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SHIPPING *THE OLD MAN* ACROSS THE SEA: THE IMPORTATION  
OF BOOKS IN THE PUBLIC DOMAIN ABROAD

MATTHEW H. HARTZLER\*

*When consumers purchase books through sites like Amazon, anonymous third-party sellers fill the orders. And increasingly, they do so using goods of unknown origin. Sometimes, the sellers send pirated counterfeits; other times, they ship authentic books produced for foreign markets, which are often much cheaper. Provisions of the Copyright Act bar both. Yet when the Supreme Court decided a Thai grad student could import foreign editions of English-language textbooks, it approved of the latter booksellers' international arbitrage. First sale, the ability to resell a copyrighted work without asking the author for permission, trumps copyright's importation restrictions. Counterfeits, however, can still be barred at the border. First sale only applies to copies "lawfully made."*

*The Old Man and the Sea is still under copyright protection in America, but it lapsed into the public domain in Canada in 2011. Would a copy printed in another country—one where the work is in the public domain—be considered "lawful"? This Note argues that a copy of The Old Man printed in Canada could not be lawfully shipped across the border to American consumers. And as the first scholarly article to discuss importation of copyrighted works that are in the public domain in other countries, it strives to clarify how and when the Copyright Act deems a work as "lawfully made."*

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\* J.D. Candidate, 2020, University of Illinois College of Law. B.A., Amherst College. A special thank you to Daniel R. Novack, Senior Counsel at Penguin Random House, for the extensive discussions on piracy and international law over meals upstairs at Szechuan Gourmet and licorice runs to Myzel's. Many thanks to the whole legal team at Penguin Random House—Anke Steinecke, Matthew Martin, and Carolyn Foley—for all the helpful conversations throughout this project.

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## I. INTRODUCTION

The lengths of copyright protections are not the same across nations.<sup>1</sup> *The Old Man and the Sea* (“*Old Man*”) was published in 1952, a little less than a decade before Hemingway’s death in 1961.<sup>2</sup> Under American copyright protection, this work will enter the public domain in 2047.<sup>3</sup> In countries like Canada that only apply the Berne Convention’s minimum copyright protection—the author’s life plus fifty years—this work entered public domain in 2011.<sup>4</sup> Today, *The Old Man and the Sea* is available in its entirety on a Canadian public domain advocate’s website.<sup>5</sup>

Would an entrepreneurial Canadian printer be able to download and bind this version of Hemingway’s work without a license and have the work make its way to American consumers?<sup>6</sup> The answer turns on whether a copy that is lawful

1. Compare 17 U.S.C. § 302(a) (2018) (“Copyright in a work created on or after January 1, 1978 . . . endures for a term consisting of the life of the author and 70 years after the author’s death.”), with Copyright Act, R.S.C. 1985, c. C-42 (Can.) (“The term for which copyright shall subsist shall . . . be the life of the author . . . and a period of fifty years.”).

2. See generally ERNEST HEMINGWAY, *THE OLD MAN AND THE SEA* (1952).

3. See 17 U.S.C. § 304(b) (2018) (fixing the length of pre-1978 works at 95 years).

4. See Berne Convention for the Protection of Literary and Artistic Works, art. 7, July 24, 1971, 25 U.S.T. 1341, 1161 U.N.T.S. 3 [hereinafter Paris Act].

5. *The Old Man and The Sea*, PROJECT GUTENBURG CANADA, <https://gutenberg.ca/ebooks/hemingwaye-oldmanandthesea/hemingwaye-oldmanandthesea-00-t.txt> (last visited *never* because that would be an infringing importation according to this Note).

6. The Author is aware that the title of this Note doesn’t make as much sense if the book is just getting driven down from the Canadian border. If the book was literally coming across the sea, like from Europe, then it would make sense. But then the Author would have to deal with all the “complexity” that comes with combining E.U. agreements and various bilateral agreements (and the whole “rule of the shorter term” problem that will be

under Canadian law, but not U.S. law, would be “lawfully made” according to the Supreme Court’s interpretation of that phrase.<sup>7</sup> And importantly, does the first sale doctrine—a buyer’s ability to re-sell their copy to another—apply to works still under American copyright protection if they are printed in a country in which the work is in the public domain? Or might we be better off to consider those copies pirated?

To add one more valuable rhetorical question: *so what?* *Old Man* has been published for over half a century, and its publisher Scribner’s has been raking the proceeds ever since.<sup>8</sup> The reality is that *Old Man* may have and may continue to subsidize the less-than-successful books that have come since for the publisher.<sup>9</sup> As with Hollywood blockbusters that support box office duds, Hemingway’s words likely paid for the production costs of the next generation of books that didn’t do as well.<sup>10</sup>

A 2007 report indicating Random House’s financials demonstrates the profit structure of the publishing world.<sup>11</sup> Former Random House executive Peter Olson succinctly summarized the report: “Many books are unprofitable.”<sup>12</sup> Of the sixty-seven new titles per week that the organization was releasing at that time, it reported that “[o]ut of every eight books, one is very profitable, one is very unprofitable, and six either break even or lose money.”<sup>13</sup> Andrew Franklin, founder and managing director of UK independent publisher Profile Books, described the balance of profits and losses: “Publishing is a risky business—each book is a challenge that should cover its costs. Some do and are brilliantly profitable. The successes subsidize the disappointments. Choosing and publishing books is an art, not a science.”<sup>14</sup>

For big publishers, this kind of risk is largely insulated by the sales of the reserve of previously-released books, known as the “back catalogue.”<sup>15</sup> Random House—which now exists as an imprint and publishing division after being merged into Penguin Random House—is able to maintain fifteen to twenty best-sellers at a time.<sup>16</sup> Yet, 80% of its profits are driven by a large reserve of steadily

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addressed *infra* in Part III). WILLIAM F. PATRY, 7 PATRY ON COPYRIGHT § 25:71 n.4 (“Germany is an excellent example of this complexity. . . .”); see also *infra* Section III.B.2.

7. *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 523 (2013).

8. See *The Old Man and The Sea (Scribner Classics)*, AMAZON, <https://www.amazon.com/Old-Man-Sea-Scribner-Classics/dp/0684830493> (last visited Mar. 22, 2020).

9. See Adrienne Cohen, *Random House—A Publishing Company*, N.Y. MAG. (June 1, 2007), <http://nymag.com/news/features/2007/profit/32906>.

10. See *We See Angelina’s Bottom Line*, NPR: PLANET MONEY (May 14, 2010, 4:00 PM), [https://www.npr.org/sections/money/2010/05/the\\_friday\\_podcast\\_angelina\\_sh.html](https://www.npr.org/sections/money/2010/05/the_friday_podcast_angelina_sh.html) (“There’s this weird thing in the movie business: Almost all movies lose money. Except they don’t, really.”)

11. Cohen, *supra* note 9. Note that these figures were well before the publishing houses of Penguin and Random House merged together into one. Julie Bosman, *Penguin and Random House Merge, Saying Change Will Come Slowly*, N.Y. TIMES (July 1, 2013), <https://www.nytimes.com/2013/07/02/business/media/merger-of-penguin-and-random-house-is-completed.html>.

12. Cohen, *supra* note 9.

13. *Id.*

14. Andrew Franklin, *The Profits from Publishing: A Publisher’s Perspective*, BOOKSELLER (Mar. 2, 2018), <https://www.thebookseller.com/blogs/profits-publishing-publishers-perspective-743231>.

15. See Cohen, *supra* note 9.

16. *Id.*

selling classics.<sup>17</sup> This amounts to an “iceberg-style” profit structure: new releases form the tip seen on bestselling lists, but the majority of a publisher’s sales and profits are driven by fifty-plus-year-old titles that sit unseen underwater.<sup>18</sup> Thus, the fate of *Old Man* and other classics that make up those hefty back catalogues—and help subsidize newer titles—matters a great deal in the publishing ecosystem.<sup>19</sup>

Today’s publishers, although consolidated<sup>20</sup> and seemingly mighty,<sup>21</sup> are facing threats that book titans like Samuel Pearson or Alfred A. Knopf, Sr. could not have imagined more than a hundred years ago when they laid the groundwork for modern publishers Pearson and Knopf Doubleday.<sup>22</sup>

The first threat is the expansion and ease of the global arbitrage of publishers’ products.<sup>23</sup> Publishers spread their books around the world through international markets, where their books are sold for pennies of their domestic sale price.<sup>24</sup> Publishers have always been fearful that these cheaper copies will end up in a market for which they are not intended: back in the States.<sup>25</sup>

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17. *Id.*

18. *See id.*

19. *See id.*

20. *See* Adam Davidson, *How Dead Is The Book Business?*, N.Y. TIMES (Nov. 13, 2012), <https://www.nytimes.com/2012/11/18/magazine/penguin-random-house-merger.html> (“Because the [merged Penguin Random House] will only have about a twelfth of Amazon’s annual sales, most observers expect that this is just the beginning of a series of mergers—like those in the music business—that will take the Big Six publishers down to the Big Three and perhaps one day even the Big One.”). *See, e.g.*, Joseph Esposito, *More Consolidation in The Publishing Business*, SCHOLARLY KITCHEN (Mar. 23, 2015), <https://scholarlykitchen.sspnet.org/2015/03/23/more-consolidation-in-the-publishing-business>; Scott R. Singer, *Digital Scale for Sale: How Publishers Can Thrive in an Era of Consolidation*, PUB. EXECUTIVE (Dec. 6, 2017), <https://www.pubexec.com/post/digital-scale-sale-publishers-can-thrive-era-consolidation>; Brooke Warner, *What Big Publishing Consolidation Means for Authors*, HUFFPOST (Dec. 6, 2017), [https://www.huffingtonpost.com/brooke-warner/what-big-publishing-conso\\_b\\_9395642.html](https://www.huffingtonpost.com/brooke-warner/what-big-publishing-conso_b_9395642.html).

21. *Cf.* Davidson, *supra* note 20 (“Ever since Amazon began ripping apart the book business, the largest houses have been looking for a way to fight back. If this merger is any indication, they have chosen an old-fashioned strategy: Size.”).

22. *See, e.g.*, Capitol Records, LLC v. ReDigi Inc., 934 F. Supp. 2d 640, 655–56 (S.D.N.Y. 2013) (discussing both the rise of eBook sales and possible development of second-hand markets).

23. David Kestenbaum, *Textbook Arbitrage: Making Money Off Used Books*, NPR: PLANET MONEY (Nov. 10, 2014, 5:08 PM), <https://www.npr.org/sections/money/2014/11/10/363103753/textbook-arbitrage-making-money-off-used-books> (“On the most recent episode of our show, we told you the story of two guys who think they’ve found a guaranteed way to buy low and sell high. Their secret strategy—buying and selling used textbooks.”).

24. Tamar Lewin, *Students Find \$100 Textbooks Cost \$50, Purchased Overseas*, N.Y. TIMES (Oct. 21, 2003), <https://www.nytimes.com/2003/10/21/us/students-find-100-textbooks-cost-50-purchased-overseas.html> (“‘We couldn’t understand why what costs \$120 here should cost \$50-something there,’ said Mr. Sarkis, who, with Mr. Kinsley and another classmate, has spent three years building a Web-based company, BookCentral.com, selling textbooks from abroad to students in the United States.”).

25. Ironically, the New York City publishing industry itself was largely built on pirated imported copies of British books. Greg Sandoval, *How Piracy Built The U.S. Publishing Industry*, CNET (Feb. 27, 2012, 12:18 PM), <https://www.cnet.com/news/how-piracy-built-the-u-s-publishing-industry/>.

Next, this threat is combined with the consolidation of a massive bookseller—looking at *you, Amazon*.<sup>26</sup> Especially when the online retailer functions today more like a fulfillment center for anonymous, faceless wholesalers from around the globe rather than a bookseller itself.<sup>27</sup> That said, it is tough to malign Amazon when books coming from its own warehouses represent a majority of sales for a large publisher.<sup>28</sup>

In 2017, however, the online retailer adopted new practices that allowed third-party sellers to be featured above itself on pages selling new books.<sup>29</sup> This was a change from the previous top spot being sales for new books that Amazon bought directly from the publishers and stocked in their warehouses.<sup>30</sup> This change confuses the channels for sales that used to be a publisher-to-Amazon-to-customer model.<sup>31</sup> Amazon's third-party seller business has exploded in recent years: reports suggest that more than 50% of goods sold on the site come from third-party sellers.<sup>32</sup> One retail commentator explained that “the e-commerce giant is able to kick back and collect fulfillment and storage fees while sellers grapple with orders and inventory.”<sup>33</sup> The commentator added that Amazon is “morphing into more of a mall than a retailer.”<sup>34</sup> Becoming a third-party online wholesaler has indeed become big business.<sup>35</sup> Correspondingly, the pub-

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26. See Erica Pandey, *How Barnes & Noble, The Last Big Bookstore, Fell to Amazon*, AXIOS (Oct. 7, 2018), <https://www.axios.com/barnes-and-noble-book-stores-sale-amazon-effect-4f2753d2-818c-49d1-878a-60f0c3a5b3f7.html>.

27. See *id.*

28. David Streitfeld, *HarperCollins and Amazon in Multiyear Publishing Deal*, N.Y. TIMES (Apr. 13, 2015), <https://www.nytimes.com/2015/04/14/business/media/harpercollins-and-amazon-in-multiyear-publishing-deal.html> (“[Macmillan CEO] John Sargent, wrote in a blog post that ‘we have not addressed one of the big problems in the digital marketplace. . . . Amazon holds a 64 percent market share of Macmillan’s e-book business. As publishers, authors, illustrators and agents, we need broader channels to reach our readers.’”).

