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Created Facts and the Flawed Ontology of Copyright Law

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Justin Hughes^{*}

Abstract

*It is black letter doctrine in copyright law that facts are not copyrightable: facts are discovered, not created – so they will always lack the originality needed for copyright protection. As straightforward as this reasoning seems, it is fundamentally flawed. Using the “social facts” theory of philosopher John Searle, the paper explores a variety of “created facts” cases - - designation systems, systematic evaluations, and privately-written laws – in which original expression from private individuals is adopted by social convention and, thus, the expression generates **facts** in our social reality. In the course of this discussion, the paper places facts in their historical and philosophical context; explores how courts conflate facts with expressions of fact; and explains the difference between social facts created by expression and the “facts” of literature and fiction.*

Having established that the copyrighted works discussed in these cases produce facts, the question arises whether copyright’s merger doctrine eliminates the copyright protection – a result that is both seemingly harsh and seemingly necessary. Inspired by elements of the “essential facilities” doctrine, the paper proposes a recalibration of the merger doctrine to acknowledge that “created facts” are a unique situation in which the incentive of copyright may be needed not just to generate the expression, but also needed to generate the facts.

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INTRODUCTION

The writ of copyright reaches all *original expression*, a phrase that contains the two principal boundaries of copyright’s realm. On one side, copyright law protects only expression, never ideas -- no matter how imaginative those ideas are. On the other side, faithfully retype 19th century poems to your heart’s content, but you will not get a copyright – because the expression you have produced is not original.

It is equally black letter law that facts are outside the realm of copyright because they similarly fail the originality requirement. As the Supreme Court told us in the 1991 *Feist v. Rural Telephone* case: “facts do not owe their origin to an act of authorship”¹ and, therefore, they will always fail the minimal creativity requirement of copyright law. The unanimous *Feist* opinion says little as to the nature of facts, but it is clear that the Justices view a “fact” as something we discover, as something that might happen to us, not something that originates with us. A person might experience a fact; she does not create it.

The problem with the *Feist* analysis is that it is wrong – and that error has produced a decade of distortion in copyright doctrine. *Feist* is wrong because many facts clearly owe their origin to discrete acts of human originality. These human-created facts function in the social discourse no differently than the temperature in downtown Chicago on a particular date or the frequency with which “Old Faithful” erupts in Yellowstone Park. Indeed, the facts most unimpeachably *discovered* – ice core depths in Antarctica, planets orbiting distant stars, new species of animals – are often less important to your daily life than many facts that are human-created – such as the credit rating that Equifax gives you or the valuation your insurer gives your car after an accident.

This Article explores the strange world of “created facts,” a world in which the expressive work brings the very facts themselves into existence. There are two incompatible characteristics of these situations: first, if the copyright incentive is needed to produce the expression, copyright is also needed for the facts to exist. Second, if the expression really produces facts, then one of copyright’s core principles -- the “merger” doctrine -- is likely to denude the expression of any protection. To avoid this second outcome, the discussion below proposes that we modestly amend how the merger doctrine works.

As an initial matter, Part I places facts in their historical and epistemological context, showing how copyright law – and the legal system generally – adheres to a view of facts that is out of synch with much philosophy and social theory. But accepting “facts” as an inevitable construct of the legal system, Part II then explores how facts can arise in social life, following the work of philosopher John Searle. Parts III, IV, and V turn to the case law that has been percolating around three kinds of facts created by original expression: when private individuals create expression which becomes law; when people create evaluations, judgments, or opinions that become widely accepted as true; and simply when people name things. We will see that until quite recently courts have been unwilling to recognize that these original expressions produce “facts” because, per *Feist*, such recognition would largely destroy any copyright protection.

Different commentators have analyzed some of these cases in different ways. Lawrence Cunningham has discussed some of these cases as the integration of private expression into *public law*;² Dennis Karjala has approached some of these cases recognizing the establishment of copyright over taxonomic systems;³ Pam Samuelson has critiqued some of these cases as establishing copyright over standards;⁴ and I have separately criticized some of these cases for creating independent copyright protection over “microworks.”⁵ But the emphasis here is on the fact-creating characteristic of these expressive works. To that end, Part VI explores further how expressive works can produce

¹ 499 U.S. at 240.

² Lawrence A. Cunningham, *Private Standards in Public Law: Copyright, Lawmaking and the Case of Accounting*, 104 MICH L. REV. 291 (2005).

³ Dennis Karjala, *Distinguishing Patent and Copyright Subject Matter*, 35 CONN. L. REV. 439 (2003).

⁴ Pamela Samuelson, *Questioning Copyright In Standards*, 48 B.C. L. REV. (forthcoming 2007).

“facts” as real – much more real for most of us – than the temperatures on the Martian surface or what we know happened from the fossil record.

Having established that the copyrighted works discussed in these cases produce facts, the question arises whether copyright's merger doctrine eliminates the copyright protection – a result that is both seemingly harsh and seemingly necessary. Part VII considers fair use, implied licenses, and merger doctrines as limiting principles for copyright protection in such works. I propose a recalibration of the merger doctrine borrowing from antitrust's “essential facilities” doctrine to produce a result that makes the created facts accessible without eliminating the copyright incentive that leads to the facts' very creation.

I. *FEIST*, FACTS, AND EXPRESSIONS OF FACTS

The 1991 *Feist Publications v. Rural Telephone Service* case⁶ is now synonymous with the proposition that facts are outside the gamut of copyright protection. The defendant, Feist Publications, had sought to create a regional telephone directory for northwest Kansas. To that end, Feist had copied entries from Rural Telephone's white pages telephone without authorization —over 1,300 entries verbatim and an additional 3,600 entries in part. Rural Telephone sued for copyright infringement.

Interestingly, the word “fact” does not appear in the Court's description of the disputants' activities. The Court characterizes Rural as refusing “to license its listings”; tells us that Feist verified “the data reported by Rural”; and even describes its own action as “[w]e granted certiorari . . . to determine whether the copyright in Rural's directory protects the names, towns, and

⁵ Justin Hughes, *Size Matters (or Should) in Copyright Law*, 74 *FORDHAM L. REV.* 575 (2005) [hereinafter *Size Matters*].

telephone numbers copied by Feist.”⁷ It is only when Justice O’Connor turns to doctrine – and the very moment she turns to doctrine – that we are told that the case involves the interaction of two fundamental propositions of copyright law: “The first is that facts are not copyrightable; the other, that compilations of facts generally are.”⁸

But what are these facts? Perhaps the only important thing the Court tells us about the nature of facts is that they are discovered, not created:

facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. To borrow from *Burrow-Giles*, one who discovers a fact is not its “maker” or “originator.”⁹

Exemplary of how facts are discovered, the *Feist* Court described how “Census takers . . . do not ‘create’ the population figures that emerge from their efforts” because these facts are “figures from the world around them.”¹⁰ It follows that the one unifying characteristic of “all facts—scientific, historical, biographical, and news of the day” is that they “are not ‘original’ in the constitutional sense.”¹¹ In other words, if facts are always discovered, then they always lack originality; if they always lack originality, then they are always beyond the ambit of copyright. This unanimous decision,¹² cast at the constitutional level

⁶ 499 U.S. 340.

⁷ *Id.* at 343 – 344.

⁸ *Id.* at 345.

⁹ *Id.* at 347.

¹⁰ 499 U.S. at 347. Because “facts are never original,” *Id.* at 358, the *Feist* Court concluded that “the only conceivable expression is the manner in which the compiler has selected and arranged the facts.” *Id.* at 349.

¹¹ *Id.*

¹² See, e.g. Marci A. Hamilton, *Copyright at the Supreme Court: A Jurisprudence of Deference*, 47 J. Copy. Socy. 317, 321 (2000) (discussing the rarity of unanimous decisions in copyright).

when it could have been easily decided at the statutory level,¹³ had a powerful impact on copyright law, both here and abroad.

Philosophically, the Feistian view of facts as “out there,” waiting to be discovered (and capable of being discovered) is *realism*, a realism that is basic to our entire legal system.¹⁴ The view of facts laid out in *Feist* could be drawn right from criminal law, negligence doctrine, jury instructions, and the deference appellate courts have for triers of fact.¹⁵ Our legal system requires a notion of facts as having what W.V.O. Quine described as “unvarnished objectivity . . . a certain accessibility to observation . . . and the hint of bruteness.”¹⁶ This is precisely what Los Angeles police Sgt. Joe Friday meant on *Dragnet* whenever he implored female witnesses to provide “Just the facts, ma'am.” In just this spirit, the *Feist* court understood “wholly factual information” to be “raw data.”¹⁷

¹³ The Court could have achieved the same result at the statutory level, concluding that purely factual works are not “original works” under the statute and that protection of facts is barred by 17 U.S.C. 102(b) which provides that “[I]n no case does copyright protection for an original work of authorship extend to any . . . discovery.” 1 MELVILLE B. NIMMER AND DAVID NIMMER, NIMMER ON COPYRIGHT § 2.11 [A] at 2-157 to -158 (“The current Act has codified the rule precluding copyright in facts by providing that its protection does not extend to any ‘discovery.’”)

¹⁴ Simon Blackburn describes realism as holding the view that statements “describe the world; they answer to or represent (independent) facts of a particular kind. . . . These facts are discovered, not created, and they have their own ‘ontological’ and ‘metaphysical’ natures, about which reflection can inform us” “the facts or aspects of the world that make commitments true or false be ‘mind independent,’ or not of our own making.” SIMON BLACKBURN, TRUTH: A GUIDE 117-118 (2005)

¹⁵ See, e.g. Orin S. Kerr, *Rethinking Patent Law in the Administrative State*, 42 WILLIAM & MARY L. REV. 127, 145 (2000) (“Questions of fact describe the state of affairs in the world, such as the time of day when an event occurred or the temperature at a particular time in a particular place.”)

¹⁶ WILLARD VAN ORMAN QUINE, WORD AND OBJECT 247 (1960). In this common understanding of facts, “facts are what make sentences true.” *Id.* Simon Blackburn characterizes this as the “absolutist” view of truth – which seems a good characterization of what law aims for. Of it, he says “We like plain, unvarnished objective fact, and we like it open, transparent, and unfiltered.” Blackburn, *supra* note

at xv.
¹⁷ 499 U.S. at 345.

A. A very short history of facts

Our judicial system's foundation on fact-finding is a reflection of the long development of the fact in science, commerce, and public policy. Scholars have studied how late 17th and then 18th century thinkers sought to emphasize the need for observational particulars, for separating theory from the collection of observational data, and for privileging these 'facts' until they became, in Mary Poovey's apt description, "the epistemological unit that organizes most of the knowledge projects of the past four centuries."¹⁸ At the beginning of this historical path, the fact or "factum" simply meant an "event or occurrence," particularly one whose truth had been established by observation.¹⁹

This observable fact that is "out there" became foundational for empiricism, for the kind of public policy debates that took hold in the west in the 18th century, and, arguably, for democratic self-governance itself. This is because cleaving observed particulars from (apparently more) theoretical arguments allowed learned men to agree on something, while they disagreed strenuously on issues of theory, method, ideology, or policy.²⁰ As one

¹⁸ MARY POOVEY, *THE HISTORY OF THE MODERN FACT* xiii (1998); see also Lorraine Daston, *Baconian Facts, Academic Civility, and the Prehistory of Objectivity* 8 *ANNALS OF SCHOLARSHIP*, nos. 3-4, 337 (1991) [hereinafter *Baconian Facts*]; Lorraine Daston, *Objectivity and the Escape from Perspective*, 22 *SOCIAL STUDIES OF SCIENCE* 597 (November, 1992); PETER DEAR, *DISCIPLINE AND EXPERIENCE: THE MATHEMATICAL WAY IN THE SCIENTIFIC REVOLUTION* (1995). Poovey refers to this scholarship as "historical epistemology," *supra* at 7.

¹⁹ Mary Poovey argues that in the 17th and early 18th centuries, there were different "epistemological units called 'a fact.'" and that "natural historians . . . did collection deracinated particulars and for whom factum retained its old connotation of 'event or occurrence,' 'a particular truth known by observation' (Oxford English Dictionary)" Poovey, *supra* note ____ at 9.

²⁰ Poovey, *supra* note ____ at 111 (noting that 17th and 18th century English writers and scholars argued that facts were separable "from both theory and method in order to decrease the likelihood of civil dispute"). See also HANNAH ARENDT, *BETWEEN PAST AND FUTURE* 259-260 (1968) (describing how the "fact-finder" – witness or reporter – needs to be outside the community debating issues and differing in opinions).

philosopher turned reasoning-entrepreneur commented recently at a conference on the presentation of evidence, “[e]very argument bottoms out with something that is not argumentative . . . with a non-argumentative move.”²¹ Those non-argumentative moves are typically appeals to agreed-upon facts.

In the view of Poovey and historian Lorraine Daston, this use of observed particulars as the support structure for theories and generalizations became the distinguishing epistemic characteristic of science and public policy from the 18th century onward. For Daston, the rise of empiricism was one in which the fact -- as a “deracinated particular” -- was elevated to the status of “the indubitable core of knowledge, more ‘certain and immutable’ than axioms and syllogistic demonstrations.”²² The *Feist* Court’s mention of Census data echoes how very much American culture, from its inception, embraced the notion of facts as gathered observations of the disinterested. For example, by the time Thomas Malthus was preparing the second edition of his *Essay on the Principle of Population* in 1803, a very large chunk of his statistical source materials came from the United States.²³ Embodying the thinking of his time, Max

²¹ Tim van Gelden, remark at Graphic and Visual Representation of Evidence and Inference Conference, Cardozo School of Law, New York, January 28, 2007.

²² Daston, *Baconian Facts*, *supra* note ___ at 345. The struggle between pure theorists and the new, empirically-based science, epitomized by Bacon and the Royal Society, was a powerful intellectual theme of the 17th century. See generally MARGARET GULLAN-WHUR, *WITHIN REASON: A LIFE OF SPINOZA* 115 – 118 (2000).

²³ The first edition of the book appeared in 1798 and was substantially revised with extensive empirical information for the second edition that appeared in 1803. The American statistical material in the 1803 edition included Adam Seybert’s *Statistical Annals of the United States*, John Bristed’s *America and her Resources*, and the *American National Calendar*. Poovey, *supra* note ___ at 290. The Seybert material was the U.S. Census. Seybert, a Pennsylvania Congressman, looked at the 120 official volumes of Census data published by Congress and concluded that the data was “too much diffused to be made the subjects of immediate reference,” {Margo J. Anderson, *The United States Experience of Statistical Innovation*, at _____. Available at <www.uwm.edu/~margo/montreal4.htm> }. In a civic-minded, albeit private, capacity, Seybert then published the *Statistical Annals* (Philadelphia: Thomas Dobson & Sons, 1818; reprinted by Augustus M. Kelley, 1970). In comparison to America’s focus on statistically understanding its New World, the British did not conduct their first national census until 1801. Poovey, *supra* note ___ at 291.

Weber considered a sharp fact/value dichotomy as “something inseparable from modern scientific sophistication.”²⁴ In the early 20th century, Walter Lippmann noted how news – the facts of the day – “comes from a distance” and from beyond one’s own “self-contained community,”²⁵ thereby providing a basis for public debate. Indeed, one of the most fundamental critiques of the George Bush administration (2000-2008) has been its “assault on reason” in which the Bush “team seemed to approach every question of fact as a partisan fight to the finish.”²⁶

The fact as the foundation of modern empiricism was closely aligned with David Hume’s “pictorial semantics” view of facts – facts are things people can see and of which they can form clear, mental pictures.²⁷ This Humean view was the ancestor of 20th century logical positivism²⁸ and scientific realism.²⁹ Broadly understood, most of us adhere most of the time to this “extra-lingual”

²⁴ Hilary Putnam, *Are Moral and Legal Values Made or Discovered?* in LEGAL THEORY 5, 12 (1995). See e.g. Max Weber, *Science as a Vocation*. For example, Weber writes “I am ready to prove from the works of our historians that whenever the person of science introduces his personal value judgment, a full understanding of the facts *ceases*” [emphasis in the original]. Also available at http://www.ne.jp/asahi/moriyuki/abukuma/weber/lecture/science_frame.html.

²⁵ Robert C. Post, *The Constitutional Concept of Public Discourse*, 103 HARV. L. REV. 603, 635 (1990), quoting WALTER LIPPMANN, LIBERTY AND THE NEWS 38 (1920) and WALTER LIPPMANN, PUBLIC OPINIONS 263-75 (1922).

²⁶ AL GORE, THE ASSAULT ON REASON 56 (2007). Former Vice President Gore argues that “[t]he Bush administration has demonstrated contempt for the basic tenets of a rational decision-making process, defined as one in which an honest emphasis is placed on getting good facts and then letting good facts drive decisions.” *Id.*

²⁷ See, e.g. HILARY PUTNAM, THE COLLAPSE OF THE FACT/VALUE DISTINCTION AND OTHER ESSAYS 15 (2002)

²⁸ For Rudolph Carnap a “fact” could be established by observation of the physical world only. RUDOLF CARNAP, DER LOGISCHE AUFBAU DER WELT (The Logical Construction of the World) (1928) (see Part II of “Testability and Meaning”). This position had to be modified quickly to account for atomic theory and modern [pre-quantum] physics.

²⁹ For example, Michael Devitt defines “scientific realism” as holding that – “most of the essential unobservables of well-established current scientific theories exist mind-independently, and mostly have the properties attributed to them by science.” THE OXFORD HANDBOOK OF CONTEMPORARY ANALYTIC PHILOSOPHY, (Frank Jackson and Michael Smith, eds.)

or “mind independent” view of facts, at least to the degree that there is *something* out there to which an expression of fact corresponds. In this “correspondence theory” true statements are statements which correspond to real world facts; facts are states of the world.³⁰ “Santa Claus lives at the North Pole” is not a true statement because it does not correspond to any fact (state of the world), but “Santa Claus is commonly depicted as living at the North Pole” is a true statement of fact because it corresponds to the contents of innumerable films, books, and holiday displays.

