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VIEWING INTELLECTUAL PROPERTY ISSUES IN CYBERSPACE FROM A PRACTICING ATTORNEY'S POINT OF VIEW

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I may face problems different from some of my fellow panelists in that I am basically a practicing attorney whose clients come either wanting to sue or, having been sued, to ask, "Well, what do I do?" and "How do I get out of this problem?" So I have a more focused perspective as to what the problems may be in terms of the current environment. To me, the basic questions are: How does one deal with intellectual property issues in cyberspace in the current environment of the law? What are the existing laws and what do they really mean?

There is a large body of law in the area of intellectual property, including laws related to patents, copyrights, trademarks, and plain misappropriation.¹ How do these laws fit into cyberspace, and how does the practitioner deal with such laws?

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Mr. Schwartz has been an adjunct professor at the University of Pennsylvania Law School for over fifteen years, teaching patents, trademarks, trade secrets, and unfair competition. The Federal Judicial Center commissioned his monograph, "Patent Law and Practice," which was made available to all federal judges in 1985. A second edition recently was commissioned and published in 1995.

Mr. Schwartz, a fellow in the American College of Trial Lawyers and a member of the American Law Institute, has served as a Special master in Federal Court patent litigations, testified many times before Congress at its invitation on intellectual property matters, spoken and written widely on intellectual property law issues, held numerous positions in many intellectual law organizations, and has been listed in *The Best Lawyers in America* since that book was first published.

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¹ See 17 U.S.C. § 101 (1994) (codifying current copyright law). See generally Anne W. Branscomb, *Anonymity, Autonomy and Accountability: Challenge to the First Amendment in Cyberspace*, 104 YALE L.J. 1639, 1646-56 (1995) (discussing existing law as applied to on-line controversy); Jessica Litman, *Revising Copyright Law for the Information Age*, 75 OR. L. REV. 19, 30-37 (1996) (discussing current copyright laws and effect on computer industry).

To me, it really depends on the type of problem with which you are dealing. Patents are very important to me, not in the content provider sense but, rather, in the system sense.² Therefore, in the context of a cyberspace symposium like this, there is not much discussion about patents, although patents are very important to the actual underlying technology.³ Further, I do not believe trademarks pose a significant problem.

The more interesting inquiry involves questions of copyright, misappropriation, and other issues. In terms of dealing clients' problems in the real world, these are the matters being litigated today. The real questions concern the adequacy of the current laws and what relief they can provide. On the other hand, there is a fair amount of existing law⁴ which must be addressed and be considered seriously. If, for example, you represent a content protector, it is evident from the series of *Scientology* cases and others like them that there are different theories of liability that can be applied against people who post the information, as well as against people who run the systems.⁵

What is interesting to me is the application of conventional theories of direct and contributory infringement⁶ to address problems

² See, e.g., Peter Brown, *Intellectual Property and Content Providers*, 67 JUN. N.Y. ST. B.J. 24 (1995) (reviewing various aspects of intellectual property content providers encounter).

³ See, e.g., Ilena K. Gotts & Alan D. Rutenberg, *Navigating the Global Information Superhighway: A Bumpy Road Lies Ahead*, 8 HARV. J.L. & TECH. 275, 300-303 (1995) (acknowledging importance of software patents for service providers).

⁴ See Kenneth S. Duellar, *Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses*, 9 HARV. J.L. & TECH. 483, 503-06 (1996) (discussing Inter NIC's new rules for registration of domain names); see also Benjamin R. Kuhn, *A Dilemma in Cyberspace and Beyond: Copyright Law for Intellectual Property Distributed over the Information Superhighways of Today and Tomorrow*, 10 TEMP. INT'L & COMP. L.J. 171, 176-79 (1996) (discussing recommendations for changes in existing copyright law).

⁵ Compare *Religious Tech. Ctr. v. Netcom On-Line Communication Servs., Inc.*, 907 F. Supp. 1361 (N.D. Cal. 1995) (Scientology case) (holding operator of on-line bulletin board service neither directly nor vicariously liable for infringement of plaintiff's copyright), and *Cubby, Inc. v. CompuServe, Inc.*, 776 F. Supp. 135 (S.D.N.Y. 1991) (granting summary judgment and holding computer service company not liable for defamatory statements made by on-line subscriber), with *Stratton Oakmont, Inc. v. Prodigy Servs. Co.*, 1995 WL 323710 (N.Y. Sup. Ct. May 24, 1995) (holding board leader of computer bulletin board acted as agent for defendant in libel action), and *Playboy Enters., Inc. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (granting partial summary judgment for plaintiff where defendant made unauthorized use of plaintiff's copyrighted photographs and trademarks through defendant's on-line bulletin board service).

⁶ See *Playboy*, 839 F. Supp. at 1556 (holding subscription computer bulletin board service liable for displaying copyrighted photographs without *Playboy's* authority); see also *Sega Enter., Ltd. v. Maphia*, 857 F. Supp. 679, 687 (N.D. Cal. 1994) (granting preliminary injunction in favor of manufacturer and distributor of computer video games against computer bulletin board company and individual in control of bulletin board for copyright and

that did not exist when those laws were written. The result is some creative litigating in deciding how to take more or less judge-made rules regarding contributory infringement and direct infringement and apply them to the situation at hand.⁷

From my experience, at least as a litigating attorney, it is all very commendable to discuss what Congress will do someday—as with the NII⁸ for example. However, when an attorney makes a motion for a preliminary injunction, the judge must address it with what the law is today. Therefore, the attorney must be prepared to deal with the issues under the laws as they now exist.