29. Constance Grady, *Amazon Made a Small Change to The Way It Sells Books. Publishers Are Terrified.*, VOX (May 19, 2017, 9:00 AM), <https://www.vox.com/culture/2017/5/19/15596050/amazon-buy-box-publishing-controversy>; Douglas Preston, *From Amazon, a Change That Hurts Authors*, N.Y. TIMES (Oct. 12, 2017), <https://www.nytimes.com/2017/10/12/opinion/book-publishing-amazon-sales.html>.

30. Preston, *supra* note 29.

31. See *id.*

32. Daphne Howland, *Amazon Relying on its Marketplace to Sell Apparel*, RETAILDIVE (Nov. 14, 2018), <https://www.retaildive.com/news/amazon-relying-on-its-marketplace-to-sell-apparel/542244/> (“The percentage of marketplace goods sold on Amazon.com has risen to 53%, Amazon said in its most recent earnings report.”); *The Magic Store*, REPLY ALL (July 11, 2018), <https://www.gimletmedia.com/reply-all/124> (“Third party vendors are a huge part of what makes Amazon successful . . . like they’re a huge part of the sales. I think in 2017, over half of—of all sales on Amazon were from third party vendors, not from Amazon itself.”).

33. Howland, *supra* note 32.

34. *Id.*

35. Rani Molla & Jason Del Rey, *A Fifth of Professional Amazon Merchants Sell More Than \$1 Million a Year—Double The Share from Last Year*, VOX: RECODE (May 23, 2018, 4:02 PM), <https://www.recode.net/2018/5/23/17380088/amazon-sellers-survey-third-party-marketplace-walmart-ebay> (“[In 2018], 19 percent of Amazon professional merchants brought in more than \$1 million in sales, according to a new survey by Feedvisor, an e-commerce company that helps merchants price goods on Amazon and other online marketplaces. That’s up from 10 percent in 2017.”).

lishing industry fears that books are indeed coming from the international markets.<sup>36</sup> In 2018, more than 25% of Amazon's third-party sales were international.<sup>37</sup> And it is not unreasonable to think those unknown wholesalers are getting stock that was not authorized to be sold in the United States.<sup>38</sup> Now, the model looks more like unknown-international-wholesaler-to-customer-via-Amazon.<sup>39</sup>

The model actually might be more like counterfeiter-to-customer-via-Amazon.<sup>40</sup> A pair of 2019 *New York Times* exposés by journalist David Streitfeld revealed rampant, blatant counterfeiting by third-party sellers on the site.<sup>41</sup> He described the fact that Amazon's "hands-off approach" to these third-party sellers led to "lawlessness."<sup>42</sup> From medical handbooks on Antimicrobial Therapy to self-published passion pieces on video game consoles, counterfeit books produced—*poorly*—by Amazon's third-party sellers have infiltrated the marketplace.<sup>43</sup> The quality of the printing is not up to the standards of the traditional publishers: smeared ink, clearly photocopied pages, and smudged characters.<sup>44</sup> Streitfeld detailed the sloppy reproductions of George Orwell books with entire

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36. Preston, *supra* note 29 ("Publishers sell books to international wholesalers at large discounts on a non-returnable basis. By contract these books must be sold abroad, but wholesalers could quietly dump these books in the American market through a third-party seller on Amazon, cheating the publisher.").

37. Ari Levy, *Amazon's Sellers Are Going Global, Helping The Company Generate Big Profits*, CNBC (Apr. 26 2018, 6:55 PM), <https://www.cnbc.com/2018/04/26/amazon-25-percent-of-third-party-sales-came-from-global-sellers.html> ("In its first-quarter earnings report [for 2018] on Thursday, Amazon said that global sellers accounted for 25 percent of third-party sales on the site last year. That's growth of 50 percent from the previous year."); see also Press Release, Amazon.com, Inc., Amazon Marketplace Sellers Enjoy High Growth Holiday Season (Jan. 2, 2013, 9:00 AM), <https://press.aboutamazon.com/news-releases/news-release-details/amazon-marketplace-sellers-enjoy-high-growth-holiday-season> ("[Over the course of the 2012 holiday season,] [t]hird-party sellers on Amazon.com shipped items from around the globe to customers in all 50 U.S. States and countries worldwide from Aruba to Zambia.").

38. Levy, *supra* note 37 ("While the company's third-party business is a major revenue and profit driver, some sellers have experienced problems with the platform. Counterfeits have flooded in from overseas, undercutting businesses in the U.S. and leaving them stranded with inventory."). For example, the Author purchased a used copy of the MANUAL FOR COMPLEX LITIGATION from Amazon emblazoned with a sticker on the front that was emblazoned with "TEACHER EDITION, NOT FOR RE-SALE."

39. Preston, *supra* note 29.

40. David Streitfeld, *What Happens After Amazon's Domination Is Complete? Its Bookstore Offers Clues*, N.Y. TIMES (June 23, 2019), <https://www.nytimes.com/2019/06/23/technology/amazon-domination-bookstore-books.html>.

41. *Id.*; David Streitfeld, *Paging Big Brother: In Amazon's Bookstore, Orwell Gets a Rewrite*, N.Y. TIMES (Aug. 19, 2019), <https://www.nytimes.com/2019/08/19/technology/amazon-orwell-1984.html>.

42. Streitfeld, *What Happens After Amazon's Domination Is Complete?*, *supra* note 40 ("In Amazon's bookstore, the unruly behavior has been widespread, aided by print-on-demand technology. Booksellers that seem to have no verifiable existence outside Amazon offer \$10 books for \$100 or even \$1,000 on the site, raising suspicions of algorithms run wild or even money-laundering."). Amazon did respond to the *Times*'s story, touting their extensive protections measures. Amazon, *Our Response to the New York Times' Story on Book Counterfeiting*, DAY ONE: THE AMAZON BLOG (June 23, 2019), <https://blog.aboutamazon.com/books-and-authors/our-response-to-the-new-york-times-story-on-book-counterfeiting> ("In 2018, we stopped over a million suspected bad actors from opening Amazon selling accounts before they published a single listing for sale, and we blocked more than 3 billion suspected bad listings before they were published to our stores. We provided many of these details to the *Times* and they chose not to include these facts in their story.").

43. Streitfeld, *What Happens After Amazon's Domination Is Complete?*, *supra* note 40.

44. *Id.* ("Several pages smudged and unable to read,' one buyer said in 2017, posting photos as proof. 'Seems as the book was photocopied,' said a second. 'Characters are smeared,' wrote a third.").

passages missing, summaries lifted directly from Wikipedia, and titles like *Homage to Catalonia* changed to *Homepage to Catalonia* and *Animal Farm: A Fairy Story* to *Animal Farm: A Fair Story*.<sup>45</sup>

Though the fully pirated books in the exposés are unlawful, global arbitrage, “gray market” behavior—importing a good intended for another market—is a different story.<sup>46</sup> The shipping of books sold abroad into the United States was explicitly endorsed by the Supreme Court in *Kirtsaeng v. John Wiley*, a 2013 case that forms the backbone for discussion of first sale principles as they might apply to the importation of *The Old Man and the Sea*.<sup>47</sup> What is less clear is if endorsing the international arbitrage of third-party sales of books also means that the Court endorses the importation of books in the public domain in foreign countries, but not domestically.<sup>48</sup>

This Note argues the importation of a work printed from the public domain abroad would violate American copyright law. Part II of this Note introduces applicable copyright statutes and explains *Kirtsaeng*—and its interpretation of the importation of out-of-country books and first sale—along with how its predecessors wrestled the territorial bounds of the Copyright Act.<sup>49</sup> Part III analyzes a contemporary court’s interpretations of *Kirtsaeng* and that judge’s statutory interpretation of the importation provisions in the Copyright Act.<sup>50</sup> It then details how those interpretations comport with existing choice of law principles that already exist in copyright law settings.<sup>51</sup>

Part IV recommends that importing books still under American copyright protection into the United States is a violation of the Copyright Act when that copy is printed and originally sold in a country in which the work has entered the public domain.<sup>52</sup> This Note argues that this interpretation is mandated by *Kirtsaeng*’s holding.<sup>53</sup> Finally, this Note concludes by presenting the first academic comprehensive comparison of courts’ statutory interpretations against existing choice of law in American copyright law and showing that these legal doctrines are in harmony.<sup>54</sup>

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45. Streitfeld, *Paging Big Brother*, *supra* note 41 (“‘Once a week a counterfeit pops up,’ said Bill Hamilton, the agent for the Orwell estate. ‘When will a company like Amazon take responsibility for the curation of the products passing through their hands?’”).

46. See 17 U.S.C. § 602(a) (2018).

47. 568 U.S. 519, 519 (2013).

48. See, e.g., *id.* at 532 (“Indeed, the Act itself makes clear that . . . foreign-printed *pirated* copies are ‘subject to’ the Act.”); see also 17 U.S.C. § 602(a)(2) (emphasis added) (“Importation into the United States or exportation from the United States, without the authority of the owner of copyright under this title, of copies or phonorecords, the making of which either constituted an infringement of copyright, or which would have constituted an infringement of copyright if this title had been applicable, is an infringement . . .”).

49. See *infra* Part II.

50. See *infra* Part III.

51. See *infra* Part III.

52. See *infra* Part IV.

53. See *infra* Part IV.

54. See *infra* Part IV.

## II. BACKGROUND

As stated by the Court in *Kirtsaeng*, the aim of copyright law is to “enrich[] the general public through access to creative works.”<sup>55</sup> There are incentives that courts must balance in order to achieve those ends.<sup>56</sup> For example, one factor the Court weighs is “striking a balance between encouraging and rewarding authors’ creations and enabling others to build on that work.”<sup>57</sup> Largely, that balance is struck through the implementation of “fair use,” which promotes the remixing and reuse of existing works in new, novel ways.<sup>58</sup> Another is to ensure that the law builds incentives to encourage the continued availability of works; a source of debate for economists and public domain advocates alike that revolves around whether the length of a copyright actually promotes works’ continued availability and exploitation.<sup>59</sup>

The primary factor to be balanced in this discussion is how much a copyright holder should be allowed to continue to control a copy of her work after it is in the hands of another.<sup>60</sup> After the “first sale” of the work, what can the buyer do with the book or copy of the movie or photograph? How might that buyer be able to resell that copy to another? And how can a desire for consumer autonomy and an unrestrained market be balanced against the rightsholder’s desires to control the market? As discussed *supra*, for book publishers, control of the market

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55. See *Kirtsaeng v. John Wiley & Sons, Inc.*, 136 S. Ct. 1979, 1986 (2016) (quoting *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527 (1994)).

56. See, e.g., *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (“The limited scope of the copyright holder’s statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts.”).

57. *Kirtsaeng*, 136 S. Ct. at 1986 (citing *Fogerty*, 510 U.S. at 527, 526).

58. Sharon Bar-Ziv & Niva Elkin-Koren, *Behind the Scenes of Online Copyright Enforcement: Empirical Evidence on Notice & Takedown*, 50 CONN. L. REV. 339, 379–80 (2018) (“Copyright law intends to promote progress, not only by securing incentives to authors but also by ensuring the freedom of current and future authors to use existing works and build upon them.”).

59. See, e.g., Paul J. Heald, *How Copyright Keeps Works Disappeared*, 11 J. EMPIRICAL LEGAL STUD. 829, 861 (2014) (concluding empirically that twentieth-century works in public domain were more available than those under copyright protection, which suggests that extensions to copyright terms are contrary to continued distribution of creative works). “Copyright was not designed by the framers of the Constitution as a means by which Congress could make books disappear.” *Id.* Compare to economist projections that copyright allows for the “maintenance” of works. William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 518 (2003).

A parallel example would be an old movie, on which copyright had expired, that a studio wanted to issue in a colorized version that would be very expensive to prepare. Promoting the colorized version might increase the demand for the black and white version, a close substitute for the colorized version. Since anyone could copy and sell the black and white version, the studio considering colorization would not take into account, in deciding whether to colorize, the increase in demand for the black and white version. As a result, the expected revenue from colorization might be less than the (private) costs and so the movie studio would decide against it.

*Id.*

60. See, e.g., *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339, 350 (1908) (“[O]ne who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it. The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it.”).

is largely centered around how to prevent books destined for the international markets to return to the United States.<sup>61</sup>

Historically, one method of preventing such a “return to sender” situation was to invoke 17 U.S.C. § 602(a), which prevents unauthorized importation of creative works back into the United States.<sup>62</sup> This must, however, be balanced against the first sale provisions, § 109(a) of the same Title, which favors the consumer’s ability to do what she pleases with copies of a creative work.<sup>63</sup> These provisions are at odds. Courts worked their way through that balance before the *Kirtsaeng* Court finally shut the door on the core of § 602(a).<sup>64</sup>

This Part will begin with the importation provisions of § 602(a)(1) in front of the *Kirtsaeng* Court as well as the first sale doctrine that serves as a counter to the statute’s reach.<sup>65</sup> Next, it will discuss *Quality King Distributors, Inc. v. L’anza Research Int’l, Inc.*—a decision that held that § 602(a)(1) applied potentially only to copies manufactured in the United States—followed by *Omega S.A. v. Costco Wholesale Corporation*, a Ninth Circuit decision that did some eyebrow-raising about the vitality of that narrow holding in *Quality King*.<sup>66</sup> It will dive into *Kirtsaeng* along with the book industry’s reaction to the decision, and it will conclude by explaining § 602(a)(2), the subsection barring the importation of *pirated* works, and how it remains untouched by the Court’s decisions.<sup>67</sup>

#### A. *Unauthorized Importation Ban: § 602(a)(1)*

The Copyright Act states that the importation into the United States of a copy of a creative work “without the authority of the owner of [the U.S.] copyright” is a violation of § 602(a)(1) of Title 17:<sup>68</sup>

(a) Infringing importation or exportation.—

(1) Importation.—Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies . . . .<sup>69</sup>

That subsection plainly prohibits the “[i]mportation into the United States . . . of copies or phonorecords of a work that have been acquired outside

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61. *See supra* Part I.