B. A world(view) without facts

This neat worldview was always subject to doubt and caveat, but came under increasing attack in the 20th century. While a law review article is not the place to review these schools of thought, a general sense of the intellectual topography helps place copyright's ontology in context.

A main line of critique has been against the fact/value distinction itself, i.e. to question whether there are any facts [or truths] independent of our theories. As Hilary Putnam puts it “[p]erception is not innocent; it is an exercise of our concepts”³¹ or as Jose Ortega y Gasset wrote “[r]eality is not a datum, not something given or bestowed, but a construction which man makes

³⁰ See, e.g. ROBERT NOZICK, *THE NATURE OF RATIONALITY* 107 – 114 (“Reasons and Facts”) (1993); J.R. SEARLE, *THE CONSTRUCTION OF SOCIAL REALITY* 199 – 226 (“Truth and Correspondence”) (1995) [hereinafter *SOCIAL REALITY*]. See also E.J. Lowe, “Fact”, in *THE OXFORD COMPANION TO PHILOSOPHY* (Ted Honderich, ed., 1995) (“A fact is, traditionally, the worldly correlate of a true proposition, a state of affairs whose obtaining makes that proposition true.”). Blackburn, *supra* note __ at 56 (“This is the idea that truth can be understood and explained in terms of correspondence with the facts. It is not merely the idea that ‘true’ means ‘corresponds with the facts’; this may be a harmless synonym. . . . But for the phrase to work as a philosophical explanation of truth, more is needed. It is needed that ‘corresponds’ means something on its own and ‘facts’ are identifiable in some special way, and then we can put them together and see correspondence with the facts as a special kinds of success.”)

³¹ Putnam, *supra* note __.

out of the given thing.”³² Rooted at least as far back as Francis Bacon,³³ this rich, arguably dominant, body of 20th century philosophy and social science concluded, in one way or another, that facts are not pebbles waiting to be picked up; the size and shape of the pieces of reality we see are just the result of how we hammer and chisel the world.³⁴ As Thomas Kuhn noted, a ‘fact’ which does not fit the current scientific theory does not count as a fact at all: it is a mistake or an anomaly until our theory is adjusted to deal with it.³⁵

Of course, all this sits quite uncomfortably with the law’s reliance on “facts” and, yet again, *Feist* provides a simple example whose complexity was overlooked by the Court. When Census workers gather information on literacy, occupations, and incomes of respondents, these are facts created by humans in the regular course of living – and “discovered” subsequently by other humans.

³² JOSE ORTEGA Y GASSET, *MAN AND CRISIS* 13 (Mildred Adams, trans. 1958)

³³ FRANCIS BACON, *THE NEW ORGANON*, XLI, p. 41 (“The human understanding is like an uneven mirror receiving rays from things and merging its own nature with the nature of things, which thus distorts and corrupts it.”)

³⁴ Just a small sample of thinkers along these lines include Friedrich Nietzsche (“There are no facts, only interpretations.”); William James, *The Will to Believe* (1896) (“Objective evidence and certitude are doubtless very fine ideals to play with, but where on this moonlit and dream-visited planet are they found”); RICHARD RORTY, *PHILOSOPHY AND THE MIRROR OF NATURE* 364 (1979) (the distinction between facts and values is “disastrous” because it “forces us to pretend that we can split ourselves up into knowers of true sentences on the one hand and choosers of lives or actions or works of art on the other.”); RICHARD RORTY, *1 OBJECTIVITY, RELATIVISM, AND TRUTH: PHILOSOPHICAL PAPERS* (1991); R. W. SLEEPER, *THE NECESSITY OF PRAGMATISM* 141 (1986) (“that there is no conceptually valid basis for the distinction between factual judgments and value judgments.”). See also JEAN-PAUL SARTRE, *BEING AND NOTHINGNESS*, Part 2, chapter 1, sec. 4 (1943). Wittgenstein’s own views were so subtle or ambiguous that he can sometimes be claimed by realists and sometimes by truth relativists. Blackburn, *supra* note __ at xix, 129-133.

³⁵ THOMAS KUHN, *THE STRUCTURE OF SCIENTIFIC REVOLUTIONS* 53 (second edition, 1970) (“Assimilating a new sort of fact demands a more than additive adjustment of theory, and until that adjustment is completed – until the scientist has learned to see nature in a different way – the new fact is not quite a scientific fact at all.”) To be fair, Kuhn is giving an example where the observation of X occurs and we have to make adjustments to conclude X is a fact, while Putnam, Rorty, and others describe the observation occurring or not occurring because of the perceptual tools with which we have equipped ourselves.

But when the Census enumerators start compiling facts about race, things become murkier. The abiding debates about Census racial categories show that racial facts are very much constructed by our judgments about categories.³⁶ Similarly, when the 1920 Census reported that 51.2% of the American population was living in urban areas,³⁷ it sounds like a pretty hard-boiled fact until you learn that the Census Bureau decided that anyone in a town with over 2,500 inhabitants was an “urban” dweller³⁸ -- an evaluation quite different from what we might make today.

C. Another world(view) without facts

In a more radical contrast to the traditional correspondence theory, a number of twentieth century philosophers have reasoned that facts are *only* linguistic elements³⁹ and that our notion of a “fact” should be reduced to that of a true statement (and effectively eliminated). As Quine succinctly observed, “[i]n ordinary usage ‘fact’ often occurs where we could without loss say ‘true

³⁶ Over the history of the Census, it has offered at least 26 different racial or ethnic characterizations for respondents. In recent times, the process left many people feeling that they were pigeonholed, i.e. that their racial status (the actual reality about their race) was not accurately captured. See Agustin Gurza, *In Search of a Census Pigeonhole*, L.A. TIMES, July 6, 1999 [national edition], at A10, col. 1; Orlando Patterson, *America's Worst Idea*, NEW YORK TIMES BOOK REVIEW 15 (October 21, 2000) (reviewing Scott Malcomson's ONE DROP OF BLOOD: THE AMERICAN MISADVENTURE OF RACE and noting, “the nation's Census Bureau has had such a thoroughly bizarre history of racial categorization that recently, out of sheer conceptual and political exhaustion, it gave up and asked people to classify themselves in any and as many racial ways as the spirit moved them.”); See also, Steven A. Holmes, *The Confusion Over Who We Are*, N. Y. TIMES, June 3, 2001, section 4, page 1, col. 1 (describing issues surrounding racial categories on Census).

³⁷ CONGRESSIONAL QUARTERLY, EDITORIAL RESEARCH REPORTS ON THE URBAN ENVIRONMENT 12 (1969) (“The 1920 census was first to tip the balance with 51.2 per cent counted as city dwellers.”)

³⁸ Margo J. Anderson, *The American Census: A Social History* 134 (1988).

³⁹ For example, in the 1950s, P.F. Strawson advanced the view that “facts” were linguistic elements. Strawson thought that in order to specify a fact, in order to answer the question “which fact?” one would have to have a true statement already. P.F. Strawson, *Truth*, 34 PROCEEDINGS OF THE ARISTOTELIAN SOCIETY (1950), reprinted in PITCHER, ED., TRUTH (1964). Strawson believed that facts were linguistic in that “facts are what statements (when true) state; they are not what statements are about” Id. at 38.

sentence’ or . . . ‘true proposition’.”⁴⁰ The reduction of “facts” to true statements led many philosophers to conclude that the nature of facts is an ancillary issue - if an issue at all – for inquiries into the nature of truth and knowledge.⁴¹ As Colin McGinn writes of his own epistemological views, “[t]o explain the concept of truth we therefore do not need to appeal to obscure relations of correspondence and dubious entities called facts.”⁴²

D. What courts say about facts and expressions of facts

Among these three possibilities – the facts being “out there,” facts arising from subjective perspectives, and facts being nothing more than true statements – it seems pretty clear that the legal system adheres to a correspondence theory: the facts are out there, quite separate from subjective viewpoints. When we speak of a jury being charged with “finding” the facts, we mean that the jury makes determinations about prior states of the world “mind-independent” of the jurors themselves.⁴³ When practicing law or thinking about the legal system, perhaps we

⁴⁰ WILLARD VAN ORMAN QUINE, WORD AND OBJECT 247 (1960). Of course, for many philosophers a “true sentence” and a “true proposition” differ in that propositions are non-linguistic entities expressed by sentences. In that view, “it rains” and “il pleut” express the same proposition. Frege held to a view of this sort, defining a fact as “a thought [gedanke] that is true.” See Gottlob Frege, *The Thought* in PHILOSOPHICAL LOGIC 35 (P.F. Strawson, ed., Oxford 1967). Here “gedanke” seems to mean proposition, not a mental state – a point that Frege clarifies later on the page. My thanks to David Dolinko for this clarification.

⁴¹ See, e.g. Quine, *supra* note ____ (in *passim*); LAURENCE BONJOUR, THE STRUCTURE OF EMPIRICAL KNOWLEDGE (1985) (dealing very little with “facts” in its analysis of knowledge). See also WILLARD VAN ORMAN QUINE, QUIDDITIES 213 (1987) (“The world is full of things, variously related, but what, in addition to all that, are facts? . . . The true sentence ‘Snow is white’ is true if and only if it is a fact that snow is white. Now we have worked the fact, factitious fiction that it is, into a corner where we can deal it the coup de grace. The combination ‘it is a fact that’ is vacuous and can be dropped; ‘It is a fact that snow is white’ can be reduced to ‘snow is white’.”) [hereinafter QUIDDITIES]

⁴² COLIN MCGINN, THE MAKING OF A PHILOSOPHER 93 (2003).

⁴³ Defamation and negligent misrepresentation are bodies of law that also run on a fact/opinion distinction. As limited by our First Amendment jurisprudence, there is no defamation liability if one makes “a general statement of opinion, not a positive assertion of fact.” *Lars Gentry v. eBay*, 99 Cal. App. 4th 816, 835 (4th App. Dist. 2002); *Ollman v. Evans*, 750 F.2d 970 (D.C. Cir. 1984) (establishing four part test for

are, in Felix Cohen's phrase, "prisoners of common sense, which is usually the metaphysics of 500 years back."⁴⁴

And yet if lawyers, judges, and jurors hold to a correspondence theory of facts, there is a certain lack of rigor in any judicial pronouncement that "facts are not copyrightable,"⁴⁵ that "there can be no valid copyright in facts,"⁴⁶ or that "no author may copyright . . . the facts he narrates."⁴⁷ If a fact is "out there" in the world, then quite typically it is not "fixed in a tangible medium." That it rained in Chicago last night, that Ella Fitzgerald played a concert at Deutschlandhalle, Berlin on February 13, 1960,⁴⁸ that you said "I love you" to someone yesterday -- none of these facts "out there" are fixed at all. (There may be fixed, historical recordations of the facts, but it is not the recordations which make the facts facts). That the wingspan of a Boeing 767-400 aircraft is 51.9 meters⁴⁹ or that the Todai-ji temple in Nara, Japan is the largest wood structure in the world are facts that are "fixed" in a sense, although not as traditionally understood in copyright law. In other words, if facts are out there, then broadly speaking, they are not even in the ballpark of copyright.

By the lights of the correspondence theory, what judges and legal scholars are actually discussing are *representations* or *statements* of facts. Occasionally, judicial opinions capture this point precisely. Thus, Judge Roney on the Fifth Circuit wrote that it is "well settled that copyright protection extends only to

distinguishing factual assertions from statements of opinion in defamation cases), cert. denied 471 U.S. 1127 (1985). Under the common law, statements of opinion could be grounds for defamation, but over time a "fair comment" privilege arose to protect public debate. See Restatement (Second) of Torts, § 566, Comment a.

⁴⁴ Felix S. Cohen, *Dialogue on Private Property*, 9 RUTGERS L. REV. 357, 361 (1957)

⁴⁵ 499 U.S. at 344 and at 345.

⁴⁶ *Id.* at 344.

⁴⁷ *Id.* at 345, quoting *Harper & Row v. Nation Enterprises*, 471 U.S. 539, 556 (1985).

⁴⁸ ELLA FITZGERALD, *MACK THE KNIFE – ELLA IN BERLIN* (1960).

⁴⁹ <http://www.boeing.com/commercial/767-400er/product.html>.

the author's *expression of facts* and not to the *facts* themselves"⁵⁰ and Judge Easterbrook on the Seventh Circuit noted that "core equations, such as the famous $E=mc^2$, *express* 'facts.'"⁵¹

On the other hand, when a distinguished judge or scholar just says *facts* are not protected by copyright law, he or she is engaged in a form of shorthand that is more than just imprecision. It is a subconscious application of copyright's merger doctrine. With most ideas, there seem to be many ways to express each idea, so that cleaving expression and idea is relatively easy. But facts are a different matter. Cleaving the fact and its expression is not so easy because "generally speaking, there are few ways of depicting, rendering, or expressing facts."⁵² This is particularly true with quantitative conclusions. With any fact or idea expressed in Hindu-Arabic numbers, the idea or fact seems inextricably "merged" with its expression because there is no other reasonable way to express the idea/fact.⁵³

⁵⁰ Miller v. Universal Studios, 650 F.2d 1365, 1368 (5th Cir 1981); *See also Feist*, 499 U.S. at 348 ("Others may copy the underlying facts from [a] publication, but not the precise words used to present them.").

⁵¹ *Delta Dental*, 126 F.3d at 989 (emphasis added).

⁵² *Skinder-Strauss Associates v. Massachusetts Continuing Legal Education, Inc.*, 914 F. Supp 665, 673 (D. Mass., 1995).

⁵³ At least not in this time and culture. *See* ALFRED CROSBY, *THE MEASURE OF REALITY* (1997) (describing the gradual triumph of Hindu-Arabic numbers over Roman numbers as western European societies became increasingly sophisticated in mathematics and commerce); CHARLES SEIFE, *ZERO: THE BIOGRAPHY OF A DANGEROUS IDEA* (2000) 67-81 (same). Of course, as discussed above, in a few cases the idea and its expression in Hindu-Arabic number seem *less* merged, i.e. where a temperature can be expressed in Fahrenheit or Centigrade (or Kelvin); where the Super Bowl designation is common in either Roman or Hindu-Arabic numbers. The musical *The Hidden Sky* envisions a future society in which the few people allowed to learn mathematics at all are forced to use Roman numbers, but secretly learn and practice the dark art of Hindu-Arabic numbers. *See* PETER FOLEY AND KATE CHISHOLM, *THE HIDDEN SKY* (1994, 2003) based on Ursula K. LeGuin, *The Masters* in URSULA K. LE GUIN, *THE WIND'S TWELVE QUARTERS* (1975).

Loose discussion that 'facts' are not protected by copyright inadvertently points to the "tightness" between facts (out there) and the expression of facts.

Consider this statement from *Feist*:

"Thus, if the compilation author clothes facts with an original collocation of words, he or she may be able to claim a copyright in this written expression. Others may copy the underlying facts from the publication, but not the precise words used to present them. Where the compilation author adds no written expression but rather lets the facts speak for themselves, the expressive element is more elusive."⁵⁴

Under this standard, when I write "*That first morning in February on the Park Avenue, the temperature nudged just above freezing and stuck there*" I have "clothed" a fact in protectable "expression." But imagine my journal instead showing the following:

Feb 1, 2004, morning – Park Avenue – 33 degrees F

For Justice O'Connor, the expression here is "elusive." But it is not elusive at all. There is "expression" – words fixed on paper – probably unoriginal, but expression nonetheless. The tightness between fact and statement of fact is summarized well by philosopher John Searle:

"Because statements determine their own truth conditions and because the term 'fact' refers to that in virtue of which statements are true, the canonical way to specify the fact is the same as the way to specify the statement, by stating it."⁵⁵

If we substitute the copyright term "expression" for the philosopher's "statement," we have a succinct rendering of the problem in copyright law: the canonical way to specify the fact is the same as the way to specify the expression of the fact, i.e. by expressing it.

⁵⁴ 499 U.S. at 349.

⁵⁵ SOCIAL REALITY, *supra* note ____ at 219.

II. HUMAN FACTS – HISTORICAL, SOCIAL, CREATED

The *Feist* characterization of facts fits well with the geographic facts explorers discovered when mapping the coast of the New World or with the when and where a particular animal died (leaving behind fossil remains).⁵⁶ These are features of the world that are “intrinsic to nature.”⁵⁷ Contrast these with the height of the Chrysler Building or a Mayan temple, the itinerary of a political candidate or of a soccer mom – these facts are the result of human agency. Among such “human facts,” some facts result from the cumulative, uncoordinated actions of humans (i.e. the population of Los Angeles on July 4, 2007) and some result from the intentional actions of individual people or coordinated groups of people (i.e. who wrote the script for the film *L.A. Confidential*). For either kinds of human fact, some seem to become permanent, independent features of the world. As Lawrence Friedman writes, “[n]o doubt the average person in France or Italy thinks there is something quite specific about French or Italian nationality; that these are clear-cut categories of the world, as real as mountains and rivers; and that somehow the nation was always meant to be.”⁵⁸ Of course, divisions among nationalities are facts created by all kinds of human interactions over years. On the other hand, street names and street addresses are facts created by an identifiable individual or individuals. As Wendy Gordon writes, “one’s address does not cease to be a fact upon a showing that the name of one’s street originated in the fancy of a housing developer.”⁵⁹

⁵⁶ For discussions of the fossil record, *see generally* STEPHEN JAY GOULD, *WONDERFUL LIFE: THE BURGESS SHALE AND THE NATURE OF HISTORY* (1989); SIMON CONWAY MORRIS, *THE CRUCIBLE OF CREATION* 53 - 56 (1998) .

⁵⁷ SOCIAL REALITY, *supra* note __ at 9.

⁵⁸ LAWRENCE FRIEDMAN, *THE HORIZONTAL SOCIETY* 82 – 83 (1999).

