

William and Mary Law Review

VOLUME 51

No. 2, 2009

INTRODUCTION

BOUNDARIES OF INTELLECTUAL PROPERTY SYMPOSIUM

TROTTER HARDY*

You have in your hands thirteen papers on intellectual property,¹ written by some of the most outstanding and widely recognized scholars working in the area today. What a collection of probing analyses, on topics ranging from the morality of patents,² to the “Goldilocks hypothesis,”³ to the relationship of TOFU to fair use,⁴ to the secret gay love affair between Captain Kirk and Dr. Spock!⁵ Don’t believe me? Read on ...

* Professor of Law and Associate Dean of Technology, William & Mary School of Law.

1. If I were inclined to puns, I might characterize this issue of the Review as a “*Selden v. Baker’s* dozen” papers—but of course, I wouldn’t actually say anything that silly in a formal work of scholarship.

2. See Margo A. Bagley, *The New Invention Creation Activity Boundary in Patent Law*, 51 WM. & MARY L. REV. 577 (2009).

3. See Dan L. Burk & Brett H. McDonnell, *Trademarks and the Boundaries of the Firm*, 51 WM. & MARY L. REV. 345 (2009).

4. See Jason Mazzone, *Administering Fair Use*, 51 WM. & MARY L. REV. 395 (2009).

5. I caution readers that this relationship has not been officially confirmed by the copyright holders of the Star Trek series; please see Rebecca Tushnet’s article, *Economies of Desire: Fair Use and Marketplace Assumptions*, 51 WM. & MARY L. REV. 513 (2009)—a slashing critique of the most fundamental principles underpinning copyright law—for details.

THE BOUNDARIES OF COPYRIGHT AND TRADEMARK/CONSUMER
PROTECTION LAW

Dan L. Burk & Brett H. McDonnell, *Trademarks and the Boundaries of the Firm*

As long as we are supposing things, let's suppose that Walt Disney had sold the Disney empire during his lifetime and gone on to another venture. Could his previous business really lay claim to the "Disney" name, even in the face of a contractual conveyance of good will? Would Disney himself be justified in associating his name with the new venture—or more precisely, are there limits on truth-telling that the sale of the old business imposes on Disney's ability to so associate himself?

Eponymous problems like this arise quite often in trademark law, when founders (think "Bill Marriott," "Martha Stewart," "Henry Ford," and so on) are closely associated with the success or quality of a firm's products and services. As Dan Burk and Brett McDonnell discuss in *Trademarks and the Boundaries of the Firm*, the issue has facets that carry well beyond "pure" trademark law. Following their previous investigations of patent and copyright law, the two authors here ask about the effects of trademark rules and doctrine on the size and structure of firms. Does trademark law affect a firm's decision to "make or buy" components, or the entirety, of its products? How does that law relate to franchise operations? Why are some gas stations owned by franchisees and others owned by the franchising company itself?

These sorts of questions have been studied in the economics literature. But Burk and McDonnell place them, rather surprisingly, into the context of trademark law. Take the knotty task of disentangling the good will associated with a business founder like Disney personally and the good will associated with the business and its products apart from the founder. When the issue arises in litigation, ex post, the question is often one of pure trademark law. Yet Burk and McDonnell show how that trademark law also has consequences ex ante, in structuring the firm and playing a consequential role in business decisions like "make or buy."

The whole question gives Burk and McDonnell the occasion for developing a deliciously novel paper probing the intersection of trademark law, business decision making, and economic analysis.

Jason Mazzone, *Administering Fair Use*

Fair use—ahhh, fair use. What a problem area. Not only is it perpetually vague and unpredictable, as Jason Mazzone reminds us in *Administering Fair Use*, but frequently these days content providers insist that users waive their rights even to activities that are otherwise routinely acknowledged as being fair. Mazzone quotes from several “click-through” contracts, such as the highly restrictive one from the U.S. News web site prohibiting almost anything but “reading” their college rankings (rankings that, to be sure, might fall on the “fictional” side of the fact-fiction dichotomy in any event) for illustration. The practice is far from confined to web contracts: literary copyright holders can also indulge in attempts at draconian restrictions on use—the James Joyce estate is especially vigilant to ensure that no use—*no* use—of Joyce’s writings is possible without express permission. Music download services like iTunes and Amazon are equally eager to hem in the uses that users can make of copyrighted downloads, and to hem them in far more restrictively than fair use doctrine would require.