62. 17 U.S.C. § 602(a) (2018); *see, e.g.*, *Quality King Distribs., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 143 (1998) (holding that § 602(a)’s importation provisions are under subject to first sale doctrine’s exceptions).

63. *Quality King*, 523 U.S. at 143.

64. *See generally* *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

65. *See infra* Sections II.A–B.

66. *See infra* Sections II.C–D.

67. *See infra* Sections II.E–G.

68. 17 U.S.C. 602(a)(1) (2018).

69. *Id.*

the United States.”<sup>70</sup> The plain meaning is that bringing copies of a work though American borders requires authorization by the copyright holder.<sup>71</sup>

*B. First Sale: § 109(a)*

The “first sale” provision earlier in the Title immediately complicates the relatively straightforward plain meaning of § 602(a)(1)’s importation restriction: [T]he owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.<sup>72</sup>

Put more simply, the owner of a copy of a book that was “lawfully made under [the U.S. Copyright Act] is entitled . . . to sell . . . that copy.”<sup>73</sup> Combining this provision with the importation restriction raises a significant question: if “first sold,” can a copy be resold to a consumer in the U.S. without first obtaining permission from the copyright holder? For everything from copyrighted shampoo labels to watch emblems to books, courts have had to balance these two sections of the Copyright Act.<sup>74</sup>

*C. The Court Initially Wrestles with Importation: Quality King*

One of the first Supreme Court cases to examine these provisions was *Quality King Distributors, Inc. v. L’anza Research Int’l, Inc.* in 1998.<sup>75</sup> In *Quality King*, the Court asked “whether the ‘first sale’ doctrine endorsed in § 109(a) is applicable to imported copies.”<sup>76</sup> L’anza, the plaintiff, sold shampoo and hair products and placed a copyrighted label on their products.<sup>77</sup> These labels were printed and affixed to products in the U.S., then shipped to international wholesalers.<sup>78</sup> L’anza filed its suit when those products returned to the U.S. at the discounted price afforded to the international wholesalers.<sup>79</sup> As the Court detailed, “[L’anza’s] prices to foreign distributors [were] 35% to 40% lower than the prices charged to domestic distributors.”<sup>80</sup> The Court determined that although the importation invoked possible action under § 602(a)(1), it was within the

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70. *Id.*; see also *Quality King Distrib., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 143 (1998) (“§ 602(a) applies to a category of copies that are neither piratical nor ‘lawfully made under this title.’ That category encompasses copies that were ‘lawfully made’ not under the United States Copyright Act, but instead, under the law of some other country.”).

71. See *Quality King*, 523 U.S. at 147.

72. 17 U.S.C. § 109 (2018).

73. *Id.*

74. See *infra* Sections II.C–E.

75. *Quality King*, 523 U.S. at 135.

76. *Id.* at 138.

77. *Id.*

78. *Id.*

79. *Id.* at 139.

80. *Id.*

bounds of first sale’s “lawfully made under this title” language because the shampoo labels were originally printed in the U.S.<sup>81</sup> As Justice Stevens wrote with surprise: “This is an unusual copyright case because L’anza does not claim that anyone has made unauthorized copies of its copyrighted labels.”<sup>82</sup> Thus, the labels were “lawfully made” under U.S. law.<sup>83</sup>

Justice Ginsburg then drew sharp lines around the facts of the case.<sup>84</sup> She wrote alone in a short concurrence: “This case involves a ‘round trip’ journey, travel of the copies in question from the United States to places abroad, then back again. I join the Court’s opinion recognizing that we do not today resolve cases in which the allegedly infringing imports were manufactured abroad.”<sup>85</sup>

Justice Ginsburg cited two copyright scholars in her concurrence.<sup>86</sup> The Justice summarized the argument of then-professor, now-Google counsel William Patry who believed “provisions of Title 17 do not apply extraterritorially unless expressly so stated, hence the words ‘lawfully made under this title’ in the ‘first sale’ provision . . . must mean ‘lawfully made in the United States.’”<sup>87</sup> She quoted Professor Paul Goldstein, who declared, “Copyright protection is territorial. The rights granted by the United States Copyright Act extend no farther than the nation’s borders.”<sup>88</sup> Because *Quality King* focused on interpreting first sale only on copies made within the U.S., the gaping hole in law the jurisprudence created by Justice Ginsburg’s concurrence is how the Copyright Act deals with books *printed abroad*.<sup>89</sup>

#### D. *Copies Made Abroad: The Setup from Omega v. Costco*

Following Justice Ginsburg’s concurrence,<sup>90</sup> courts were quick to limit the first sale defense when invoked for copies “made”—printed, manufactured, or otherwise made—outside U.S. borders.<sup>91</sup> In 2008, the Ninth Circuit held that the first sale defense was not applicable in such a scenario.<sup>92</sup> That case, *Omega S.A. v. Costco Wholesale Corporation*, revolved around watches that were manufactured abroad.<sup>93</sup> The court wrote, “Specifically, Omega argues that § 109(a) provides no defense to the infringement claims because, although the Omega Globe

81. *Id.* at 145.

82. *Id.* at 140.

83. *Id.* at 145 (“[T]he literal text of § 602(a) is simply inapplicable to both domestic and foreign owners of L’anza’s products who decide to import them and resell them in the United States.”).

84. *Id.* at 154 (Ginsburg, J., concurring).

85. *Id.*

86. *Id.*

87. *Id.* (citing WILLIAM PATRY, COPYRIGHT LAW AND PRACTICE 166–170 (1997 Supp.)).

88. *Id.* (quoting PAUL GOLDSTEIN, COPYRIGHT § 16.0, pp. 16:1–16:2 (2d ed. 1998)).

89. *See generally id.*

90. *Id.*

91. *See, e.g., Swatch S.A. v. New City, Inc.*, 454 F. Supp. 2d 1245, 1254 (S.D. Fla. 2006) (“Had the [watches] not been manufactured domestically, § 109(a) would not have applied. The wristwatches at issue here were manufactured and first sold abroad.”) (citing *Quality King*, 523 U.S. at 147, 157 (1998)).

92. *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982, 985 (9th Cir. 2008), *abrogated by* *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

93. *Id.* at 983.

Design was copyrighted in the United States, the watches bearing the design were manufactured and first sold overseas.”<sup>94</sup>

The underside of a Seamaster-type Omega watch features a small etched globe.<sup>95</sup> That globe, the “Omega Globe Design,” holds a U.S. copyright and was the focus of the suit.<sup>96</sup> “Although Omega authorized the initial foreign sale of the watches, it did not authorize their importation into the United States or the sales made by Costco.”<sup>97</sup> That lack of authorization is the crux of the suit.<sup>98</sup>

Omega argued that although § 109(a) generally limits § 602(a)’s importation restrictions, first sale does not apply in this case.<sup>99</sup> It suggested to the panel that the manufacturing of the watches outside the U.S. distinguished the infringement from *Quality King*.<sup>100</sup> The court agreed:

[W]e hold that *Quality King* did not invalidate our general rule that § 109(a) can provide a defense against . . . 602(a) claims only insofar as the claims involve *domestically made copies* of U.S.-copyrighted works. Because we also conclude that the exception to that rule does not apply, § 109(a) provides no defense in this case.<sup>101</sup>

In *Quality King*, shampoo labels were printed in the U.S., sold abroad, and then returned to the U.S. for domestic sale.<sup>102</sup> *Omega*’s copyrighted watch design was originally manufactured and sold abroad.<sup>103</sup> Then, an unknown third party sold them to a New York company, which then sold the watches to Costco.<sup>104</sup> Costco then sold the watches to consumers in California.<sup>105</sup> This difference in manufacturing origin was enough, despite the fact that Omega asserted its U.S. Copyright as the core of the litigation.<sup>106</sup> Nonetheless, the Circuit held first sale required the copyright copies in question to be “lawfully made under” the Copyright Act.<sup>107</sup> It explained:

The rationale for this interpretation was twofold: First, a contrary interpretation would impermissibly extend the Copyright Act extraterritorially. Second, the application of § 109(a) after foreign sales would “render § 602 virtually meaningless” as a tool against the unauthorized importation of

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94. *Id.* at 985.

95. *Id.* at 983.

96. *Id.*

97. *Id.* at 984.

98. *Id.*

99. *Id.* at 985.

100. *Id.*

Omega concedes that § 109(a) generally limits §§ 106(3) and 602(a), but contends that § 109(a) does not apply in this case. Specifically, Omega argues that § 109(a) provides no defense to the infringement claims because, although the Omega Globe Design was copyrighted in the United States, the watches bearing the design were manufactured and first sold overseas. Omega claims that the copies of the design were not “lawfully made under [Title 17]” in these circumstances.

*Id.*

101. *Id.* (emphasis added).

102. *Id.* at 987.

103. *Id.* at 985.

104. *Id.* at 984.

105. *Id.*

106. *Id.* at 985.

107. *Id.* at 986.

nonpiratical copies because importation is almost always preceded by at least one lawful foreign sale that will have exhausted the distribution right on which § 602(a) is premised.<sup>108</sup>

That said, an essential incongruity exists between asserting that a copy is under U.S. Copyright protection and manufactured with the authorization of the holder, and also stating that it was not “lawfully made under” U.S. Copyright law (and outside the bounds of first sale).<sup>109</sup> This was not lost on the panel during oral arguments:

JUDGE: . . . What’s the rationale for this? I mean, somebody sells watches in Switzerland to somebody else in Egypt or Ecuador, or Israel, or somewhere.

[Omega attorney] MR. LEVY: Right.

JUDGE: And then somebody there sells it to another party who then in turns sells it to Costco, and Costco is being held for copyright infringement.

MR. LEVY: Yes.

JUDGE: What’s — what’s the logic of that?<sup>110</sup>

Omega’s counsel tried to explain that *Quality King* presents an exception to the basic importation regulations:

JUDGE: Whereas if they have been made in the United States and then sold over there and then came back, then you have *Quality King*, right?

MR. LEVY: That’s the—right. *Quality King* is the exception. The—the basic principle has been and continues to be that the first sale defense applies where the copy is made and first sold in the United States as you posit it and does not apply where the copy is made and sold outside the United States and later imported into the United States without authorization. That’s our case and that there is that exception, that *Quality King* exception, and *Quality King* is a very limited exception.<sup>111</sup>

Later discussion focused on Justice Ginsburg’s *Quality King* concurrence and whether she narrowed the holding to an exception-like category, or if it was

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108. *Id.* (quoting *CBS v. Scorpio Music Distributors*, 569 F. Supp. 47, 49 (E.D. Pa.1983), *aff’d without opinion*, 738 F.2d 424 (3d Cir.1984)) (citations omitted).

109. *Id.*

110. Oral Argument at 3:00, *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982 (9th Cir. 2008) (No. 07-55368), [https://www.courtlistener.com/audio/48986/omega-sa-v-costco-wholesale/?type=oa&q=&type=oa&order\\_by=score+desc&docket\\_number=07-55368](https://www.courtlistener.com/audio/48986/omega-sa-v-costco-wholesale/?type=oa&q=&type=oa&order_by=score+desc&docket_number=07-55368).

111. *Id.* at 00:55.

more expansive.<sup>112</sup> Nonetheless, the panel's questioning attitude is indicative of what is to come down the line.<sup>113</sup>

In 2010, Costco's petition for certiorari to the Supreme Court was granted, and the Court affirmed on a 4-4 split.<sup>114</sup> Still in her first months on the bench, Justice Kagan did not take part in the decision.<sup>115</sup> She recused herself after filing an amicus brief in support of Omega during her pre-Justice time as Solicitor General.<sup>116</sup> As with *Omega*, the skeptical oral argument foretold what the Court would do when this issue returned with a full set of justices.<sup>117</sup>

JUSTICE BREYER [author of *Kirtsaeng*]: The other side, if you go to—you go to—go to Home Depot and buy a desk, and how do you know—are you worried that maybe on this desk it says there was a restriction somewhere, you could only use it for homes and not for offices? Does that kind of thing worry you?

MR. PANNER [attorney for Omega]: No, Your Honor, it doesn't.

JUSTICE BREYER: And the reason it doesn't is because there is a first sale doctrine. Now, aren't you importing those very things that don't worry

112. *Id.* at 4:15.

[Ninth Circuit] JUDGE: . . . Justice Ginsburg in her concurrence indicated, I'm quoting here, "We do not today resolve cases in which the allegedly infringing imports were manufactured abroad," right? So to the degree of that goods are manufactured abroad, they are not covered by *Quality King*.

JUDGE: In her opinion.

JUDGE: Yeah, in her opinion, yeah, right, exactly —

JUDGE: Well —

JUDGE:—she might have blinders on, I don't know.

[Omega counsel] MR. LEVY: I don't—I don't think anyone would venture to make the statement that she had blinders on.

JUDGE: You should have been here for the last case.