⁵⁹ Wendy Gordon, *On Owning Information: Intellectual Property and the Restitutionary Impulse*, 78 VA. L. REV. 149, 281, n.21 (1992). The mini-taxonomy of facts in these paragraphs does not correspond to the classic distinctions that have been developed in philosophy, such as the concept of a “brute fact” or a “social fact.” For the classic formulation of the former, see G.E.M. Anscombe, *On Brute Facts*, 18 ANALYSIS (no. 3) (1958). A “brute fact” is also used more generally to describe the terminus of a series of explanations that is itself not further reducible. John Haldane, “Brute Fact,” *THE OXFORD COMPANION TO PHILOSOPHY* (2005), available at Oxford

This immediately puts us in a position to see how things are much more complicated than the *Feist* opinion suggests. With street addresses collected in the Census, some human(s) create the facts and another human collects them – there is both creation and “discovery.” And when a local telephone company publishes a telephone directory, it collects some human facts that pre-existed (customer names) and other facts that it itself created (the phone numbers). The person who is publishing the expressions of the telephone number facts seems to be the same person who “created” those facts.⁶⁰ The same could even be said of what our legal system calls “mixed questions of law and fact,” i.e. where the raw facts are admitted (the car plowed into the storefront; X was driving the car) and the “issue is whether the facts satisfy the statutory standard”⁶¹ (X was negligent). When the court makes such a determination and certifies its opinion for publication, the entity publishing the expression (the opinion) is the same person who “created” the fact (X was negligent).

A. The “created fact” as a kind of human fact

Still this does yet focus on the “created fact” problem. For one thing, the telephone company probably created the telephone number well before it published the expression of the telephone number. For another thing, the telephone company would have created the telephone numbers even if there was to be no telephone book; telephone numbers are a necessary for telephone switching equipment to work. Unlisted telephone numbers are created – and are “facts” – even if they are never expressed.⁶²

Reference Online. For a classic theory of social facts separate from Searle, see E. DURKHEIM, *THE RULES OF SOCIOLOGICAL METHOD* (1964).

⁶⁰ At least for those local service customers whose telephone companies print their own telephone books. The process of creating the number may, of course, still lack originality. See also David Nimmer, *Copyright in the Dead Sea Scrolls*, 38 HOUSTON L. REV. 1, 97 - 98 (2001) (noting that the telephone numbers were not antecedent facts, but still can lack originality)

⁶¹ *Pullman-Standard v. Swint*, 456 U.S. 273, 289, fn. 19 102 S.Ct. 1781 (1982).

⁶² [yes, an explanatory footnote is needed here.]

So, let us draw one further distinction. Most human facts are “side effects” of human activity – as in the Ella Fitzgerald concert, “I love you,” and Los Angeles population examples. Contrast this with human facts that result from an act that was the *intentional creation of information qua information through the intentional creation of expression qua expression*. I will call these “created facts” or “authored facts.” For example, computer modeling and simulation now generate much of our social science and public policy data. Numbers for current population numbers, traffic flows, or economic levels are treated as facts although they are often numbers extrapolated from sampling (real Feistian observational facts) combined with human guesses/judgments/opinions.⁶³ Complex computer simulations that provide estimates of pre-historic animal migration patterns or dispersal patterns for explosive devices that have never been constructed give us datapoints that are “created,” but which we treat as facts.⁶⁴ But created facts need not be so esoteric, as we will see in Parts III, IV, and V.

B. Facts, values, and social reality

The “factness” of the original expression at issue in the copyright cases discussed below comports with John Searle’s broader project of showing how social reality relates to the rest of reality, i.e. how some facts arise from human agreement.⁶⁵ Searle’s basic thesis is that “there are portions of the real world,

⁶³ An example of this is the “Transportation Analysis Simulation System” [TRANSIMS] developed at Los Alamos National Laboratory. TRANSIMS “extrapolates US Census data to create a synthetic population, which is assigned activities - such as driving to work - based on diaries kept by selected residents of the studied area. TRANSIMS then factors in transit-system constraints and simulates traffic flow.” Verge page, WIRED, January, 2001 at 236. *See also* Gina Kolata, *Why Some Numbers Are Only Very Good Guesses*, N. Y. TIMES, March 5, 2001, p. 5, col. 1 (describing reason for estimating process in Census).

⁶⁴ Poovey makes a similar observation and calls such datapoints “a post-modern variant of the fact,” Poovey, *supra* note __ at 2-3.

⁶⁵ SOCIAL REALITY, *supra* note __ at 1 – 6; SPEECH ACTS, *supra* note __ at 50 - 53.

objective facts in the world, that are only facts by human agreement.”⁶⁶ Searle analyzes this human agreement, i.e. the establishment of social conventions, as what he calls “collective intentionality.”⁶⁷

Institutions, occupations, membership in groups, our particular jobs, our familial relations and status – are all established by social conventions which require representations, language, and – almost always – fixed expressions. A basic characteristic of these “social facts” is that they are language-dependent (for our purposes, we could say “expression dependent”). In Searle’s proposal, a social fact depends on mental representations which, in turn, require expressive communication among persons. As Searle notes, “marriages and money, unlike mountains and atoms, do not exist independently of all representations.”⁶⁸ The representations (or expressions) constitute communication among people; when that communication leads to collective acceptance of the new, additional reality, we have a “social fact.”⁶⁹ Thus, Searle’s overall project is to show how additional, human-created, intention-laden reality gets overlaid on top of “brute” reality, producing different sorts of facts through social agreement. Those commonly accepted facts are distinct from all the beliefs, theories, opinions, and ideas on which we differ *and we know we differ*.⁷⁰ This distinction between such “facts” and opinions is commonplace, but as Robert Post says in the context of defamation law, “it is

⁶⁶ SOCIAL REALITY, *supra* note ____ at 1 (emphasis added).

⁶⁷ *Id.* at 26 and 122.

⁶⁸ *Id.* at 190. For Searle, “a fact is language independent if that very fact requires no linguistic elements for its existence.” *Id.* at 61.

⁶⁹ *Id.* at 111 (describing the “primitive logical operation” by which institutional reality is created).

⁷⁰ This connects nicely with Robert Post’s argument that a public discourse of the kind protected by the First Amendment is characterized by discourse across ethnic, religious, and social communities which requires agreement on certain things, but not all things. “The conduct of public discourse,” Post wrote, “requires persons to share standards, but not the kind of standards that fuse them into a [single] community.” Post, *supra* note ____ at 636. Post further makes a persuasive argument that “facts” as the

also deeply obscure, and it has proved resistant to most analytic attempts at clarification.”⁷¹ More or less unnoticed, this is a deep and fundamental problem in the series of cases we now consider.

III. THE PROTECTION OF NAMING FACTS

When an individual or group gives a name to something – and that name sticks – we have perhaps the most basic of social facts. When Augustine and Mary Ball Washington named their first child “George,” when Spanish settlers called their encampment ““El Pueblo de Nuestra Senora la Reyna de los Angeles del Rio Porciuncula” [shortened by an early tourist board to *Los Angeles*], or when Apple researchers dubbed one of their projects “Carl Sagan”⁷² each of these acts produced a social fact. These acts of naming can have great importance (as in *Malvinas* versus *Falklands* or as with new corporate names like *Verizon* or *Exxon*).⁷³

In the face of this importance, copyright law has a long-standing rule that “[w]ords and short phrases such as names, titles, and slogans” are not copyrightable.⁷⁴ Elsewhere, I have discussed reasons for this bar, including how adequate incentives for these short expressions are already provided by markets, law (trademark law), and non-economic motives.⁷⁵ But another grounds to justify the bar on copyrighted names and titles is that they function

Court has described them in defamation law are things on which we can *expect* agreement or “convergence.” *Id.* at 657-658.

⁷¹ Post, *supra* note ____ at 649-650.

⁷² See *Sagan v. Apple Computer, Inc.*, 874 F. Supp. 1072 (C.D. Cal. 1994) (Apple had given a development project the internal name “Carl Sagan,” but when this fact was publicized Sagan demanded his name not be used. Apple technicians changed the project’s code name to “Butt-Head Astronomer.”)

⁷³ Or as experienced by the character in Johnny Cash’s 1969 classic “A Boy Named Sue.” JOHNNY CASH, *LIVE AT FOLSOM PRISON* (1969). Lyrics available at <http://bbdm.homestead.com/jc_abns.html>, (last visited July 7, 2001).

⁷⁴ 37 C.F.R. 202.1(a) (“Words and short phrases such as names, titles, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering or coloring; mere listing of ingredients or contents.”)

as social facts in which the fact and expression are always merged. You cannot say “X is called Y” without expressing Y. And having names for things – both general and proper names – is fundamental to communicating any other facts.⁷⁶ To name something is to establish a fact,⁷⁷ and yet there is no sensible way to argue that these are acts of “discovery” unless we are prepared to reduce all creativity to an act of discovery.⁷⁸

If you cannot copyright “THX-1138” as the name of a feature film⁷⁹ or “TVC15” as the name of a song,⁸⁰ then you should get no copyright protection for “THX” as the name of a sound system or for “1138” as a designation for a replacement part. Yet this bar against copyrighting names has been threatened by disputes involving what are basically designation systems. Let us consider three such cases.

⁷⁵ *Size Matters*, *supra* note __ at 610 – 619.

⁷⁶ So, it is no wonder that in Genesis Adam names all the animals even before Eve is created. Genesis 2:19 (“And out of the ground the LORD God formed every beast of the field, and every fowl of the air; and brought them unto Adam to see what he would call them: and whatsoever Adam called every living creature, that was the name thereof.”) My thanks to David Nimmer for this interesting point.

⁷⁷ Naming as establishment of a social fact has the same structure as government declarations. Searle gives the example of money: “[w]hen the Treasury says it is legal tender, they are *declaring* it to be legal tender, not announcing an empirical fact that it already is legal tender.” SOCIAL REALITY, *supra* note __ at 55. Naming one’s child, one’s pet, or one’s new car part has the same structure; by convention, we agree that you are entitled to declare the name of this thing.

⁷⁸ The “discovery” notion of creativity pops up repeatedly, particularly in regards great art. For example, Einstein is said to have characterized Mozart’s music as “so pure that it seemed to have been ever-present in the universe, waiting to be discovered by the master.” Arthur I. Miller, *A Genius Finds Inspiration in the Music of Another*, N.Y. TIMES, Jan 31, 2006, at F3. In Orhan Pamuk’s novel *Snow*, the main character believes that the better poems he is writing “always seems to come from outside, from far away.” ORHAN PAMUK, SNOW 122. See also Justin Hughes, *The Personality Interest of Artists and Inventors in Intellectual Property*, 16 CARDOZO ARTS & ENT. L. J. 81, 142 (1998); QUIDDITIES *supra* note __ at 39.

⁷⁹ George Lucas’ 1971 feature film directorial debut.

⁸⁰ DAVID BOWIE, STATION TO STATION (1976 and 1991).

A. The AMA and ADA cases

Beginning in the 1960s, the American Medical Association developed a coding system for medical procedures, the *Physicians' Current Procedure Terminology* ("CPT").⁸¹ The CPT gives five digit codes to various medical procedures. For example, "92950" designates "cardiopulmonary resuscitation" and "90717" designates a yellow fever vaccination. A decade later, Congress instructed the Medicaid program to develop a uniform code for identifying physician's services. Rather than creating a coding system *de novo*, the Department of Health and Human Services sensibly adopted the CPT.⁸²

For years, Practice Management made bulk purchases of the CPT for resale, but following a dispute about its discount from AMA, Practice Management filed suit to have the CPT copyright declared invalid. In *Practice Management Information Corp. v. American Medical Association*,⁸³ Practice Management first argued that the AMA forfeited the CPT copyright when it allowed the CPT to be integrated into Medicaid regulations. The Ninth Circuit disagreed, concluding, first, that the incentive structure was different: while "judges' salaries provide[d] adequate incentive to write opinions . . . [the] copyrightability of the CPT provides the economic incentive for the AMA to produce and maintain the CPT."⁸⁴ As to due process concerns about availability of the legally mandated codes, the appellate panel concluded that there was no

⁸¹ *Id.* at 517.

⁸² *Id.* at 518. *See also* Cal. Code of Reg. § 51050 (A-1) ("The Physicians' Current Procedural Terminology, 1987, and subsequent editions, is hereby incorporated by reference in these regulations.")

⁸³ 121 F. 3d 516, 1997 U.S. App. LEXIS 20870 (9th Cir. 1997).

⁸⁴ *Id.* at 518. The court pointed out the increasing trend of governments, on cost savings grounds, to rely on "model" codes and statutes written by non-governmental entities, which would lend a note of irony to any holding that such privately-created works should lose their copyright protection on adoption. *Id.* at 519, fns. 4 and 5.

evidence that the AMA had foreclosed public access to the codes and that there were adequate, less draconian tools to ensure such access.⁸⁵

The appellate panel was much more sympathetic to Practice Management's second argument – that the AMA had “misused” its copyright by obtaining a commitment from the federal authorities to use the CPT designations *exclusively* for Medicaid forms. The panel's “copyright misuse” conclusion may be factually suspect,⁸⁶ but this resolution prevented the *Practice Management* panel from applying any fine-toothed analysis to the issue of *what* was protected by the copyright over the CPT. That job was taken up by Judge Easterbrook in the contemporaneous and curiously parallel *American Dental Association v. Delta Dental Plans Association*.⁸⁷

Just as the AMA had created the CPT, the American Dental Association had created the *Code on Dental Procedures and Nomenclature* (“ADA Code”) - a taxonomy in which each dental procedure has [a] a long description, [b] a

⁸⁵ *Id.* at 519. Such tools included fair use, due process defenses for infringers on a case-by-case basis, mandatory licensing, the federal government adopting a different code if the AMA became too restrictive in its distribution practices (de-lawing the work, as it were) and the federal government “by regulation or contract requir[ing] the AMA to provide greater access.” *Id.* at 519, text and fn. 7.

⁸⁶ Because there was apparently no evidence that the AMA *had insisted* upon this contractual term. In its appellate brief to the Ninth Circuit, Practice Management argued that “[t]he AMA purposely sought and obtained the government's promise to mandate the CPT as the only way to collect federal health care money” but did not cite to any evidence adduced at trial supporting this point. Brief of Appellant Practice Management Information Corporation, March 29, 1995, at 5. Practice Management recognized that the district court determined “that ‘the AMA did not coerce’ [the government] to adopt the CPT” *Id.* at 6 and that, at trial, Practice Management had “never argued the AMA coerced HCFA.” *Id.* at 33. Just because a term is in a contract, it does not follow that the copyright holder “conditioned” entering into the contract on that term; the federal government might have made the original offer to use the CPT designations exclusively – since it would be inefficient to have two code systems.

⁸⁷ 126 F.3d 977 (7th Cir. 1997)

short description, and [c] a number designation.⁸⁸ Delta Dental published the *Universal Coding and Nomenclature* which "include[d] most of the numbering system and short descriptions from the ADA's Code."⁸⁹ When the ADA sued, the district court concluded that the ADA Code was not copyrightable subject matter, reasoning that the ADA Code was only a "useful" taxonomy and, therefore, lacked the modicum of creativity necessary for copyright.

Judge Easterbrook rejected this reasoning, pointing to the many useful works (software, architectural drawings, maps) protected by copyright law⁹⁰ and opining that "[c]lassification is a creative endeavor."⁹¹ He concluded that the long descriptions in the ADA Code were unquestionably copyrightable; and that the "original long descriptions make the work as a whole copyrightable"⁹² - two vanilla-plain conclusions. Judge Easterbrook's analysis then moved in a much more troubling direction, opining that "even the short descriptions and the numbers are original works of authorship."⁹³ Notice that he says "works"; the ADA numbers were, in effect, *names* for dental procedures and Easterbrook's language suggests that each name merits independent copyright protection. Elsewhere I have extensively criticized Judge Easterbrook's suggestion that a single number could be an independently copyrighted "literary work," and Judge Easterbrook's opinion takes a couple steps back from this precipice.⁹⁴

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.* at 978 - 979.

⁹¹ *Id.* at 979.

⁹² *Id.* at 979.

⁹³ 126 F.3d at 979. This statement, implying individual "work" status for each number actually appears in the opinion before the more general and less worrisome conclusion that "all three elements of the [ADA] Code – numbers, short descriptions, and long descriptions, are copyrightable subject matter."

⁹⁴ Although this passage of the opinion expressly says that *each* short description and *each* number is an original work of authorship, the opinion then throws some doubt on the statement that short descriptions and numbers are original works of authorship by stating that it was not finding that the ADA Code was a compilation work under 17 U.S.C. §103, 126 F.3d at 980. Judge Easterbrook also reasons that the section 102(b) bar on copyright in ideas, systems, and processes would "permit Delta Dental to

But the important point here is to see that copyright is being recognized either in a set of names or in individual names and that these names function as facts as surely as street addresses – they are the only practical way to refer to the particular medical and dental procedures just as your home address is the only practical way to refer to the particular place where you live. In both of these cases, the taxonomies produce facts.

B. Southco, Inc. v. Kanebridge Corporation⁹⁵

Southco manufactured hardware, including a line of fasteners. Each of its fastener models was designated with a nine digit number in which different digits “denote[d] functional characteristics of each product, for example, installation type, thread size, recess type (phillips or slotted), grip length, type of material and knob finish.”⁹⁶ The Southco numbering system had become, to some degree, an industry standard.⁹⁷ Nonetheless, there was no evidence that Southco had ever licensed the numbering system to third parties and no evidence that it had developed the numbering system with a mind to marketing it as such.

The defendant Kanebridge published comparison charts showing Southco part numbers with their counterpart Kanebridge part numbers.⁹⁸ On occasion, Kanebridge also labeled its parts with Southco numbers. Southco alleged that Kanebridge had “copied some or all” of 51 particular part numbers

disseminate forms inviting dentists to use the ADA's Code when submitting bills to insurers" and also "precludes the ADA from suing, for copyright infringement, a dentist whose office files record treatments using the Code's nomenclature" 126 F.3d at 981. But if each number were an independent “work,” it makes less sense that a dentist copying just a few number designations (each a separate “work”) would be protected by section 102(b)'s bar on copyrighting methods of operation. For further criticism, see *Size Matters* supra note at ____.