We are in danger, suggests Mazzone, of fair use no longer imposing limits on copyright’s reach, as it was intended to do, but rather becoming just “one more area that copyright owners control.”⁶

Commentators often urge a variety of remedies for the twin problems of vagueness and copyright owner over-reaching, such as the addition of more explicit exceptions in the Copyright Act, or better guidance to courts or the public about the true scope of fair use. Mazzone takes us, however, down another path with his approach to resolving these notorious fair use problems. Why could not we, he suggests, create an independent government agency to administer fair use? He goes on to sketch out two possible models for such an agency, arguing that the administrative approach is both consistent with “the Administrative/Regulatory State” of

6. Mazzone, *supra* note 4, at 412.

today's world, but more importantly, a useful way of turning some of the endless malleability and unpredictability of the fair use standards into a publically informed and much more predictable set of fair use rules.

Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*

One might say that “the rubber meets the road” in copyright litigation when damages are assessed. Copyright professors and practitioners alike are keenly aware that damages come in two forms: actual and statutory. Congress understood, even under the 1909 Act, that in many cases actual damages are hard to prove for copyright infringements; hence the statute, both then and now, has spelled out a range of damage awards that courts could grant successful plaintiffs in the absence of proof of actual damages.

But what a *range*. Pamela Samuelson and Tara Wheatland, in *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, point out that the ratio of the largest possible statutory damages to the smallest has greatly increased over time, from 20:1 in 1909, to 200:1 today for the comparable range. Taking into account the low end of the range for “innocent infringement” that was added to the 1976 Act, today's ratio is actually 750:1.⁷

Even more striking, statutory damages today appear to be awarded without any manifest principle for what constitutes an appropriate choice within the range. Samuelson and Wheatland demonstrate how courts occasionally award damages well below what seems appropriate, but more and more today award statutory

7. Samuelson and Wheatland note that the 1909 Act's measure was for courts to award the statutory damage figure “per infringement,” whereas the current law's measure is to award damages per infringed *work*. See Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 453 (2009). In any event, under the 1909 Act, that range was between \$250 and \$5000, or a ratio of 20:1. *Id.* at 455 n.61. Under the 1976 Act as enacted, that ratio was raised to 40:1 (\$250 to \$10,000) for “ordinary” infringement, and to 200:1 (up to \$50,000) for exceptional, “willful,” infringements. *Id.* at 455 nn.61-62. And even that ratio has since been increased: the upper end for willful infringement damages is now \$150,000, which gives us a ratio of 200:1. *Id.* As the 1976 Act also allows a new lower end of \$200 for innocent infringement, the full range of damages per infringed work is from \$200 to \$150,000, or an astonishing ratio of 750:1! *Id.* at 455 n.61.

damages that are astonishingly high in relation to any conceivable harm to the copyright owner. Many readers will know the recent case involving Jamie Thomas, who was found liable for “file sharing” a couple of dozen songs. The copyright plaintiffs’ actual damages were assessed by the court at \$50; but plaintiffs elected statutory damages, and were awarded over \$220,000 (and as very recent news reports describe, on retrial the jury awarded plaintiffs just under two *million* dollars!).

With the range of maximum to minimum damages as great as it is, with courts seemingly bending over backwards to find “willfulness” in routine infringement cases, with juries ready to award astonishingly large verdicts in relation to harm done, and with the whole process veering away from the fundamental scheme of statutory damages envisioned by Congress, the time is ripe to revisit the statutory damages issue and Samuelson and Wheatland do just that. They not only canvass the cases and persuasively demonstrate that something is seriously amiss; they also lay out a careful, comprehensive, and practical approach that courts can take to bring some principled consistency and fairness to future statutory damage cases. (If, like me, you have tended to short-change the damages issue when teaching a copyright course, Samuelson and Wheatland’s article will come as a much needed eye-opener that will change your ways.)

Rebecca Tushnet, *Economies of Desire: Fair Use and Marketplace Assumptions*

I often teach my own students, at the outset of a semester’s course in copyright law or IP law generally, that the most fundamental principle undergirding our entire intellectual property regime is “incentives.” We want to give would-be creators an incentive to create and to bring their creations to the public’s attention; in the absence of any way to prevent free-riding, we would see a greatly reduced and hence sub-optimal quantity and quality of creativity output.

