FOUR THOUSAND WORDS ON *FINNEGANS WAKE*: THE MISUSE OF COPYRIGHT DOCTRINE AND THE CONTROVERSY SURROUNDING THE ESTATE OF JAMES JOYCE

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It is highly ironic that James Joyce, an author who relied so heavily on borrowed ideas, produced an heir whose iron-grip control over Joyce's intellectual property prevents others from similarly using Joyce's text. Joyce drew upon his vast knowledge of all literature, ranging from the highbrow—Shakespeare, Dante, Wilde and Ibsen, to name a few—to the low, incorporating drinking ditties, dirty jokes and advertisements from the characters' era, Dublin in 1916. Through this style of pastiche,[1]

[1] A "pastiche" is defined as "[a] patchwork of words, sentences, or complete passages from various authors or one author. It is, therefore, a kind of imitation . . . and, when intentional, may be a form of parody. . . . An elaborate form of pastiche is a sustained

traveling through time, jumping through psyches of each character, and digressing into various dialects, Joyce requires much knowledge of his reader. *Finnegans Wake*, Joyce's final and most difficult novel, is penned in dozens of languages and contains thousands of obscure allusions, showing how Joyce experimented with language to evoke the stream of consciousness of the modern mind. Was Joyce, the writer who perfected the technique of appropriating other sources, not at all concerned with copyright law? It did not seem to bind his fiction in any way. Perhaps it was a conscious artistic choice for Joyce to come close to borrowing from other artists' copyrighted works, skirting violation, but come just shy of infringement.

Nearly a century after its publication, Joyce's *Finnegans* W*ake* is at the center of a copyright infringement controversy, a real-life drama which is the subject of this Note. The protagonist is Stanford University Professor of English Carol Shloss, who has spent a decade researching and writing a companion work to *Finnegans Wake*, entitled *Lucia Joyce: To Dance in the Wake*, which focuses on the role that Joyce's daughter Lucia played in his works, and how Lucia's descent into madness influenced her father's novel. The antagonist is Stephen James Joyce, James Joyce's grandson and sole heir to the James Joyce literary estate, who sought to interfere with the publication of Shloss' book by threatening Shloss and her publisher with copyright infringement lawsuits and by refusing to license copyrighted works unless certain uncopyrighted historical documents such as letters and medical records were excluded from the book.[2] The book was eventually published in a heavily redacted form, and was met by reviews critical of its "thin documentary evidence."[3] Seeking to counteract the negative publicity, Shloss established a password-protected website supplement containing the material that was redacted from the book.

In June 2006, Shloss filed a lawsuit against the Estate of James

work (say, a novel) written mostly or entirely in the style and manner of another writer." PENGUIN DICTIONARY OF LITERARY TERMS AND LITERARY THEORY 644 (J.A. Cuddon ed., revised by C.E. Preston, 4th ed. 1998).

[2] Stephen James has an aversion to academics, stopping them from researching his family's letters, preventing their "greedy little fingers going over them." *See* Tara Pepper, *Portrait of the Daughter*, NEWSWEEK, Mar. 8, 2007,,*available at* http://www.msnbc.msn.com/id/4408820/.

[3] Lisa Leff, *Stanford Professor Sues Joyce's Estate*, SFGATE, June 12, 2006, http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2006/06/12/entertainment/e171020D91.DTL. Hermione Lee wrote of Shloss' book: "I quote so much because this sort of fervid glop is served up on many pages. It is a rhetoric that damages the book's credibility, making it read more like an exercise in wish fulfillment than a biography." Hermione Lee, *She Said No*, N.Y. TIMES, Dec. 28, 2003, *available at* http://query.nytimes.com/gst/fullpage.html?res=9F01E5DD173FF93BA15751C1A9659C8B63.

Joyce seeking a declaratory judgment that the copyrighted material on the website was protected by fair use, and additionally, that the Estate was barred from enforcing its copyright because of prior and continuing misuse of its copyright.[4] On February 9, 2007, the federal district court for the Northern District of California issued an order that denied the Estate's motion to dismiss and contained language highly favorable to Shloss and her claim of copyright misuse by the Estate.[5] On March 16, 2007, the parties reached a settlement agreement allowing Professor Shloss to publish a supplement to her book in electronic or printed form in the United States.[6]

By leveraging its copyrights to control an academic's use of non-copyrighted materials and to deter non-infringing fair use of copyrighted materials, the Estate's actions stymied academic creation and expression and in so doing provided grounds for a misuse of copyright defense. In its February 9th order, the Court correctly and cogently stated that copyright misuse could serve as an affirmative defense where the holder of a literature copyright invokes the copyright to attempt to prohibit use of non-copyrighted works.[7] The outcome in *Shloss v. Joyce* strengthens the doctrine of copyright misuse and is another affirmation that courts will continue to recognize this doctrine.

Part I of this paper will explore the history of the copyright misuse doctrine, including its antecedents in patent misuse, and will provide a summary of the black-letter law on misuse of copyright. Part I will also consider how the misuse of copyright doctrine advances the goals of copyright law. Part II will provide an overview of the facts leading up to the lawsuit between Professor Shloss and the Estate of James Joyce, and how those facts, as alleged by Shloss, fit into the fair use and misuse of copyright doctrines. Part II will also describe how the court recently denied the Estate's motion to dismiss in an opinion holding that Shloss had properly alleged copyright misuse by the Estate. Based on prior case law, I argue that the Court properly found Professor Shloss' allegation of copyright misuse by the

4 Compl. for Decl. J. and Inj. Relief at 6, Shloss v. Estate of James Joyce, No. 06-03718, 2006 U.S. Dist. LEXIS 41847 (N.D. Cal. June 12, 2006) at 19-20, *available at* http://cyberlaw.stanford.edu/attachments/Complaint%20Endorsed%20Filed%206-12-06.pdf [hereinafter Shloss Complaint].

5 Order Den. Def.'s Mot. To Dismiss and Granting in Part Def.'s Mot. To Strike at 14-15, Shloss v. Sweeney, No. 06-03718, 2007 U.S. Dist. LEXIS 41847 (N.D. Cal. Feb. 9, 2007) [hereinafter Order].

6 Settlement Agreement at ¶ 2, *Schloss*, 2007 LEXIS 41847, *available at* http://cyberlaw.stanford.edu/system/files/Shloss+Settlement+Agreement.pdf [hereinafter Settlement].

7 Order, *supra* note 5, at 16.

Estate of Joyce legally sufficient.

I. DEVELOPMENT OF THE MISUSE OF COPYRIGHT DEFENSE

A. *Patent Law Antecedents*

The copyright misuse defense to claims of copyright infringement is derived from the well-established patent infringement defense of patent misuse.[8] Patent misuse may be invoked as a defense to patent infringement where the holder of a patent has leveraged that government-granted monopoly to require other parties to buy products or enter licenses unrelated to the patent itself.[9] Such tying efforts are seen as restraints on trade and contrary to the goals of patent law. For example, in *Morton Salt Co. v. G.S. Suppiger Co.,*[10] the Supreme Court held that a company which built a patented salt depositing machine unlawfully leveraged its patent by requiring customers to buy its unpatented salt tablets.[11] The *Morton Salt* Court further held that "the use of [a patent] to suppress competition in the sale of an unpatented article may deprive the patentee of the aid of a court of equity to restrain an alleged infringement by one who is a competitor."[12] A patent holder who discontinues the misuse may regain the ability to enforce the patent.[13]

The *Morton Salt* Court decided that a patent holder has the exclusive right to make, vend and use[14] the product described in the patent, but the holder could not use his monopoly to restrain

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8 *See* Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970 (4th Cir. 1990); *see also* Kathryn Judge, *Rethinking Copyright Misuse*, 57 STAN. L. REV. 901.