⁹⁵ 2000 U.S. Dist. LEXIS 112; 53 U.S.P.Q.2D (BNA) 1490; Copy. L. Rep. (CCH) P28,020 (E.D. Pa. 2000), *reversed* 258 F.3d 148 (3rd Cir. 2001).

⁹⁶ *Id.* at *2.

⁹⁷ *Id.* at *9; 258 F.3d at 150.

from a Southco handbook which contained over 1,000 discrete part numbers.⁹⁹ The Pennsylvania eastern district court granted a preliminary injunction against Kanebridge, concluding that “Southco [was] likely to succeed in establishing that its product identification numbers are copyrightable” (notice, again, the plural) and that Kanebridge could be liable for copying “Southco’s numbering system.”¹⁰⁰

In the first of three trips to the Court of Appeals, the appellate panel reversed on the grounds that the numbers “fail[ed] to satisfy the originality requirement,”¹⁰¹ that the district court had not distinguished between copyright in “the numbering system” and “the actual numbers produced by the system,”¹⁰² and that the rigorous nature of Southco’s numbering system “makes it impossible for the numbers themselves to be original.”¹⁰³ On remand, the trial

⁹⁸ 258 F. 3d at 150

⁹⁹ 2000 U.S. Dist. LEXIS 112 at *3, *13. The “copied” Southco numbers came either from a Southco “Handbook” or a “Supplement” to one of the company Handbooks.

¹⁰⁰ 2000 U.S. Dist. LEXIS 112 at *13. In prior part number cases, courts had concluded that the taxonomies lacked originality because of randomness. *Toro Co. v. R & R Products Co.*, 787 F.2d 1208, 1213 (8th Cir. 1986) (no copyright in part numbers because the numbering system was “arbitrary and random,” as opposed to a system that used symbols according to a meaningful pattern); *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366, 1373-74 (10th Cir. 1997) (“Mitel’s arbitrary selection of a combination of three or four numbers required de minimis creative effort, Mitel’s own witness testified to the arbitrariness of the command codes We agree with the district court that the random and arbitrary use of numbers in the public domain does not evince enough originality to distinguish authorship”).

¹⁰¹ 258 F.3d at 151.

¹⁰² Acknowledging the same distinction drawn in the amicus brief from the U.S. Government. The author participated in the drafting of that brief. After drawing the distinction above, the U.S. amicus brief also raised the issue whether any use of Southco’s “system” could infringe a protectable copyright interest given the bar to the protection of methods of operation in 17 U.S.C. 102(b).

¹⁰³ 258 F.3d at 153. The US had argued that the Southco numbers lacked creativity because each number was the result of the “mechanical application of a set of rules to well-defined physical characteristics of a retractable captive-screw assembly,” Brief Amicus Curiae of the United States of America Urging Reversal in Support of Appellant Kanebridge Corp., June 12, 2000 at 12, such that, as the trial court found, once a third party was familiar with Southco’s rules for numbering, that person would know the part’s “size, finish, and utility” based “on the content and arrangement of its product number.” 2000 U.S. Dist. LEXIS 112 at *12.

court granted summary judgment for the defendant despite a new declaration from a Southco employee asserting that he did indeed apply judgment and creativity in establishing new part numbers for Southco. On this basis, a different Third Circuit panel reversed the grant of summary judgment, saying a genuine issue of copyrightability in the part numbers had been raised.¹⁰⁴

Prompted by U.S. Government intervention, the Court of Appeals granted rehearing *en banc*, and an opinion written by now Justice Alito put to rest the claim that individual numbers designating (naming) parts could be individually copyrighted. The *en banc* “*Southco III*” decision¹⁰⁵ announced that Southco’s part numbers were not copyrightable for two separate reasons: (a) “the Southco product numbers are not ‘original’ because each number is rigidly dictated by the rules of the Southco [numbering] system;”¹⁰⁶ and (b) “[t]he Southco part numbers are also excluded from copyright protection because they are analogous to short phrases or the titles of works.”¹⁰⁷ Although the Court of Appeals recognized that the part numbers were “analogous to . . . titles, none of the parties pursued the obvious next step: if these part names had become industry standards: the names were social facts – facts by common agreement just as that green rectangular paper is commonly agreed to be a 20 dollar bill – that had become basic to carrying out non-expressive activities.

IV. THE PROTECTION OF EVALUATIVE FACTS

While the drift toward protecting names was stopped in the Third Circuit, eerily similar trends have not yet been abated in the Second and Ninth circuits. In these cases, private parties have made evaluations – qualitative or

¹⁰⁴ *Southco, Inc. v. Kanebridge Corp. (Southco II)*, 324 F.3d 190, 196 (3^d Cir. 2003), *reh’g en banc*, 390 F.3d 276 (3d Cir. 2004).

¹⁰⁵ *Southco, Inc. v. Kanebridge Corp.*, 390 F.3d 276 (3d Cir. 2004).

¹⁰⁶ *Id.* at 282.

¹⁰⁷ *Id.* at 285. Interestingly, three Third Circuit judges (Becker, McKee, and Smith) did not join this portion of the *en banc* decision.

quantitative – and courts have intimated that such original evaluations may be individually protected under copyright law. Obviously “evaluations” and “designations” overlap to some degree; the CPT and ADA Codes were also “evaluative” in their many taxonomic decisions.¹⁰⁸ As with designations, the evaluations in the cases below can become so widely accepted and so relied upon for substantial non-expressive activities that they become social facts.

A. CCC Information Services v. Maclean Hunter¹⁰⁹

Maclean Hunter publishes the well-known “Red Book,” listing used car valuations for different parts of the United States. These valuations were “the editors’ projections of the values for the next six weeks of ‘average’ versions of most of the used cars (up to seven years old) sold in that region.”¹¹⁰ The court recognized that the Red Book was one of two “leading valuation book[s],” so much so that some state laws mandated the use of valuations from both books in calculating required insurance payments for loss of a vehicle.¹¹¹ The defendant CCC Information Services distributed an online database of used car valuations to its customers by “loading major portions of the Red Book onto its computer network and republishing Red Book information in various forms to

¹⁰⁸ Complex labeling systems, particularly of technical or technological matters, tend toward the evaluative. But there are no hard and fast rules. Technical equipment can be given names that are evaluative [BMW’s automobiles - 325Ci, 540i, 740iL] or very evocative [Chevrolet’s “Impala,” “Corvair,” and “Malibu”]. Newly-discovered comets and planetoids receive a numeric designation from the International Astronomical Union’s Committee on Small Bodies Names; the object can later have a more evocative name chosen by the discoverer and approved by the committee. See, e.g. Livia Giacomini, *From 2000WR106 to Varuna: how are asteroids named?* at <<http://spaceguard.ias.rm.cnr.it/tumblingstone/issues/num2/varuna.htm>> (last visited September 6, 2001).

¹⁰⁹ 44 F.3d 61, 1994 U.S. App. LEXIS 34212 (2d Cir. 1994), *cert. denied* 516 U.S. 817, 133 L.Ed. 2d 32, 116 S.Ct. 72 (1995).

¹¹⁰ *Id.* at 63.

¹¹¹ *Id.* at 64 (discussing the National Automobile Dealers’ Association’s “Blue Book” and that “the laws of certain states use th[e] average figure [from the two books] as minimum for insurance payments upon the ‘total loss’ of a vehicle.”).

its customers.”¹¹² The trial court found that “numerous Red Book customers ha[d] canceled their subscriptions, opting instead to purchase CCC’s services.”¹¹³

Nonetheless the trial court granted summary judgment for CCC, finding that the valuations were unprotectable facts or, alternatively, expressions of ideas which had merged with the underlying ideas. The Second Circuit reversed, reasoning that the selection and arrangement of the Red Book was protectable, that the Red Book numbers were themselves protectable expression, and that merger did not apply. As with Judge Easterbrook, Judge Leval moved from unremarkable propositions about copyright law to intimations of alarmingly broad copyright protection.

As a first step, the court found sufficient originality in the selection and arrangement of the Red Book’s valuations. Judge Leval found that originality was expressed in the particular regions into which Maclean had divided the country, implying that the selection of regions was “original” because it produces inaccurate car values:

“A car model does not command the same value throughout a large geographic sector of the United States A 1989 Dodge Caravan will not command the same price in San Diego and Seattle. In furnishing a single number to cover vast regions that undoubtedly contain innumerable variations, the Red Book expresses a loose judgment that values are more likely to group together within a defined region than without. The number produced is necessarily both approximate and original.”¹¹⁴

¹¹² *Id.* at 64.

¹¹³ *Id.*

¹¹⁴ *Id.* at 67.

The court also pointed to other “selection” decisions that appeared to manifest originality, including Maclean’s “selection of the number of model years to be included in the compilation” (7 years) and “the selection and manner of presentation of optional features for inclusion.”¹¹⁵ This reasoning that choices that do not seem to be dictated by extrinsic considerations are *original* is, again, straightforward copyright doctrine,¹¹⁶ although Leval’s connection – that such choices will produce inaccurate evaluations -- is more candid than usual.

But were the Red Book valuations, as the trial court thought, (expressions of) “facts”?¹¹⁷ Judge Leval quickly and correctly concluded that the items in the Red Book were not Feistian facts because the Red Book entries were not

pre-existing facts that had merely been discovered by the Red Book editors. To the contrary, Maclean’s evidence demonstrated without rebuttal that its valuations were neither reports of historical prices nor mechanical derivations of historical prices or other data.

¹¹⁵ *Id.* at 67. Judge Leval also considered that “the adjustment of mileage by 5,000 mile increments (as opposed to using some other breakpoint and interval)” was a creative choice, but this seems wrong. Five thousand and/or ten thousand mile increments seems like an unoriginal, pedestrian choice.

¹¹⁶ The same reasoning can be seen in two pre-*Feist* decisions recognizing copyright in non-fiction database products. In *Dow Jones & Company v. Board of Trade of the City of Chicago*, 546 F. Supp. 113, 1982 U.S. Dist. LEXIS 13750 (S.D.N.Y. 1982), the court recognized copyright in Dow Jones’ list of what companies produce the Dow Jones average because “Dow’s lists evidence a high degree of selectivity and subjective judgment.” *Id.* at 116. Similarly, in *Eckes v. Card Price Update*, 736 F.2d 859, 862 (2d Cir. 1984), the defendant was accused of copying plaintiff’s selection of which cards counted as “premium” cards in the world of collecting baseball cards. The court found that there was “no doubt that appellants exercised selection, creativity and judgment in choosing among the 18,000 or so different baseball cards in order to determine which were the 5,000 premium cards.” *Id.* at 863. See generally Justin Hughes, *The Personality Interest of Artists and Inventors in Intellectual Property*, 16 CARDOZO ARTS & ENT. L. J. 81, 114 (1998) (reasoning that “[s]omething will be considered ‘creative’ only when it appears to come from neither a purely mechanical process, nor a purely random one.”)

¹¹⁷ The trial court also called them “interpretations of facts.” *Id.* at 64.

Instead, they were “predictions based not only on a multitude of data sources, but also on professional judgment and expertise.”¹¹⁸ As such, “[t]he valuations themselves [were] original creations of Maclean.”¹¹⁹

By honing to the Feistian definition, Leval avoided addressing how people use these numeric valuations as *facts*: the car salesman tells you that your car is “worth *X* dollars” or the state insurance adjuster says its replacement value is *Y*. But even while rejecting the “factness” of these values, Leval recognized that the numbers were nonetheless subject to a merger argument: “each entry in the Red Book expresses the author’s idea of the value of a particular vehicle . . . [and] such expression is indispensable to the statement of the idea and therefore merges with the idea, so that the expression is also not protectible.”¹²⁰ Given what the merger doctrine is supposed to do -- keep facts and ideas from being propertized -- it is hard to see how the merger doctrine could not apply in such circumstances. Indeed, Judge Leval recognized that this merger argument was “not easily rebutted.”¹²¹

Leval’s direct rebuttal was a standard tactic: identify the “idea” as being at a more abstract level. He notes that the Red Book tells the reader that “you, the subscriber, must be the final judge of the actual value of a particular vehicle . . .” -- a statement almost certainly intended to limit Maclean Hunter’s legal liability, not engender creative deviations from its estimates. Nonetheless, Leval leverages it to launch the proposition that the “idea” at issue is *making some valuation* of a particular used car, the idea is not *this particular valuation*. If the Red Book says “\$6,550,” then protecting the expression “\$6,550” propertizes neither the general idea of a numeric valuation for this particular car

¹¹⁸ *Id.* at 67.

¹¹⁹ *Id.*

¹²⁰ *Id.* at 68.

¹²¹ *Id.*

nor different specific ideas that have expressions like “\$6,575,” “\$6,500,” or “\$6,485.”

Judge Leval realized that this was not particularly satisfying reasoning and presented a more practical way to avoid the merger doctrine’s “not easily rebutted” implications: a two level hierarchy of ideas. The first level are “building block” ideas and the second are “ideas of [a] weaker category, infused with opinion.”¹²² The court reasoned that merger is not such a bad thing with ideas of “the weaker, suggestion-opinion category”¹²³; given copyright’s intended incentive for compilations, protection of the expressions of opinion-infused ideas can be tolerated because restricting access to such expressions

“will not inflict injury on the opportunity for public debate, nor restrict access to the kind of idea that illuminates our understanding of the phenomena that surround us or of useful processes to solve our problems.”¹²⁴

On this utilitarian calculus, the court held that the merger doctrine should be “withheld” from application to *Maclean Hunter*’s valuations.

B. *CDN, Inc. v. Kenneth A. Kapes*¹²⁵

The immediate sequel to *Maclean Hunter* was the Ninth Circuit’s 1999 decision in *CDN, Inc. v. Kenneth A. Kapes*. In *Kapes*, the plaintiff published the Coin Dealer Newsletter, a weekly report of wholesale prices for collectible United States coins, which “include[d] prices for virtually all collectible coins and [was] used extensively by dealers.”¹²⁶ Defendant Kapes operated an internet web page with a “The Fair Market Coin Pricer” (“Pricer”) that

¹²² 44 F.3d at 73.

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ 197 F.3d 1256 (9th Cir. 1999).

provided retail prices for many collectible coins.¹²⁷ The retail prices in Kapes' *Pricer* were derived from the CDN prices by consistent application of a simple algorithm.¹²⁸ The parties stipulated that the issue of copyrightability of the CDN prices was dispositive of the case and the trial court concluded CDN's "prices are original creations, not uncopyrightable facts."¹²⁹ On appeal, the Ninth Circuit panel recognized that the sole issue before it was "whether the *prices* are copyrightable."¹³⁰

Both the trial and appellate courts recognized that the nature of the numbers in the CDN newsletter was quite distinct from that of the numbers in the *Feist* telephone books: the CDN wholesale coin prices were the result of "a process that involves using [the editors'] judgment to distill and extrapolate from factual data."¹³¹ Whereas the numbers in the telephone book lacked any creative spark, the Ninth Circuit panel was clear that "[t]his spark glows in CDN's prices, which are compilations of data chosen and weighed with creativity and judgment."¹³² As with *Maclean Hunter* and *Delta Dental*, this is regrettable dicta suggesting that single prices in the respective publications would count as independently protectable "works."¹³³

After a succinct exposition of the merger doctrine, the court concludes simply that "accepting the [merger] principle in all cases would eviscerate the protection of the copyright law,"¹³⁴ the same basic conclusion as in *Maclean Hunter*. The next steps in the reasoning could have been that the prices are

¹²⁶ *Id.* at 1257.

¹²⁷ *Id.*

¹²⁸ For example, a 25% mark-up means that a CDN wholesale value of \$10.00 would become Kapes' retail \$12.50 and a CDN \$300.00 value would become Kapes' retail price of \$375.00.

¹²⁹ *Id.* at 1258.

¹³⁰ *Id.* at 1259 (emphasis added)

¹³¹ *Id.* at 1261.

¹³² *Id.* at 1260.

¹³³ *Size Matters*, *supra* note ____ at 592 – 595.

“expressions” of CDN editors’ judgments; that the judgments are the abstract, unprotected ideas (Judge Leval’s first reason to avoid the merger doctrine); and that the court did not believe merger should apply. Instead, the court (a) implicitly says that the prices are ideas and (b) explicitly says that copyright law sometimes protects ideas:

CDN does not, nor could it, claim protection for its idea of creating a wholesale price guide, ***but it can use the copyright laws to protect its idea of what those prices are.*** Drawing this line preserves the balance between competition and protection: it allows CDN’s competitors to create their own price guides . . . but protects CDN’s creation, thus giving it an incentive to create such a guide. . . . The doctrine of merger does not bar copyright protection in this case.¹³⁵

Even treating this language concerning copyright protecting ideas as dicta, *CDN* broadened the scope of protection for such judgments/evaluations by extending the protection to *derivatives* from the plaintiff’s evaluations, not just reproducing the *expressions* of the plaintiff’s evaluations.

While *CDN* seems like a fairly bare-knuckled application of anti-misappropriation sentiments without sufficient concern for the integrity of copyright doctrine,¹³⁶ in another sense *CDN* did not aggravate the “created facts” problem beyond *Maclean Hunter*. There was no evidence that the CDN wholesale prices were mandated for use in law and there was less evidence that the CDN prices had become *de facto* industry standards than the evaluations in *Maclean Hunter*. It would take a few more years before another case again brought the *Maclean Hunter* analysis under scrutiny.

¹³⁴ 197 F.3d at 1260.

¹³⁵ *Id.* at 1262 (emphasis added).

¹³⁶ See, e.g. Karjala, *supra* note __ at 480. (“It is evident that *CDN* simply uses anti-misappropriation notions to force the defendant to do its own work in determining the value estimates rather than to protect the creative selection or arrangement of compiled data, paying only lip service to *Feist*’s elimination of the sweat of the brow basis for copyright originality.”)

