

## Supreme Court Decision Restores Copyright to Works Previously in the Public Domain

March 15, 2012

*Legal Update*

In *Golan v. Holder* (No. 10-545, January 18, 2012), the U.S. Supreme Court upheld § 514 of the Uruguay Round Agreements Act (URAA) which restored copyright protection to certain works of foreign authors that had previously been in the public domain. Users of foreign copyrighted works first published abroad between 1923 and 1989 will need to continue to assess their liability and decide whether they need to attempt to locate the owners of the restored copyrights.

The URAA changed U.S. copyright law to make U.S. law comply with the Berne Convention. The United States first joined the Berne Convention in 1989 but initially applied the rules of the convention only to future foreign works — foreign works already in the public domain remained there. That changed in 1994 when the URAA was enacted. Section 514 of the URAA “restores” copyright protection to certain categories of foreign works resulting in the removal of potentially millions of works from the public domain.

The petitioners in *Golan* claimed that § 514 is invalid because it exceeds Congress’ authority under the Copyright Clause and because it violates the Free Speech Clause of the First Amendment. The majority opinion rejects both arguments, focusing primarily on whether the Copyright Clause gave Congress the authority to remove works from the public domain. The Court held that Congress has very broad authority to determine the legislative regime that best serves the Copyright Clause and to determine what “promotes the progress of science.” Turning to the First Amendment claim, the Court found no cause for heightened scrutiny, and that the public had no “vested right” in the works previously in the public domain.

The Court in *Golan* thus confirmed that the myriad of practical effects of the URAA will continue. Namely, those who were using or had acquired restored foreign works prior to the enactment of § 514 (“reliance parties”) can continue to use the work until they receive notice of an intent to enforce from the owner of the restored copyright through actual notice, or by the owner registering the work with the U.S. Copyright Office within two years of restoration. Following notice, the reliance party can continue to use the work for a grace period of one year. Derivative works based on a restored work and created before the enactment of the URAA can be used indefinitely upon payment of a reasonable royalty to the restored copyright holder.

In practical terms, users of works first published abroad in the sixty-six year period between 1923 and 1989 will need to determine whether the work is subject to a restored copyright and assess whether they may be able to take advantage of the “reliance party” or derivative work exceptions discussed above. Because users of foreign copyrighted works can continue to use the work until they receive notice of an intent to enforce from the owner of the restored copyright, whether users should attempt to locate the owners of the restored copyrights may depend on the likelihood the owner will indeed enforce, and if so, the cost to the user of actions they would need to take in light of the same.

Entities interested in using a work they had not used prior to 1994 (and who are therefore not reliance parties) will need to either bear the administrative cost of determining who the copyright owner is, which can be difficult in the case of “orphaned works,” choose to use the work without permission and risk liability, or choose to forgo using the

copyrighted work.

**This advisory was prepared by Nutter's Intellectual Property practice. For more information, please contact your Nutter attorney at 617-439-2000.**

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