MR. LEVY: I was and I'm not—and I'm not gonna touch that one, but I—I think that she was very clear. She—what she was saying is she used the term recognizes, she—she says I concur, recognizing that the court's opinion did not cover this area and only covered the roundtrip situation, and the roundtrip situation is the unique circumstance of *Quality King*, not ours—but it's not our case.

*Id.*

113. See *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 528 (2013).

114. *Costco Wholesale Corp. v. Omega, S.A.*, 562 U.S. 40, 40 (2010) (per curiam) ("The judgment is affirmed by an equally divided Court.").

115. *Id.* ("Justice KAGAN took no part in the consideration or decision of this case.").

116. Brief for the United States as Amicus Curiae Supporting Respondent, *Costco Wholesale Corp. v. Omega, S.A.*, 562 U.S. 40 (2000) (No. 08-1423), 2010 WL 979062, at \*5 ("As petitioner acknowledges . . . , there is no split of authority regarding the application of 17 U.S.C. 109(a) to copies made outside this country by or with the authorization of the United States copyright owner.").

117. Oral Argument, *Costco Wholesale Corp. v. Omega, S.A.*, 562 U.S. 40 (2010) (No. 08-1423), 2010 WL 4412556, at \*37–38.

CHIEF JUSTICE ROBERTS: You may answer, counsel.

MR. PANNER: Thank you, Mr. Chief Justice.

I don't think so. And the reason why is because, first of all this doctrine has existed for nearly 30 years. It's hornbook law that—that the first sale doctrine does not provide a defense in circumstances where a—a—a copyrighted article is manufactured or reproduced abroad. That has been well —

CHIEF JUSTICE ROBERTS: That was first. Do you have a second quickly?

MR. PANNER: Thank you, Your Honor.

And I forgotten what it was.

(Laughter.)

CHIEF JUSTICE ROBERTS: Thank you, Mr. Panner.

MR. PANNER: Thank you.

*Id.*

us about Home Depot into the entire world of books, everything you are talking about?<sup>118</sup>

*E. Expanding First Sale: Kirtsaeng v. John Wiley*

In 2013, the Supreme Court decided *Kirtsaeng v. John Wiley & Sons, Inc.*, a case that challenged how importation interacts with foundational first sale doctrine presented in § 109(a).<sup>119</sup>

Supap Kirtsaeng, a Thai grad student studying in the U.S., imported used English-language textbooks and sold them domestically.<sup>120</sup> Kirtsaeng sold these used copies at significantly reduced prices because of the lower original selling price for international editions.<sup>121</sup> The question before the Court was whether the first sale doctrine extended to copies of books that had been both manufactured lawfully, via licenses by textbook publisher John Wiley & Sons, and originally sold abroad.<sup>122</sup> Because of the licensing, there was a cognizable argument that the books were “lawfully made” in the same way as the shampoo labels in *Quality King* and the watch logo in *Omega*, which were both authorized, nonpirated copies.<sup>123</sup> In its decision, the Second Circuit adopted a purely geographical distinction: first sale does not apply to books manufactured outside the United States, even if they are authorized copies.<sup>124</sup> The Supreme Court felt that drawing such borders was not as prudent.<sup>125</sup> In searching for the extent to which copyright’s reach extended out into the world, the Court asked the basic question, “Where, precisely, is the Copyright Act ‘applicable’?”<sup>126</sup> The Court analogized to pirated goods.<sup>127</sup> A copyright holder cannot usually bring a suit in the U.S. for the manufacture of unauthorized copies made abroad; yet, once these kinds of unlawful goods are imported, the owner could prevent the distribution of these copies.<sup>128</sup> Justice Breyer, author for the majority, wrote, “The Act does not instantly *protect* an American copyright holder from unauthorized piracy taking place abroad. But that fact does not mean the Act is *inapplicable* to copies made abroad.”<sup>129</sup> It

118. *Id.*

119. 17 U.S.C. § 109(a) (2018) (“[T]he owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy.”); 568 U.S. 519, 519 (2013).

120. *Kirtsaeng*, 568 U.S. at 527.

121. *Id.*; see *supra* note 24 and accompanying text.

122. *Kirtsaeng*, 568 U.S. at 527–28.

123. *Id.*; see also *Quality King Distributs., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 138 (1998); *Omega S.A. v. Costco Wholesale Corp.*, 541 F.3d 982, 984 (9th Cir. 2008).

124. *John Wiley & Sons, Inc. v. Kirtsaeng*, 654 F.3d 210, 222 (2d Cir. 2011), *rev’d and remanded*, 568 U.S. 519 (2013) (“Applying these principles to the facts of this case, we conclude that the District Court correctly decided that Kirtsaeng could not avail himself of the first sale doctrine codified by § 109(a) since all the books in question were manufactured outside of the United States.”).

125. *Kirtsaeng*, 568 U.S. at 532.

126. *Id.* at 531.

127. *Id.* at 532.

128. *Id.* 532–33.

129. *Id.* at 531.

soundly concludes, “[T]he American Copyright Act is *applicable* to *all* pirated copies, including those printed overseas.”<sup>130</sup>

The Court’s drawing of a line—or rather removing a geographic line altogether—meant that internationally-produced, authorized copies would be “lawfully made” according to the first sale provision of the Copyright Act.<sup>131</sup> These copies could be bought and sold at will and made their way into the American market.<sup>132</sup> Again, this is because the conceptual reach of U.S. copyright law does not have borders; “[t]hus, ordinary English permits us to say that the Act ‘applies’ to an Irish manuscript lying in its author’s Dublin desk drawer as well as to an original recording of a ballet performance first made in Japan and now on display in a Kyoto art gallery.”<sup>133</sup> By giving Copyright’s applicability and the phrase “lawfully made under this title” nongeographical interpretations, the Court held that first sale trumped infringing importation, effectively endorsing across-the-globe book arbitrage and dramatically limiting § 602(a)(1)’s reach in the process.<sup>134</sup>

Justice Kagan, in her concurring opinion joined by Justice Alito, was more suspicious whether this was the correct holding.<sup>135</sup> Though she wrote, “Neither the text nor the history of 17 U.S.C. § 109(a) supports removing first-sale protection from every copy of a protected work manufactured abroad,”<sup>136</sup> she was conscious of Congress’s intent in passing § 602(a)(1) to allow copyright holders to segment international markets in exactly the way that John Wiley & Sons was doing.<sup>137</sup> In arguing for a restoration of the importation restriction, “John Wiley may have a point about what § 602(a)(1) was designed to do.”<sup>138</sup> She faults *Quality King*’s original restrictions of the statute as being the original culprit.<sup>139</sup> Yet, despite Wiley and the dissent giving her “pause about *Quality King*’s holding that the first-sale doctrine limits the importation ban’s scope,”<sup>140</sup> she ultimately felt copyright law creating an incentive for book publishers to publish abroad and seek the protections of § 602(a)(1) failed to comport with Congress’s intent.<sup>141</sup>

Indeed, allowing the copyright owner to restrict imports irrespective of the first sale doctrine—*i.e.*, reversing *Quality King*—would yield a far more

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130. *Id.* at 532.

131. *Id.* at 554 (“For these reasons we conclude that the considerations supporting *Kirtsaeng*’s nongeographical interpretation of the words ‘lawfully made under this title’ are the more persuasive.”).

132. *Id.* at 549.

133. *Id.* at 532.

134. *Id.* at 525 (“We hold that the ‘first sale’ doctrine applies to copies of a copyrighted work lawfully made abroad.”); *see also* 2 PAT. L. FUNDAMENTALS § 6:143 (John Gladstone Mills III et al. eds., 2d ed. 2019).

135. *Kirtsaeng*, 568 U.S. at 554 (Kagan, J., concurring); *see also* Mary LaFrance, *A Material World: Using Trademark Law to Override Copyright’s First Sale Rule for Imported Copies*, 21 MICH. TELECOMM. TECH. L. REV. 43, 48 n.24 (2014) (“In her *Kirtsaeng* concurrence, Justice Kagan expressed doubt as to the correctness of this holding.”).

136. *Kirtsaeng*, 568 U.S. at 554 (Kagan, J., concurring).

137. *Id.* at 556.

138. *Id.*

139. *Id.* at 554–55.

140. *Id.* (citing *Quality King Distribs., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 151–152 (1998)).

141. *Id.* at 556 n.2.

sensible scheme of market segmentation than would adopting John Wiley's argument here. That is because only the former approach turns on the *intended market* for copies; the latter rests instead on their *place of manufacture*. To see the difference, imagine that John Wiley prints all its textbooks in New York, but wants to distribute certain versions only in Thailand. Without *Quality King*, John Wiley could do so—*i.e.*, produce books in New York, ship them to Thailand, and prevent anyone from importing them back into the United States. But with *Quality King*, that course is not open to John Wiley even under its reading of § 109(a): To prevent someone like Kirtsaeng from reimporting the books—and so to segment the Thai market—John Wiley would have to move its printing facilities abroad. I can see no reason why Congress would have conditioned a copyright owner's power to divide markets on outsourcing its manufacturing to a foreign country.<sup>142</sup>

Justice Ginsburg was joined by Justices Kennedy and Scalia in her dissent.<sup>143</sup> She cited her own limiting concurrence in *Quality King*<sup>144</sup> and would continue to draw § 109's line at goods manufactured in the U.S.: "In the words the Court used in *Quality King*, these copies 'were 'lawfully made' not under the United States Copyright Act, but instead, under the law of some other country.' Section 109(a) therefore does not apply, and Kirtsaeng's unauthorized importation constitutes copyright infringement under § 602(a)(1)."<sup>145</sup>

#### F. *The Industry's Reaction to Kirtsaeng*

*Kirtsaeng* did not signal the sky falling for publishers, but it did foretell a reimagining of how to handle international markets and the—now very legal—gray market. Cornell Law's James Grimmelmann wrote in the aftermath:

If Kirtsaeng can import international editions, so can Amazon, or anyone. The price differential between the two will collapse. Publishers will be reluctant to create inexpensive editions for those in less affluent countries who can't afford the eye-watering prices (some) Americans can. That's bad for readers around the world, and could make it infeasible to publish some books at all.<sup>146</sup>

In an interview with *Publisher's Weekly*, copyright attorney Glenn Pudelka noted, "The concept of reselling foreign records or books has been around for decades . . . , [b]ut the Internet—eBay in the case of *Kirtsaeng*—has now made

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142. *Id.*

143. *Id.* at 557 (Ginsburg, J., dissenting).

144. *Id.* at 561 (citing *Quality King*, 523 U.S. at 154 (Ginsburg, J., concurring)) ("602(a) claims only [valid] insofar as the claims involve *domestically made copies* of U.S.-copyrighted works. Because we also conclude that the exception to that rule does not apply, § 109(a) provides no defense in this case.")

145. *Id.* at 560–61 (citations omitted) (quoting *Quality King*, 523 U.S. at 147).

146. James Grimmelmann, *Grimmelmann: Issues in Kirtsaeng 'Significant'*, PUBLISHERS WKLY. (Mar. 20, 2013), <https://www.publishersweekly.com/pw/by-topic/digital/copyright/article/56444-grimmelmann-issues-in-kirtsaeng-too-significant-to-end-with-supreme-court.html>.

this a major issue for publishers.”<sup>147</sup> A body of previous scholarship, however, argues the existing copyright goes too far and effectively pushes back against these reactions.<sup>148</sup>

Some commentators question whether *Kirtsaeng*'s expansion of fair use will indeed result in the kind of flood of foreign copies estimated by the industry.<sup>149</sup> Instead, they suggest that business concerns will outweigh the desire to go against the wishes of the publishers:

[I]n the wake of the U.S. Supreme Court's decision in *Kirtsaeng*, the domestic resale of foreign editions of U.S. publishers' textbooks may be limited by the reluctance of U.S. online retailers (*i.e.*, Amazon.com, [the now-defunct eBay subsidiary] Half.com) to upset their relationships with the handful of U.S. publishers that dominate the textbook market.<sup>150</sup>

It is unclear what publishers and copyright holders should do in response to this holding, and there has not been a wealth of research in the years after *Kirtsaeng* to confirm the publishers' worst fears.<sup>151</sup> In these scenarios how should book publishers be expected to monitor the—now lawful—sale of international versions of their books? Or, whether there will be increased contractual provisions with online retailers in order to limit third party sales back into the U.S.? As discussed *supra*, modern-day Amazon third-party sellers approximates the wild west.<sup>152</sup>

#### G. *The Piracy Protection: § 602(a)(2)*

*Kirtsaeng*'s upholding the principles of first sale does not fully nullify § 602's importation restrictions. As the *Kirtsaeng* Court itself noted, § 602(a)(2) includes a ban of pirated copies abroad:

(2) Importation or exportation of infringing items.—

Importation into the United States or exportation from the United States, without the authority of the owner of copyright under this title, of copies or phonorecords, the making of which either constituted an infringement of copyright, *or which would have constituted an infringement of copyright if this title had been applicable*, is an infringement of the exclusive right to distribute copies or phonorecords under section 106, actionable under sections 501 and 506.<sup>153</sup>

147. Andrew Albanese, *What Does Kirtsaeng v. Wiley Mean For the Industry?*, PUBLISHERS WKLY. (Mar. 23, 2013), <https://www.publishersweekly.com/pw/by-topic/industry-news/publisher-news/article/56491-a-text-book-case.html>.

148. See, e.g., Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 283–84 (1970) (“We shall conclude that the case for copyright in the book trade is not a strong one generally and is even weaker for some parts of that trade.”).