C. NYMEX v. IntercontinentalExchange¹³⁷

That case came in 2006 and was brought by the New York Mercantile Exchange (“NYMEX”), the world’s largest exchange for the trading of commodity futures contracts and an entity regulated by the Commodity Futures Trading Commission (“CFTC”). People trading NYMEX futures contracts (“members”) must deposit an initial margin deposit – a performance bond – to cover any losses they suffer. As explained by the district court:

On each day on which a futures contract remains open and unexpired, the amount of the required margin deposit changes as the price of the underlying commodity--and thus the value of the contract--changes. These changes in the value of the contract are determined by reference to the end-of-day "settlement prices" for the futures contract.¹³⁸

The parties disputed how much judgment and creativity went into these settlement prices, although there was no dispute that they are not actual prices of single transactions and that the daily settlement prices are established by a NYMEX “committee.”

IntercontinentalExchange (“ICE”) has its own over-the-counter futures contracts on two popular NYMEX commodities and each day ICE relies on the NYMEX settlement prices for the processing of the ICE futures contracts.¹³⁹ NYMEX claimed that this activity violates its copyright in the settlement prices.¹⁴⁰ When ICE sought declaratory judgment against NYMEX on the

¹³⁷ N.Y. Mercantile Exch., Inc. v. IntercontinentalExchange, Inc., 389 F. Supp. 2d 527 (S.D.N.Y. 2005).

¹³⁸ 389 F. Supp. 2d at 530.

¹³⁹ *Id.* (“According to ICE, an OTC swap is generally defined as an agreement whereby a floating price is exchanged for a fixed price over a specified period, thus allowing a buyer or seller of energy products to ‘lock in’ a specific price and avoid the risk of floating prices. The financial purpose of an OTC transaction, therefore, is usually the same as the financial purpose of a NYMEX transaction.”)

¹⁴⁰ In March 2002, NYMEX sought copyright registration for its settlement prices, expressly comparing the settlement prices to the valuations in *Maclean Hunter* and *CDN*. When it became clear that the Copyright Office would not grant registration over

copyright issue, NYMEX “urged the Court to consider a NYMEX settlement price as a ‘creative copyrightable work’” – a result that follows unsurprisingly from Judge Leval’s reasoning in *Maclean Hunter* (as well as Easterbrook’s reasoning in *Delta Dental*). NYMEX conceded that “market participants often provide that the parties will refer to a NYMEX settlement price to serve as the final settlement price in OTC [over-the-counter] contracts.”¹⁴¹ At the same time, NYMEX counsel expressly argued that “[w]hat is done with [a settlement price], what we permit to be done with it,” had no bearing on it becoming a fact – an argument obviously at odds with the claims made here about the nature of social facts.

The district court found that the settlement prices were facts,¹⁴² but it is clear that Judge Koeltl understood he was treading in an uncharted quadrant of the *Feist* universe. On the one hand, the district court opined that “NYMEX’s settlement prices are the actual prices,”¹⁴³ suggesting that the holding relied on placing the NYMEX settlement prices in the camp of Feistian facts. On the other hand, the court adopts a page from Searle’s theory on why the prices are (social) facts:

NYMEX prices are widely publicized and used as benchmarks by market participants. NYMEX settlement prices are thus real-world facts used by commodities traders to value their open positions and trigger margin calls or market reductions.¹⁴⁴

the “prices” expressly mentioned as such, NYMEX obtained registration over publications that include the prices. *Id.* at 573.

¹⁴¹ 389 F. Supp. 2d at 533

¹⁴² *Id.* at 541 (“The argument that NYMEX settlement prices do not embody facts is without merit.”)

¹⁴³ *Id.* at 542 (“NYMEX’s settlement prices are the actual prices and are the only way to express the idea of a settlement price stated in numbers”).

¹⁴⁴ 389 F. Supp. 2d at 542. *See also Id.* at 543 (“NYMEX settlement prices are a matter of basic market fact, and therefore, they are not copyrightable.”)

Judge Koeltl then found that the facts and expression of facts have merged, but carefully hedges his bets throughout the opinion, framing the problem also as one of “idea” and expression having merged.¹⁴⁵

On appeal, NYMEX continued to follow *Maclean Hunter*, arguing that each NYMEX settlement price is the “expression of an informed, consensus opinion of persons at NYMEX as to what the fair market value of the contract at the close of trading was”; that the nature of trading makes the actual prices – the Feistian facts -- impossible for NYMEX to obtain.¹⁴⁶ Not surprisingly, NYMEX’s arguments for why there is no “merger” in this situation – despite widespread external reference to the settlement prices – tracked Judge Leval’s analysis in *Maclean Hunter*.¹⁴⁷ The U.S. Government intervened against NYMEX, but is also a little ambivalent in its embrace of the district court conclusion that “facts” have been created.¹⁴⁸

¹⁴⁵ Interestingly, Koeltl makes no citation to the *Veeck* decision (discussed below), although that majority *en banc* decision concluding that the model code had become “fact” was over two years old by the time of Koeltl’s decision.

¹⁴⁶ *New York Mercantile Exchange v. IntercontinentalExchange, Inc.*, Brief for Plaintiff-Appellant, January 24, 2006 at 7 (hereinafter NYMEX Appeal Brief). NYMEX’s argument acknowledged that the settlement prices are generated pursuant to elaborate rules (a reason used in the *Southco* litigation to deny originality to the parts numbers), NYMEX Appeal Brief at 10, but continued the claim that each settlement price was set “virtually entirely in the discretion, judgment and opinion by the Settlement Price Committee.” NYMEX Appeal Brief at 12

¹⁴⁷ NYMEX argued that because the opinions used in arriving at the settlement price can vary from person to person, “the idea can result in several different expressions” NYMEX Appeal Brief at 33. The U.S. Government brief savaged this NYMEX argument: “NYMEX’s claim that a settlement price is just one possible expression of a broad, all-embracing concept is a transparent effort to avoid the merger doctrine.” Brief Amicus Curiae of the United States of America in Support of Defendant-Appellee Intercontinental Exchange, Inc., March 27, 2006, at 29 [hereinafter USG Brief]. Adopting Judge Leval’s distinction, NYMEX also argued that it does not seek to protect “building block ideas” but rather ideas in the category of “approximative statements of opinion” NYMEX Appeal Brief at 35.

¹⁴⁸ The brief emphasizes IDEA/expression merger: “NYMEX has avowed that its settlement prices are the ‘cornerstone of the clearing process’ and are the basis for calculating whether its customers made or lost money on a particular contract. Given this reality, it is simply not credible for NYMEX to argue that its settlement prices reflect only one expression (among many) of the sweeping idea that market values can

In August 2007, the Second Circuit affirmed the lower court on merger grounds only.¹⁴⁹ Viewing the NYMEX Committee’s activities, the court pointed to the *Feist* example of census-takers (as discoverers of fact) and noted that “[w]hile the line between creation and discovery is often clear-cut, we recognize that it is a difficult line to draw in this case.”¹⁵⁰ This left the originality – hence copyrightability – question unresolved. Similarly, while the appellate panel noted how the settlement prices are treated after their creation as facts,¹⁵¹ it did so as almost an estoppel point against NYMEX -- and without any recognition, as in the *Veeck* case discussed below, of the “created facts” doctrinal dilemma.

While *NYMEX* seemed to test the basic soundness of *Maclean Hunter*, the court avoided directly confronting its own precedent – and *CDN v. Kapes* -- in a couple ways. First, the court noted that *Maclean Hunter*’s statement that “[t]he valuations themselves are original creations” was “arguably dicta” unnecessary to the decision because the defendant had copied the entire compilation.¹⁵² Distinguishing the merger analysis of *Maclean Hunter* was a more difficult task.

be derived from market transactions. To the contrary, as the district court correctly ruled, a NYMEX settlement price is the expression of a much more specific idea.” USG Brief, *supra* note __ at 28-29. On the other hand, the USG Brief emphasizes that some “judgment” going into a number does not undermine its basic factual nature: “[a]ll measurement involves some amount of judgment and estimation” and “NYMEX is therefore wrong to suggest that applying judgment to a measurement destroys the factual nature of the result.” USG Brief at 9-10.

¹⁴⁹ *New York Merchantile Exhcnage, Inc. v. IntercontinentalExchange, Inc.*, 05-5585, Second Circuit Court of Appeals, August 1, 2007 [hereinafter NYMEX appellate decision].

¹⁵⁰ *Id.* at 9.

¹⁵¹ *Id.* at 11, fn. 6 (“While NYMEX now argues that settlement prices are merely opinions, we note that NYMEX itself treats the prices as news of the day. . . . NYMEX also provides the prices to newspapers which publish them alongside other market facts.”).

¹⁵² *Id.* at 11, fn. 5. (“ . . . in *CCC* a subscriber could not rely solely on the Red Book in valuing any particular used car. Similarly, *CDN Inc. v. Kapes* . . . is distinguishable

As an earlier version of this manuscript predicted, the court distinguished the NYMEX evaluative process from the *Maclean Hunter* evaluative process on the grounds that NYMEX attempts to establish/reconstruct *past* facts while the prices in *Maclean Hunter* and *CDN* were judgments as to future events.¹⁵³ Of course, reconciling application of the merger doctrine in *Maclean Hunter*, *CDN v. Kapes*, and *NYMEX* this way required more or less treating the NYMEX settlement prices as discovered facts – something the court said it was not deciding. (Not to mention that this temporal distinction is grounded in a common sense worldview also challenged by modern physics and metaphysics.¹⁵⁴) The court also appeared to distinguish application of merger on the grounds that used car or collector coin values would not apply *directly* to any particular used car or coin. In contrast, even if the NYMEX settlement price was “created,” once the settlement price exists it *is* the “fair market value for each NYMEX contract” and “any dissension [from that number] would be exceptionally narrow.”¹⁵⁵ Of course, that is an unsatisfactory way to distinguish the *NYMEX* ruling from *Maclean Hunter*: dissension from the Red Book used car values may also be “exceptionally narrow,” particularly on insurance compensation where the Red Book is mandated as the valuation authority. Finally, the Court of Appeals distinguished *Maclean Hunter* from the *NYMEX* case on policy grounds that have heretofore only obliquely been stated in merger doctrine: whether or not the putative copyright holder needed

because the prices for collectible coins in that case were estimates, not discovered market facts.”)

¹⁵³ This is a theme in David Nimmer’s exploration of the reconstruction of the Dead Sea Scrolls. In a sense, the NYMEX numbers are like a conservator trying to restore art, judging what *was* there. See generally Miles Unger, *A Mysterious St. John, Found In the Attic*, N.Y. TIMES, February 18, 2007, at AR 31.

¹⁵⁴ See, e.g. MICHAEL LOCKWOOD, *THE LABYRINTH OF TIME* (2006) (contrasting the ‘tensed conception’ of reality against the ‘tenseless conception’ in which there is no significant difference between the past, present, and future).

¹⁵⁵ NYMEX appellate decision at 15.

the incentive of copyright to produce the work.¹⁵⁶ We will return to that theme in Part VII.

V. LEGAL FACTS – WHEN PRIVATE PERSONS AUTHOR LAWS

Dating back to the 1834 *Wheaton v. Peters* and 1888 *Banks v. Manchester* decisions,¹⁵⁷ it has been black letter American copyright doctrine that expressions of law cannot be copyrighted. One rationale is that the public “authors” the law, not particular judges or legislators.¹⁵⁸ Another is that the incentive of copyright is unneeded because the expression of judges, as employees of the state, has already been bought and paid for by the citizenry (a kind of public work-for-hire doctrine, if you will). A third reason is a pure due process requirement of open access to the law: “the whole work done by judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all”¹⁵⁹

But this bar to copyright in law has been attacked on the flanks in cases concerning privately-developed “model codes” that are adopted into law. These model codes are usually the result of an intense, quasi-private deliberative process by a professional body that then claims copyright in the final expression of the model code. At the moment the code is completed (and not yet adopted as law), the copyright claim is as unremarkable as a movie studio claiming copyright in a big budget picture on which hundreds of people worked. Only a couple courts have confronted the problems that begin when

¹⁵⁶ After discussing the incentive function of copyright, particularly in respect of Maclean Hunter, the court noted “NYMEX needs no such incentives here.” NYMEX appellate decision at 16.

¹⁵⁷ *Wheaton v. Peters*, 33 U.S. 591, 8 L. Ed. 1055 (1834); *Banks v. Manchester*, 128 U.S. 244, 32 L. Ed. 425, 9 S. Ct. 36 (1888).

¹⁵⁸ As the majority noted in *Wheaton*, “It may be proper to remark that the court are unanimously of opinion, that no reporter has or can have any copyright in the written opinions delivered by this court; and that the judges thereof cannot confer on any reporter any such right.” 33 U.S. at 668.

¹⁵⁹ *Id.* at 253.

the model code is adopted whole cloth as law. In the most recent of these controversies, the federal courts have finally recognized that when a privately-written code is adopted as law, the private expression becomes “in one sense, a ‘fact’”¹⁶⁰ and that these “codes are ‘facts’ under copyright law.”¹⁶¹

A. **BOCA v. Code Technology, Inc.**

The First Circuit was the first to wade into this thicket in the 1980 *Building Officials and Code Administration v. Code Technology, Inc.* decision.¹⁶² The private Building Officials and Code Administration (BOCA) had developed and published a model building code; it copyrighted the code and then “encourage[d], through a licensing program, public authorities such as states to adopt the BOCA Code.” After Massachusetts adopted the BOCA code with some minor modifications,¹⁶³ BOCA published it as the *Commonwealth of Massachusetts State Building Code*; it appears that there was no official state publication of the state building code.¹⁶⁴ When the defendant, Code Technology (CT), sought to publish its own edition of the Massachusetts code, BOCA sued and the trial court granted a preliminary injunction.

After reviewing the case law on copyright in law from *Wheaton* and *Banks* forward, the First Circuit reversed the injunctive relief. The appellate panel concluded that it was “far from persuaded that BOCA’s virtual authorship of the Massachusetts building code entitles it to enforce a copyright monopoly over when, where, and how the [code] is to be reproduced and made publicly

¹⁶⁰ “The global enactment of a code does make that code the law of the enacting municipality and hence, in one sense, a ‘fact’.” *Veeck v. Southern Building Code Congress*, 241 F.3d 398, 408, n. 50 (5th Cir. 2001), *rehearing en banc* 293 F.3d 791 (5th Cir. 2002).

¹⁶¹ 293 F. 3d at 801.

¹⁶² 628 F.2d 730 (1st Cir. 1980).

¹⁶³ *Id.* at 732.

¹⁶⁴ *Id.*

available,” but “stopped short . . . of ruling definitely on the underlying legal issues.”¹⁶⁵

B. Veeck v. Southern Building Code Congress

Twenty years later, the Fifth Circuit gave a much more thorough treatment of this problem in the *Veeck v. Southern Building Code Congress* case,¹⁶⁶ concluding that privately drafted codes adopted as law had, indeed, become “facts.” The non-profit Southern Building Code Congress International (SBCCI) was formed in 1940 with its primary mission being to “develop, promote, and promulgate model building codes.”¹⁶⁷ Along with many other municipalities, the Texas towns of Savoy and Anna had adopted versions of a SBCCI code as their own. When Peter Veeck posted the town building codes on his non-commercial website promoting north Texas, SBCCI sued for copyright infringement.

The trial court granted summary judgment on Veeck’s infringement of the SBCCI copyright, a result the Court of Appeals initially affirmed (*Veeck I*). The *Veeck I* appellate panel concluded [a] that the incentive of copyright was needed to continue production of these useful model codes;¹⁶⁸ [b] that there was no evidence that Veeck had been denied access to the town building codes;¹⁶⁹ and [c] that there was no merger because “contrary to Veeck’s insistence –

¹⁶⁵ *Id.* The First Circuit left open the possibility that BOCA could persuade the trial court that its copyright in the model code should lead to damages. *Id.* at 736 (“Since the rule denying copyright protection to judicial opinions and statutes grew out of a much different set of circumstances than do these technical regulatory codes, we think BOCA should at least be allowed to argue its position fully on the basis of an evidentiary record, into which testimony and materials shedding light on the policy issues discussed herein may be placed.”).

¹⁶⁶ 241 F.3d 398 (5th Cir. 2001), *rehearing en banc* 293 F.3d 791 (5th Cir. 2002).

¹⁶⁷ 293 F.3d at 791.

¹⁶⁸ *Id.* at 406.

¹⁶⁹ The *Veeck I* panel noted that “had Veeck in fact been unable to obtain a copy of the enacted building codes because of SBCCI’s copyright, we would likely conclude that due process provides grounds to invalidate such copyright.” 241 F.3d at 403, fn. 18.

there remain many ways to write model building codes, not just one.”¹⁷⁰ Each of these conclusions, of course, echoes similar reasoning in *Maclean Hunter* and/or *Practice Management*.

Rehearing *en banc* produced a strong split among the Fifth Circuit judges with a majority finding both that the *Wheaton/Banks* reasoning required that Veeck have unfettered access to the law¹⁷¹ and that “the codes are ‘facts’ under copyright law.”¹⁷² As to the first of these two grounds, until *Veeck II* due process/access claims in these cases had been diffused through an understanding that the *minimum* due process need is for people to *know* the laws, not for people to *republish* the laws. For example, the *Practice Management* panel focused on the *access* side of a work being “available”:

"There is no evidence that anyone wishing to use the CPT has any difficulty obtaining access to it. Practice Management is not a potential user denied access to the CPT, but a putative copier wishing to share in the AMA's statutory monopoly. Practice Management does not assert the AMA has restricted access to users or intends to do so in the future."¹⁷³

Thus, the *Practice Management* court addressed the access issue and did not opine on the other half of *Banks* – that the law be “free for publication to all.”¹⁷⁴

¹⁷⁰ *Id.* at 407.

¹⁷¹ 293 F.3d at 799 – 800. The majority disagreed that *Wheaton* and *Banks* embodied the pecuniary/incentives argument that judges “do not need the ‘incentives’ that copyright affords in order to write opinions.” *Id.* at 797. Instead the majority viewed the *Banks* holding as based on “a ‘metaphorical concept of citizen authorship’ together with the need for citizens to have free access to the laws.” *Id.* at 799.

