EXPLORING THE PATENTS/ANTITRUST INTERFACE: *CSU V. XEROX*

FESTO: THE COMING STORM?

PATENT AUDITS: DISCOVERING 'NEW' USES FOR 'OLD' IP

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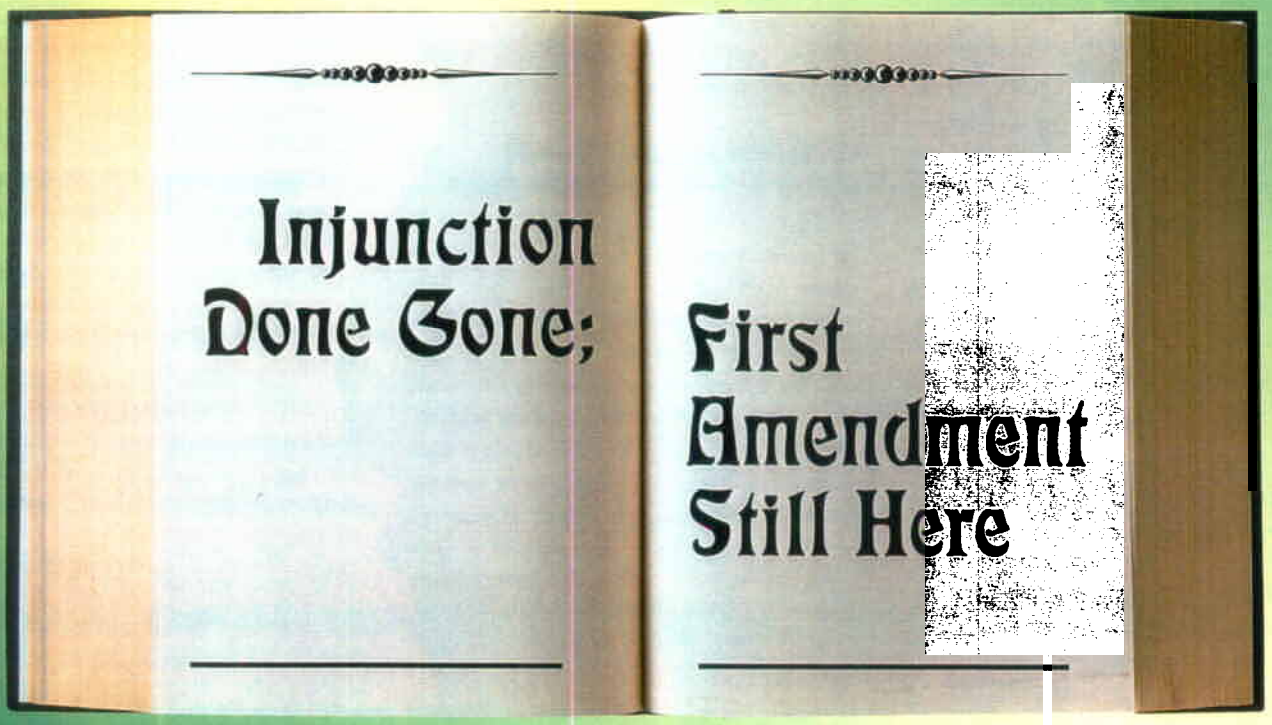

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Injunction Done Gone; First Amendment Still Here

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In an extraordinary moment of drama, the judges of the Eleventh Circuit ruled from the bench at the close of oral argument on May 25th to strike down a preliminary injunction that had barred publication of Alice Randall's *The Wind Done Gone*. The Court of Appeals thereby freed the novel from a prior restraint that had for over a month silenced Randall's vigorous attack on an American cultural and political icon, *Gone With the Wind*. At this writing, the Court of Appeals has not yet issued its full opinion on the appeal. But the decision reminds us that the First Amendment must be recognized as an important force in copyright cases. And while established law on the parody "fair use" defense to copyright infringement provided ample basis for overturning the lower court order, the case must also cause us to ponder whether the Supreme Court has set forth so stingy an understanding of fair use in connection with satirical works that copyright can be used to censor an important critique of racism.