149. 2 JOHN GLADSTONE MILLS III ET AL., PATENT LAW FUNDAMENTALS § 6:143 (2d ed. 2019).

150. *Id.*

151. See, e.g., S. Zubin Gautam, *The Murky Waters of First Sale: Price Discrimination and Downstream Control in the Wake of Kirtsaeng v. John Wiley & Sons, Inc.*, 29 BERKELEY TECH. L.J. 717 (2014) (writing soon after the decision); LaFrance, *supra* note 135 (same).

152. See *supra* notes 29–48 and accompanying text.

153. 17 U.S.C. § 602(a)(2) (2018) (emphasis added).

The Court stated, “Indeed, the Act itself makes clear that . . . foreign-printed *pirated* copies are ‘subject to’ the Act.”<sup>154</sup> One cannot make an illegal page-for-page reproduction of John Grisham’s latest thriller right when it is published and invoke first sale principles after.<sup>155</sup> The importation of such a reproduction would be squarely within the bounds of the Copyright Act.

But returning to *Old Man*, it is unclear if this subsection against piracy would extend to those works that have entered the public domain abroad. Would a Canadian printing of *The Old Man and the Sea* be lawfully made and available to importation under First Sale doctrine as explained in *Kirtsaeng* because the copy is lawful under Canadian law? Or would it be considered a pirated copy outside of First Sale and then susceptible to § 602(a)(2)? Both an interpretation of the statutory language as well as copyright’s choice of law principles suggest that a Canadian printing of Hemingway’s work would be piratical.<sup>156</sup>

### III. ANALYSIS

Options on whether to choose Canadian or American law and answers to the questions above come in two forms that this Part will address in turn.<sup>157</sup> Section A will present the statutory interpretation and analysis of *Kirtsaeng* conducted in a recent case in the Southern District of Texas.<sup>158</sup> Chief Judge Lee H. Rosenthal was forced to interpret the Court’s holdings on § 602 & § 109 in a 2017 decision on remand from the Fifth Circuit that bears resemblance to this Note’s *Old Man and the Sea* hypothetical.<sup>159</sup> Chief Judge Rosenthal’s examination will then be expanded in Section B by detailing four of copyright’s existing choice of law (term selection) principles that can contribute to a discussion of how the importation laws should take effect in practice.<sup>160</sup> This Section on choice of law will first explain the Court’s interpretation of copyright’s extraterritoriality as modified in *Kirtsaeng*.<sup>161</sup> Second, it will speak to American Law’s dismissal of the “Rule of the Shorter Term.”<sup>162</sup> Third, it will describe “National Treatment”: the standard used in the United States.<sup>163</sup> And finally, it will describe conventional interpretations of choice of law principles in copyright law settings.<sup>164</sup>

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154. *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 532 (2013) (emphasis added); see 17 U.S.C. § 602(a)(2) (2018) (emphasis added) (“Importation into the United States or exportation from the United States, without the authority of the owner of copyright under this title, of copies or phonorecords, the making of which either constituted an infringement of copyright, or which would have constituted an infringement of copyright if this title had been applicable, is an infringement . . .”).

155. See 17 U.S.C. § 602(a)(2) (2018).

156. See *infra* Part III.

157. See *infra* Sections III.A, III.B.

158. See *infra* Section III.A.

159. See generally *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593 (S.D. Tex. Nov. 21, 2017).

160. See *infra* Section III.B.

161. See *infra* Section III.B.1.

162. See *infra* Section III.B.2.

163. See *infra* Section III.B.3.

164. See *infra* Section III.B.4.

A. *Geophysical: Interpreting the Statute & Kirtsaeng*

Projecting *Kirtsaeng* into the future has proven to be a monumental task given the oddity of the Court's holding and its imagining of what "lawfully made under this title" really means.<sup>165</sup> The first time a federal court had a triable question post-*Kirtsaeng* that allowed it to consider if a copy was made "lawfully under this title" in a § 602(a)(2) context came in 2017.<sup>166</sup> A district court had to wrestle with what country's law applied when copyrighted geological surveys were imported—American or Canadian.<sup>167</sup>

Geophysical Services Incorporated ("Geophysical") is a Calgary-based corporation that specializes in gathering "marine seismic data, gravity and magnetic data offshore Canada and around the world."<sup>168</sup> Energy companies license this data from Geophysical for oil and gas exploration.<sup>169</sup> In Canada, a permit is required for conducting this kind of exploration.<sup>170</sup> And as a condition of the permit process, the data gatherers must hand over collected seismic data to a petroleum board, an agent of the Canadian government.<sup>171</sup> Although this data is initially kept confidential, the board releases the information after ten years upon request, and it regularly does so when oil and gas operators and surveyors ask for the seismic survey information.<sup>172</sup> In 1982, Geophysical conducted surveys of Canadian waters, and in the following year, it submitted that data to the board.<sup>173</sup>

In 1999, well after the ten years had passed, TGS-NOPEC Geophysical Services requested and received the seismic data that Geophysical had collected.<sup>174</sup> TGS is a company with main offices in Houston.<sup>175</sup> Armed with Geophysical's

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165. See, e.g., *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 795–96 (5th Cir. 2017) ("But applying United States law seems to foul the principle that the Copyright Act has no extraterritorial application, and creates some conceptual awkwardness where, like here, the foreign-made copies were made pursuant to some legal regime that finds no analog in United States law.").

166. See generally *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593 (S.D. Tex. Nov. 21, 2017).

167. See generally *id.*

168. GEOPHYSICAL SERVS. INC., <http://www.geophysicalservice.com> (last visited Mar. 22, 2020) ("GSI is the largest owner of marine seismic data in Canada.").

169. *Geophysical*, 2017 WL 5598593, at \*1.

170. *Id.* ("Canadian laws regulating offshore petroleum exploration and extraction require seismic services companies like Geophysical to get a permit before conducting seismic surveys in Canadian waters.").

171. Canada–Nova Scotia Offshore Petroleum Resources Accord Implementation Act, S.C.1988, c. 28; Canada–Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act, R.S.N.L.1990 c. C-2.

172. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2015 WL 6869733, at \*2 (S.D. Tex. Nov. 9, 2015), *aff'd in part, rev'd in part and remanded sub nom.* *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785 (5th Cir. 2017). Note that the Canada–Newfoundland Offshore Petroleum Resources Accord Implementation Act, actually specifies a period of five years, but the Board in practice observes a ten-year period. *Id.*

173. *Id.* at \*1.

174. *Id.*

175. *Id.*

data, TGS went to same sites surveyed as its competitor and took its own readings.<sup>176</sup> It then created its own seismic lines that it licensed to customers.<sup>177</sup>

Geophysical discovered what TGS had done in 2013 and sued shortly thereafter, asserting a copyright interest in the data gathered in 1982.<sup>178</sup> It asserted this copyright under American law.<sup>179</sup> The district court had decided the case on grounds other than the importation question and decided not to address the issue at all.<sup>180</sup> The case made its way up to the Fifth Circuit, where the panel focused on the unaddressed issue, and tried to decide whether satisfying Canadian copyright law was sufficient to make the copies “lawfully made” under American law:<sup>181</sup>

The doctrine of “first sale” is somewhat of a misnomer. The limitation embodied in § 109 does not depend on whether the copyright owner’s initial disposition was by sale; the only prerequisite is that the copy or phonorecord in question be “lawfully made.” Accordingly, nations elsewhere in the world with similar copyright regimes refer to the principle as the “exhaustion doctrine,” reflecting the notion that the copyright owner “exhausts” his distribution right in a copy or phonorecord upon first transfer of that copy or phonorecord.<sup>182</sup>

Geophysical was trying to claim these copies would not be viable under American law, which should render the “exhaustion” question as moot.<sup>183</sup> TGS was advocating for showing that these copies were legal under Canadian law because the statutes authorize the Canadian Petroleum Board’s release of such data.<sup>184</sup> Thus, a classic post-*Kirtsaeng* problem arose.<sup>185</sup> Which law to use? And should American law extend into Canada? The panel mused:

Applying foreign law seems to contradict the plain language of § 109, which asks whether copies were “lawfully made under *this* title,” presumably referring to the title in which it appears, the Copyright Act. But applying United States law seems to foul the principle that the Copyright Act has no extraterritorial application, and creates some conceptual awkwardness

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176. *Id.*

177. Complaint at 3, 10–11, *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2015 WL 6869733, at \*2 (S.D. Tex. Nov. 9, 2015) (No. 4:14CV01368), 2014 WL 2195337 (“TGSN was at all material times a business competitor of GSI.”).

178. *Id.* at 11.

179. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*1 (S.D. Tex. Nov. 21, 2017).

180. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2015 WL 6869733, at \*9 (S.D. Tex. Nov. 9, 2015), *aff’d in part, rev’d in part and remanded sub nom.* *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785 (5th Cir. 2017).

181. *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 795–96 (5th Cir. 2017).

182. *Id.* at 794 n.29 (citing *UMG Recordings, Inc. v. Augusto*, 628 F.3d 1175, 1179 (9th Cir. 2011) (“Notwithstanding its distinctive name, the [first sale] doctrine applies not only when a copy is first sold, but when a copy is given away or title is otherwise transferred without the accouterments of a sale.”)) (citing 4 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 13:15 (2019)).

183. *Id.* at 795.

184. *Id.*

185. *Id.* (“The facts of the instant case supply a good example of the puzzle: as in *Kirtsaeng I*, the copies imported into the United States here were manufactured abroad, but unlike in *Kirtsaeng I*, the parties dispute whether those copies were lawfully made.”); *see supra* Section II.E.

where, like here, the foreign-made copies were made pursuant to some legal regime that finds no analog in United States law.<sup>186</sup>

It ultimately decided to pass on the issue, writing, “We decline to resolve this issue here, as the district court did not reach it.”<sup>187</sup> The court sent the case back down to the district court with the lofty task of having to decide “whose law governs the determination whether the copies imported by TGS were ‘lawfully made’ under § 109.”<sup>188</sup>

The case was in the hands of the Southern District’s Chief Judge, Lee H. Rosenthal.<sup>189</sup> On remand, Chief Judge Rosenthal deciphered the web of law and the tea leaves left behind by the majority and Justice Kagan in *Kirtsaeng* through pure statutory interpretation.<sup>190</sup> She quoted one of her Southern District peers, who squarely pronounced, “As with all issues of statutory interpretation, the appropriate place to begin is with the text itself.”<sup>191</sup> As confounding as § 109’s first sale’s “lawfully made under this title” is in a choice of law context, Chief Judge Rosenthal deployed a hypothetical quite similar to the *Old Man* hypothetical of this Note.<sup>192</sup>

She explored what might occur when comparing 17 U.S.C. § 302(a)—the term of protection statute stating that post-1978-made works get life of the author plus seventy years—to a “foreign equivalent” that merely granted life plus sixty-eight.<sup>193</sup> She explained, “Both the foreign law and § 302(a) define the period before a work enters the public domain. But the foreign law . . . is two years shorter than under the United States law. They are inconsistent to this extent.”<sup>194</sup> The court explained that under one interpretation, a foreign copy made sixty-nine years after the death of the author would be lawful.<sup>195</sup> This would be inconsistent with *Kirtsaeng*’s language though.<sup>196</sup>

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186. *Geophysical*, 850 F.3d at 795–96.

187. *Id.* at 796.

188. *Id.* at 798, 800.

189. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*1 (S.D. Tex. Nov. 21, 2017). In the words of her bio from ALI (where she was elected as the 2nd Vice President):

In addition to serving as a district court judge for over 22 years, Judge Rosenthal has been invited to sit by designation with courts of appeals around the country, including the Second, Third, Fifth, Sixth, Ninth, and Eleventh Circuits. Chief Justice Rehnquist appointed Judge Rosenthal as a member of the Judicial Conference Advisory Committee on Civil Rules in 1996. She served as chair of the Class Actions subcommittee during the development of the 2003 amendments to Rule 23. Chief Justice Rehnquist appointed Judge Rosenthal chair of the Civil Rules Committee in 2003. In 2007, Chief Justice Roberts appointed Judge Rosenthal to chair the Judicial Conference Committee on the Rules of Practice and Procedure, which coordinates and oversees the work of the Advisory Committees for the Civil, Criminal, Evidence, Appellate, and Bankruptcy Rules.

*The Hon. Lee H. Rosenthal*, AM. LEGAL INSTITUTE, <https://www.ali.org/members/member/100805/> (last visited Mar. 22, 2020).

190. *Geophysical*, 2017 WL 5598593, at \*8.

191. *Legacy Cmty. Health Servs., Inc. v. Janek*, 184 F. Supp. 3d 407, 423 (S.D. Tex. 2016) (citing *Hamilton v. United Healthcare of Louisiana, Inc.*, 310 F.3d 385, 391 (5th Cir. 2002)).

192. *Geophysical*, 2017 WL 5598593, at \*8.

193. *Id.*

194. *Id.*

195. *Id.* at \*9.