¹⁷² *Id.* at 801.

¹⁷³ 121 F.3d at 519. The court added that the AMA “has no incentive to limit or forgo publication” and that the federal government had ample remedies if the AMA did, including “terminat[ing] its agreement with AMA.” *Id.*

¹⁷⁴ The *Practice Management* court cited similar reasoning from the Fifth Circuit. In *State of Texas v. West Publishing*, 882 F.2d 171 (5th Cir. 1989), the court turned back Texas’ argument against West’s claim of copyright over its own arrangement of Texas laws. After finding that Texans had access to Texas’ arrangement of its own state statutes, the court reasoned that, as to West’s “Vernon’s Annotated Texas Statutes,” there was “no evidence that anyone is being denied access to Vernon’s or that West intends to deny access in the future. Accordingly, Texas residents are not being

Of course, the ability of third parties to republish a code can be linked with increased general access, but not all of the situations in these disputes lend themselves to that kind of analysis. Practice Management had, until the dispute, been reselling AMA-produced copies of the CPT, so it was not obvious that Practice Management republishing the CPT was going to trigger any meaningful increase in access. In *BOCA*, the plaintiff sold copies of its *Commonwealth of Massachusetts State Building Code (3d ed.)* for \$22 each while the defendant was selling an edition that included the state code and other materials for \$35 – hardly an increase in accessibility. It is only with the Internet-based cases – *Maclean Hunter* and *Veeck* – that “free for publication” obviously increases access.

The second grounds for the *Veeck II* holding was a clear endorsement of the thesis here. In ruling that “the codes are ‘facts’ under copyright law” the *en banc* majority reasoned:

It should be obvious that for copyright purposes, laws are “facts”: the U.S. Constitution is a fact; the Federal Tax Code and its regulations are facts; the Texas Uniform Commercial Code is a fact.¹⁷⁵

In the courtroom, we may functionally distinguish law and facts, but otherwise what the court says here comports with our intuitions. Most of us would say that income tax returns being due on April 15 is a fact; the speed limit on the highway you take to work is a fact; that parents are responsible for the torts of their minor children is a fact. If all of these are facts – and become so as a

deprived of any due process right they could conceivably have to access Texas laws.” *Id.* at 177.

¹⁷⁵ *Id.* at 801. This gave a ringing endorsement to Judge Little’s dissent in *Veeck I*. Judge Little had recognized that “there is merit to Veeck’s argument that once enacted, the codes do become a fact or idea, in that there is only one accurate way to express an

matter of statutes on the law books – how can these official building codes not be treated as massive compilations of fact à la *Feist*?

With this result, the majority reasonably felt compelled to distinguish the building codes which had “become law” from things “the law requires citizens to consult . . . in the process of fulfilling their obligations,” like the Redbook valuations or CPT medical codes.¹⁷⁶ This is the same distinction that Lawrence Cunningham draws between “strong” (or “semi-strong”) and “soft” adoption into the law¹⁷⁷ – and the reason I do not consider evaluation cases like *Practice Management* to be true “legal fact” situations. But the *en banc* dissent rightly criticized this line-drawing and, as I will argue in the next section, it is a distinction without much difference: the legal codes, the CPT, and the Red Book car valuations are all social facts in the Searlean sense. The groupings here (of naming, evaluative, and legal facts) have been for convenience; the key issue is status as a social fact. The argument then becomes that a law is a (social) fact that can be expressed in only one or a very limited number of ways, producing merger of expressive work and fact.¹⁷⁸

While the due process argument can be limited as the courts in *Practice Management* and *Veeck I* limited it (access means “access” and use, not reproduction), the traditional merger doctrine cannot be so limited. If there is merger of expression and fact, the copyright disappears, raising a colorable claim that the government decision to integrate or reference the privately-

enacted law. . . . By its very nature, an enacted law enters the public realm as a concrete, definite fact/idea.” 241 F.3d at 415 (Little, dissenting).

¹⁷⁶ *Id.* at 804 – 805.

¹⁷⁷ Cunningham, *supra* note ___, passim.

¹⁷⁸ 241 F.3d at 407. (As the *Veeck I* panel feared: “that the adoption of SBCCI’s codes into law was a transformative event that instantly denuded the work of copyright protection.”)

created work produces a compensable "taking."¹⁷⁹ Part VI aims to convince the reader that this radical conclusion is warranted in the sense that these are facts; Part VII aims to convince the reader that this radical conclusion can be avoided by judicious recalibration of the merger doctrine to take account of situations in which creation of the expression entails creation of the facts.

VI. BUT ARE THESE “FACTS”? AND, IF SO, WHAT HAPPENS?

In *Maclean Hunter*, Judge Leval announced a new distinction between “building block” and opinion “infused” ideas,¹⁸⁰ shielding expressions of the latter from copyright’s merger doctrine. In a 1999 speech, Judge Jon Newman offered the same distinction, but inadvertently admitted that this device allows copyright to protect ideas:

“ . . . for copyright purposes, simply labeling an aggregation of facts as an idea does not help decide whether a particular aggregation is protectable. All ideas are not created equal. The unprotected category includes those that are undertaken to advance the understanding of phenomena or the solution of problems, while the protectable category includes those that reflect the author’s taste and opinion.”¹⁸¹

To use Judge Leval’s language, the problem with each Redbook car valuation is that it is both an opinion-infused idea **and** a necessary building block for lots of further human activity. To use Judge Newman’s distinction, car valuations both “reflect the author’s . . . opinion” and are “undertaken to advance . . . the

¹⁷⁹ *Maclean Hunter*, 44 F.3d at 74; noted in *Practice Management*, 121 F.3d at 520. The government would have to compensate the private party for the full value of the copyright, an ironic twist for sure, since governments adopt such privately-created works to save costs. *See* 58 Fed. Reg. 57643, 57644 - 45 (Office of Management and Budget directing federal agencies to adopt private standards “whenever practicable” to “eliminate[] the costs to the Government of developing its own standards.”) *See also* Thomas F. Cotter, *Do Federal Uses of Intellectual Property Implicate the Fifth Amendment?*, 50 FLA. L. REV. 529 (1998)

¹⁸⁰ 43 F.3rd at 73.

¹⁸¹ Jon O. Newman, *New Lyrics for an Old Melody: The Idea/Expression Dichotomy in the Computer Age*, Cardozo School of Law Occasional Papers in Intellectual Property, No. 4 (1999) at 9.

solution of problems.” Used coin prices, restaurant ratings, medical procedure designations, “settlement prices,” and privately-drafted model laws may be (initially) very much matters of opinion, but opinions systematically undertaken/formulated to solve problems.

Of course, that does not mean that these designations, evaluations, and privately-drafted laws are facts in our copyright doctrine, let alone in our metaphysics. But anyone who wants to deny “factness” to designations, evaluations, and privately-drafted laws has to reconsider all types of facts established through social institutions. Just as we may question whether a 2005 Chevy Malibu is really worth \$10,250 or a “Henry Hub natural gas futures contract is worth \$25,”¹⁸² we can ask -- in the same philosophical tone of voice -- the same question about *any* social fact. John Searle raises just the same objection to all social facts as we might make to a state’s bond rating or a used car valuation:

Our sense that there is an element of magic, a conjuring trick, a sleight of hand in the creation of institutional facts out of brute facts derives from the nonphysical, non-causal character of the relation of the X and Y termsIn our toughest metaphysical moods, we want to ask ‘But is an X really a Y?’ For example, are these bits of paper really money? Is making certain noises at a ceremony really getting married? Surely when you get down to brass tacks, these are not real facts.¹⁸³

Searle’s answer is that a social fact arises when (a) someone declares or states that such and such is the case, and (b) it becomes widely accepted that such and such is the case. That green, rectangular piece of paper is \$20 because the U.S. Treasury declares it to be¹⁸⁴ and we all accept that.¹⁸⁵

¹⁸² NYMEX appellate decision at 14, quoting the U.S. Government brief.

¹⁸³ SOCIAL REALITY, *supra* note ____ at 45.

¹⁸⁴ As Searle observes, “When the Treasury says [this piece of paper] is legal tender, they are declaring it to be legal tender, not announcing an empirical fact that it already is legal tender.” *Id.* at 55.

Similarly, a designation -- whether an airplane type (“787”) or a person (“Rock Hudson”¹⁸⁶) - is only treated as a fact when it is widely accepted by the relevant community. The same is true with credit ratings¹⁸⁷ and other numeric evaluations. In the *CDN* case, CDN was alleged to have promoted its wholesale coin prices as facts¹⁸⁸ -- a charge also leveled against NYMEX.¹⁸⁹ And if those used coin values were widely accepted, CDN was right to do so. Widespread acceptance may take time, but social facts can also arise abruptly. Indeed, the example Searle gives of social facts arising abruptly is “legislation being passed” or “authorities changing the rules of the game”¹⁹⁰ – just as the *Veeck en banc* majority understood. But even in those cases there must be acceptance (or at least not general, active rejection) by the society.¹⁹¹

¹⁸⁵ *Id.* at 112 (“We have nothing but the ability to impose a status, and with it a function, by collective agreement or acceptance.”)

¹⁸⁶ né Roy Sherer.

¹⁸⁷ For example, there has never been any doubt that credit ratings are “customer information of a financial institution” under 15 U.S.C. § 6827(2), defined as “[a]ny information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer” [emphasis added].

¹⁸⁸ 197 F.3d at 1262.

¹⁸⁹ NYMEX appellate decision at 11, fn. 6.

¹⁹⁰ SOCIAL REALITY, *supra* note __ at 125.

¹⁹¹ Simon Blackburn also observes this point when he writes of facts arising from law, “In the case of human law . . . it ought to be a properly constituted authority, but, then, what kind of fact is it that some group of people makes up such an authority?” Blackburn, *supra* note __ at 110-111. Of course, a statement becomes law – and a fact – through a “performative” speech utterance. See generally JOHN AUSTIN, HOW TO DO THINGS WITH WORDS (1962); SPEECH ACTS, *supra* note __; Justin Hughes, *Group Speech Acts*, 7 PHILOSOPHY AND LINGUISTICS (1984) (describing court decisions as speech acts from groups). If the “performative” is accepted – that Jane and Peter are now married, that Charles is now coronated King, etc. – then it is “felicitous”: only then does it become a social fact. And as Derrida noted, “There are cases in which it is not known for generations if the performative of the violent founding of a state is ‘felicitous’ or not.” Jacques Derrida, *Force of Law: The Mystical Foundation of Authority*, 11 CARDOZO L. REV. 919 (1990)

A. Fact or fiction?

One might ask how all this relates to the “facts” created by works of literature. Indeed, the only American court to use the phrase “created facts” did so in relation to “facts” within a fictional storyline¹⁹² and it is fair to say that well-known literary or artistic narratives establish widely-known, socially-accepted details, i.e. that Ahab lost a leg to the white whale;¹⁹³ that ground control lost contact with Major Tom;¹⁹⁴ that Bruce Wayne is Batman¹⁹⁵ -- as surely as Peter Parker is Spiderman;¹⁹⁶ that Marge is married to Homer -- as surely as Wilma is married to Fred.¹⁹⁷ To consider the widely-known, socially-accepted nature of these details conduct a thought-experiment: if there had been no footnotes in this paragraph would you have known these things to be “true.” And yet, as Jeanette Winterson says, “[t]he truth of fiction is not the truth of railway tables.”¹⁹⁸

I have repeatedly said that the created fact cases above generate designations, evaluations, and propositions that are necessary for further

¹⁹² *Castle Rock Entertainment v. Carol Publishing Group*, 150 F. 3d 132, 139 (2d Cir. 1998) (recognizing that the “original, protected expression” at issue – character and event details from the television series *Seinfeld* -- were “created facts.”). Scholars who have used the phrase “created facts” are few too, but include Karjala, *supra* note __ at 477.

¹⁹³ HERMAN MELVILLE, *MOBY DICK* (1851).

¹⁹⁴ In the rock and roll classic, *Space Oddity*, from the album DAVID BOWIE, *SPACE ODDITY* (1969).

¹⁹⁵ One could cite literally thousands of sources for this, but although Bob Kane created Batman in the 1930s, my favorite is FRANK MILLER AND KLAUS JANSON, *THE DARK KNIGHT RETURNS* (1986).

¹⁹⁶ Spider Man first in appeared in 15 *AMAZING FANTASY* (August, 1962) and is the subject of three blockbuster films from Sony Pictures creatively titled, *SPIDERMAN* (2002), *SPIDERMAN 2* (2004), and *SPIDERMAN 3* (2007).

¹⁹⁷ *THE FLINTSTONES* (1960). Although there were only 166 episodes in the original cartoon series (1960-1966), it has enjoyed wildly successful and continuous syndication -- plus network specials, spin-off series like the 1970s “Pebbles and Bamm-Bamm Show,” and two feature films starring John Goodman and, in one film or the other, a bunch of actors who should have known better (Rosie O'Donnell, Kyle MacLachlan, Halle Berry, Elizabeth Taylor, Stephen Baldwin, Joan Collins, and Alan Cumming).

¹⁹⁸ JEANETTE WINTERSON, *ART OBJECTS* 54 (1995)

activity, expressive and non-expressive. It is tempting to say that this distinguishes them from facts in a fictional storyline because elements of fiction are rarely needed for *non-expressive activity*. You might need *Star Trek* for your “Slash” stories – this is the whole “recoding” debate in copyright scholarship¹⁹⁹ – but you do not need any details from Faulkner or *Star Wars* to sell your used car, get reimbursed for medical services rendered, or engage in construction as a line of work. Not only do people *rely* upon authored designations, evaluations, and laws for subsequent non-expressive activity, but we normatively accept and expect such reliance across the board; we believe that such reliance is (nearly?) always useful. In contrast, undue reliance on details from popular film and television to manifest the expressive activities of one’s life is often considered sub-optimal: Radin might say this is not “human flourishing”;²⁰⁰ William Shatner might tell Trekkers to “get a life.”²⁰¹ For good reason, we might not want to treat these details of literature as facts.²⁰²

Of course, even if utility can distinguish the created facts in designations, evaluations, model laws, etc. from the details created in literature and the arts, utility should not be an indicator of “factness” or truth-status. As Simon Blackburn notes “[t]ruth has rights and privileges of its own, and they are not

¹⁹⁹ See e.g. Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 1007 (1990); James Boyle, *A Theory of Law and Information: Copyright, Spleens, Blackmail and Insider Trading*, 80 CAL. L. REV. 1413 (1992); Peter Jaszi, *On the Author Effect: Contemporary Copyright and Collective Creativity*, 10 CARDOZO ARTS & ENT. L. J. 293 (1992); Rosemary J. Coombe, *Author/izing the Celebrity: Publicity Rights, Postmodern Politics, and Unauthorized Genders*, 10 CARDOZO ARTS & ENT. L.J. 365 (1992). Keith Aoki, *Adrift in the Intertext: Authorship and Audience "Recoding Rights"*, 68 CHI.-KENT L. REV. 805 (1993); Rebecca Tushnet, *Legal Fictions: Copyright, Fan Fiction, and a New Common Law*, 17 LOY. L.A. ENT. L. J. 651 (1997); Hughes, *Recoding Intellectual Property*, *supra* note ____.

²⁰⁰ Margaret Jane Radin, *Human Flourishing and Market Rhetoric*, in *Contested Commodities* 79-102 (1996).

²⁰¹ WILLIAM SHATNER WITH CHRIS KRESKI, *GET A LIFE!* (1999). The title comes, as Amazon says, from Shatner “[p]oking fun at *Star Trek*’s gung-ho fans and conventions in a now infamous *Saturday Night Live* sketch . . .” <http://www.amazon.ca/Get-Life-William-Shatner/dp/0671021311>

²⁰² My thanks to David McGowan for this observation.

just the same as utility”;²⁰³ indeed, when it comes to utility, “in many circumstances an adaptive illusion will do just as well as truth.”²⁰⁴

For one who adheres to the correspondence theory of truth, the difference between these created fact cases here and ‘fictional facts’ is, in some sense, where the fact is ‘located.’ If someone says “Is Marge really the wife of Homer?” we are likely to disabuse them of the notion that Marge and Homer are real, living people with something like “Marge is really the wife of Homer on the *Simpsons* show.”²⁰⁵ In contrast, the CPT codes, the Redbook valuations, and the building code of Savoy, Texas take on a life outside the expressive work where they first appear. Fictional facts can be inconsistent – they do not have to “cohere” because they are understood to be located within and only within the expressive work.²⁰⁶

B. Facts, utility, and processes

In keeping with what I have just said, it is tempting to focus on the functional aspect or ‘essentiality’ of created facts. As with many other social facts, in a created fact situation the expression becomes important, if not essential, to functional, non-expressive activities in the society.²⁰⁷ Just as that

²⁰³ Blackburn, *supra* note ____ at 9.

²⁰⁴ *Id.* at 105 (discussing Nietzsche).

²⁰⁵ Although, as one scholar notes, “[f]ans seemingly blur the boundaries between fact and fiction, speaking of characters as if they had an existence apart from their textual manifestations.” HENRY JENKINS, *TEXTUAL POACHERS: TELEVISION FANS & PARTICIPATORY CULTURE* 18 (1992).

²⁰⁶ As Blackburn writes about believing something to be true: “A belief is given its identity by what it excludes. A fiction is not. We can happily read one story about a fictional character, and then a different story, without finding it necessary to reconcile them. True, aficionados can get very shirty if in one story it is said that the hero has fair hair and in the next story he is said to have black hair, but that is because they are trying to join the two stories together, which they don’t have to do. Whereas if the stories were histories of one actual man, they would have to be reconciled.” Blackburn, *supra* note ____ at 192.

²⁰⁷ Defining what is “functional” or “utilitarian” has plagued jurists – as well as scholars for some time. For example, in the 1992, *Computer Associates v. Altai* case,

rectangular green paper being a \$20 bill has functional implications, credit ratings, economic valuations, estimates of material strength, and designations (particularly those in classificatory taxonomies) are all used by people to do things - purchase cars, trade baseball cards, build buildings, decide where to eat, order the right size and kind of parts, etc. Private expression integrated into the law is the most straightforward example of expressions becoming essential to functional activities. If the law is precise – that the walls of two-storied wood frame buildings must have 2" by 4" studs that are centered at 16" or closer – then access to the expression is necessary for non-expressive activity (construction).