And then I read Rebecca Tushnet’s paper, *Economies of Desire: Fair Use and Marketplace Assumptions*. Best of all, I read it during a late evening summer rain here in Williamsburg (literally), which

meant that it was a dark and stormy night when I learned that I will never be a novelist. I will not be a novelist because I lack the (for me) startling degree of passion for story-telling that Tushnet describes as common in writers. Drawing on writers' comments themselves, as well as studies of writers, Tushnet emphasizes how very different are the perceptions, motivations, and sometimes downright irrationality of these creative individuals from the usual dry copyright story premised on rational, dispassionate responses to incentives.

Most intriguing is Tushnet's vivid depiction of the world of "fan fiction," where well known characters like Superman and Dr. Spock find themselves in new tales and adventures—perhaps even in love—thanks to the creative imaginings of their fans. Among many provocative questions, Tushnet asks whether copyright doctrines, especially fair use, ought not to be markedly different when applied in a world like fan fiction, where the principle of incentives seems so markedly at variance with the actual facts of creators' motivations.

I confess that I am precisely the sort of person who responds well to the dry and tidy story of copyright-as-incentive; Tushnet's observations came as a clap of thunder (and hence were copyrightable, I suppose) that jarred me into taking a fresh look at my own assumptions. I do not doubt that they will do the same for other copyright scholars as well.

Jane Winn & Nicolas Jondet, *A New Deal for End Users? Lessons from a French Innovation in the Regulation of Interoperability*

For most American legal scholars, France exemplifies the strong, pro-author stance of copyright law that we often associate with the European, or "moral rights," approach to copyright protection. Jane Winn and Nicolas Jondet draw our attention in *A New Deal for End Users? Lessons from a French Innovation in the Regulation of Interoperability* to a different and surprising side of French law, the protection of consumers of copyrighted material. French legislators in 2007 had become concerned that proprietary digital rights management schemes in the music industry—most notably, Apple's "FairPlay" technology, used at the time with iTunes and iPods—

were limiting consumer choices and hampering the growth of the digital music business by preventing economies of scale. To combat the problems arising from DRM (or “Technical Protection Measures,” as they are better known in the E.U.), they formed an independent regulatory agency charged with promoting interoperability among consumer-oriented digital media and devices. This agency will be known (it seems to be yet unborn in mid-2009) as the Regulatory Authority for Technical Measures, or “ARMT” as its French acronym.

One finds it hard to imagine the U.S. Congress enacting an administrative agency to do the same thing. The equivalent here would be a Regulatory Authority for Digital Rights Management, charged with promoting interoperability among digital music players and services. But the contrast between American and French law on competition, as Winn and Jondet explain, is part and parcel of the very significant differences between the United States and the French (and European) approaches to the regulatory state generally.

How will such an agency function once it is up and running? Will it actually increase interoperability, or will it be subject to regulatory capture by content providers? Winn and Jondet ponder this question, taking due notice of recently proposed legislation that would broaden the agency’s mission to include the prevention of unauthorized music downloads. One might well ask whether an agency would become schizophrenic with such a combination of missions, but certainly the French approach is on the cutting edge of regulatory experimentation—an apt response, perhaps, to cutting edge technologies?

THE BOUNDARIES OF PATENT LAW

Margo A. Bagley, *The New Invention Creation Activity
Boundary in Patent Law*

Suppose you could create a life-saving drug that would rescue millions from disease and suffering. This drug would, needless to say, be novel and useful and nonobvious, and hence eminently patentable. The only catch is that to make the drug, you must

murder a few innocent people. Is it still patentable? Should the Patent Office care? After all, the cost-benefit ratio seems pretty clearly to be on your side, doesn't it?

