement] to permit an action in [the Court of Federal Claims] for copyright infringements.”). This reference suggests that it is appropriate to adopt similar rules for patent and copyright law.

120. *Gardner v. Nike, Inc.*, 279 F.3d 774, 778 (9th Cir. 2002).

121. *Id.* (quoting *Harris v. Emus Records Corp.*, 734 F.2d 132, 134 (9th Cir. 1984)).

122. *In re Buildnet, Inc.*, Not Reported in B.R., 2002 WL 31103235, at *5 n.3 (U.S. Bankruptcy Ct. 2002).

123. The court in *Buildnet*, at *5, referred to only half of the balancing of incentives and access, stating “The Copyright Act, 17 U.S.C. § 101 *et seq.* is intended to grant the copyright owner a limited monopoly which provides the owner a period of time during which to reap the benefits of his work.”

124. *Wechsberg v. U.S.*, 54 Fed. Cl. 158, 162 (U.S. Ct. Fed. Claims 2002).

125. *Id.* at 162.

126. Addressing the cautionary language, the court noted that the defendant’s interpretation of copyright law would unfairly result in different treatment of copyright and patent owners who were in the same position and, for that reason, rejected the defendant’s argument and applied the patent rule in the copyright context. *Id.* at 163.

127. *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1275 (Fed. Cir. 2004).

128. The court in *Dynacore* applies the reasoning in *Sony* related to the substantial non-infringing use rule to the patent context from which it was originally derived, making this unadorned use of the reference to the “historic kinship” appropriate. *See* the discussion in *id.* at 1275.

129. *Silvers v. Sony Pictures Entertainment Corp.*, 402 F.3d 881, 887, 905, (Graber, C.J.), 905 (Bea, J. dissenting) (9th Cir. 2005).

130. *Id.* (Berzon J., dissenting), at 893.

131. *Id.* (Berzon J., dissenting), at 893–94 (quoting the rationale and stating that “I see nothing in the assignment of accrued claims of Frank & Bob Films for infringement of a work *created* by Silvers to Silvers that violates these background principles. . . . Silvers, as the creator, is the person for whom the copyright system is designed to provide incentives for more creations.”)

132. *Id.* (Bea, J. dissenting), at 905.

133. *Id.* at 888. The majority did not quote the *Sony* caution but stated:

Despite the differences between patents and copyrights, and between the statutes governing them, the common question is whether a substantive, exclusive right to intellectual property may be divorced from a cause of action for infringement of that substantive right. Under both copyright and patent law, substantive rights are assignable; the question whether those rights are severable from the entitlement to sue someone for infringing those rights requires a similar analysis.

Id.

134. *Id.* (Berzon, J. dissenting), at 894:

In general, “patents and copyrights do not entail the same exchange.” “The disclosure required by the Patent Act is ‘the *quid pro quo* of the right to exclude.’” “For the author seeking copyright protection, in contrast, disclosure is the desired objective, not something exacted from the author in exchange for the copyright.” [Citations omitted.]

135. *Id.* (Bea, J. dissenting), at 905.

136. *Taylor Corp. v. Four Seasons Greetings, LLC*, 403 F.3d 958, 965, 969 (8th Cir. 2005).

137. *Monotype Imaging, Inc. v. Bitstream, Inc.*, Not Reported in F. Supp. 2d, 2005 WL 936882, at *6 n. 5 (N.D. Ill. 2005).

138. *Ultra-Precision Mfg., Ltd. v. Ford Motor Co.*, 411 F.3d 1369, 1382 (Fed. Cir. 2005).

139. *Cincom Systems, Inc. v. Novelis Corp.*, Not Reported in F. Supp. 2d, 2007 WL 128999, at *2 n.5 (S.D. Ohio 2007).

140. *Blueport Co., LLP v. U.S.*, 76 Fed. Cl. 702, 713 (U.S. Ct. Fed. Claims 2007).

141. While not citing *Sony*'s cautionary language, the court cited statutory language justifying similar treatment of patent and copyright cases. *Id.* at 713–14.

142. *Davis v. Blige*, 505 F. 3d 90, 104 (2d Cir. 2007).

143. Though the court did not cite to the cautionary language of *Sony*, the court briefly noted that “[l]icenses in patent and copyright function similarly, *see Harris v. Emus Records Corp.*, 734 F.2d 1329, 1333 (9th Cir.1984), and thus it is appropriate to consider copyright licensing, like patent licensing, prospective in nature.” *Id.*

144. *Walton v. U.S.*, 80 Fed. Cl. 251, 264 n.19 (U.S. Ct. Fed. Claims 2008).