But the analysis here is quite different from Lawrence Cunningham’s analysis of these cases as private expression being integrated into *public law*.²⁰⁸ The argument here focuses on *expression becoming fact* – of which *expression becoming law* (Cunningham’s concern) is just one form. Indeed, in *Practice Management*, *Delta Dental*, *Maclean Hunter*, and *Veeck* the private expression was adopted (one way or another) into law because it was already widely

in trying to identify the “functional” Judge Walker compared the Humpty Dumpty story to a recipe for scrambled eggs by saying the latter is “a more process oriented text.” 982 F.2d 693, 704 (2d Cir. 1992). A recipe, of course, is aimed at a non-expressive human activity.

²⁰⁸ Professor Cunningham distinguishes between “weak,” “semi-strong,” and “strong” adoption of private expression into public law. His paradigmatic examples are “ex ante government designation of the standard setter as an officially recognized body” (“strong”), Cunningham *supra* note ___ at 293; standards “incorporation into law after creation” by a private entity (“semi-strong”) *Id.*; and adoption through “passing reference in legal materials” (“weak”) *Id.* He posits that access to the expression is most needed in cases of “strong” adoption, less with “semi-strong,” and even less with “weak.” I do not find that this tripartite division adequately captures the important differences and similarities among the ways private expression is adopted into law. For example, he says that with “strong form” adoption the “distinguishing feature” is that the privately-generated expressions “constitute the fabric of that law,” *Id.* at 299, but that is apparently true of the semi-strong too. Cunningham posits an inverse relationship between how much people need access to these codes and how much copyright incentive is needed to produce, i.e. the more access is needed, the less copyright incentive is needed. *Id.* at 299-300. This might be generally right, but this appears to be an empirical question that deserves careful attention.

agreed upon as the standard. Governments adopt existing, privately-created standards not just to avoid (the cost of) reinventing the wheel: they adopt existing, privately-created standards because those standards have legitimacy and social reference already. A cardiopulmonary resuscitation had already become a 92950 by the time Medicaid adopted the AMA taxonomy; the value of your 10 year old, driven-only-on-Sundays sedan had already become whatever value the Redbook said it was when the values were adopted by reference into state insurance laws.

The ADA code designations, the CDN coin valuations, and the Southco part numbers were all social standards – and created facts – without needing to be integrated into law. Peter Menell has explored how courts from the mid-1980s forward have declined to find copyright protection (often on grounds of merger) in cases where similarity in computer programs has been dictated [a] by standard practices in the industry for which the software programs are designed,²⁰⁹ [b] by methods or practices that a large population has come to rely upon for daily activities,²¹⁰ and [c] by the need to operate on common hardware or with common software.²¹¹ The functionality of such computer programs, communications protocols and software interfaces is usually – and profitably – analyzed in terms of the section 102 bar on processes and methods of operation.

²⁰⁹ *Plains Cotton Cooperative Assoc. v. Goodpasture Computer Service, Inc.*, 807 F.2d 1256 (5th Cir. 187); *Gates Rubber v. Bando Chem. Indus., Ltd.*, 9 F.3d 823 (10th Cir. 1993).

²¹⁰ *Lotus Dev. Corp. v. Borland Int'l. Inc.*, 49 F.3d 807 (1st Cir. 1995) (finding that a computer command hierarchy was an unprotectable method of operation); Peter Menell, *An Epitaph for Traditional Copyright Protection of Network Features of Computer Software*, 43 ANTITRUST BULLETIN 651, 696-703 (Fall-Winter 1998).

²¹¹ *Computer Associates International v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992); *Batesman v. Mnemonics, Inc.*, 79 F.3d 1532 (11th Cir. 1996). See generally Menell, *supra* note ____ at 684 – 699. See generally, Peter Menell, *An Analysis of the Scope of Copyright Protection for Application Programs*, 41 STANFORD L. REV. 1045 (1989); Peter Menell, *Tailoring Legal Protection for Computer Software*, 39 STANFORD L. REV. 1329 (1987).

Social facts are like standardized industry practices, particularly as to a social fact's existence being conditioned on widespread acceptance in the society or relevant portion of the society. It is easy to see that some protocols – like the generally accepted accounting principles (GAAP) become both social facts and “methods of operation”: it becomes impossible to do the process (accounting) without the expression. This is true as long as schools teach GAAP, businesses use GAAP, and markets expect businesses to use GAAP – GAAP is then integral to the process of accounting regardless of the integration of GAAP into law. It is not as obvious how a used car valuation or a parts designation can be an uncopyrightable “process,” but there is some parallelism: once it is widely accepted, a designation (like “787” or “Rock Hudson”) is a social convention – a communication standard, so to speak. Like technical or industry standards, it becomes the only reasonable way to do something – in this case, the only reasonable way to refer to *X* is using *X*'s name.²¹² So it might be possible to subsume the recognition of created facts into recognition of expressions which become communication “protocols” that are necessary for non-expressive activity.

Nonetheless, as long as we subscribe to facts and a correspondence theory of truth (in the way our legal system generally does), the designation and evaluation cases discussed above feel like something more than communication protocols. In these cases, original expression becomes the basis for universally accepted propositions of the form “this is *X*,” “that is *Y*,” “*A* is *B*” that seem to have truth values. These are social facts generated directly from what

²¹² It is for this reason that “nominative uses” of words and short phrases are shielded from liability under Lanham Act analysis. See *Chambers v. Time-Warner*, 123 F. Supp. 2d 198, 202 (S.D.N.Y. 2000) (Lanham Act claim for use of musicians' names to identify musicians' works in online service dismissed on summary judgment because “the above-described [use] is simply a permissible ‘nominative use,’ i.e. a fair use of the artist's name as a necessary means of accurately identifying the inventory in question offered by MP3.com.”) (emphasis added); *New Kids On The Block v. News Am. Pub'g Inc.*, 971 F.2d 302, 308 (9th Cir 1992).

copyright calls “original expression” and from what copyright calls “authors.” That is the created facts problem – and the gaping hole in the *Feistian* scheme of things.

The problem is that an honest assessment that these evaluations, judgments, and designations produce social facts can lead to blunt application of the merger doctrine – and, thereby, eliminate any possible copyright incentive. To understand this, we have to recognize that the merger doctrine works differently with what we call “ideas” and what we call facts.

The merger doctrine is notoriously malleable. With ideas, the doctrine's indeterminacy comes from trying to apply an either/or dichotomy – with draconian implications -- to a multi-layered world. Resting on top of any given expression, there is, metaphorically, a stack of increasingly abstract ideas.²¹³ At the bottom of the stack, there may be a *least* abstract, most precise idea expressible only in the words chosen – if that's the “idea” in merger doctrine, there would be no copyright.²¹⁴ At the other end, one can always find an idea so abstract that there is definitely no merger. For example, the original brain-in-a-vat science fiction story, “Donovan's Brain,” became, according to

²¹³ This vertical metaphor of ideas on top of expressions should be intuitive for most people thinking about this issue, i.e. in *Sid and Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977), the court describes liability as occurring only when the defendant's own expression of ideas shared with the plaintiff's work “*descends* so far into what is concrete in a work as to invade its expression” *Id.* at 1163 (emphasis added), a description which has appealed to other courts. See *Perma Greetings, Inc. v. Russ Berrie and CO.*, 598 F. Supp 445, 447 (E.D. Mo. 1984); *Hartman v. Hallmark Cards*, 639 F. Supp. 816, 819 (W.D. Mo. 1986) (quoting same language). And, of course, the discussion of “levels” of abstraction related to an expression also implies this vertical metaphor. See, e.g. *Feder v. Videotrip Corp.*, 697 F. Supp. 1065, 1073 (D. Colo. 1988). On other occasions, courts have employed the vertical metaphor in the other direction, finding the idea *underneath* the expression. See, e.g. *Continental Casualty v. Beardsley*, 253 F.2d 702, ____ (2d Cir.), *cert. denied* 358 U.S. 816 (1958) (discussing the need for “free use of the thought *beneath* the [copyrighted] language” and the “use of the underlying idea” (emphasis added)).

²¹⁴ A point made slightly differently in John Shepherd Wiley, *Copyright in the School of Patent*, 58 U. CHI. L. REV. 119, 123 (1991).

its author, “the acknowledged basis for three movies, as well as perhaps 50 more that appropriated the basic idea.”²¹⁵ Distinguishing between the 3 films and the 50 films makes sense to us because we know that the reference to a “basic idea” is a reference to a *highly abstracted, very general* idea. It is the same notion that Judge Hand presented in saying that a filmmaker would not infringe a stage play if they used “only the more general patterns” of the play.²¹⁶

But notions of the “basic idea” or the “general pattern” are not useful when it comes to facts and expressions of facts. We would not say that the expression of a specific temperature reading in Chicago at noon on May 4, 2007 (say, “63 degrees F”) is protectable because, after all, it does not propertize the *basic idea* of a temperature in Chicago at noon on May 4, 2007 (or of a temperature in Chicago, more generally). There is something irrelevant about this kind of reasoning: we are not concerned about more abstract levels when it comes to facts. An *abstract fact* is a classification, a theory, a law of nature, i.e. that there will be a *temperature* in Chicago on May 4, 2002. This is what is so dissatisfying about Judge Leval’s comment in *Maclean Hunter* that the plaintiff’s “ideas” were general ideas of used car valuations – and why the same argument did not fly in *NYMEX*. What matters to us are the precise valuations.²¹⁷ Those precise valuations are social facts; the social facts and the expression of those facts are merged.

In many cases – as in *Feist* -- drawing a distinction between facts and expression of facts is an extra, pointless step. Facts are always unprotected and, at least in databases, there is almost always merger between them and their

²¹⁵ Douglas Martin, *Curt Siodmak Dies at 98; Created Modern ‘Wolf Man’*, THE N. Y. TIMES, November 19, 2000 at 42, col. 1

²¹⁶ *Sheldon v. Metro-Goldwyn Pictures*, 81 F.2d 49, 54 (2d Cir. 1936).

expressions. That is what produces the bind with created facts. After *Feist*, if a court recognizes that the expressions in a non-fictional database are as much expression of facts as the phone numbers in *Feist*, the merger doctrine proceeds swiftly and surely to denude the work of any copyright protection beyond selection and arrangement.

VII. PRESERVING INCENTIVES WHEN INCENTIVES ARE NEEDED

As post-industrial economic development proceeds, valuable non-fictional databases filled with evaluations, judgments, and designations (and business models based on these databases) will only proliferate, as will the likely disputes about who controls the contents and how. If being honest about “facts” means the merger doctrine will knock out copyright protection for many of these works, is that a problem? Arguably yes, for a discrete subset of these information products. For such products, we will need to find ways to curb and/or probably recalibrate the merger doctrine. To that end, let’s consider what kinds of “created fact works” may need the incentive of copyright and what limiting doctrines of copyright can be brought to bear in balancing the need to have incentives for the expression with the need to access to the facts created by the expression.

A. Determining where incentives are needed

In considering whether the copyright incentive is needed, we must recognize that many facts will be “created” by people for non-economic incentives, such as a sense of civic or professional duty. Within the economic realm, we should also distinguish between economic incentives dependent on copyright and other economic incentives. Without delving into the minefield about whether such determinations should affect copyright protection more

²¹⁷ And, similar, this is what seems so irrelevant about the *Veeck I* court telling us that “there are at least two other sets of building codes that currently compete with SBCCI’s.” 231 F.3d at 407.

broadly (there are lots of reasons to think they shouldn't), let us consider these issues in relation to the eight cases discussed above.

The most obvious of the cases are *Southco* and *NYMEX*. For-profit Southco had a strong business incentive to give designations to its parts – indeed, it could not carry on a parts-selling business without doing so. No copyright protection is needed for that economic incentive to remain stable. The *NYMEX* litigation also seems a simple case because [a] preparation of the settlement prices is mandatory for NYMEX to carry on its business and [b] disclosure of the prices is legally required – by the Commodity Futures Trading Commission -- for NYMEX to be in that business.²¹⁸ In contrast, *Maclean Hunter* seems at the other extreme: its for-profit business was producing and selling the expression, not to mention that substantial numbers of its customers were migrating to the cheaper service that the defendant was able to offer by freely copying Maclean Hunter's expressions. This persuasive distinction clearly animated the Second Circuit decision in *NYMEX*: after recognizing the fear 13 years earlier that without copyright Maclean Hunter “might direct their energies elsewhere, depriving the public of their creations,” the court concluded that “NYMEX needs no such incentives.”²¹⁹

The rest of the cases seem to fall somewhere between *Maclean Hunter* and *NYMEX*, potentially pointing for the need to make careful determinations whether the copyright incentive is needed in situations involving “created fact” works. In *Practice Management* and *Delta Dental*, the courts expressly concluded that the copyright holder needed the incentive of copyright, but the status of each as a non-profit, professional association raises the legitimate issue of whether that was really true. The non-profit status hardly settles the issue – non-profit organizations can certainly depend on publication sales for

²¹⁸ NYMEX appellate decision at 2.

²¹⁹ NYMEX appellate decision at 16.

their operations;²²⁰ in *Veeck* this precise point was contested among the various opinions.²²¹ The status of the group as a professional association – intent on rendering beneficial services to the profession – seems a stronger argument for why the copyright incentive is not needed. Further along this spectrum, the case against copyright incentive being genuinely needed seems even stronger when the ‘author’ is a professional association intent on getting its expression enacted into law (as in *BOCA*); at that point, professional prestige and public service seem to be the driving forces. This was an important argument for the *Veeck* majority.²²²

In these types of cases, perhaps district courts need to do a more thorough job developing evidence of the copyright holder’s business model – presumably they would do so if they knew that the way in which they were to apply the merger doctrine turned on whether copyright was needed to bring the expression (and, hence, the facts) into existence.

B. Fair uses, implying licenses, and recalibrating merger doctrine

If there remains a kernel of situations where the copyright incentive seems quite important for production of the expression and, therefore, the facts, what are we to make of copyright’s limiting principles in such situations? Before turning to the merger doctrine – and how it sweeps too broadly in *Maclean Hunter* type situations – let us consider what happens with fair use and the

²²⁰ The finances are often hard to figure out. For example, roughly 18% of the revenues of the American Institute of Certified Public Accountants (AICPA) come from sales of accounting standards. AM. INST. OF CERTIFIED PUB. ACCOUNTANTS, 2002-2003 ANNUAL REPORT. But Professor Cunningham discusses how the AICPA sales operation sustained losses in the early 2000s. Cunningham, *supra* note __ at 320.

²²¹ In *Veeck*, the majority characterized the evidence that copyright revenues were needed as “self-serving affidavits from [SBCCI] officers and employees” and “perhaps proof that 40% of its revenue” came from selling copies of its model codes. 293 F.3d at 805, n. 21.

²²² 293 F.3d at 805. See Cunningham, *supra* note __ at 297, 304.

doctrine of implied licenses when we understand these works as “factual works.”

1. Fair use and implied licenses for created fact works

Concluding that a copyrighted work is principally a (created) factual work affects the fair use analysis because “the scope of fair use is greater with respect to factual than non-factual works.”²²³ Mechanically, a determination that a plaintiff’s work is a created fact work would impact the fair use analysis principally through the second factor.²²⁴ In *Harper & Row v. Nation Enterprises*, the Court told us that this factor, the nature of the copyrighted work, recognizes “a greater need to disseminate factual works than works of fiction or fantasy.”²²⁵ The Court quoted Professor Gorman approvingly for the notion that “[t]he extent to which one must permit expressive language to be copied, in order to assure dissemination of the underlying facts, will thus vary from case to case.”²²⁶ With created fact works of the sort considered in this Article, the expression is probably the only way to “assure dissemination of the underlying facts.” Thus, one could argue that the fair use doctrine, by itself, would permit extensive copying of a created facts work. This could cover the activities of the defendants in *Southco*, *CDN*, and perhaps *NYMEX*.

²²³ *New Era Publications, Int’l v. Carol Publ’g Group*, 904 F.2d 152, 157 (2d Cir. 1990). *See also* *Stewart v. Abend*, 495 U.S. 207, 237 (1990) (“In general, fair use is more likely to be found in factual works than in fictional works.”); *American Geophysical Union v. Texaco*, 37 F.3d 881, 893 (2d Cir. 1994) (The “accepted rule is that reproduction of factual works is far more likely to constitute fair use than reproduction of creative works”).

²²⁴ The first factor, “the purpose and character of the [defendant’s] use,”²²⁴ is sufficiently open-ended that we could include “for compliance with the law” as a characteristic of the circumstances that should weigh in the defendant’s favor. But this effect on the fair use analysis is not directly related to understanding the expressive works as producing facts.

²²⁵ *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 563 (1985)

²²⁶ *Id.* quoting Robert Gorman, *Fact or Fancy? The Implications for Copyright*, 29 J. COPYRIGHT SOC. 560, 563 (1982).

On the other hand, in many of these opinions with grand propositions about access to factual works – *Harper & Row*, *American Geophysical* -- fair use is not found. This is probably because the fourth fair use factor – effect on the plaintiff's market – has been both doctrinally and descriptively dominant.²²⁷ If that is correct, it suggests that wholesale copying as in *Maclean Hunter*, *Delta Dental*, *Veeck*, and *BOCA* -- or as was sought in *Practice Management* -- would not be tolerated under fair use.²²⁸ In contrast, the implied license doctrine may both cover the most important created fact cases and prompt a certain amount of self-selection on the question of copyright incentives.

As the name indicates, implied licenses in copyright may be inferred from words or conduct.²²⁹ The model code cases seem particularly apt for this treatment: once the model code is written, the professional association effectively “hands it over” to the government knowing that the government will reproduce and distribute the expression. In the case law, these are paradigmatic indicators of an implied license,²³⁰ particularly “the delivery of the copyrighted material without warning that its further use would constitute copyright

²²⁷ Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005* (forthcoming) (concluding that the fourth factor of section 107 is dispositive of most cases).