9 *See* Judge, *supra* note 8, at 901. *See also* 6 DONALD S. CHISUM, CHISUM ON PATENTS § 19.04 (2005), which summarizes the patent misuse defense as follows:

> A patent owner may exploit a patent in an improper manner by violating the antitrust laws or extending the patent beyond its lawful scope. If such misuse is found, the courts will withhold any remedy for infringement or breach of a license agreement–even against an infringer who is not harmed by the abusive practice. The rights of the patent owner will be restored if and when the misuse is purged. Such purging occurs upon abandonment of the abusive practice and dissipation of any harmful consequences.

Id.

10 Morton Salt Co. v. G.S. Suppiger Co., 314 U.S. 488 (1942).

11 *Id.*; *see also* Judge, *supra* note 8, at 908 (describing *Morton Salt* as the seminal case on patent misuse).

12 *Morton Salt*, 314 U.S. at 491; *see also* CHISUM, *supra* note 9, at § 19.04.

13 *Morton Salt*, 314 U.S. at 491; *see also* CHISUM, *supra* note 9, at § 19.04 (noting that the Clayton Antitrust Act prohibits tying the sale of a product in which the seller has a monopoly or market power with a product which the seller does not have market power, but that the *Morton Salt* court did not decide the Clayton Act claims once it made its made its decision on patent misuse).

14 *Morton Salt*, 314 U.S. at 491.

competition of an unpatented article. The Court described the situation in the following way:

> It thus appears that respondent is making use of its patent monopoly to restrain competition in the marketing of unpatented articles, salt tablets, for use with the patented machines, and is aiding in the creation of a limited monopoly in the tablets not within that granted by the patent.[15]

The Supreme Court has affirmed the existence of patent misuse as a defense on several subsequent occasions, refining the contours of the defense.[16] In *Transparent-Wrap Machine Corp. v. Stokes & Smith Co.*, the Supreme Court held that a patent misuse defense could be successful even though the patent owner is not shown to violate an antitrust law.[17] In *United States Gypsum Co. v. National Gypsum Co.*, the Supreme Court explored how a patent holder can "purge" its previous misuse so that it may again enforce its patent in a court of equity.[18] And in *Zenith Radio Corp. v. Hazeltine Research, Inc.*, the Supreme Court held that a condition in a patent license agreement which required a licensee to pay royalties on all sales and manufacture, regardless of whether the licensed patent is used, constituted misuse of the patent.[19]

In 1988, Congress acted to limit the defense of patent misuse by passing the Patent Misuse Reform Act of 1988, which, among other things, provided that patent holders not be barred from pursuing infringement claims for refusing to grant a license.[20] Even after the passage of that legislation, however, use of patents to tie in licenses or sales of unpatented products remained *per se* misuse.[21]

In 1990, in *Lasercomb America, Inc. v. Reynolds*, the Fourth Circuit became the first to formally extend the misuse of patent

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15 *Id.*

16 Transparent-Wrap Mach. Corp. v. Stokes & Smith Co., 329 U.S. 637 (1947); U.S. Gypsum Co. v. Nat'l Gypsum Co., 352 U.S. 457 (1957); *see generally* CHISUM, *supra* note 9, at § 19.04.

17 *Transparent-Wrap Mach. Corp.*, 329 U.S. at 641 ("[t]hough control of the unpatented article or device falls short of a prohibited restraint of trade or monopoly, it will not be sanctioned"); *see also* CHISUM, *supra* note 9, at § 19.04[c].

18 *U.S. Gypsum Co.*, 352 U.S. 465; *see also* CHISUM, *supra* note 9, at § 19.04[d].

19 Zenith Radio Corp. v. Hazeltine Research, Inc., 395 U.S. 100 (1969); *see also* CHISUM, *supra* note 9, at § 19.04[e].

20 Patent Misuse Reform Act of 1988, Pub. L. No. 100-703, 102 Stat. 4674 (codified at 35 U.S.C. §§ 271(d)(4)-(5)); *see also* CHISUM, *supra* note 9, at § 19.04[f]; Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970, 976 (4th Cir. 1990).

21 *See Lasercomb*, 911 F.2d at 976 (*citing* Richard Calkins, *Patent Law: The Impact of the 1988 Patent Misuse Reform Act and Noerr-Pennington Doctrine on Misuse Defenses and Antitrust Counterclaims*, 38 DRAKE L. REV. 175, 196-97 (1989)).

defense to the realm of copyright,[22] declaring "that parallel public policies underlie the protection of both types of intellectual property rights. We think these parallel policies call for the application of the misuse defense to copyright law as well as patent law."[23]

B. *The Major Cases*

1. Lasercomb America, Inc. v. Reynolds

In *Lasercomb*, the Fourth Circuit became the first to formally recognize the misuse of copyright defense.[24] In *Lasercomb*, defendants, including Holiday Steel Rule Die Corporation, infringed on Lasercomb's copyright by making unauthorized copies of Lasercomb's Interact software program and by creating a software program called "PDS-1000" that was "an almost entirely direct copy of Interact."[25] The Fourth Circuit reversed the district court's injunction and award of damages to Lasercomb for infringement, finding that "Lasercomb should have been barred by the defense of copyright misuse from suing for infringement of its copyright in the Interact program."[26] The court found Lasercomb had misused its copyright by including in its standard licensing agreement a clause which prohibits licensees from developing any kind of competing die-making software.[27] The court noted that Lasercomb's 99-year prohibition on developing a competing software program was an "anticompetitive restraint" and an affront to copyright policy of promoting creation.[28] The court discussed how both patent law and copyright law advance a

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[22] Aaron Xavier Fellmeth, *Copyright Misuse and the Limits of Intellectual Property Monopoly*, 6 J. INTELL. PROP. L. 1, 21 (1998) (identifying *Lasercomb* as the first court to recognize misuse of copyright).

[23] *Lasercomb*, 911 F.2d at 974.

[24] *Id.* at 970.

[25] *Id.* at 971 (finding that "[t]here is no question that defendants engaged in unauthorized copying").

[26] *Id.* at 979.

[27] *Id.* at 978 ("Lasercomb is attempting to use its copyright in a manner adverse to the public policy embodied in copyright law and it has succeeded in doing so with at least one licensee.").

[28] *Id.* at 978:

> The language employed in the Lasercomb agreement is extremely broad. Each time Lasercomb sells its Interact program to a company and obtains that company's agreement to the noncompete language, the company is required to forego utilization of the creative abilities of all its officers, directors and employees in the area of CAD/CAM die-making software. Of yet greater concern, these creative abilities are withdrawn from the public. The period for which this anticompetitive restraint exists is ninety-nine years, which could be longer than the life of the copyright itself" (footnotes omitted).