The example, which Margo Bagley draws from a fictional literary work in her piece on *The New Invention Creation Activity Boundary in Patent Law*, is extreme, but the issue it raises is not. Moral questions can most certainly be implicated by inventive activity; take research involving stem cells, or the patenting of animal (not to say, human) life generally, or my own hypothetical: a patent sought for an improved process to accomplish late-term abortions. Aside from the infrequently invoked requirement of "utility" in this context, U.S. patent law does not typically specify moral constraints on the patentability of inventions. But, as Bagley shows, there is good reason to consider a different approach. European Union patent law, for example, does have explicit moral constraints: a patent may not be granted on any invention that involves the use of human embryos. Bagley assesses the merits of such provisions, and their likely interpretative difficulties, urging a cautious approach.

John F. Duffy, *Rules and Standards on the Forefront of Patentability*

Practitioners and academics both understand the tension between law as a set of "standards," with inherent ambiguity and the requirement of substantial interpretation, and law as a set of "rules," in which bright lines inform us of our obligations—even when the imposition of those obligations would be unfair. Patent law, no less than any other area of the law, evidences that tension. But in patent law, courts have tended to shift unpredictably between the two approaches, even in regard to major patent law principles, switching over time from standards to rules and back again.

One might have thought that such shifts in the patent arena were a product of a time when Congress had not yet centralized patent appeals in the Court of Appeals for the Federal Circuit (CAFC). Indeed, the problem of shifting interpretations of legal principles from circuit to circuit was a significant factor in causing Congress to create the court, which was institutionally designed to bring

consistency to a then-inconsistent area of law. Yet John Duffy draws our attention to the way even the CAFC and its predecessor court have shifted between rules and standards in several key areas, as he addresses in *Rules and Standards on the Forefront of Patentability*.

I doubt that patent scholars would have guessed around the time of its creation that the CAFC (along with its predecessor, the Court of Claims) would change its views on a fundamental question like “what is patent law’s subject matter?” some three times in thirty years! Depending on how involved in patent law you are, you might laugh or cry as Duffy relates how the court announced in 1999 the end of subject-matter unpredictability with its *Alappat* and *State Street* rules; and then changed that same law—expressly disavowing those cases—in its *Bilski* opinion in 2008.

These shifts in the approach to the most basic patent law question—subject matter—do not provide the guidance to investment in inventive activity that society might like, to say the least. But what is the best approach for the CAFC to take? Investment decisions are more knowledgeably made when we have rules, not standards. Duffy looks at a long history of patent cases and concludes that for patent law specifically, the inflexibility of a rules-based approach will always, inevitably, crumble in the face of an ever-changing technological landscape.

What to do? Duffy concludes, counterintuitively, that fixed rules—albeit destined to become inadequate or pointless with changing technology—nevertheless offer the best outcome. Such rules provide reasonably clear guidance to investors for the rules’ duration, but even more importantly, as he intriguingly shows, fixed rules later abandoned have often in practice served to highlight problems in patent law doctrine, problems that were eventually solved with newer and (one hopes) better approaches than those of the abandoned rules.

Mark A. Lemley, *Distinguishing Lost Profits from Reasonable Royalties*

In his *Distinguishing Lost Profits from Reasonable Royalties*, Mark Lemley observes a curious phenomenon in patent damages awards. Only two types of awards are possible under the statute: lost profits or a reasonable royalty. The former is appropriate when the patentee either was or would have been actually making and selling the patented invention. Sales by an infringer almost necessarily reduce the patentee's sales in such cases, and usually profits as well, so "lost profits" is a sensible basis to use to put the patentee in the same position it would have been in absent the infringement.

Reasonable royalties, on the other hand, are appropriate when the patentee would not have engaged in actual sales of the patented invention, but would have licensed the invention to others. In such cases, Lemley points out, "lost profits" do not describe the patentee's losses whereas lost royalty payments most certainly do.

A problem arises here, though, because the CAFC, which hears appeals in patent cases from all federal district courts, has set up quite strict requirements for proof of lost profits, requirements so strict that many patentees who almost certainly did lose sales cannot *prove* lost sales and must resort to the royalty remedy. And the particular problem with this trend is that courts—having zealously avoided an erroneous measure of lost profits—often turn around and overcompensate the patentee by awarding royalties that in many cases *exceed* the value of their lost profits. The "reasonable royalty" doctrine is thus becoming encrusted with all manner of sub-doctrines that are only properly applied in the lost profits situation. Lemley lays out this scenario with a characteristically thoughtful analysis. One does not ordinarily think that courts need to be reminded of what the text of a statute says, but Lemley shows how very much they do need to be reminded in patent damages cases. Especially is that necessary when the statute merely directs courts to do what they seem more and more not to do: ensure that "damages" in patent cases really do measure some sort of actual harm to the patent owner.