I will provide a couple of examples of what is happening at the moment in the real world. Last summer, I was litigating a matter for Compaq to protect threshold values for some of their failure warning systems.⁹ The issue which was hotly debated was whether, under *Feist*, there is any copyrightability in a series of numbers.¹⁰ For example, can you take a series of five unique numbers and determine copyrightability? In that particular case, I was fortunate to persuade the judge that it was, in fact, possible.¹¹ It is, however, an extremely narrow and complicated issue, which a few years ago might not have been an issue at all.¹²

One of my clients, Motorola, was sued recently by the National Basketball Association (NBA) which believes it owns all of the

trademark infringement and unfair competition). See generally Barry D. Weiss, *Barbed Wires and Branding in Cyberspace: The Future of Copyright Protection*, in *Understanding Basic Copyright Law 1996*, at 397, 414-15 (PLI Pat., Copyrights, Trademarks & Literary Prop. Course Handbook Series No. G4-3974, 1996) (discussing on-line service providers' liability for copyright infringement based on theories of direct and contributory infringement).

⁷ See, e.g., *Religious Tech. Ctr.*, 907 F. Supp. at 1367 (finding Internet access provider not liable for contributory infringement based on messages posted on usenet group before receiving notice of infringement from copyright holders).

⁸ *National Information Infrastructure; NII Copyright Protection Act of 1995: Hearings on H.R. 2441 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong. 1st Sess. (1996).

⁹ See *Compaq Computer Corp. v. Procom Tech., Inc.*, 908 F. Supp. 1409, 1421 (S.D. Tex. 1995) (enjoining defendant Procom from, *inter alia*, distributing unauthorized copies of Compaq's copyrighted data compilations and from selling or distributing hard disk drives which cause reproduction of unauthorized copies of Compaq's copyrighted data).

¹⁰ See *id.* at 1418 (citing *Feist Publications v. Rural Telephone Serv.*, 499 U.S. 340, 345 (1991) (holding facts are not copyrightable)).

¹¹ See *id.* at 1421 (holding defendant Procom's use of Compaq's copyrighted information outside fair use doctrine and thus counter to purpose of Copyright Act).

¹² See, e.g., Karen S. Frank, *Potential Liability on the Internet*, in *CABLE TELEVISION LAW 1996*, at 417, 432 (PLI Pat., Copyrights, & Trademarks & Literary Prop. Course Handbook Series No. G4-3962, 1996) (discussing President Clinton's commission in 1995 of Working Group on Intellectual Property Rights of the Information Infrastructure Task Force).

scores and the statistics in basketball.¹³ The question is if someone copies down the scores from television, and then either submits them to America On-Line or to a pager, who owns this information?¹⁴ Is the information owned by the NBA, as the NBA claims? Or, is it free information and thus open to my client, Motorola, to put out on a pager so that anybody can have a sports pager? This is an open question; it is a question not decided by the law.¹⁵ What legal theories can one look to for guidance? The NBA, since there is no real body of law, argues copyright, on one hand, and argues misappropriation under the old *INS* case¹⁶ on the other. The question is, how does all of this work together?

From a practicing attorney's point of view, this is a question that gets resolved *now*. It does not matter what Congress will do; it does not matter what will happen ten years from now. Can two competing business and property interests co-exist now or will one be able to shut the other down? That, to me, from a practicing attorney's point of view, is the more practical and current issue in terms of cyberspace and the law.

From an intellectual point of view, I am surprised by the large number of people who believe that once you go into cyberspace, all of the rules for intellectual property no longer exist. It is as if there were property rights with hard copy, but once it enters cyberspace, anybody can have it. That, to me, does not make much sense. In cyberspace, as well as in other worlds, if you are going to get people who are willing to put their creative work into the media, they must have some form of assurance of protectability. It is not acceptable to say, "Well, cyberspace is another world and none of the old rules apply."¹⁷

¹³ National Basketball Ass'n v. Sports Team Analysis and Tracking Sys., Inc., [hereinafter "Sports Team Analysis"] 931 F. Supp. 1124, 1149 (S.D.N.Y. 1996) (enjoining real-time transmission of sports statistics by non-licensed individuals).

¹⁴ See *id.* at 1140 (holding NBA games do not constitute "original works of authorship" and do not fall under copyright protection).

¹⁵ But see *Sports Team Analysis*, 931 F. Supp. at 1149. [Editorial Note: Since Mr. Schwartz's remarks were offered, Judge Loretta A. Preska of the Southern District of New York found that the "NBA satisfied its burden of proof that defendants have engaged in unfair competition in violation of New York common law through commercial misappropriation of NBA's proprietary interest in NBA games." An appeal of this decision was argued before the United States Court of Appeals for the Second Circuit on October 21, 1996 and has not yet been decided. Appeal No. 96-7975, 1997 WL 34001]

¹⁶ International News Serv. v. Associated Press, 248 U.S. 215 (1918).

¹⁷ See generally Ronald Abramson, *Trademarks and the Internet*, in ADVANCED SEMINAR ON TRADEMARK LAW 1996, at 299, 303-14 (PLI Pat., Copyrights, Trademarks, & Literary

I believe that intellectual property in cyberspace is a problem that must be addressed. From my perspective, it tends to be addressed on a case-by-case basis in the courtroom. I believe that we will, in fact, see the problem addressed at a higher level, from a legislative point of view, both in terms of new legislation from Congress and in terms of other incentives.