When Houghton Mifflin announced in March 2001 its intent to release *The Wind Done Gone*, Suntrust Bank, trustee of the estate of *Gone With the Wind* author Margaret Mitchell, filed suit, seeking a temporary restraining order and preliminary injunction to prevent publication of the new work.[1] *The Wind Done Gone* was plainly a work based, in some sense, on *Gone With the Wind*, and the new work and its overlapping characters inhabited the same world (though perhaps in a parallel universe) as Margaret Mitchell's. Plaintiff therefore appeared to have a strong chance of proving a prima facie case of copyright infringement. Alice Randall and her publisher asserted the affirmative defense of fair use, however, contending that *The Wind Done Gone* was a parody of *Gone With the Wind*, and they further maintained that the First Amendment precluded the suppression in advance of publication of this critical work.

Alice Randall argued that the purpose of the new work was to explode the romantic myth of the Old South which was, for generations of Americans, created in large part by *Gone With the Wind*. That novel's portrayal of the genteel grandeur, charm, and nobility of ante-bellum plantation life created a myth that falsified and concealed the brutal realities of a slave society and depicted slaves and former slaves in a blatantly racist manner. Since Mitchell's novel has maintained a stronger grip on American historical consciousness than history itself, Randall decided that the only effective way to respond was in another novel, a novel that would retell Mitchell's story from the slaves' perspective. In short, she intended to write what she characterized as a parody. Could she lawfully do so?

COPYRIGHT'S PROTECTION FOR NOVELS AND THE FAIR USE DEFENSE

Copyright law grants to authors a set of exclusive rights including the right to create derivative works based on their original copyrighted work. 17 U.S.C. §106. Moreover, the copyright in literary works such as novels not only protects the exact text of the work from being taken without authorization for a derivative work; it also protects the plot, the sequence of events, the characters, and the setting of a novel (insofar as created by the author) if "too much" of these are copied by a later author. *Shaw v. Lindheim*, 919 F. 2d 1353,1356-57 (9th Cir. 1990); *Beal v. Paramount Pictures Corp.*, 20 F. 3d 454, 460 (11th Cir. 1994). Thus, a new work can infringe if an original work's distinctive characters are employed in the new work, or if the new work "borrows" too much from the plot, the narrative structure and/or the setting of the original work.

Even if a new work prima facie infringes plaintiff's copyright, it will still be held not to infringe if the defendant meets her burden of proving that her use of the original work is a "fair use." 17 U.S.C. §107; *Campbell v. Acuff-Rose Music, Inc.* 510 U.S. 569 (1994) (2 Live Crew/ Pretty Woman case). Section 107 of the Copyright Act sets forth four non-exclusive factors that the courts employ to evaluate whether a defendant's use falls within the fair use doctrine: (1) the purpose and character of the use, including whether such use is of a commercial nature or for non-profit educational purposes; (2) the nature of the copyrighted work (e.g., whether it is primarily factual or creative in character); (3) the amount and substantiality of the portion used by the defendant 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.

Of particular relevance here, the Supreme Court has directed the trier of fact to consider whether the new work's use of copyrighted matter from the earlier work is "transformative," that is, "whether the new work . . . adds something new, with a further purpose or different character, altering the first [work] with new expression, meaning, or message." *Acuff-Rose*, 510 U.S. at 579.

> "Although such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright . . . is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use."[2]

That "transformativeness" should become the touchstone of fair use and the key to non-infringement – as it plainly has since *Acuff-Rose* – is paradoxical, because control over derivative works is one of the rights granted to the copyright owner, and the concept of transformation is also part of the statutory definition of a "derivative work":

> "A 'derivative work' is a work based upon one of more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, . . . abridgment, condensation, or any other form in which a work may be recast, *transformed*, or adapted." 17 U.S.C. §101, emphasis added.