196. *Id.*

Creation of a work “in compliance with” Title 17, under Title 17 itself or under an identical foreign law, is “lawfully made.” Creation of a work “in accordance with” Title 17, under a foreign law in a manner that would not violate Title 17 if Title 17 applied, is “lawfully made.”<sup>197</sup>

Using this logic, Chief Judge Rosenthal referenced the “Irish manuscript laying in its author’s Dublin desk drawer” as well as the “original recording of a ballet performance first made in Japan and now on display in a Kyoto art gallery” as mentioned in *Kirtsaeng*.<sup>198</sup> She included, “Justice Kagan’s concurrence confirms that the *Kirtsaeng* majority’s interpretation should be read as effectively applying § 109 extraterritorially” and quoted the majority’s words interpreting “§ 109’s ‘first sale’ doctrine. . . [to] apply to copyrighted works as long as their manufacture [meets] the requirements of American copyright law,”<sup>199</sup> before concluding:

On remand, the court interprets “lawfully made under this title” to mean that a copy is lawful if it was made in the United States in compliance with Title 17 or in a foreign country in a manner that would comply with Title 17 if United States copyright law applied.<sup>200</sup>

The case was ultimately (somewhat) resolved, but it was not on grounds that aid in interpreting first sale.<sup>201</sup> Chief Judge Rosenthal granted summary judgment to TGS on the grounds that Geophysical gave the Petroleum Board an implied or express license.<sup>202</sup> The court’s view was that when Geophysical handed its data over to the Board in 1983, it either explicitly or tacitly allowed importation of the data into the States.<sup>203</sup> Geophysical appealed this decision, and the case returned again to the Fifth Circuit.<sup>204</sup> The case was briefed with a focus on the express or implied license issue.<sup>205</sup> And Geophysical—though *appealing*—aligned with Judge Rosenthal’s vision of the bounds of the first sale provision.<sup>206</sup> Accordingly, their brief did not address the *Kirtsaeng* interpretation

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197. *Id.*

198. *Id.* (quoting *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 532 (2013)).

199. *Id.* (quoting *Kirtsaeng*, 568 U.S. at 530–31).

200. *Id.* at \*10.

201. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2018 WL 3032575, at \*14 (S.D. Tex. June 19, 2018).

TGS’s summary judgment motion is granted . . . on the basis of an implied license and, as an alternative, an express license. Because TGS has shown that Geophysical granted the Board a license to copy, distribute, and export the seismic data it submitted to the Board, Geophysical’s sole remaining direct-infringement-by-unlawful-importation claim fails. Final judgment is entered separately.

*Id.*

202. *Id.*

203. *Id.* at \*10, \*12 (“The undisputed facts are that Geophysical granted the Administration an express license, defeating Geophysical’s sole remaining direct-infringement-by-unlawful-importation claim. . . . Even if Geophysical did not grant the Board an express license, the undisputed evidence shows that Geophysical knew or should have known that it granted an implied license to copy and export Geophysical’s submitted seismic data.”).

204. *See* Appeal Filed, *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, No. 18-20493 (5th Cir. July 25, 2018).

205. Brief of Appellant, *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, No. 18-20493 (5th Cir. July 25, 2018).

206. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*6 (S.D. Tex. Nov. 21, 2017) (“Geophysical’s argument is based on interpreting “under this title” to

issue.<sup>207</sup> TGS aspired to revive the issue,<sup>208</sup> and Geophysical's oral argument statement addresses this possibility:

When the Court remanded Geophysical's copyright-importation claim, it noted that the question of which law applied to determine if imported works had been "lawfully made" was a "puzzle" that presented "conceptual awkwardness." The district court correctly held that United States copyright principles, not foreign law, controlled whether a copy was "lawfully made." Although TGS's motion for summary judgment accepted that holding as given, the district court based its implied-license reasoning on the view of an expert about the "purpose" of Canadian energy policies during the relevant period rather than the purposes of Title 17. Oral argument may assist the Court in untangling the "puzzle" created by this "conceptual awkwardness."<sup>209</sup>

In its March 2017 decision, the Fifth Circuit dodged the "lawfully under" problem and only mentioned the "conceptual awkwardness" created by *Kirtsaeng* before sending the issue back down to Chief Judge Rosenthal to deal with.<sup>210</sup> In September 2019, it dodged again:

Geophysical appeals both of the district court's holdings, and TGS argues the panel can alternatively affirm the district court under copyright law's first-sale doctrine. Because we agree with the district court that Geophysical granted the Board an implied license, *we do not reach the express-license or first-sale arguments.*<sup>211</sup>

By not "reach[ing] the . . . first-sale arguments," the court skipped out on clarifying the law in this area.<sup>212</sup> Yet, there is one line that gives Chief Judge Rosenthal's statutory interpretation a leg to stand on:

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mean "under the Copyright Act," making that Act the "standard of lawfulness" regardless of where the work or copy was made.") (citing *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 528–29) (quotation and alteration omitted)). Under Geophysical's interpretation:

[A] copy made anywhere in the world in a way that does not comply with U.S. law is not 'lawfully made' for purposes of the first sale doctrine. Where foreign law and U.S. law differ, to decide whether a copy was 'lawfully made,' a 'minute comparison must be undertaken to answer the question whether the conduct validated abroad would be lawful, assuming that Title 17 applied to that territory.' . . . Under this interpretation, the court determines whether making the copy of the seismic data in Canada satisfied Title 17, assuming that it applied.

Response in Opposition to Motion to Dismiss on TGS's Renewed Rule 12(B)(6), *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*6–7 (S.D. Tex. Nov. 21, 2017).

207. See generally Brief of Appellant, *supra* note 205.

208. Especially since Chief Judge Rosenthal disagreed with their § 109 interpretation:

Under TGS's reading, creating a work or copy in compliance with a foreign copyright law that is "similar" to the United States Copyright Act makes the work or copy "lawfully made." TGS's interpretation assumes that "this title" in § 109(a) refers to Title 17, but that *Kirtsaeng's* gloss on the statutory language expands "this title" to foreign copyright laws in certain circumstances.

*Geophysical*, 2017 WL 5598593, at \*8.

209. Appellant Brief at iv, *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, No. 18-20493 (5th Cir. July 25, 2019) (citations omitted).

210. *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 796 (5th Cir. 2017).

211. *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, No. 18-20493, 2019 WL 4410259, at \*2 (5th Cir. Sept. 13, 2019) (emphasis added).

212. *Id.*

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*Even though the copies were made in Canada, the lawfulness of importing them into the United States is a question of U.S. law. . . .* Thus, the relevant question for this Court is whether, under U.S. copyright law, Geophysical granted the Board a license to make and distribute copies of the GSI Works.<sup>213</sup>

In this short, unpublished opinion, the panel’s announcing that the importation issue “is a question of U.S. law”—despite Canadian creation—is little more than a supportive scrap of law, but it’s all that exists in untangling the statutory provisions.<sup>214</sup>

Barring *certiorari*, this short snippet from the Fifth Circuit and Chief Judge Rosenthal’s opinion is all we have to solve first sale’s “conceptual awkwardness.”<sup>215</sup> In summary, each of the courts that have reviewed the choice of law importation issue post-*Kirtsaeng* have either hinted at or explicitly announced that American copyright law controls, even if a copy is made abroad in a country in which it is in the public domain.<sup>216</sup>

### B. Existing Choice of Law

Chief Judge Rosenthal grounded her analysis on whether American or Canadian law should have applied in a § 602(a)(2) context by making logical sense of the statutory language and the directives the Court provided in *Kirtsaeng*.<sup>217</sup> There are, however, other principles of American copyright that aid in understanding where the law on this issue of foreign-manufactured, but domestically protected works should land.<sup>218</sup> And choice of law questions come up in copyright settings with some regularity.<sup>219</sup> Nimmer, the influential copyright treatise, espouses optimistically, “Conflicts of law problems, which have often plagued other areas of the law, traditionally rarely proved troublesome in the law of copyright.”<sup>220</sup> This might be because a series of existing frameworks around choice of law for copyright questions already exists.<sup>221</sup> This Section will address these four options in turn before arguing in Part IV how these existing choice of law frameworks speak to how the *Old Man* hypothetical at hand should be handled.

The first doctrine to address is copyright’s existing policies around extra-territoriality and how American law extends past its borders.<sup>222</sup> Second, understanding both American law’s rejection and the basics of “the rule of the shorter term” merits discussion.<sup>223</sup> Next, the idea of national treatment—the counter to

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213. *Id.* (emphasis added).

214. *Id.*

215. *Id.*; *Geophysical*, 850 F.3d at 796; *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*10 (S.D. Tex. Nov. 21, 2017).

216. *See Geophysical*, 2019 WL 4410259, at \*2; *Geophysical*, 850 F.3d at 796; *Geophysical*, 2017 WL 5598593, at \*10.

217. *See supra* Section III.A.

218. *See infra* Sections III.B.1–4.

219. *See infra* Sections III.B.4.

220. 5 NIMMER ON COPYRIGHT § 17.05 (2018).

221. *See infra* Section III.B.

222. *See infra* Section III.B.1.

223. *See infra* Section III.B.2.

the rule of shorter term—has a keystone position in international copyright choice of law that must be addressed.<sup>224</sup> And finally, there are a few examples of courts applying highly traditional choice of law rules in copyright settings that are worth framing within the broader discussion.<sup>225</sup>

### 1. *Extraterritoriality*

The Copyright Act does not apply extraterritorially.<sup>226</sup> The Fifth Circuit’s description in *Geophysical* of the “conceptual awkwardness” of applying American law to copies made abroad likely best describes how extraterritoriality works in contemporary copyright law.<sup>227</sup> As a reminder: “But applying United States law seems to foul *the principle that the Copyright Act has no extraterritorial application*, and creates some conceptual awkwardness where, like here, the foreign-made copies were made pursuant to some legal regime that finds no analog in United States law.”<sup>228</sup> This is echoed by experts who attempt to articulate the perplexing nature of applying domestic laws globally.<sup>229</sup> Nimmer notes that the principle that “copyright laws do not have any extraterritorial operation” requires “some qualification.”<sup>230</sup> Patry’s pre-*Kirtsaeng* 1997 interpretation, as summarized by Justice Ginsburg in her concurrence in *Quality King*, was “that provisions of Title 17 do not apply extraterritorially unless expressly so stated, hence the words ‘lawfully made under this title’ in the ‘first sale’ provision, 17 U.S.C. § 109(a), must mean ‘lawfully made in the United States.’”<sup>231</sup> His analysis post-*Kirtsaeng* is understandably more nuanced.<sup>232</sup> He writes, “It is thus quite surprising that the case law interpreting the extraterritoriality of the Copyright Act is in disarray. The source of that disarray does not lie in differences of statutory interpretation—no one believes the Copyright Act is extraterritorial—but rather from *a desire to reach certain multinational conduct*.”<sup>233</sup>

It is fairly clear that the Court in *Kirtsaeng* aspires to do just that—reach “certain” multinational conduct.<sup>234</sup> For example, the majority provides hypotheticals that demonstrate how American copyright extended across the globe.<sup>235</sup> Per *Kirtsaeng*, protected works include

unpublished works “without regard to the nationality or domicile of the author,” and works “first published” in any one of the nearly 180 nations

224. See *infra* Section III.B.3.

225. See *infra* Section III.B.4.

226. See, e.g., *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 796 (5th Cir. 2017); *Update Art, Inc. v. Modiin Publ’g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988); *Robert Stigwood Grp. Ltd. v. O’Reilly*, 530 F.2d 1096, 1101 (2d Cir. 1976); *Rundquist v. Vapiano SE*, 798 F. Supp. 2d 102, 123 (D.D.C. 2011).

227. *Geophysical*, 850 F.3d at 796.

228. *Id.* (emphasis added).

229. See 5 NIMMER ON COPYRIGHT § 17.02 (2019); 7 PATRY ON COPYRIGHT § 25:86 (2019).

230. 5 NIMMER ON COPYRIGHT § 17.02 (2019).

231. *Quality King Distribs., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 154 (1998) (Ginsburg, J., concurring).

232. 7 PATRY ON COPYRIGHT § 25:86 (2019).

233. *Id.* (emphasis added).

234. See *supra* Section II.E.

235. *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 532 (2013).

that have signed a copyright treaty with the United States. . . . Thus, ordinary English permits us to say that the Act “applies” to an Irish manuscript lying in its author’s Dublin desk drawer as well as to an original recording of a ballet performance first made in Japan and now on display in a Kyoto art gallery.<sup>236</sup>

Illustrative is the Court’s previous counter to the argument in *Quality King* that caring about the location of manufacture ran counter to extraterritoriality principles.<sup>237</sup> In a note, the Court quickly dispatches this problem:

Despite L’anza’s contention to the contrary, . . . the owner of goods lawfully made under the Act is entitled to the protection of the first sale doctrine in an action in a United States court even if the first sale occurred abroad. Such protection does not require the extraterritorial application of the Act any more than § 602(a)’s “acquired abroad” language does.<sup>238</sup>

Essentially, importation functions differently than other extraterritoriality questions. The goal behind § 602(a)’s bans is not to reach out into the world and enforce U.S. law elsewhere.<sup>239</sup> Rather, the ambition is to be conscious of the source and creation of goods when they arrive on American shores.<sup>240</sup> Professor Jane Ginsburg offers some clarifying thoughts:

The Copyright Act’s section 602 importation right affords a useful parallel. Although some consider this provision to express Congress’ intent to apply U.S. law beyond our borders, I would, in fact, contend that nothing could be more hyperterritorial than the importation right. After all, this right proclaims, “I don’t care how lawfully made that copy was wherever you obtained it, nor do I address what happens to that copy so long as it stays outside the United States; but, once you bring it here, it’s our law that applies.”<sup>241</sup>

The logic is that enforcing American law on American shores is entirely counter to the problems with extraterritoriality.<sup>242</sup>

## 2. *The Rule of the Shorter Term*

Another foundational copyright choice of law principle—one that America does not follow<sup>243</sup>—is that if a work’s country of origin has a *shorter* term than another country, then the other country only needs to apply the original country’s shorter term.<sup>244</sup> This is called the rule of the shorter term:<sup>245</sup> “[w]hen a work’s copyright has expired in its country of origin, it is natural for those who wish to

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236. *Id.* (citing 17 U.S.C. § 104(a)).