Michael J. Meurer, *Patent Examination Priorities*

Lots of people are unhappy about our present patent system. A common objection is that too many patents are granted by the Patent and Trademark Office (PTO) on “inventions” not worthy of the name. Not surprisingly, proposals for reform abound; a good many of these proposals call for better patent examination in the PTO, which in turn implies either more examiners, or better trained examiners, or both—which would, of course, necessitate greater costs for running the Patent Office. Michael Meurer takes a different tack in *Patent Examination Priorities*: are there ways in which the PTO could reallocate examiners’ time to produce better outcomes *without* increasing costs?

The revolutionary implications of such a proposal counsel caution, and Meurer sets out the groundwork for the competing considerations that any such reallocation would entail. He starts out by asking the basic questions: how bad would it be if the PTO issued too many patents, versus how bad it would be if it issued too few? “Too many” would mean that some issued patents should not have been issued; “too few,” of course, would mean just the opposite. This classification reflects the well-known analysis of “Type I” and “Type II” errors in statistics, but Meurer goes well beyond that simple dichotomy. He suggests that at least three errors might be made in relation to three outcomes. First, a patent application might be denied; second, a patent might be granted with a narrow scope of claims; and finally, a patent might be granted with a broad scope of claims. That tripartite classification in turn implies that the number of “errors” is greater than two, and indeed there turn out to be six types of erroneous examination outcomes. Without listing them all here, we can just note that, for example, one erroneous outcome would be that a patent that *should* be issued with a narrow scope might be issued with a broad scope, or it might not be issued at all. And so on.

This line of thinking leads Meurer to set out many intriguing possibilities. Perhaps certain technologies should get increased examination scrutiny and others less; perhaps certain application characteristics should trigger a more intensive review, such as the number of claims in an application, or the number of prior art

references; perhaps the PTO should develop a rule that all patents are granted unless it is perfectly clear that they should not and that a decision on that clarity can be reached with little examiner time and effort; or perhaps the rule should be that no patents are granted unless it is perfectly clear that they should be and a decision on *that* sort of clarity can be reached with little examiner time and effort.

The possibilities are many. Among Meurer's contributions to this issue—in addition to bringing these possibilities to light in the first place, a major contribution in its own right—is that of being realistic. He notes, as have others, that the PTO's current overall incentive for examiners is to be “customer oriented,” a policy that comes awfully close to an acknowledgement that the PTO has succumbed to “regulatory capture.” Incentives that grow from PTO policies like that need to be analyzed and quite likely changed as part of any redeployment of examiner resources.

CROSSING BOUNDARIES

Graeme B. Dinwoodie, *Developing a Private International Intellectual Property Law: The Demise of Territoriality?*

The public international law of intellectual property has been around at least since the late 19th century, as exemplified by the Paris and Berne conventions in the 1880s.⁸ Scholars and practitioners alike have paid attention to this area of the law ever since and especially of late, thanks to the world-changing TRIPS intellectual property agreement of the mid-90s. But surprisingly, until quite recently, scholars have paid far less attention to the private international law of intellectual property, including such fundamentals as choice of law questions in cross-border intellectual property disputes. And yet, needless to say, the issues that arise in that context have consequences that matter.

Graeme Dinwoodie describes the situation in *Developing a Private International Intellectual Property Law: The Demise of*

8. The Paris Convention for the Protection of Industrial Property was signed in 1883; the Berne Convention for the Protection of Literary and Artistic Works followed in 1886. See Graeme B. Dinwoodie, *Developing a Private International Intellectual Property Law: The Demise of Territoriality?*, 51 WM. & MARY L. REV. 711, 714 n.1 (2009).

Territoriality? Dinwoodie lays out several questions that very much call for answers in this context: What is the current state of private international intellectual property law? With the past few decades seeing a remarkable expansion of global trade, particularly in intellectual property goods like motion pictures and music, is that body of law adequate? How should it be changed? And finally, if change is needed, what institutional mechanism would best accomplish the purpose? Although emphasizing the first of those questions in his analysis over the fourth, Dinwoodie nevertheless sheds much light on all of them.