Id.

similar policy goal in "seek[ing] to increase the store of human knowledge and arts by rewarding inventors and authors with the exclusive rights to their works for a limited time."[29] Further analogizing patents to copyrights, the court considered the well-established defense of patent misuse in patent law, and held that such a defense was similarly applicable in cases of copyright infringement.[30] Finding that the terms of the Lasercomb standard licensing agreement constituted a misuse of copyright, it reversed the district court's decision to permit Lasercomb to sue Holiday Steel for infringement.[31]

2. Practice Management Information Corporation v. The American Medical Association

In *Practice Management Information Corp. v. American Medical Ass'n*,[32] the Ninth Circuit joined the Fourth in recognizing misuse of copyright as an affirmative defense to a copyright infringement claim. That case involved a comprehensive list of medical procedures updated every year by the American Medical Association ("AMA"). The AMA licensed this list to the federal government's Health Care Financing Administration ("HCFA") for use with Medicare and Medicaid billing codes.[33] Once the HCFA began using the licensed codes, Practice Management sued, seeking a declaratory judgment that either the AMA's copyright was invalid or the terms of the license constituted copyright misuse, thus seeking to clear the path for its own publication of the medical procedure code list. The Ninth Circuit held that even though the AMA did not lose its copyright to the public domain as a result of its being licensed for use by a government agency, the terms of the license itself constituted copyright misuse, rendering the copyright unenforceable by the AMA.[34] In the court's view, the problem with the license agreement was that it prohibited the HCFA from using any list other than the list licensed from the AMA. That prohibition gave the AMA an advantage over its competitors, securing for it "an exclusive right or limited monopoly not granted by the Copyright Office . . . in a manner violative of the public policy embodied in the grant of a

29 *Id.* at 976.

30 *Id.* at 977 (stating that "we are persuaded that the rationale of *Morton Salt* . . . adapts easily to a copyright context").

31 *Id.* at 979.

32 Practice Mgmt. Info. Corp. v. Am. Med. Ass'n, 121 F.3d 516, 520 (9th Cir. 1997).

33 *Id.* at 519.

34 *Id.* at 520.

copyright."[35] Making clear that the copyright misuse defense analysis differed from that of competition law, the court held that "a defendant in a copyright infringement suit need not prove an antitrust violation to prevail on a copyright misuse defense."[36]

3. *In re* Napster, Inc. Copyright Litigation

Napster, Inc., the operator of a music and video file-sharing website, raised a misuse of copyright defense in its highly-publicized copyright infringement litigation.[37] In dismissing the record label plaintiffs' motion for summary judgment, the district court concluded that Napster should be given additional time to perform discovery relating to its copyright misuse defense. The misuse of copyright defense focused on whether the terms of a license agreement entered into between Napster and a joint venture formed by three of the record label plaintiffs were overly restrictive, and on whether the establishment of the joint venture itself constituted an antitrust violation.[38] The court was troubled by the terms of the license agreement entered into even as Napster was being sued by the consortium of record labels for contributory and vicarious copyright infringement.[39] Under the terms of the license, which gave Napster access to the music catalogues of EMI, BMG and Warner, Napster was prohibited from obtaining individual licenses directly from competing labels.[40] Napster was required to rely on the joint venture to obtain individual licenses on Napster's behalf.[41] The court said the exclusive arrangement might be grounds for a misuse of copyright defense, but cautioned that the provision alone was not dispositive.[42]

Addressing the plaintiff's argument that Napster negotiated and entered into the license agreement and should be estopped from invoking it as evidence to establish copyright misuse, the court noted that "it is irrelevant who includes an exclusivity provision in an agreement."[43] Regarding the joint ventures

35 *Id.* at 520-21 (quoting *Lasercomb*, 911 F.2d at 977).
36 *Id.* at 521.
37 *In re* Napster, Inc. Copyright Litig., 191 F. Supp. 2d 1087 (N.D. Cal. 2002).
38 *Id.*
39 *Id.*
40 *Id.*
41 *Id.*
42 *Id.*
43 *Id.* at 1107 (citing Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970, 979 (4th Cir. 1990)) ("[T]he defense of misuse is available even if the defendants have not been injured by the misuse").

themselves, and Napster's allegations that they could facilitate price-fixing, the court issued a pointed warning to the record labels that they were at risk of violating antitrust laws, and in doing so establishing a misuse of copyright defense for Napster: "Even on the undeveloped record before the court, these joint ventures look bad, sound bad and smell bad."[44]

Aside from the headlines it generated, *In re Napster, Inc., Copyright Litigation* was valuable for its discussion of the two approaches that U.S. courts have taken with respect to the misuse of copyright defense.[45] It described the first "antitrust" approach as requiring the court to find "that plaintiff engaged in antitrust violations before the court will apply the doctrine of copyright misuse."[46] This "antitrust approach" was the approach followed by the Seventh Circuit at the time of the *In re Napster* decision.[47] Under the second "public policy" approach, "copyright misuse exists when plaintiff expands the statutory copyright monopoly in order to gain control over areas outside the scope of monopoly . . . . The test is whether plaintiffs use of his or her copyright violates the public policy embodied in the grant of a copyright, not whether the use is anti-competitive."[48] The court noted that the license provision at issue was troubling, but not dispositive with respect to whether it was unduly restrictive, and so ordered further discovery.[49]

4. Assessment Technologies of Wi, Inc. v. WIREdata, Inc.

It took an extreme example of a copyright holder seeking to leverage its copyright to gain control of non-copyrighted work

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[44] *Id.* at 1108-09: Antitrust violations can give rise to copyright misuse if those violations offend the public policy behind the copyright grant . . . . However, generalized antitrust violations will not suffice. Napster must establish a nexus between . . . alleged anti-competitive action and the plaintiff's power over copyrighted materials . . . . [T]here can be no doubt that price-fixing carries antitrust and public policy considerations that may be relevant to misuse (citations and internal quotes omitted).

[45] *Id.* at 1102-3.

[46] *Id.* (citing Saturday Evening Post v. Rumbleseat Press, Inc., 816 F.2d 1191, 1200 (7th Cir. 1987)). Subsequently, the Seventh Circuit adopted the "public policy" approach. *See* Assessment Tech. of Wis., LLC v. WIREdata, Inc., 350 F.3d 640 (7th Cir. 2003).

[47] *In re Napster*, 191 F. Supp. 2d 1087.

[48] *Id.* at 1103-05 (identifying the Fourth and Ninth Circuits as having adopted the public policy approach):

> *Lasercomb* and *Practice Management*, along with other "public policy" cases, hold that copyright misuse exists when plaintiffs commit antitrust violations or enter unduly restrictive copyright licensing agreements . . . . [N]o courts have thus far articulated the boundaries of "unduly restrictive licensing" or when licensing or other conduct would violate the amorphous concept of public policy . . . . Currently, there is no guidance as to how to approach the more sophisticated cases where the text of the licensing provision itself is not dispositive.

Id.