237. *Quality King Distribs., Inc. v. L’anza Research Int’l, Inc.*, 523 U.S. 135, 145 n.14 (1998).

238. *Id.*

239. Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 VA. J. INT’L L. 587, 589–90 (1997).

240. *Id.*

241. *Id.* (mentioning certiorari granted in *Quality King*).

242. *Id.*

243. *See* 17 U.S.C. § 104 (2018).

244. E. Townsend Gard, *J.D. Salinger and Copyright’s Rule of the Shorter Term*, 19 VAND. J. ENT. & TECH. L. 777, 780 (2017).

245. *Id.*

make use of the work to wonder whether they may distribute it in other countries where copyright terms are longer.”<sup>246</sup>

Put another way by the rule’s leading expert, Professor Townsend Gard, “[the rule] states that a country is permitted to shorten the length of protection for foreign works if the work’s country of origin has a shorter term than the country in question.”<sup>247</sup> She explains that this exists because “[t]here is no, single, global copyright, and the country of origin copyright is only that: the term in the country of origin.”<sup>248</sup>

The rule is rarely litigated because the status of the doctrine around the rule is a mess and not well understood.<sup>249</sup> The manner, however, in which the rule most often comes up is when American-originated works have fallen into the American public domain, but not abroad.<sup>250</sup> Professor Gard illustrates this using a series of J.D. Salinger’s early short stories that have fallen into public domain in America.<sup>251</sup> This was because Salinger’s estate failed to follow specific re-registration requirements<sup>252</sup> (often referred to as the “formality provisions”<sup>253</sup> as there are a series of formal steps that must be taken in America to maintain a viable copyright<sup>254</sup>). America’s slavish devotion to formality provisions, however, is an international outlier; the work’s protection was alive abroad.<sup>255</sup> When a publisher that specializes in reprinting works in the public domain—Devault-Graves—discovered that these three Salinger works were available, it started laying the ground work for a print run.<sup>256</sup> Devault-Graves also aspired to publish the works for European markets that applied the rule of the shorter term.<sup>257</sup> This incensed the highly-litigious Salinger estate that understood their inability to block domestic printing, but did not feel that the foreign rights had lapsed as well.<sup>258</sup> Devault-Graves wanted to deal with the issue in one fell swoop, across all jurisdictions.<sup>259</sup> It sought declaratory judgment in federal court in Tennessee that the works were in the public domain because of the rule of the shorter term.<sup>260</sup> The—highly flawed—argument was that the rule is present in the Berne

246. Robert Spoo, *The Uncoordinated Public Domain*, 35 CARDOZO ARTS & ENT. L.J. 107, 119–20 (2016).

247. Gard, *supra* note 244, at 780 (citing Berne Convention for the Protection of Literary and Artistic Works, art. 7(8), July 24, 1971, (Paris Act)).

248. *Id.* at 787 n.35. When the Author spoke with Prof. Townsend Gard, she stressed this framing of copyright, even in an importation setting.

249. 7 PATRY ON COPYRIGHT § 25:71 (2019) (“Germany is an excellent example of this complexity.”).

250. See Gard, *supra* note 244, at 790–95.

251. *Id.* at 782–84.

252. *Id.*

253. See *id.* at 783.

254. *Id.*

255. *Id.*

256. *Id.*

257. *Id.*

258. Devault-Graves Agency, LLC v. Salinger, No. 2:15-CV-02178-STA, 2015 WL 6143513, at \*2 (W.D. Tenn. Oct. 19, 2015) (“Defendants, through their attorneys and agents, have contacted foreign publishers and literary agents by letter and email asserting that publication of *Three Early Stories* violates Defendants’ purported foreign copyrights in the Underlying Stories.”).

259. *Id.* at \*1.

260. *Id.* (“Plaintiff seeks a declaratory judgment that it may publish a collection of three short stories written by the late J.D. Salinger in the foreign countries that are signatories to the Berne Convention.”).

Convention, a nearly universally-adopted international treaty.<sup>261</sup> Thus, all signatories of the accord would be forced to use the rule, making Salinger's work public domain in all those countries.<sup>262</sup>

The issue never was decided by the court, which dismissed on personal jurisdiction grounds and transferred to Salinger's home state of New Hampshire.<sup>263</sup> This vision of the rule, however, and the Berne Convention's interaction does not match up to reality. The rule is indeed baked into the terms of the Berne Convention, but Article 7(8) of the Berne Convention merely states that:

In any case, the term shall be governed by the legislation of the country where protection is claimed; however, *unless the legislation of that country otherwise provides*, the term shall not exceed the term fixed in the country of origin of the work.<sup>264</sup>

Scholars interpret this provision of the accord to mean that the Convention does not *mandate* that countries apply the rule of the shorter term, but rather that they have the option.<sup>265</sup> Countries are allowed under Article 7(8) to apply their own domestic copyright terms to works that were created.<sup>266</sup> Townsend Gard believes that because so many countries have crafted their own laws or signed treaties, the rule is hardly a blanket and can only really be applied through a deeply individualized analysis.<sup>267</sup>

### 3. *National Treatment*

Canada's Copyright Act generally utilizes a model of national treatment, also sometimes referred to as formal reciprocity. National treatment involves granting the nationals of other designated countries, with which there are copyright agreements or where adequate protections are granted to one's own nationals, the same level of protection/rights as one extends to one's own nationals.<sup>268</sup>

Like many countries (including the United States) through international treaties like the Berne Convention,<sup>269</sup> Canada uses "national treatment," a doc-

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261. *See id.*

262. *Id.* at \*1 n.1.

263. *Id.* at \*1 ("For the reasons set forth below, the Court finds that it lacks personal jurisdiction over Defendant Trustees, and the motion to dismiss is GRANTED on this ground. The Court hereby TRANSFERS the case to the United States District Court for the District of New Hampshire.")

264. Berne Convention for the Protection of Literary and Artistic Works, art. 7(8), July 24, 1971, (Paris Act) (emphasis added).

265. William Patry, *Section 104 and the Praetorian Guard*, PATRY COPYRIGHT BLOG (May 4, 2007), <http://williampatry.blogspot.com/2007/05/section-104-and-praetorian-guard.html>.

266. *Id.*

267. Gard, *supra* note 244, at 795–98; *see e.g.*, United States Statutes at Large, 68 Proclamation, December 27, 1923, 43 Stat. 1932–33.

268. Sunny Handa, *A Review of Canada's International Copyright Obligations*, 42 MCGILL L.J. 961, 965 (1996–1997).

269. William Patry, *Choice of Law and International Copyright*, 48 AM. J. COMP. L. 383, 400–07 (2000); *see also* 5 NIMMER ON COPYRIGHT § 17.05 (2019).

trine that affords the same term of protection to foreigners as their own citizens.<sup>270</sup> National treatment, according to one court, “ensures that the substantive law of the country in which infringement is alleged will govern a claim, even if the law of that country differs from the law of the country in which the work was created.”<sup>271</sup> As Nimmer explains:

Thus, a German author is entitled to protection against the infringement of his work in France under the terms of French copyright law, not of German copyright law. The applicable law is the copyright law of the state in which the infringement occurred, not of the state of which the author is a national or in which the work was first published.<sup>272</sup>

As Professors Sam Ricketson and Jane Ginsburg addressed, another appeal of this relatively straightforward doctrine is that courts are able to adjudicate using the law they are most familiar with—their own.<sup>273</sup>

#### 4. *The Restatement & Originality*

Some treaties, like those that create “national treatment,” specify what choice of law is appropriate in specific situations.<sup>274</sup> Yet, as Ricketson and Ginsburg note, “the Berne Convention, the TRIPs Agreement, and the WCT [all international intellectual property treaties] primarily address *how* a work shall be protected; they offer little guidance as to *who* is protected.”<sup>275</sup> The professors add, “In general, the Berne Convention sets forth neither substantive nor choice of law rules to determine copyright ownership.”<sup>276</sup> There is a classic way of deciding what law should be applicable in copyright circumstances: to rely on traditional judicially made choice of law principles.

In 1998, the Second Circuit in *Itar-Tass Russian News Agency v. Russian Kurier, Inc.* oversaw an international copyright choice of law dispute.<sup>277</sup> The court wrestled with whether Russian reporters retained exclusive rights to their newspaper articles under a carveout in Russian copyright’s work-for-hire doctrine.<sup>278</sup> This was a departure from American law, which would have found the Russian paper held the rights.<sup>279</sup>

Citing the *Conflict of Law Restatement*’s focus on using the local law that has the “most significant relationship to the thing and the parties,” the court held

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270. *Murray v. British Broad. Corp.*, 906 F. Supp. 858, 862 (S.D.N.Y. 1995), *aff’d*, 81 F.3d 287 (2d Cir. 1996) (citing *London Film Prods. Ltd. v. Intercont’l Commc’ns, Inc.*, 580 F. Supp. 47, 50 n.6 (S.D.N.Y. 1984)).

271. *Id.*

272. 5 NIMMER ON COPYRIGHT § 17.05 (2019).

273. Sam Ricketson & Jane C. Ginsburg, INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS: THE BERNE CONVENTION AND BEYOND § 6.73 (2005).

274. *Id.* § 20.34.

275. *Id.*

276. *Id.*

277. 153 F.3d 82, 84 (2d Cir. 1998).

278. *Id.*

279. *Id.* at 92.

that Russian law was most applicable.<sup>280</sup> The panel noted, “The Restatement recognizes the applicability of this [‘most significant relationship’] principle to intangibles such as ‘a literary idea.’”<sup>281</sup> “Since the works at issue were created by Russian nationals and first published in Russia, Russian law is the appropriate source of law to determine issues of ownership of rights.”<sup>282</sup>

The following year, a Southern District of New York court, under Judge Lewis A. Kaplan, wrestled with the issue of whether the “originality” requirement for copyright should be decided under American or British law in determining whether photographs were novel enough to merit protection in *Bridgeman Art Library, Ltd. v. Corel Corp.*<sup>283</sup>

The court began by noting that “since the Copyright Act has no choice of law provision, the matter is left to federal common law.”<sup>284</sup> Citing *Itar-Tass*, it deployed a “most significant relationship” test:

At issue here are nearly 120 photographs produced either by the museums owning the original works of art or by freelance photographers employed by Bridgeman, which is based in the United Kingdom. Many of the underlying works are in Britain. Bridgeman claims to own any literary property in all the photographs although the record arguably supports the view that Bridgeman in some instances is merely an exclusive licensing and sales agent for reproductions owned by the museums that own the original works of art. In any case, however, the photographs first were published in the United Kingdom. In these circumstances, the Court concludes that the United Kingdom has the most significant relationship to the issue of copyrightability.<sup>285</sup>

The court held that under British law, the photographs lacked the requisite originality.<sup>286</sup> And after, Kaplan’s chambers were “bombarded with additional submissions,” *amicus* briefs, and even an unsolicited letter from Prof. Patry; the decision merited reconsiderations.<sup>287</sup>

In a new decision, Judge Kaplan maintained that the photos were not original, but he did an about-face on what law to apply.<sup>288</sup> Though the discussion was clouded by international treaty obligations, he was ultimately convinced by Professor Patry that “there can be no choice of law issue with respect to copyrightability because the Copyright Clause of the Constitution permits Congress to enact legislation protecting only original works of authorship.”<sup>289</sup> Only works

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280. *Id.* at 90; see also RESTATEMENT (SECOND) OF CONFLICT OF LAWS § 222 (AM. LAW INST. 1971).

281. *Itar-Tass*, 153 F.3d at 90.

282. *Id.*

283. 25 F. Supp. 2d 421, 425–26 (S.D.N.Y. 1998), *on reconsideration*, 36 F. Supp. 2d 191 (S.D.N.Y. 1999).

284. *Id.* at 425.

285. *Id.* at 426 (citing *Itar-Tass*, 153 F.3d at 90).

286. *Id.* at 427 (“Consequently, Bridgeman’s images lack sufficient originality to be copyrightable under the UK A47.47.tt/ct.”).

287. *Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F. Supp. 2d 191, 192 (S.D.N.Y. 1999).

288. *Id.* at 197 (“While it may be assumed that this required both skill and effort, there was no spark of originality—indeed, the point of the exercise was to reproduce the underlying works with absolute fidelity. Copyright is not available in these circumstances.”).

289. *Id.* at 193.

that are “original” under the U.S. Constitution can be given protection in American courts; pulling in another country’s threshold test for copyright would be against the Constitution’s Copyright Clause.<sup>290</sup> Judge Kaplan held that U.S. law *must* prevail over British due to Constitutional considerations.<sup>291</sup>

#### IV. RECOMMENDATION

Are works printed in the public domain in a foreign country able to be imported into the United States when protection is still present domestically? One way to get to that answer is to follow Chief Judge Rosenthal’s *Geophysical* analysis: straight forward statutory interpretation and reading the tea leaves of the Justices in *Kirtsaeng*.<sup>292</sup> Another is to analyze the existing choice of law rules around copyright to determine what courts should do.<sup>293</sup> This Part will evaluate the choice of law ruling and statutory interpretation presented in *Geophysical*<sup>294</sup> against these existing choice of law principles to arrive at the recommendation that *Kirtsaeng* and *Geophysical* are in harmony with other copyright law doctrine beyond looking just at the statutes.<sup>295</sup> It will also provide a solution to the question of the Canadian public domain printing. The answer is fairly squarely *no*.<sup>296</sup> In our *The Old Man and the Sea* hypothetical, American copyright law would prevail. That being true, this Part will conclude with some actionable steps those involved in the global arbitrage of books can take.<sup>297</sup>

##### A. Statutory Interpretation & Kirtsaeng

In 1997, Patry called this analysis, “so easy a child could do it.”<sup>298</sup> That is no longer the case.<sup>299</sup> Nonetheless, Chief Judge Rosenthal gets it right. She held that for a work to be “lawfully made,” it must be in accordance with American law:

On remand, the court interprets “lawfully made under this title” to mean a copy is lawful if it was made in the United States in compliance with Title

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290. *Id.* (“In consequence, [Patry] contends, only original works, with originality determined in accordance with the meaning of the Copyright Clause, are susceptible of protection in United States courts.”); *see also* U.S. CONST. art. I, § 8, cl. 8 (“The Congress shall have Power . . . 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.”); *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884) (“We entertain no doubt that the [C]onstitution is broad enough to cover an act authorizing copyright of photographs, so far as they are representatives of original intellectual conceptions of the author.”).