There is an underlying conflict between the way that §106 of the Copyright Act nominally puts transformations under the exclusive control of the copyright owner as derivative works, while fair use analysis

under *Acuff-Rose* makes transformativeness weigh so heavily in favor of a third party's right to use elements of the original work without authorization. This tension may be part of the reason it has been difficult for the lower courts to provide clear guidance on the parameters of "transformative" fair uses.

THE PARODY DEFENSE – NATURE AND LIMITS

The Supreme Court confirmed in *Acuff-Rose* that parody "has an obvious claim to transformative value," and that "parody, like other comment or criticism, may claim fair use under § 107."[3] Still, the fact that a work is a parody or contains parodic elements does not automatically mean that it is a fair use. In addition to considering the parodic character of the work, courts must also weigh the other fair use factors, viz., the nature of the copyrighted work, the amount and substantiality of the taking, and the effect on the potential market for or value of the copyrighted work

The Supreme Court recognized in *Acuff-Rose* that a parody might have to copy extensively from the original work.

> "When parody takes aim at a particular original work, the parody must be able to 'conjure up' at least enough of that original to make the object of its critical wit recognizable. What makes for this recognition is quotation of the original's most distinctive or memorable features, which the parodist can be sure the audience will know. Once enough has been taken to assure identification, how much more is reasonable will depend, say, on the extent to which the [work's] overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original."[4]

THE PRELIMINARY INJUNCTION MOTION IN *SUNTRUST BANK V. HOUGHTON MIFFLIN*

In *The Wind Done Gone* case, plaintiff Suntrust promptly moved for a temporary restraining order, as well as a preliminary injunction, and Judge Pannell of the Northern District of Georgia held a TRO hearing on March 29, 2001. Based on the defendant's representations on the publication schedule, the court evidently decided that it need not rule on the TRO, and the preliminary injunction motion was heard on April 18, 2001. Two days later the district court granted the preliminary injunction. First, finding there was both fragmented literal similarity and comprehensive nonliteral similarity between the two works, the court concluded the similarities would sustain the prima facie case of infringement. Second, the court rejected the publisher's fair use defense.

The court acknowledged that *The Wind Done Gone* contained some transformative and parodic elements. "The degree of that transformation, however, is what is at issue." In a critical part of its analysis, the district court concluded that the work as a whole should be characterized as a "sequel," not a parody.

> "While the fact that it is told from someone else's perspective transforms the work, this fact does not necessarily make it a parody. Many of the critical elements of *The Wind Done Gone* attack *Gone with the Wind* but . . . the new work also seeks to, and does, provide a more balanced view of the ante-bellum South. The more complete view seeks not only to criticize the older work but also to give the author's social commentary on Southern history . . . . A parody, however, does not gain protection of the fair use doctrine if it merely uses the protected work as a means to ridicule another object [i.e., Southern history as opposed to *Gone with the Wind* specifically]. . . . [T]he court concludes that while *The Wind Done Gone* in part criticizes *Gone with the Wind*, the book's overall purpose is to create a sequel to the older work and to provide Ms. Randall's social commentary on the ante-bellum South."[5]

With the addition of a "finding" that Ms. Randall's work "has an overarching economic purpose," the remainder of the fair use analysis fell readily into place: the court concluded that *The Wind Done Gone* borrowed too much and that its publication threatened "market substitution" as a sequel. Scarcely considering the First Amendment issues, the court enjoined the publisher from "further production, display, distribution, advertising, sale, or offer for sale of the book *The Wind Done Gone*."