145. *Id.* at 264 n.19.

146. *Goldman v. Healthcare Management Systems, Inc.*, 559 F. Supp. 2d 853, 875 (W.D. Mich. 2008).

147. *Id.* at 875.

148. *Id.* at 875–76:

Copyright protects the expression of an idea, not the idea itself. While copyright protects the original expression of the idea, patents protect the innovative idea. Copyright protection does not extend to any “idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such a work.” Patents encourage technological development by preventing others from making, using or selling an invention for a specified amount of time. Copyright protection is much narrower, protecting only an exclusive right to reproduce an original expression.

The ability to achieve the same or similar result using an alternative means may implicate the novelty of an idea and hence is relevant to the final assessment of damages in a patent suit, the same cannot be said in a copyright suit. Patents encourage innovation. Copyrights encourage originality in expression. Copyrights give the holder the exclusive right to reproduce an original or derivative work. If the work is infringed by copying without authorization, the copyright holder is entitled to damages for that infringement. The ability to avoid damages by rewriting a computer program, or a song, or reproducing a painting, should not be considered because it would not implicate the *originality* of the expression being protected. Those concerns are considered in patent cases precisely because the alternatives question the *novelty* of the patent; if there are alternatives, or could be alternatives in the marketplace, the idea is not novel.

149. *Cincom Systems, Inc. v. Novelis Corp.*, 581 F.3d 431, 435 n.2 (6th Cir. 2009).

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150. *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276, 1295 (Fed. Cir. 2011).
151. *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1326 (Fed. Cir. 2012).
152. *Sovereign Military Hospitaller Order of Saint John of Jerusalem of Rhodes and of Malta v. Florida Priory of Knights Hospitallers of Sovereign Order of Saint John of Jerusalem, Knights of Malta, Ecumenical Order*, 702 F.3d 1279, 1291 (11th Cir. 2012) (vacating and superseding an earlier opinion in the same case reported at 694 F.3d 1200 without any effect on the content of the analysis).
153. *Id.* at 1291 (stating “The Florida Priory has not pointed to any authority to establish the sort of “historic kinship” that may justify translation of a patent-infringement standard into the mark-application context.”)
154. *Id.*
155. The defendant attempted to apply a patent law standard for fraud on the PTO during the application process in a trademark case. The court rejected this attempted based on the *Sony* Court’s denial of any historic kinship between patent and trademark law. *Id.* at 1192 (citing *Sony Corp. of America v. University City Studios, Inc.*, 464, U.S. 417, 439 n.19 (1984); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (noting “little or no analogy” between trademark rights and those of patent or copyright); and *McLean v. Fleming*, 96 U.S. 245, 254 (1877) (stating “Property in the use of a trade-mark . . . bears very little analogy to that which exists in copyrights or in patents for new inventions or discoveries. . . .”)).
156. *John Wiley & Sons, Inc. v. DRK Photo*, 998 F. Supp. 2d 262, 291 n.23 (S.D.N.Y. 2014).
157. *Carson Optical, Inc. v. Prym Consumer USA, Inc.*, 411 F. Supp. 3d 317, 331 n.5 (E.D.N.Y. 2014).
158. *Hendricks & Lewis PLLC v. Clinton*, 766 F.3d 991, 996 (9th Cir. 2014).
159. *Promega Corp. v. Life Technologies Corp.*, 773 F.3d 1338, 1358 n.2 (Prost, C.J., dissenting) (Fed. Cir. 2014).
160. *American Society for Testing and Materials v. Public.Resource.Org, Inc.*, 78 F. Supp. 3d 534, 539 (D.D.C. 2015). The opinion in this case is almost identical to the opinion in *A.E.R.A.*, footnote 170, *infra*, which involved the same court, defendant, and issue. The cases were decided the same day. The only differences are the names of the plaintiffs.
161. *American Educational Research Association, Inc. v. Public.Resource.Org, Inc.*, 78 F. Supp. 3d 542, 547 (D.D.C. 2015).
162. *WesternGeco L.L.C. v. Ion Geophysical Corp.*, 621 Fed. Appx. 663, 664 (Wallach, C.J. dissenting) (Fed. Cir. 2015).
163. *Touchpoint Communications, LLC v. Dentralfone, LLC*, Slip Copy 2016 WL 524260, at *4 (W.D. Wash. February 10, 2016).