291. *Bridgeman*, 36 F. Supp. 2d at 192.

292. *See supra* Section III.A.

293. *See supra* Section III.B.

294. *See supra* Section III.A.

295. *See infra* Part IV.

296. *See, e.g., supra* Section III.A.

297. *See infra* Section IV.B.

298. WILLIAM F. PATRY, COPYRIGHT LAW AND PRACTICE: 1997 CUMULATIVE SUPPLEMENT 167 (1997).

299. *See supra* Part III.

17 or in a foreign country in a manner that would comply with Title 17 if United States copyright law applied.<sup>300</sup>

Her analysis does not provide many bases with which to quibble.<sup>301</sup>

In *Kirtseng*, there was no dispute as to whether the copies made abroad were “lawfully made.”<sup>302</sup> The Thai textbooks in that case were printed abroad by foreign manufacturers, but the whole process was done through the authorization of John Wiley, the publisher, for international markets.<sup>303</sup> In the hypothetical presented here, however, it is less clear that the *Old Man* copies would be made “lawfully.” Unlike *Kirtseng*, these public-domain-printed books would not be authorized copies by the original holder.<sup>304</sup> *Kirtseng*’s articulation of the need for the copies to be lawful under “this” title suggests that one would apply American copyright term, not Canadian.<sup>305</sup>

Even if *Old Man* was in the public domain in Canada, there is no way for it to be printed in compliance with American copyright law unless licensed.<sup>306</sup> In essence, a public domain copy of *Old Man* in Canada is not “lawfully made” according to the Copyright Act.<sup>307</sup> And as such is true, the first sale provision cannot be invoked upon importation because the copy would be deemed a pirated copy.<sup>308</sup>

### B. Choice of Law Principles

Yet, the question remains about whether calling this public-domain-printed copy “pirated” comports with other existing choice of law principles around copyright law: extraterritoriality, the rule of the shorter term, national treatment, and the Restatement as applied in *Itar-Tass*.<sup>309</sup>

#### 1. Extraterritoriality

The first problem is addressing this maxim of copyright “having no extraterritoriality” as a matter of law.<sup>310</sup> The Fifth Circuit referred to applying American copyright to works created in other countries as “conceptually awkward.”<sup>311</sup>

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300. *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*10 (S.D. Tex. Nov. 21, 2017).

301. *See id.*

302. *Kirtseng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 526 (2013) (“[Textbooks were] manufactured and sold with Wiley’s permission.”).

303. *Id.*

304. *See id.* at 540.

305. *See id.*

306. *See Geophysical*, 2017 WL 5598593, at \*10 (holding similarly for geological data).

307. *See* 17 U.S.C. § 109 (2018) (discussing the first sale doctrine).

308. *See id.*

309. *See supra* Section III.B.

310. *See, e.g., Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 796 (5th Cir. 2017); *Update Art, Inc. v. Modiin Publ’g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988); *Robert Stigwood Grp. Ltd. v. O’Reilly*, 530 F.2d 1096, 1101 (2d Cir. 1976); *Rundquist v. Vapiano SE*, 798 F. Supp. 2d 102, 123 (D.D.C. 2011).

311. *Geophysical*, 850 F.3d at 796.

Professor Ginsburg makes sense of this with her hypothetical statement to a copier, “I don’t care how lawfully made that copy was wherever you obtained it, nor do I address what happens to that copy so long as it stays outside the United States; but, once you bring it here, it’s our law that applies.”<sup>312</sup>

This vision of the extraterritoriality problem makes a great deal of sense as it kicks in once a work is attempting to be imported via § 602 and is “on the shores” of America.<sup>313</sup> Though applying American law to a Canadian geological data case may seem odd, it is easier to imagine that the application of American law only happens once the data has been imported into the United States. In this way, *Geophysical’s* vision of *Kirtsaeng* comports with the extraterritoriality principles and would make the *Old Man* copy unlawful.<sup>314</sup>

## 2. *The Rule of the Shorter Term Revisited*

The “rule of the shorter term” does not apply to the *Old Man* hypothetical for two reasons. First, the facts are turned around for *Old Man*. In this hypothetical, the concern is the inverse: the country of origin’s term is *longer* than the country in question. The United States covered the work for ninety-five years, and Canada covers for only life plus fifty.<sup>315</sup> Second, even if the facts did work, the U.S. flatly rejects the rule.<sup>316</sup>

All that said, the principles underneath the rule do speak to how copyright functions in American courts. The first aspect is that it illustrates that the United States is a “term maximalist” country.<sup>317</sup> Patry wrote, “it should not be overlooked that in every case where the rule of the shorter term could be applied, because it isn’t, the U.S. approach results in foreign works being granted a longer term than they get in their country of origin.”<sup>318</sup> The American way is to grant longer terms, extend others’ protections: never restrict.<sup>319</sup>

Additionally, it speaks to American law’s granting deference to the law in which the book originates. An *Old Man* copy printed in Canada would not be considered pirated in Canada, but it would once it crosses the American border.<sup>320</sup> In the inverse situation, Salinger’s stories printed in Germany might vio-

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312. Ginsburg, *supra* note 239, at 589–90.

313. *See id.*

314. *See Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, 2017 WL 5598593, at \*8 (S.D. Tex. Nov. 21, 2017).

315. *See supra* Part I.

316. *See Gard, supra* note 244, at 795 (“The United States is among those countries that does not apply RST, excluding its application in Section 104(c) of its copyright law.”) (citing 17 U.S.C. § 104(c)).

317. *See Patry, supra* note 265.

318. *Id.*

319. *See id.*

320. *See Copyright Act, R.S.C. 1985, c. C-42 (Can.)* (“The term for which copyright shall subsist shall . . . be the life of the author . . . and a period of fifty years.”).

late copyright there, but once it arrived in America, it would no longer be considered pirated.<sup>321</sup> The ideals of copyright law as being nationally created are thus bound under those.<sup>322</sup>

### 3. *National Treatment*

American adoption of the national treatment principle proves that U.S. courts are interested in applying American law in American suits.<sup>323</sup> In situations like the *Old Man* hypothetical, the courts will defer to American law.<sup>324</sup> This is partly because of preference in applying a known, common law, but also because the length of terms in this kind of scenario are not likely to be up in the United States.<sup>325</sup> And certainly, if the U.S. is willing to afford foreign authors the full length of American terms, then it would afford that same opportunity to domestic authors.<sup>326</sup>

### 4. *Restatement & Itar-Tass*

Under the Restatement's test as articulated in *Itar-Tass, The Old Man and the Sea* would fall squarely under American copyright protection—even if other mechanisms did not exist that would determine this issue.<sup>327</sup> This is because of the simplicity of the “most significant relationship” test.<sup>328</sup> This is elementary; the novel was created by an American national and first published in America.<sup>329</sup> As such, American law has the most significant relationship to the work and the parties.<sup>330</sup>

Additionally, *Bridgeman's* change of stance from an *Itar-Tass*-like choice of law decision to one more firmly rooted in a special U.S. Constitutional consideration demonstrates that even when the “most significant relationship” test is not applied, American interests win out.<sup>331</sup> If there was a conceivable way to avoid a traditional conflicts of law analysis, domestic courts would still find a way to apply U.S. copyright law.<sup>332</sup>

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321. Obviously, the Salinger estate would likely be able to go after the printer under German law for creating unauthorized copies in the first place.

322. See generally Townsend Gard, *supra* note 244.

323. See SAM RICKETSON & JANE C. GINSBURG, INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS § 6.73 (2d ed. 2005).

324. See *id.*

325. See *id.*

326. See *supra* Section III.B.3.

327. See *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 90 (2d Cir. 1998).

328. *Id.*; see also RESTATEMENT (SECOND) OF CONFLICT OF LAWS § 222 (AM. LAW. INST. 1971).

329. ERNEST HEMINGWAY, *THE OLD MAN AND THE SEA* (1952).

330. See RESTATEMENT (SECOND) OF CONFLICT OF LAWS § 222 (AM. LAW. INST. 1971).

331. See generally *Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F. Supp. 2d 191 (S.D.N.Y. 1999).

332. *Id.*

### B. *Ramifications*

These observations are not without import. Showing that public domain-printed books can be unlawful if imported has a host of ramifications on those in the global book arbitrage industry. First, Amazon and actors in the global arbitrage of books would be wise to review their practices under § 602(a)(2) and reassess the possible liability they might incur from the importation, stocking in their warehouses, and sale of works they believe to have been “lawfully made,” but in reality were not.<sup>333</sup>

Second, the publishing industry should create piracy best practices that actively monitor copies of works printed abroad that are in the public domain in the printed country.<sup>334</sup> If *Old Man* was indeed printed in Canada, Simon & Schuster should track the online market and ensure that none of those copies were sold domestically. Much could be done, including simple Digital Millennium Copyright Act takedown notices sent to big players or active impact litigation against a small wholesaler that puts the rest of the arbitrage market on notice.<sup>335</sup>

Finally, if Project Gutenberg or another public domain advocate is eager to print their own copies of works that are still under their American copyright term, they should take extreme precautions to ensure they are not importing these into the U.S. Essentially, the mantra for these organizations should be: print at your own risk.<sup>336</sup>

## V. CONCLUSION

This Note argues that works printed in the public domain abroad, but not in the U.S., cannot be imported back into the States despite *Kirtsaeng*'s approval of importation under the first sale doctrine.<sup>337</sup> In addressing these statutes on a similar issue in *Geophysical*, Chief Judge Rosenthal found the correct statutory interpretation that tracks with the Supreme Court's vision of § 602(a)(1)–(2).<sup>338</sup> She saw these importation provisions as requiring that copies made—anywhere in the world—be made in accordance with the Copyright Act.<sup>339</sup> To decide if a

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333. See 17 U.S.C. § 602(a)(2) (2018).

334. See, e.g., James S. Humphrey, *Debating the Proposed Peer-to-Peer Piracy Prevention Act: Should Copyright Owners Be Permitted to Disrupt Illegal File Trading over Peer-to-Peer Networks?*, 4 N.C. J.L. & TECH. 375 (2003).

335. See, e.g., *Validity, Construction, and Application of Digital Millennium Copyright Act*, 179 A.L.R. FED. 319 (2002).

336. *The Old Man and the Sea*, PROJECT GUTENBURG CANADA, <https://gutenberg.ca/ebooks/hemingwaye-oldmanandthesea/hemingwaye-oldmanandthesea-00-t.txt> (last visited *never* because that would be an infringing importation according to this note).

337. See *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351, 1355–56 (2013) (“We hold that the ‘first sale’ doctrine applies to copies of a copyrighted work lawfully made abroad.”).

338. See *id.* at 524–25; *Geophysical Servs., Inc. v. TGS-NOPEC Geophysical Servs.*, Civil Action No. 14-1368, 2017 WL 5598593, at \*10 (S.D. Tex. Nov. 21, 2017).

339. *Geophysical*, 2017 WL 5598593, at \*8.

copy of *Old Man and the Sea* has been “lawfully made,” courts should look toward American law, not Canadian or any other country’s statutes, to see if the copy comports with our standards.<sup>340</sup>

Despite this clearly being what the Court intended when it decided *Kirtsaeng*, it was not all that clear how this meshes with existing choice of law doctrines. The Fifth Circuit, in particular, noted the “conceptual awkwardness” present in an interpretation that uses American copyright law on copies made elsewhere in the world.<sup>341</sup> Yet, this awkwardness that the extraterritoriality problem creates is solved through an approach to the importation statute that only applies the law when the pirated copy hits the American border.<sup>342</sup> Next, the “rule of the shorter term” demonstrates two things. First, American insistence in avoiding the rule suggests that American law is geared toward “term maximalism,” which speaks to wanting to enforce U.S. copyright lengths whenever possible.<sup>343</sup> Second, the rule as a whole reiterates a focus on country of origin being the most important feature in determining the legality of a work.<sup>344</sup> The national treatment principle illustrates a plain preference for using the law local to the courts as well as term maximalism. Finally, traditional choice of law principles in copyright settings reiterate a focus on applying the law most closely associated with the work.<sup>345</sup> For works created domestically and created abroad, that choice would indisputably be American law: a choice of law that is both harmonious with the Court’s interpretation of “lawfully made” and existing doctrine.

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340. *See id.*

341. *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 796 (5th Cir. 2017).

342. *See Ginsburg, supra* note 239, at 589–90.

343. *See supra* Section IV.B.3.

344. *See supra* Section IV.B.3.

345. *See supra* Section III.B.4.