Among other remarkable conclusions, Dinwoodie offers persuasive reasons for sharply discounting the primary role of “territoriality” in private international law. Those readers who have tried to teach at least some bits of international intellectual property law will know—if nothing else—the signal role that “territoriality” takes on in international law thinking. Our own Supreme Court has often referenced this principle, as, for example, in the *Deepsouth Packing* case.⁹

But as Dinwoodie notes, “[o]ne can adhere to the basic premises that underlie territoriality without supporting the full range of rules of intellectual property law that are said to reflect the principle.”¹⁰ In fact, he goes further than that, offering suggestions for how and where the territoriality principle would benefit from a “reconfiguration.” His are thoughtful proposals from one of the preeminent scholars in the field, and one hopes that they will have concrete effect on the jurisprudence in this area.

Dinwoodie himself is optimistic on some fronts. He wonders whether courts are institutionally competent to resolve international intellectual property questions, ultimately concluding that indeed they are. His conclusion is based in part on the very phenomenon of globalization itself, whereby increasingly easy and frequent communications across national borders has facilitated

9. *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 529-31 (1972). In *Deepsouth Packing Co.*, the Court held that the manufacture of component parts of an invention, shipped abroad for assembly and use, did not infringe a patent on the completely assembled machine. *Id.* at 524, 531-32. The Court cited the importance of territoriality in its decision, *id.* at 531, and has referenced both that principle and that case many times since. *See, e.g.*, *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 439-40 (2007).

10. Dinwoodie, *supra* note 8, at 715-16.

for judges, just as much as for others, what he delightfully terms the “soft socially driven convergence of ideas” about intellectual property law.¹¹ If you are interested in international intellectual property law, or if you are familiar with and accept the “territoriality” principle, Dinwoodie’s paper is a must-read.

Brett Frischmann, *Spillovers Theory and Its Conceptual Boundaries*

All transactions generate “spillovers”—ubiquitous side effects, or “externalities” that ripple through society. Brett Frischmann, along with Mark Lemley, has explored some of the ramifications of these spillover effects in a previous article.¹² Here, Frischmann further explores this theme, suggesting that to a considerable extent, the significance of spillovers is in the eye of the beholder. One can, he says, easily incorporate spillovers as externalities in the classic economic view of copyright law as a means of converting otherwise external benefits—the value to consumers of creative works in the absence of copyright—to internal ones, captured by the author.

But one can equally easily regard spillovers as exogenous to an economic analysis, in which case the economic explanation of copyright law falls quite short of being full and satisfactory. Frischmann shows how the analysis of spillovers from intellectual property transactions differs sharply according to the preconceptions and philosophy of the analyst. He notes that nearly all economic explanations of intellectual property laws take the viewpoint of the author, or promoter, or distributor, and so on, and hence examine the question as one of what sort of incentives are needed to induce the “supply” of creative works. In this economic realm, the matter is purely a “supply side” issue, in short. But what about the other side? Should we not concern ourselves equally with the “demand-side theory of what [intellectual] ‘Progress’ we want”?¹³

11. *Id.* at 798.

12. See Brett M. Frischmann & Mark A. Lemley, *Spillovers*, 107 COLUM. L. REV. 257 (2007).

13. Brett Frischmann, *Spillovers Theory and Its Conceptual Boundaries*, 51 WM. & MARY L. REV. 803, 807 (2009).

Frischmann goes on to show how the theories of property and the reliance on property rights as the best method of internalizing otherwise beneficial externalities go along with this “supply side” orientation. These sorts of externalities are usually regarded as more or less measurable, and hence to be factored into the equation that produces “property rights” as its result. It is this analysis that rejects consideration of any spillover effects that cannot readily be measured. But perhaps that’s too hasty: in Frischmann’s view, the presence even of unquantifiable spillovers can justify changes to intellectual property law. In particular, he argues that many spillovers relevant to intellectual property transactions should be explicitly identified, encouraged, and left to remain external—even at times when it might be cost-justified to correct the externalities. Frischmann’s is an unexpected approach to externalities that will, as so many of these papers will, compel readers to reexamine long-held beliefs about the general theory of intellectual property law.