PRIOR RESTRAINT AND THE ELEVENTH CIRCUIT'S PEREMPTORY REVERSAL

The preliminary injunction was immediately appealed to the Eleventh Circuit, which granted expedited review. At the close of oral argument, the Court of Appeals struck down the preliminary injunction as a prior restraint on speech, and immediately issued a brief written order confirming the result. That order, filed May 25, 2001, is vigorous in tone but not especially enlightening in analysis: "It is manifest that the entry of a preliminary injunction in this copyright case was an abuse of discretion in that it represents an unlawful prior restraint in violation of the First Amendment."[6]

Although the point has generally not been fully appreciated in the context of copyright remedies, *see* Lemley and Volokh, "Freedom of Speech and Injunctions in Intellectual Property Cases," 48 Duke L.J. 147 (1998), injunctions barring speech in advance – prior restraints – are strongly disfavored under First Amendment law, and once an order is characterized as a prior restraint it is rarely countenanced. But until the Court of Appeals issues its promised comprehensive opinion, it will not be clear whether the court meant that any pre-publication injunction in this type of case would represent a forbidden prior restraint or whether the court concluded the preliminary injunction was a prior restraint because the plaintiff's preliminary injunction showing was insufficient in this particular case. Either way, it is likely that the ultimate opinion will address the significance of prior restraint doctrine as an independent consideration in copyright analysis. . If so, we may have an explicit recognition that providing for fair use does not exhaust the extent to which the First Amendment limits copyright remedies.

WHAT IS PARODY?

The district court's attempt to distinguish between "sequel" and "parody" in its fair use analysis is unconvincing. But the court's underlying argument and its overall conclusions regarding the character of Alice Randall's work were not trivial, and they illustrate some important and disturbing difficulties posed by the Supreme Court's parody jurisprudence.

Just what is a parody? "Modern dictionaries . . . describe a parody as a 'literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule.' . . . For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works." *Acuff-Rose*, 510 U.S. at 580.

The aspect of *Acuff-Rose*'s definition of parody that the Georgia district court seized upon was that of *target*. *Acuff-Rose* emphasized that parody, as opposed to satire, requires that the original work be the subject of the parodist's creation. "If . . . the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish) . . . ." 510 U.S. at 580.

The district court's analysis in this case appeared to turn on the issue. Alice Randall would have been entitled to create an original work of her own that presented her critical and "revisionist" view of ante-bellum history, Judge Pannell stated. But, he maintained, she put herself beyond the protective sphere of parody insofar as she appropriated *Gone With the Wind*'s characters, setting, and plot elements, not in order to attack the original work, but to criticize the treatment of black Americans during this historical period. Thus, Judge Pannell saw a critical difference "between parodying the ante-bellum South by providing a more accurate, non-copyrighted, and historical narrative and using copyrighted material to do so." PI Order, pp. 28-29, footnote omitted. This approach to the problem, while perhaps invited by the Supreme Court's parody jurisprudence, is unrealistic and evasive in its treatment of the two works, and dangerously under-protective of free speech interests.

The court's intended distinction between commenting on the original work and commenting on the history of the period cannot be sustained. *Gone With the Wind* is not an ordinary novel. The book and the movie that was based on it have, for generations of Americans, shaped and defined virtually their entire understanding of the ante-bellum South, of Reconstruction, and of slavery. *Gone With the Wind* to a substantial extent created our popular understanding of its subject, and created a mythology that stands in the place of history for the general public, with still-enduring consequences. When a work of fiction plays such a role, to insist that the parodist can attack the novel but cannot simultaneously attack its mythological view of history is to hobble parody in the very situation where parody is politically most important.

Gone With the Wind embodies images of slavery and of slave society and promotes an understanding of American history that are deeply political and that continue to have virulent social impact. The work's openly racist nature is beyond serious dispute. At the preliminary injunction hearing, Houghton Mifflin's counsel Joseph Beck put before the district court many quotations from *Gone With the Wind* illustrating its racial political message: "Negroes were provoking sometimes, and stupid and lazy," Margaret Mitchell wrote. "Darkies are like children, and must be guarded from themselves like children." "Many negroes are scarcely one generation out of the African jungles." "How stupid negroes were."[7]