[49] *Id.* at 1105.

before the Seventh Circuit, in an opinion by Judge Posner, declared its adoption of the public policy approach to the doctrine of copyright misuse.[50] In *WIREdata*, database developer Assessment Technologies held a copyright on a form of database used by municipalities in Wisconsin to organize property records.[51] WIREdata sought to use the property record data for its own purposes, and requested the data from those municipalities.[52] Assessment Technologies objected, claiming its copyright prevented the municipalities from making a copy of the information in its database form.[53] Assessment Technologies brought a copyright infringement claim against WIREdata and obtained a permanent injunction preventing the requested transfer.[54] The Seventh Circuit ordered the district court to vacate an injunction which had barred the database transfer to WIREdata and ordered the copyright claim dismissed,[55] finding that Assessment Technologies sought to use its copyright to "sequester uncopyrightable data, presumably in the hope of extracting a license fee from WIREdata."[56] The court noted that the attempt by Assessment Technologies to leverage its copyright "might constitute copyright misuse."[57]

With respect to the relationship between copyright misuse and antitrust, the *WIREdata* court broke with past Seventh Circuit precedent, saying the doctrine is applicable even when that leveraging does not rise to the level of an antitrust violation.[58] The court held:

> It is true that in *Reed-Union Corp. v. Turtle Wax, Inc.*, 77 F.3d 909, 913 (7th Cir. 1996), we left open the question of whether copyright misuse, unless it rises to the level of an antitrust violation, is a defense to infringement; our earlier decision in *Saturday Evening Post Co. v. Rumbleseat Press, Inc.*, 816 F.2d 1191, 1200 (7th Cir. 1987), had intimated skepticism. No effort has been made by WIREdata to show that AT has market power merely by virtue of its having a copyright on one system for compiling valuation data for real estate tax assessment purposes. Cases such as *Lasercomb*, however, cut misuse free from antitrust, pointing out that the cognate doctrine of patent

50 *WIREdata*, 350 F.3d at 640.
51 *Id.* at 642-43.
52 *Id.*
53 *Id.*
54 *Id.* at 642.
55 *Id.* at 648.
56 *WIREdata*, 350 F.3d at 645.
57 *Id.* at 646-47.
58 *Id.* at 647.

> misuse is not so limited, 911 F.2d at 977-78, though a difference is that patents tend to confer greater market power on their owners than copyrights do, since patents protect ideas and copyrights, as we have noted, do not. The argument for applying copyright misuse beyond the bounds of antitrust, besides from the fact that confined to antitrust the doctrine would be redundant, is that for a copyright owner to use an infringement suit to obtain property protection, here in data, that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or legal sophistication to resist effectively, is an abuse of process.[59]

The Seventh Circuit warned that copyright misuse can occur where an "opponent that may lack the resources or the legal sophistication to resist effectively."[60] Thus, the court brings a new factor into the copyright misuse analysis by considering the relative strength of the parties, i.e. whether bullying has occurred. This additional factor is separate from the scope of the copyright itself, and extends to the manner in which the copyright is enforced.

5. Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.

In *MGM Studios, Inc. v. Grokster, Ltd.*, the U.S. District Court for the Central District of California further clarified the test for misuse of copyright, finding that "the misuse defense applies only if a copyright is leveraged to undermine the Constitution's goal of promoting invention and creative expression,"[61] and requiring that there be "a sufficient nexus between the alleged anticompetitive leveraging and the policy of the copyright laws."[62]

The *Grokster* case, which, like *In re Napster*, involved a copyright infringement lawsuit against a file-sharing service, produced a very different result.[63] Like *Napster*, the defendant in *Grokster* sought additional time to perform discovery for its misuse of copyright defense, which was based on allegations that the copyright holder plaintiffs fixed prices, collectively refused to license to the defendant, and committed other anti-competitive acts which, if proven true, would be violations of the antitrust

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59 *Id.* (citing Reed Union Corp. v. Turtle Wax, Inc., 77 F.3d 909, 913 (7th Cir. 1996)).
60 *Id.* at 647.
61 MGM Studios, Inc. v. Grokster, Ltd., 454 F. Supp. 2d 966, 995 (C.D. Cal. 2006).
62 *Id.*
63 *Id.* at 994.

laws.[64] The court rejected the request, holding that these alleged antitrust violations did not have a sufficient nexus with the copyright laws' "policy of promoting creative activity," and thus could not be invoked to establish a misuse of copyright defense.

The *Grokster* decision appears to have severely limited the availability of the misuse of copyright defense. Whereas previous cases suggest that a copyright holder who leveraged that copyright to commit an antitrust violation would be subject to a misuse of copyright defense,[65] the *Grokster* court held that such an antitrust violation would be grounds for a misuse of copyright defense only if the copyright was used to "restrain the creative expression of another."[66] Further clarifying a distinction between copyright and antitrust, the court concluded that "in the absence of a nexus between the antitrust violation and the copyright laws' policy of promoting creative activity, [defendant's] remedy lies in antitrust rather than copyright."[67]

C. *A Summary: The Black-Letter Law on Misuse of Copyright*

The copyright misuse defense prevents a copyright holder that has misused its copyright from enforcing the copyright against an infringer.[68] It acts as an affirmative defense to copyright infringement.[69] "Copyright misuse does not invalidate a copyright, but precludes is enforcement during the period of misuse."[70] Indeed, once the misuse has ceased, the plaintiff can bring suit to recover "for acts of infringement that occur during the period of misuse."[71] The misuse of copyright defense is available even if the infringers "themselves have not been injured by the misuse."[72]

A misuse of copyright occurs when "the copyright is being used in a manner violative of the public policy embodied in the grant of a copyright."[73] While a copyright holder that uses the copyright to violate antitrust laws is probably subject to a misuse of

64 *Id.*

65 *See* Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970 (4th Cir. 1990); *see also In re* Napster, Inc. Copyright Litig., 191 F. Supp. 2d 1087 (N.D. Cal. 2002).

66 *MGM Studios*, 454 F. Supp. 2d at 997-98 (quoting Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc., 342 F.3d 191, 204 (3d Cir. 2003)).

67 *MGM Studios*, 454 F. Supp. 2d at 997.

68 Practice Mgmt. Info. Corp. v. Am. Med. Ass'n, 121 F.3d 516, 520 (9th Cir. 1997); *Lasercomb*, 911 F.2d at 972; *MGM Studios*, 454 F. Supp. 2d at 994-95.

69 *Lasercomb*, 911 F.2d at 972.

70 *Practice Mgmt.*, 121 F.3d at 520; *MGM Studios*, 454 F. Supp. 2d at 994-95.

71 *MGM Studios*, 454 F. Supp. 2d at 994-95 (quoting *In re* Napster, Inc., Copyright Litig., 191 F. Supp. 2d 1087, 1108 (N.D. Cal. 2002)).

72 *Lasercomb*, 911 F.2d at 979.

73 *Id.* at 978.

copyright defense, "the converse is not necessarily true — a misuse need not be a violation of antitrust law in order to comprise an equitable defense to an infringement action."[74] The misuse defense arises only when the copyright is being used, or "leveraged," and impinges on the Constitution's goal of fostering creative expression. And even then, the claimant must prove a sufficient nexus between the alleged anti-competitive use of the copyright and the policy of the copyright laws.[75]

D. *Misuse of Copyright Doctrine Advances the Goals of Copyright Law*

Here I consider the goals of copyright law — to encourage the creation of new intellectual property by giving its creators the right to exploit it — and whether the doctrine of copyright misuse enhances the incentives that copyright law seeks to create. There are only a limited number of cases where copyright misuse arises as an issue. For that reason, there is some doubt about the strength of the doctrine.[76] "This uncertainty [over the copyright misuse defense] persists because no United States Supreme Court decision has firmly established a copyright misuse defense in a manner analogous to the establishment of the patent misuse defense by *Morton Salt*."[77] Professors Brett Frischmann and Daniel Moylan write that copyright misuse advances the goals of copyright law because it can "preclude copyright owners from contracting around important limitations on the scope of copyrights."[78] Copyright owners are granted a monopoly by the state, but should be prevented from leveraging that monopoly to gain control of creative output beyond the monopoly's scope.