Laura A. Heymann, *How to Write a Life: Fixation and the Copyright/Privacy Divide*

Fixation marks the divide between a potential author’s subjective concepts and the existence of an objective, commodifiable subject—the work of authorship. Fixation, at least when made of something original to the author, creates a copyright, which in turn imbues the author with a right of control over the work. In many troublesome cases, this author’s right is directly opposed to a quite different right, that of privacy. Commonly, though certainly not exclusively, this tension arises with photography, when the photographer “captures” the image of another individual. Copyright law says that the photographer has acquired a right of control over the photograph; but the right of privacy (assuming that its prerequisites are satisfied) says that the subject of the photograph has acquired a competing interest in controlling at least certain uses of that same copyrighted work.

Laura Heymann shows us in *How to Write a Life: Fixation and the Copyright/Privacy Divide* that the familiar “fixation” requirement of copyright law really accomplishes a dual purpose: not only does it mark the birth of some copyrighted subject matter, but it

also freezes that subject matter and pulls it forever out of context. Fixation thus creates and forms a *subject* in the first place, enabling that subject to become commodified, packaged, alienated—to be controlled. On the other hand, privacy law is all about giving control to the subject itself—the very opposite of copyright’s grant of control *over* the subject copyrighted.

Heymann explores this clash of copyright and privacy law, assessing the differences brought about by different privacy theories, from the “right to be let alone” to the right of publicity. She traces the history of the fixation requirement in copyright law, noting that in countless garden-variety copyright cases, the fixation requirement poses no difficulty, but that in the digital world of fleeting bits and bytes, fixation can be more problematic. Then she begins to develop what I will call a philosophy of fixation, analyzing its nature in the boundary cases such as jazz improvisation on a copyrighted melody, where no particular performance is privileged over any other and all may or may not be recorded. Indeed, recorded music today, she observes, turns old principles on their head: recording used to be considered the capture of an original—a live performance—against which the recording could be assessed for authenticity; but today, recording has primacy: a live performance is assessed by audiences for how authentically it reproduces the recording. Heymann’s article is a remarkable tour through an area of the law that has obviously been under-theorized to date—and it is entertaining as well!

Mark P. McKenna, *An Alternate Approach to Channeling*

Many products carry multiple forms of intellectual property protection: a patented or copyrighted product, for example, might be sold under a particular trademark. At one point, roughly a hundred years ago, courts cast a skeptical eye on such multiple protections, as exemplified in the well-known “shredded wheat” case, in which Kellogg was not permitted to retain that term as a trademark after its patent had expired. Yet however one reads those earlier cases—as judgments on multiple protections, or as a recognition that a particular term no longer functioned as a mark—it is clear that modern courts expressly allow multiple protections on the same

item. Though far from inevitably so, courts today not only accept the existence of multiple protections, but they also examine the scope of rights under each such protection as though the other forms did not exist. In *An Alternate Approach to Channeling*, Mark McKenna asks whether that makes sense—or whether instead the law of intellectual property should take the simultaneous presence of other forms of intellectual property protection into account in refining the scope of each such protection.

Suppose a manufacturer of a patented drug also promotes consumer loyalty through trademark branding, a not-uncommon event. Suppose further that the patent finally expires. McKenna cites authority for the counterintuitive proposition that many brand-name drugs actually *increase* in price upon patent expiration and the entry of generic competitors into the market. Obviously, the brand name has something to do with that phenomenon; were the manufacturer not able to use such a brand name on patent expiration, the drug's selling price would likely be closer to the "pure" competitive price applicable to fungible goods.

McKenna goes on to point out something that I ought to have thought about and never have: knowing that it will be able to leverage post-patent consumer loyalty through brand-building during the patent term, a manufacturer will apportion its investments in inventive activity accordingly. For example, more investment would go into the development of patented products for which building consumer loyalty is a more likely prospect than for other research activities. Is that how we want to channel research investments, asks McKenna?

CONCLUSION

If you were not convinced at the outset of this Introduction that the following collection of papers will generously reward your reading, I hope you are now; you should be. So my parting advice is this: don't just do something—sit there and read these papers! They are fascinating, far-reaching, and supremely relevant to today's intellectual property landscape; besides, they will just plain *teach* you a lot that you did not know before.