Margaret Mitchell's protagonists condemn Negroes as "black apes," and refer to "the faint niggery smell from a slave cabin." They opine: "Freed slaves conducted themselves as creatures of small intelligence might naturally be expected to do." "Like monkeys or small children turned loose among treasured objects whose value is beyond their comprehension, they ran wild." It follows, from the perspective of *Gone With the Wind*, that "Emancipation has just ruined the darkies," and that "The negroes were far better off under slavery."[8]

KILLING OFF MISS SCARLETT

Faced with a work rife with such racial characterizations and embodying such a racist historical view, Alice Randall chose to respond, not by publishing an article in a scholarly journal to refute *Gone With the Wind*'s fake historiography, not by convening a conference on race and linguistics, not by discussing it in college classrooms. Rather, she decided to attack the original work in a new work designed to reach the same audience as the original – ordinary readers of historical novels – and employing the same platform, a novel.

Randall seeks to present an alternative world to that of *Gone With the Wind*, a world in which African Americans are fully human creatures who act on the world with intelligence and feeling, and whose lives and travails are not themselves the subject of ridicule and obloquy, but are sympathetic and authentic. Contrary to the district court's opinion, the entirety of that presentation stands as a comment on and criticism of Margaret Mitchell's original work.

Inasmuch as the entirety of *Gone With the Wind* was permeated with Mitchell's racial ideology, it is impossible and inappropriate to dissect the new work which responds to it, characterizing some parts of *The Wind Done Gone* as "parody" of specific points in *Gone With the Wind*, and other portions of the new work as a history lesson that is not a response to *Gone With the Wind*. The district court's insistence that Randall's response to *Gone With the Wind* exclude such a comprehensive alternative to Mitchell's history amounts to an effort to sweep the politics of race under the rug.

The fact that *Gone With the Wind* has become its own false history lesson should not render it immune from effective attack, because this is the situation in which criticism is most needed. Precisely because *Gone With the Wind*'s story and its political content are inseparable, to require Randall to exclude history from her novel would require that she blunt her attack on the earlier work. The fair use doctrine of copyright law must not be read to require an evasive response to an influential work of fiction, nor should the First Amendment be interpreted to require that a novel of *Gone With the Wind*'s significance be protected from an all-embracing attack.

At one point in the TRO hearing, Judge Pannell confided to Houghton Mifflin's counsel, "I guess what really troubles me is killing off Miss Scarlett."[9] Unless our courts are to take sides in the debate over which view of America's racial history is correct – and unless the First Amendment is limited to a cramped reading of the Copyright Act – the long overdue attempt to kill off Miss Scarlett is something no preliminary injunction can halt.

Miss Scarlett and her racist world view have imposed themselves on America's consciousness far too long, and they have contributed to the degradation and subordination of African Americans ever since the book was written. The First Amendment does not permit the suppression of Margaret Mitchell's views. But neither should copyright law become an instrument to stave off the well-deserved literary death of Scarlett O'Hara. We hope that the Eleventh Circuit's ultimate opinion will clearly vindicate this conclusion. IPT

ENDNOTES

1 Suntrust Bank v. Houghton Mifflin Co., No. 01-00701 CV-VAP-1 (N.D. Ga.), complaint filed March 16, 2001. A complete set of the substantive pleadings in the case can be found at <www.thewind-donegone.com/courtpapers.html>.

2 510 U.S. at 579, citations omitted.

3 510 U.S. at 579.

4 510 U.S. at 588, citations omitted.

5 Order granting preliminary injunction, filed April 20, 2001 ("PI Order"), pages 31-33.

6 The Court of Appeals concluded: "After thorough review of the entire record, we have concluded that Appellee Sun Trust has failed to make [the required] showing, that the district court abused its discretion by granting a preliminary injunction, and that its ruling amounts to an unlawful prior restraint in violation of the First Amendment." Id.

7 Transcript of Preliminary Injunction Hearing (April 18, 2001), pages 62, 73.

8 Id.

9 Transcript of Motion for Temporary Restraining Order, March 29, 2001, page 50.