The underlying policy of copyright law was not to grant monopoly power but to provide incentives to create more works. By allowing the creator a temporary monopoly over his work for a limited purpose the creator will not be discouraged from generating creative works in fear of losing control over the rights and proceeds from those works the moment the works are released into the public domain.[79] As the Supreme Court has said, "[c]reative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad

74 *Id.* at 978; *Practice Mgmt.*, 121 F.3d at 521 (holding that "a defendant in a copyright infringement suit need not prove an antitrust violation to prevail on a copyright misuse defense").

75 *MGM Studios*, 454 F. Supp. 2d at 995.

76 Brett Frischmann & Dan Moylan, *The Evolving Doctrine of Copyright Misuse*, INTELLECTUAL PROPERTY AND INFORMATION WEALTH 12 (Peter Yu, ed., 2007).

77 *Lasercomb*, 911 F.2d at 976.

78 Frischmann & Moylan, *supra* note 76, at 10.

79 *See* Fellmeth, *supra* note 22, at 2.

public availability of literature, music and other arts."[80]

In the fine arts context, the court in *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.,* while holding that the plaintiff did not misuse its copyright, explains the policy behind copyright law in the arts in this way:

> The constitutional purpose of promotion of trade and the fine arts is not meant to be accomplished by unlimited dissemination of the copyrighted subject, but by giving the artist the advantages of monopoly with a free choice of methods of exploitation. Thereby it is sought to encourage other artists to produce other objects of art because of the financial gain promised by such a monopoly.[81]

Copyright law gives the copyright holder an effective monopoly over the use and exploitation of the copyrighted work. Copyright does not grant the holder the ability and the power to monopolize fields of communication and development outside the scope of the copyright or tangentially related to the copyright.[82] These fundamental tenets provide the rationale behind copyright and patent misuse, grounded in antitrust principles, which the courts have applied Copyright misuse serves to prevent copyright holders from improperly leveraging their copyright in a way that dampens creative and academic expression. For instance, the copyright misuse doctrine can promote creation by providing individuals in the academic community — such as the ones who study Joyce — the ability to end repeated threats and lawsuits brought by the offspring of famous writers.

Copyright comprises a tenuous balance: if the copyright is too sweeping, the monopoly's effect to stifle competition will outweigh any benefit society might achieve through copyright law by providing an incentive to create. "The 'exclusive Right' conferred on intellectual property thus results in a limited, federal government-granted monopoly on the subject of the patent, trademark, or copyright, which is immune to antitrust prosecution. In other words, intellectual property laws are treated as an exception to the Sherman Act and subsequent antitrust laws."[83]

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80 Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 295 (1996).

81 Alfred Bell & Co. v. Catalda Fine Arts, Inc., 74 F. Supp. 973, 978 (S.D.N.Y. 1947).

82 Practice Mgmt. Info. Corp. v. AMA, 121 F.3d 516, 520 (9th Cir. 1997).

83 Fellmeth, *supra* note 22, at 2.

New York University professor Eleanor M. Fox has referred to the paradox between the realms of antitrust and intellectual property as a "collision course." One area of law, antitrust, destroys monopolies and creates competition while another area of law, intellectual property, creates purposeful monopolies. Yet both areas are based on the idea that each area is independently doing what is most "efficient" for the economy. At some point, the monopoly created by intellectual property law becomes too powerful, losing its efficiency, and antitrust principles must break down the monopoly to "advance efficiency, and technological process and thus the interests of consumers." By the early 2000s, Fox says, the scope of protection for intellectual property monopolies expanded. However, "once again, policymakers are reexamining the proper balance between protection of competition and protection of incentives to innovate through respect for IP rights. Copyright misuse is part of that reevaluation of the scope of monopolies."[84]

Some scholars say that copyright misuse:

> [M]ay be quite valuable as a means of ensuring fair uses of copyrighted works that are available in the digital environment . . . . The powerful threat of nullifying the content owner's copyright would provide them with a strong incentive to ensure the availability of fair use to users who have lawfully acquired copies. This, however, highlights a problem with the doctrine in general: making the copyright completely unenforceable is a harsh remedy.[85]

In their article *The Evolving Doctrine of Copyright Misuse*, Frischmann and Moylan present a comprehensive survey of copyright misuse, where the doctrine has been and where it is headed. Frischmann and Moylan describe three "legal functions"

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[84] ELEANOR M. FOX, U.S. ANTITRUST IN GLOBAL CONTEXT 244-45 (2d ed. 2004) (citing Timothy Muris, Chairman, Fed. Trade Comm'n, Competition and Intellectual Property Policy: The Way Ahead, Remarks before the ABA Antitrust Section Fall Forum (Nov. 15, 2001), *available at* http://www.ftc.gov/speeches/muris/intellectual.htm:

> IP law and antitrust law both seek to promote innovation and enhance consumer welfare. The goal of patent and copyright law . . . is "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." IP law . . . preserves the incentives for scientific and technological progress - i.e., for innovation. Innovation benefits consumers through the development of new and improved goods and services, and spurs economic growth. Similarly, antitrust law, properly applied, promotes innovation and economic growth by combating restraints on vigorous competitive activity.

Id.

[85] John R. Therien, *Exorcising the Specter of a "Pay-Per-Use" Society: Toward Preserving Fair Use and the Public Domain in the Digital Age*, 16 BERKELEY TECH. L.J. 979, 1042 (2001).

of the misuse doctrine; these jurisprudential functions are helpful to review and allow us to better understand how the California's courts might approach the Shloss case.

Frischmann and Moylan write that the misuse doctrine gives courts the leeway to "correct" gaps in the statutory law, providing courts a way of gesturing to the legislature that a gap in the statutory perception of fair use exists. [86] The misuse doctrine also allows courts to "coordinate related and interdependent bodies of law" and "safeguard the public interest generally."[87] It is the court's way of gesturing to the legislature that a gap in the statutory perception of fair use exists.[88]

The primary theme in Frischmann and Moylan's taxonomy of copyright misuse is the reconciliation of separate but "interdependent bodies of law": antitrust, copyright and patent.[89] Interestingly, when faced with copyright misuse, a court has to juggle both copyright and antitrust principles because the doctrines feed off of one another. The last jurisprudential function that the Court might use in addressing copyright misuse is a "safeguarding" function. The safeguarding function consists of the motif of balancing the equities in which the court considers the nature of the work, how well it serves society, and the parties' conduct — whether a party's "unclean hands"[90] may preclude relief.[91]

Ultimately, the copyright misuse doctrine may serve to mitigate the excesses that can occur when the government grants a monopoly. Stanford Law Professor Lawrence Lessig, the primary counsel for Professor Shloss in *Shloss v. Joyce*, said in an interview with *The New Yorker* that "if copyright law is going to descend on [Shloss] and turn her life into hell, [then that] shows that the law has lost touch with its purpose."[92] Copyright misuse can be invoked to address these kinds of situations.

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86 *Id.* at 6.

87 Frischmann & Moylan, *supra* note 76, at 5.

88 *Id.* at 6.

89 *Id.* at 7.

90 Unclean hands is defined as:

> (1) The equitable principle which requires a denial of relief to a complainant who is himself guilty of inequitable conduct in reference to the matter in controversy.(2) Within the meaning of the maxim of equity requiring one who comes to it for relief to come with clean hands and an apparently clear conscience, the term unclean hands is a figurative description of a class of suitors to whom a court of equity as a court of conscience will not even listen, because the conduct of such suitors is itself unconscionable, that is, morally reprehensible as to known facts.

BALLENTINE'S LAW DICTIONARY (3d ed. 1969).

91 Frischmann & Moylan, *supra* note 76, at 9.

92 D.T. Max, *The Injustice Collector: Is James Joyce's Grandson Suppressing Scholarship?*, NEW YORKER, June 19, 2006, at 34, 42.

For copyright misuse to be effective in advancing the goals of copyright law, it must be accompanied by a remedy. Kathryn Judge suggests there are three routes a court may take: (1) offer money damages; (2) take away the copyright from the owner; or (3) prohibit an owner from enforcing his copyright during the period of misuse.[93] Judge favors the third, or the "*Napster*" approach:

> [A] copyright holder can still recover for acts of infringement that occur during the misuse and the effect of misuse is merely to defer when a copyright holder can recover. Under this approach, the property right is replaced by a deferred, and presumably conditional, liability right for the period of misuse.[94]

This approach would be "punishment" because of the time value of money if recovery is delayed and interest is not factored in, but it creates enough of a disincentive for copyright owners to misuse their copyrights.[95]

Kathryn Judge suggests that several courts, including the *WIREdata* court presided over by Judge Posner, would be willing to impose the harsh remedy of suspending the rights holders' ability to enforce their copyright. Judge writes that such rulings are "not for the faint of heart . . . . Judge Posner may be prepared to impose such a sanction upon a copyright holder who claims that no part of his manuscript may be reproduced without permission."[96]

II. THE HISTORIAN AND THE HEIR

A. *Factual Background*

Carol Shloss, a literature professor at Stanford University, authored *Lucia Joyce: To Dance in the Wake*. This text describes Lucia Joyce's mental illness and its "creative impact" on her father James Joyce's literary works, specifically *Finnegans Wake*.[97] Shloss spent a decade and a half researching the book.[98] Stephen James Joyce, grandson of James Joyce, was aware of Shloss' work but the two did not correspond until 1996 when Shloss asked for help on

93 Judge, *supra* note 8, at 950.
94 *Id.* at 947-48.
95 *Id.* at 949.
96 *Id.* at 950.
97 Order, *supra* note 5, at 2.
98 *Id.*

the project and Stephen James Joyce refused.[99] Stephen James Joyce initially granted Shloss permission to use a poem, "A Flower Given to My Daughter," for the book but reneged because Shloss planned on using other materials about Lucia relating to her mental health, including letters and medical records.[100] Stephen James Joyce threatened copyright infringement litigation and refused authorization to copyrighted works unless Shloss would agree to not write about Lucia's mental illness.[101]

Stephen James Joyce prevented Shloss from collecting scarce information about Lucia for her book. Shloss alleges that Stephen James Joyce sought to use his copyright to restrict her use of materials not subject to the copyright. Through letter writing campaigns,[102] Stephen James Joyce sought to interfere with Shloss' work on Lucia at several libraries and archives in the United States and Europe. He has threatened to remove documents from libraries and archives to destroy them, and publicly announced in 1998 that he already destroyed Lucia's letters that he owned as part of the Estate.[103]

This was not Stephen James Joyce's first alleged attempt to interfere with research on Lucia. He often complained that the work of academics is filled with "innuendoes" and is "not worthy of its subject,"[104] hoping to shield his grandfather's masterworks from academics who want to put their imprint on the fiction. James Joyce was guarded about his own image, but Stephen James has, by all accounts, taken protecting the copyright to the extreme. Over the years, Stephen James Joyce has used his name and his copyright to exert editorial control over any works about his father and family to which he takes offense. In 1988, according to *The New Yorker,* just prior to publication of Brenda Maddox's biography *Nora* (about James Joyce's wife), Maddox deleted a section about Lucia Joyce's time in a mental institution. She allegedly feared a legal battle because of, no doubt, pressure from the Estate. The agreement that Maddox ultimately signed with Stephen James Joyce also enjoined her descendants from publishing material on this subject.[105]

At a Joyce conference in Venice, "Stephen announced that he had destroyed all the letters that his aunt Lucia had written to him

99 *Id.*
100 *Id.*
101 *See id.* at 2-3.
102 Andrew Gumbel, *Joyce's Repressive, Secretive, Obstructive Grandson to be Sued*, THE INDEPENDENT, June 18, 2006, *available at* http://www.findarticles.com/p/articles/mi_qn4159/is_20060618/ai_n16490513.
103 Pepper, *supra* note 2.
104 Max, *supra* note 92, at 41.
105 *Id.* at 34.

and his wife. He added that he had done the same with postcards and a telegram sent to Lucia by Samuel Beckett . . . ."[106] Stephen James Joyce has written, "I have not destroyed any papers or letters in my grandfather's hand, yet." In 1992, Stephen James Joyce successfully persuaded the officials at the National Library of Ireland to allow him to "remove Joyce family papers, including papers pertaining to Lucia" from the Paul Leon Papers, an "important collection of Joyce materials that the National Library of Ireland was about to open to the public."[107] Some of the specific documents that Shloss attempted to use were Lucia Joyce's medical records. The Estate claimed it had legal control over the letters, medical records and other historical documents.[108]

The Estate did not always function in isolation with one curmudgeon at the helm refusing permission for many arguable fair uses. Joyce's patron, the writer and public intellectual, Harriet Shaw Weaver, was the original heir to the author's literary estate upon his death while Joyce's wife Nora inherited royalties from the works. Weaver, and the trustees who succeeded her, wanted the works to be "accessible" to everyone, unlike Stephen James. *The New Yorker* alluded to the origins of Stephen James' vendetta against the academics, when in 1975 academics circumvented the stance of the Estate to publish Joyce's private letters; James Joyce apparently desired their secrecy.[109]

Continuing in that vein, in August 2002, Stephen James Joyce contacted Shloss and provided her with a list of more sources she was not authorized to use, including medical records and other files and documents created by Lucia, and he threatened copyright litigation if Shloss used them in her work.[110] In November of 2002, Stephen James also contacted Shloss' publisher, saying he was the "sole beneficiary and owner" of the rights to Lucia's works, adding that Shloss was not permitted to use in her book certain letters by Harriet Shaw Weaver, Paul Leon and Maria Jolas.[111] Shloss has alleged that Stephen James Joyce

106 *Id.* at 34-35.

107 Shloss Complaint, *supra* note 4.

108 It does not seem likely that Stephen James owns the copyright in the medical records. The records were produced by Lucia's psychiatrists and nurses and presumably kept in the institution where she was treated for schizophrenia. The copyright would lie with the author of the medical report. But, even if it were proven that Stephen James did hold the copyrights to the records themselves, Shloss could still use facts, as facts are distinguished from expression and are not copyrightable. *See* 17 U.S.C. § 102(b); Feist Publ'n Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 350 (1991) (citing Baker v. Selden, 101 U.S. 99 (1879)) (holding that "the fact/expression dichotomy limits severely the scope of protection in fact-based works").

109 Max, *supra* note 92, at 38-39.

110 Order, *supra* note 5, at 3.

111 Max, *supra* note 92.

does not own letters by Weaver, Leon and Jolas, and her publisher's attorney responded that they believed Shloss' use to be covered by the fair use doctrine.[112] Ultimately, to avoid a suit by the Estate, the Shloss' editors cut thirty pages from the 400 page manuscript, publishing the book in shortened form in 2003.[113]

In 2005, Shloss prepared a website supplementing her book with the evidentiary support that was removed from the book after the Estate's threats of copyright infringement litigation.[114] In December 2005, the Estate threatened to sue Shloss for infringement if she made the contents of the website public.[115] Shloss filed her lawsuit against the Estate in June, 2006, seeking a declaratory judgment that the Electronic Supplement does not infringe on any of the Estate's copyrights, that Shloss' use of the Estate's copyrighted material in her website is covered by fair use, that the Estate misused its copyrights, and that the Estate's unclean hands prohibit enforcement of its copyright.[116]

B. *Estate of Joyce Holds Certain Valid Copyrights in Published and Unpublished Works*

The nature of a copyright is a set of exclusive rights in literary, musical, choreographic, dramatic or artistic works.[117] The aspiring copyright owner must show the works to be "original works of authorship fixed in any tangible medium of expression."[118] The copyright owner's exclusive rights extend to the reproduction, adaptation, public distribution, and public display or performance of the work.[119]

In order to understand what rights Stephen James possesses, it is necessary to explain the duration of copyrights. Copyrights for literary works created after January 1, 1978, last for a period of seventy years after death of the author.[120] The Joyce documents in question were created before 1978.[121] Therefore, other rules

112 Order, supra note 5, at 3.
113 *Id.* at 4.
114 *Id.* at 5.
115 *Id.*
116 *Id.* at 5-6.
117 17 U.S.C. § 102(a).
118 *Id.*
119 *Id.* at § 106.
120 *See* 1976 Copyright Act (codified at 17 U.S.C. §101).
121 The copyright of works produced during Joyce's lifetime expired in Ireland on Dec. 31, 1991, fifty years after his death. However, new E.U. regulations extended copyright protection in 1995 to life of the author plus seventy years. Nicole Byrne, *Joyce Grandson Threatens to Ban Readings at Festival*, SCOTLAND ON SUNDAY, Feb. 15, 2004, *available at* http://news.scotsman.com/international.cfm?id=182392004.

pertaining to the duration of copyrights apply. The duration depends on several factors: (1) whether the work was published; and (2) whether, on January 1, 1978, it was protected in its initial or renewal term of copyright under the 1909 Act. Unpublished works such as the manuscripts and letters that Shloss seeks to use are protected until seventy years following the death of the author.

The copyrights which the Estate of Joyce probably holds in the letters and manuscripts written by Joyce himself, as well as in the literary works published by Joyce, remain valid. With respect to the medical records and letters written by those other than Joyce, it is unclear whether the Estate of Joyce owns a valid copyright in them, and even if it did, such a copyright would likely be thin.[122]

C. *Fair Use Analysis*

The "fair use" provision of the Copyright Act of 1976, 17 U.S.C. § 107, limits copyright holders' exclusive rights and defines fair use:

> Notwithstanding the provisions of sections 106 and 106A [*17 USCS §§ 106* and *106A*], the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.
>
> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the

[122] *See* Feist Publ'n. Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991).

above factors.[123]

Applying this framework to the various copyrighted materials sought to be included in Shloss' website supplement, it is likely a court would find that their inclusion constitutes fair use and is therefore not infringement.

Factor one is "the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes."[124] With respect to the medical records, these documents are being used to explain the state of mind of Joyce when he wrote his important novel. The soundness of Shloss' unique thesis—that James Joyce's daughter Lucia's schizophrenic behavior and the subsequent treatments she received from Dr. Carl Jung[125] informed Joyce's writing of *Finnegans Wake*—relies to a large extent on analyses of the medical records themselves.[126] Their inclusion is thus important to document Shloss' line of criticism. The letters relating to Lucia's illness are similarly important for establishing the influence of Lucia's illness on her father. The use of portions of Joyce's writings by Shloss is important to showing how his feelings relating to his daughter's illness manifested in his writing. Although the use of these materials is related to Shloss' commercially-available book, *To Dance in the Wake*, their inclusion in the free website reduces the commercial character of the transaction. Furthermore, Shloss uses the documents in a historical and biographical work that seeks to explain, or criticize, a famous novel, *Finnegans Wake*, which is taught in many universities. Congress clearly indicated that criticism may constitute fair use and is among the most important kinds of fair use.[127] Shloss' book and its website supplement are works of criticism, and the quotations from Joyce's writings which Shloss has sought to include in the website are "quotation of excerpts in a review or criticism for purposes of illustration or comment; quotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations."[128]

Factor two of the fair use analysis is "the nature of the copyrighted work."[129] The works at issue include medical records,

123 17 U.S.C. § 107 (2008).
124 *Id.*
125 Shloss Complaint, *supra* note 4, at 5.
126 *Id.* at 4.
127 17 U.S.C. § 107 (2008); *see also* H.R. REP. NO. 94-1476 (1976).
128 Criticism as defined by the Register's 1961 Report, quoting H.R. REP. NO. 94-1476 (in the comments following 17 U.S.C. § 107).
129 17 U.S.C. § 107.

letters written by persons other than James Joyce, and manuscripts and published works written by Joyce. With respect to the medical records and letters written by others than Joyce, it is questionable whether the Estate of Joyce owns a valid copyright in them, and even if it did, such a copyright would likely be a very thin one.[130] The Estate of Joyce's copyright in the published and unpublished literary works of Joyce would likely be a much stronger copyright.

Factor three is the "amount and substantiality of the portion used in relation to the copyrighted work as a whole." Shloss' first version of her book used 10,000 words of Joyce's, and the expurgated version used 6,000.[131] Presumably, the redacted materials which appear on the website include 4,000 words — a mere fragment of Joyce's famously voluminous works held in copyright by the Estate.

Factor four is "the effect of the use upon the potential market for, or value of, the copyrighted work." Subsection four seemed to be the most compelling part for Professor Shloss' fair use argument. With respect to the medical records, their value is in the information they contain, not in their expression (to the extent any such expression is subject to a valid copyright, which is doubtful). Therefore, the use of such medical records will not diminish nor enhance the value of the expression contained in any medical records. With respect to the writings of Joyce himself, it seems unlikely that the publishing of a history and criticism relating to an aspect of one of Joyce's novels, *Finnegans Wake*, will diminish interest among the public in Joyce's writings. Given that scholars assert that Joyce's written works are incomprehensible without companion books and criticism, Stephen James Joyce's recent actions to shut down projects by professors intending to illuminate his grandfather's fiction threaten to halt altogether the development of Joyce scholarship in the twenty first century. A clamping down on access to the novels for use in scholarly criticism to the extent that Stephen James has achieved has already dissuaded graduate students from embarking on Joyce dissertations for fear of having their work enjoined on press night

> [Copyright] protection is subject to an important limitation. The mere fact that a work is copyrighted does not mean that every element of the work may be protected. Originality remains the *sine qua non* of copyright; accordingly, copyright protection may extend only to those components of a work that are original to the author . . . . This inevitably means that the copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another's publication . . . .

Feist Publ'n. Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991).

131 Max, *supra* note 92, at 42. ("In an e-mail [Shloss' publisher] reassured Shloss that the cuts had not compromised her book: 'I honestly don't think that it was a better book when you quoted ten thousand words of Joyce than when you quote only six thousand'").

by the Estate and could similarly hinder new generations of students from approaching the Irish writer's work. Thousands of criticisms and histories are written about historically important authors and their writings, and if anything, those histories generate even greater interest in the underlying works, making them more commercially viable.

On balance, assuming that Shloss' claims are truthful, a court would likely find that the use of the materials in question, to the extent they are copyrighted, constitute fair use.

D. *The District Court's Application of the Allegations to Copyright Misuse Precedents*

In February 2007, the federal district court rejected the Estate's motion to dismiss with respect to Shloss' claim that the Estate had misused its copyright. In its opinion, the court suggested that it saw substance in Shloss' position.[132] Following the court's rejection of the Estate's motion to dismiss, the parties reached a settlement allowing Shloss to publish, in the United States, the supplement to her book either in electronic or printed form.[133]

As a threshold matter, the court found Shloss had standing to sue for a declaratory judgment on issues of non-infringement of copyright and of copyright misuse even though Stephen James Joyce, as an agent of the Estate, had only threatened to sue Shloss over the website but had not as of yet commenced any action.[134]

Turning to the issue of copyright misuse, the court rejected the Estate's legal argument that misuse of copyright is inapplicable because it is an affirmative defense which generally requires a defendant to prove an antitrust violation and the existence of an unduly restrictive licensing agreement.[135] Citing *Lasercomb America, Inc. v. Reynolds*[136] and *Practice Management,*[137] the court noted that a "party need not prove an antitrust violation to prevail on a copyright misuse defense."[138] Adopting the test for misuse of copyright from *Grokster*, which required "a nexus between the copyright holder's actions and the public policy embedded in the grant of copyright," the court held that Shloss had successfully pleaded that such a nexus in fact existed. The court's standard,

132 Order, *supra* note 5, at 2.
133 *See* Settlement, *supra* note 6.
134 *Id.*
135 Order, *supra* note 5, at 13-14.
136 Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970, 978 (4th Cir. 1990).
137 Practice Mgmt. Info. Corp. v. Am. Med. Ass'n., 121 F.3d 516, 521 (9th Cir. 1997).
138 Order, *supra* note 5, at 14.

adopted from *Grokster* and *Napster,*[139] does not require a showing of antitrust violations; rather, the plaintiff only needs to demonstrate that a copyright is being "leveraged to undermine the goal of promoting invention and creative expression."

The court was particularly troubled by the Estate's alleged efforts to refuse Shloss permission to license copyrighted works "so long as she intended to use certain other materials bearing on Lucia Joyce's life, even though he did not control the use of, or copyrights in, those latter works."[140] The court held:

> Plaintiff undertook to write a scholarly work on Lucia Joyce — the type of creativity that the copyright laws exist to facilitate. Defendants' alleged actions significantly undermine the copyright policy of "promoting invention and creative expression," as Plaintiff was allegedly intimidated from using (1) non-copyrightable fact works such as medical records and (2) works to which Defendants did not own or control copyrights, such as letters written by third parties. The Court finds that Plaintiff has sufficiently alleged a nexus between Defendants' actions and the Copyright Act's public policy of promoting creative expression to support a cause of action for copyright misuse.[141]

In denying the motion to dismiss, the court demonstrated that misuse of copyright, in addition to serving as an affirmative defense, can also act as a cause of action.[142]

III. CONCLUSION

The district court was correct to recognize that Shloss had sufficiently pleaded misuse of copyright on the part of the Estate. By invoking its copyright to gain control over materials that were either uncopyrightable, or the use of which would be permitted by the fair use doctrine, the Estate had sought to achieve control over materials outside the scope of its copyright. Stephen James Joyce allegedly sought to use the copyright to gain editorial control over an academic work which focused on the subject of the copyright he held. He sought to do so apparently because he disapproved of the academic's thesis. This effort, which stymied academic

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139 Order, *supra* note 5, at 15 (citing MGM Studios, Inc. v. Grokster, Ltd., 454 F. Supp. 2d 966, 995 (C.D. Cal. 2006) and *In re* Napster, 191 F. Supp. 2d. 1087, 1108 (N.D. Cal. 2002)).

140 Order, *supra* note 5, at 15.

141 *Id.*

142 *Id.*

creation and criticism, undermined the goals which copyright law seeks to achieve.

There is no denying that the Estate is the owner of certain copyrights, and it is likely that James Joyce himself might not have produced such masterful novels if he could not hold the exclusive right to benefit financially from his labor. But Stephen James Joyce's alleged purposes for invoking his rights under the Copyright Act were not aligned with the purposes Congress sought to advance in its creation of the copyright system, which is to promote progress of the arts and sciences, not cripple it.[143] Stephen James Joyce appears to have used the copyright to effectively suppress any criticism of his grandfather's work.

With respect to the materials at issue, whether medical files, letters written by third parties, or even published literary works of Joyce himself, across all mediums, the Estate was alleged to have used its copyright to suppress future scholarly works about Joyce, and to gain editorial control.

James Joyce's work is no stranger to controversy. Indeed, for many years his works were banned outright in the United States and Britain for their blasphemous and lewd content. For example, a scene in *Ulysses* that caused particular uproar was one in which the protagonist spends time on a beach masturbating. The only available copies in America were illegal duplicates until Judge John M. Woolsey of the United States District Court for the Southern District of New York ordered a lifting of the ban in 1933.[144] In *United States v. One Book Called* Ulysses, Judge Woolsey held that *Ulysses* was not "obscene" under the Section 305 of the Tariff Act of 1930 (19 U.S.C. § 1305).[145] Judge Woolsey found nothing in the book to be considered "dirt for dirt's sake" and found that Joyce's book is a "true picture of the lower middle class in a European city."[146] Woolsey wrote:

> Joyce did not write *Ulysses* with what is commonly called pornographic intent . . . [the book is a] very powerful commentary on the inner lives of men and women . . . . [W]hilst in many places the effect of *Ulysses* on the reader is undoubtedly emetic; nowhere does it intend to be an aphrodisiac. *Ulysses* may, therefore, be admitted into the United States.[147]

143 *See* Judge, *supra* note 8, at 909.
144 United States v. One Book Called *Ulysses*, *5* F. Supp. 182 (S.D.N.Y. 1933).
145 *Id.* at 183.
146 *Id.*
147 *Id.*

Woolsey recognized that there could be more than one definition for the term "art" and fans hailed *One Book Called* Ulysses as a turning point in the battle between artists and censors. After the decision was rendered, Morris L. Ernst, the lawyer for publisher Random House, who successfully motioned to dismiss the libel suit and opposed the decree of forfeiture of the novel, declared Judge Woolsey's decision as raising him to the level of "master of judicial prose" Supreme Court Justice Oliver Wendell Holmes, and noted Woolsey's "service to the cause of free letters."[148] "Writers need no longer seek refuge in euphemisms," Ernst wrote.[149]

Stephen James Joyce does not seem to be protecting his grandfather's legacy from other artists seeking to copy it. He is keeping the work away from the scholars who want to perpetuate the legacy of Joyce. The scholars and the Estate should have the same objective. The Judge faced with *Shloss v. Joyce* in federal court in California seized the opportunity, as Justice Woolsey had in 1933, and wrote an order that made James Joyce accessible to his fans once again.

*Samantha Brand**

148 JAMES JOYCE, ULYSSES xix (Modern Library ed. 1992) (1934).

149 *Id.*

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