²²⁸ The Nimmer treatise reasons that adoption of a private work into law may enlarge the range of private copying which is protected by the fair use doctrine, but should not immunize a commercial publisher who wants to compete with the copyright owner, since this would “prove destructive of the copyright interest in encouraging creativity in connection with the increasing trend toward state and federal adoption of model codes.” NIMMER ON COPYRIGHT, § 5.06 [C] at 5-60.

²²⁹ MELVILLE B. NIMMER & DAVID NIMMER, 3 NIMMER ON COPYRIGHT 10.03[A] at 10-40.1 (“nonexclusive license may be granted orally, or may even be implied from conduct”).

²³⁰ *Effects Assoc., Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir. 1990) (“Effects created a work at defendant's request and handed it over, intending that defendant copy and distribute it.”); *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 774 (7th Cir. 1996) (“In the case before us, as in *Effects*, Mr. Shaver created a work at Joint Venture's request and handed it over, intending Joint Venture to copy and distribute it for the Airport Project.”)

infringement.”²³¹ Further, it is reasonable to think that the association’s agreement – or lack of objection – to integration of its model code into law grants an implied license for derivative works, i.e. amendment and modification of the code.²³²

A tantalizingly similar case where implied license through government use might have been inferred is the 2000 *SmithKline Beecham v. Watson Pharmaceutical* case in which SmithKline sued a generic drug manufacturer for copying SmithKline’s copyrighted labels and user guides, despite the generic drug manufacturer being *required* to copy the materials by the Food & Drug Administration.²³³ Although the defendant raised the issue of implied license, the court decided that the Hatch-Waxman Act directly obviated the copyright claim without need to pass through implied license or fair use analyses.²³⁴ Not satisfied with its strict legal analysis – and in keeping with the discussion here – the court engaged in a substantial analysis that SmithKline did not need copyright incentive for the preparation of the labels, user’s guide, etc.²³⁵

²³¹ Effects, 908 F.2d at 559, n. 6. When an entity “ ‘encourage[d], through a licensing program, public authorities such as states to adopt” its model code, the only alternative to the association anticipating the widespread reproduction of the adopted law would be the unsavory scenario in which the association planned to charge monopoly rents after state adoption. In other words, the state adoption was like the state awarding a supply contract, except that the citizens, instead of the state coffers, pay directly for the state’s supply of “law.”

²³² *Gracen v. Bradford Exchange*, 698 F.2d 300, 303 (7th Cir. 1983) (contest to prepare derivative works was basis for implied nonexclusive license to contestants).

²³³ *SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms.*, 211 F.3d 21 (2d Cir. 2000). Although there was some back and forth between Watson and the FDA, in its final determination “the FDA ‘determined that Watson had to copy verbatim substantially all of the text used in the SmithKline’ user’s guide.” *Id.* at 24, quoting the district court opinion.

²³⁴ *Id.* at 25 (“ . . . the Hatch-Waxman amendments to the FFDCA not only permit but require producers of generic drugs to use the same labeling as was approved for, and is used in, the sale of the pioneer drug . . . the FDA’s requirement that Watson use much of SmithKline’s label precludes a copyright infringement action . . . and we need not address either the fair use or implied license defenses.”)

²³⁵ *Id.* at 28-29.

Such an implied license seems obviously to cover government and government authorized publishers – and it is not difficult to extend to other publishers based on it being widely understood that “law” may be freely copied.²³⁶ The implied license argument reasonably extends to situations like *NYMEX* (and *SmithKline*) where both the expression and its publication were legally required to engage in an otherwise lucrative business.²³⁷ (In all these cases, for sure, there are counterarguments.) But the implied license argument seems to have little traction with cases like *Maclean Hunter*, *CDN*, and *Southco* – in which the putative copyright holder did no single act to “hand over” their copyrighted work. To extend the doctrine to those situations would really involve either some kind of laches or acquiescence argument (more familiar to trademark law) or a kind of the-value-is-the-public’s-investment argument that has surfaced in scholarship,²³⁸ but has not been well-formulated in jurisprudence.²³⁹

2. Recalibrating the merger doctrine for created fact works

The merger doctrine responds to a fundamental concern for property theory, a concern identified initially by (and, now, with) John Locke. In

²³⁶ On the theory that “there is ample support for the proposition that implied license scope in general is determined by considering the reasonable expectations of the parties in view of all of the circumstances, including the parties' conduct.” Mark D. Janis, *A Tale of the Apocryphal Axe: Repair, Reconstruction, and the Implied License in Intellectual Property Law*, 1 58 MD. L. REV. 423, 502 (1999).

²³⁷ Although it is fair to ask what would happen if a professional association then tried to withdraw its implied license. See *Jacob Maxwell, Inc. v. Veeck*, 110 F.3d 749, 753 (11th Cir. 1997) (withdrawal of implied license after several months use of song).

²³⁸ Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1730 (1999). One might also interpret Rochelle Dreyfuss’ argument about expressive genericity along these lines. Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990).

²³⁹ One of the best known efforts might be Judge Boudin’s concurrence in *Lotus Development Corp. v. Borland International*, 49 F.3d 807, 821 (1st Cir. 1995), *aff’d by an equally divided Court*, 516 U.S. 233(1996) (“But if a better spreadsheet comes along, it is hard to see why customers who have learned the Lotus menu and devised

Locke's philosophy, one condition for the acquisition of private property is that after particular property rights have been granted to one person, there must still be "enough and as good" to be propertized by others.²⁴⁰ This enough and as good "proviso" ameliorates tension between Locke's propositions that each person "plots a course for his own preservation," while still being "under a natural obligation to ensure that this conduces to the preservation of all."²⁴¹ Across the spectrum of modern political philosophy, there is widespread recognition that any adequate theory of property – or just distribution of goods – will contain some version of the requirement that enough and as good be left for others.²⁴²

Needless to say, there are questions about how the enough and as good condition applies or does not apply to modern society. What is clear is that [a] the condition is unworkable if applied too stringently (for example, if highly personal judgments drive the proviso, then as soon as a particularly attractive

macros for it should remain captives of Lotus because of an investment in learning made by the users and not by Lotus.")

²⁴⁰ See J. Locke, *Second Treatise of Government*, § § 27-33, in TWO TREATISES OF GOVERNMENT (P. Laslett rev. ed. 1963) (3d ed. 1698). Locke establishes this condition in describing how people convert pre-society land (and immovables) into private property. See generally, C.B. MACPHERSON, THE POLITICAL PHILOSOPHY OF POSSESSIVE INDIVIDUALISM: HOBBS TO LOCKE 201 (1962); G. PARRY, JOHN LOCKE (1978).

²⁴¹ JAMES TULLY, A DISCOURSE ON PROPERTY: JOHN LOCKE AND HIS ADVERSARIES 47 (1980); see also RUTH W. GRANT, JOHN LOCKE'S LIBERALISM 67-71, 91 (1987).

²⁴² Robert Nozick interprets the "enough and as good requirement" as a principle meant "to ensure that the situation of others is not worsened" by the appropriation of property from the commons. ROBERT NOZICK, ANARCHY, STATE AND UTOPIA 181 (1978); Peter Singer sees the enough and as good proviso playing a key role in the just distribution of the world's natural resources. PETER SINGER, ONE WORLD – THE ETHICS OF GLOBALIZATION 27-30 (2002); MICHAEL OTSUKA, LIBERTARIANISM WITHOUT INEQUALITY (2003); David Schmidtz, *The Institution of Property*, 11 SOCIAL PHILOSOPHY AND POLICY 42 (1994). Many believe that Locke's proviso, *stricto sensu*, is a **sufficient** condition, while a more general, harm-based version of the proviso is a **necessary** condition. See Clark Wolf, *Contemporary Property Rights, Lockean Provisos, and the Interests of Future Generations*, 104 ETHICS 791 (1995); Jeremy Waldron, *Enough and as Good Left for Others*, 29 PHILOSOPHICAL QUARTERLY 319

meadow or beach is propertized, then “enough and as good” will not remain) and [b] the condition does little for social justice if “as good” is interpreted too loosely.

Obviously, this parallels our problem with application of the merger doctrine to ideas. Pick the specific idea “sitting” immediately on top of the expression and there arguably is *always* merger, i.e. recognizing the copyright would create an enough-and-as-good problem in access to that specific idea. The merger doctrine then becomes useless. On the other hand, consistently picking an extremely abstract idea means that there will never be merger and the doctrine will do nothing to ensure that enough-and-as-good remains in the public domain for others.²⁴³

As I said earlier, with things that strike us as “facts” the ability to slide up and down the scale of abstractness disappears; there is a precise fact that we want to be available for everyone to use. Access to such facts seems necessary for there to be enough-and-as-good after a copyright is recognized. Yet assuming that some economic incentive was needed for creation of the expressions (which created the facts) if the merger doctrine strips away the copyright protection, we will destroy the incentive for the creation of the next iteration of the Red Book or the CDN Coin Dealer – the very thing that brought the facts into existence.

(1979). Nozick’s reinterpretation can be taken this way. I think that I have fortunately dodged the bullet on this point in prior writings.

²⁴³ This assumes that broadly permitted propertization of ideas would produce an “enough and as good” problem. See Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L. J. 287, 314 (1988) (“Stated simply, some ideas and facts cannot be removed from the common because there would not be the slightest chance of there being ‘enough and as good’ afterwards”). Even recognizing that patent law permits propertization of ideas, there are good reasons to think that copyright – a system with a very low threshold for the receipt of exclusive rights and no *ex ante* examination before creation of the rights – is a different issue.

The resolution of this problem lies in understanding the temporal difference. The merger doctrine comes into play *ex post facto* when recognizing property rights stemming from some *existing work* would make ideas and/or facts unavailable to the broader society. In contrast, the incentive rationale of copyright comes into play *ex ante* when *failure* to recognize (or make a commitment to recognize) property rights stemming from some *yet to exist work* would make expressions unavailable to the broader society. The two can be reconciled with a simple presumption: **that facts and expressions of fact *should not* be found to have merged if *ex ante* knowledge of the merger doctrine applying to the expression would have prevented creation of the facts at issue.** In other words, we must ask two questions. First, is the project of bringing the expression into existence also *a project that brings the fact into existence*? Second, does this project of bringing the expression into existence need the incentive provided by the copyright system? If the answer to both these two questions is “yes,” then in the absence of copyright incentives there will be neither expressions nor facts to have “merged.” The question is how we might recalibrate the merger doctrine to deal with – and not completely eliminate copyright in -- situations where the incentive of copyright is needed to generate the facts. There may be profitable insights from comparing merger doctrine with the “essential facilities” doctrine in antitrust law.

Although often used by the courts,²⁴⁴ the essential facilities doctrine is much maligned in antitrust scholarship,²⁴⁵ its status has been further complicated by the Supreme Court's 2004 refusal to either embrace or kill the doctrine.²⁴⁶ In that context, I propose the essential facilities doctrine only as a lens through which we might rethink the merger doctrine as a kind of "essential expression doctrine." While there are arguably a couple American cases applying the essential facilities doctrine to information works broadly

²⁴⁴ The doctrine was first applied to a railway bridge over the Mississippi access to which was needed by the plaintiffs in order to compete with the defendant in the provision of rail services in the St. Louis area. *United States v. Terminal R.R. Ass'n*, 224 U.S. 383 (1912). Note, however, that Areeda and Hovenkamp point out that the Court did not actually use the phrase "essential facility" and that the case holding could arise from more traditional combination grounds. AREEDA AND HOVENKAMP, IIIA ANTITRUST LAW, ¶ 772b1 at 179 – 180 [hereinafter AREEDA, ANTITRUST LAW]. Since then, the doctrine has been applied most cleanly to expensive infrastructure which is not utilized to 100% capacity by the defendant, i.e. electric transmission lines, natural gas pipelines, and sports stadiums. *Otter Tail Power Company v. United States*, 410 U.S. 366 (1973) (electric transmission lines); *Woods Exploration and Producing Co. v. ALCOA*, 438 F.2d 1286 (5th Cir. 1971), *cert. denied*, 404 U.S. 1047 (1972) (natural gas pipelines); *Fishman v. Wirtz*, 807 F.2d 520 (7th Cir. 1986) (professional sports arena); *Hecht v. Pro-Football, Inc.*, 570 F.2d 982 (D.C. Cir. 1977) (professional football stadium).

²⁴⁵ See, e.g. AREEDA, ANTITRUST LAW, *supra* note __ at ¶ 771b at 174 (1996) (viewing the doctrine as "inconsistent with antitrust's goals."); David Reiffen & Andrew N. Kleit, *Terminal Rail-road Revisited: Foreclosure of an Essential Facility or Simple Horizontal Monopoly?*, 33 J.L. & ECON. 419, 420-21 (1990) ("[E]conomic theory suggest[s] that there is no need for an essential facilities doctrine. . ."); Gordon Downie and Laura MacGregor, *Essential Facilities and Utility Networks*, in MACGREGOR, PROSSER, AND VILLIERS, EDS., REGULATION AND MARKETS BEYOND 2000 19, 38 (2000) ("[t]he essential facilities doctrine takes competition law to the very limits of its legitimate scope, and possibly across the order into regulation.")

²⁴⁶ In *Verizon Communications, Inc. v. Law Offices of Curtis V. Trinko*, 540 U.S. 398, 410 (2004), the Court held that its judgment "would be unchanged even if we considered to be established law the 'essential facilities' doctrine crafted by some lower courts. . . . We have never recognized such a doctrine and we find no need either to recognize it or to repudiate it here." *Id.* at 410 - 411 [citations omitted]. Not surprisingly, the Court also stated that any "essential facilities" claim could not be distinct from a §2 Sherman Act claim ("To the extent respondent's 'essential facilities' argument is distinct from its general §2 argument, we reject it.") *Id.* at 411. See also Michael A. Carrier, *Of Trinko, Tea Leaves, and Intellectual Property*, 2006 J. Corporation Law 357.

understood,²⁴⁷ neither the similarity between the merger and essential facilities doctrine²⁴⁸ nor application of the essential facilities doctrine to copyrighted works has been explored in American legal literature.²⁴⁹

The essential facilities cases involving unilateral action (§2 of the Sherman Act) typically involve a vertically-integrated defendant who controls an input for some downstream market in which the defendant has or could have monopoly power.²⁵⁰ As formulated in the Seventh Circuit's 1983 opinion in *MCI Communications Corp. v. A.T. & T.*, successful assertion of the essential facilities doctrine requires four elements:

²⁴⁷ One case, *Alaska Airlines v. United Airlines*, 948 F.2d 536 (9th Cir. 1991), arguably comes close because the computerized reservation systems at issue -- United's "Apollo" and American's "Sabre" systems -- were, in part, elaborate, constantly updated databases. Those databases, however, probably fell outside post-Feist American copyright law. See also *Intergraph Corp. v. Intel Corp.*, 3 F. Supp.2d 1255, 1278 (N.D. Ala. 1998) (finding "reasonable and timely access to critical business information . . . is an essential facility."), rev'd 195 F.3d 1346, 1357-58 (Fed. Cir. 1999). In the United Kingdom, the case of *RTE and ITP v. Commission*, Case C-241 & 242/91, [1995] 1 ECR 743, [1995] 4 CMLR 718, concerned an information product. Commonly called the *Magill* case, the dispute concerned the provision of television programming information by the BBC, RTE, and ITP networks to daily newspapers under a license arrangement and their subsequent refusal to provide the information to Magill, a small independent publisher, who wanted to publish a comprehensive weekly television guide. The court reasoned that the television companies were the only source of this information and their refusal to provide it prevented the introduction of a new product that would be advantageous to consumers. See also, Downie and MacGregor, *supra* note ____ at 25.

²⁴⁸ See, e.g. Dana R. Wagner, *The Keepers of the Gates: Intellectual Property, Antitrust, and Regulatory Implications of Systems Technology*, 51 HASTINGS L.J. 1073, 1122 - 1124 (2000) (identifying the two doctrines as two distinct "possible doctrinal foundations" for creating liability for systems technology industries that fail to license or open their technology, but not identifying the similarity/sameness of the two doctrines).

²⁴⁹ Exceptions are David McGowan, *Regulating Competition in the Information Age: Computer Software as an Essential Facility Under the Sherman Act*, 18 HASTINGS COMM. & ENT. L.J. 771 (1996) (in the context of network effects); Carrier, *supra* note ____; Michael A. Carrier, *Refusals to License Intellectual Property After Trinko*, 55 DEPAUL LAW REVIEW 1191 (2006); Note, *The Role of Compulsory Licensing in Unilateral Refusals to Deal* . . . J CORPORATION LAW 559 [Winter 2006]

²⁵⁰ AREEDA, ANTITRUST LAW *supra* note ____ at ¶ 771a at 172.

1. That the defendant controls an upstream facility or resource that is essential to competition in the market where the defendant has (or could have) monopoly power;
2. That competitor(s) cannot practically or reasonably replicate the facility;
3. That the defendant denies use of the facility to the competitor(s); and
4. That granting access is feasible [and economically rational but for maintenance of the monopoly] because granting access would not disrupt the monopolist's own use of the facility.²⁵¹

Each of these requirements can have some resonance for copyright cases. For example, a requirement differentiating between upstream and downstream markets mirrors, in some respects, a strongly intuitive concern in fair use doctrine – the distinction between primary and ancillary markets: copyright scholars have focused much of their turn-of-the-century angst on the issue of how derivative works should be freed (or freer) of the upstream works from which they are derived.

But it is the second and fourth criteria of the essential facilities doctrine that should interest us with “created fact” works. The second criterion in the essential facility checklist is that “the competitors of the monopolist are unable

²⁵¹ 708 F.2d 1081, 1132 (7th Cir. 1983), *cert. denied*, 464 U.S. 891 (1983). The Ninth Circuit embraced the four elements in *Ferguson v. Greater Pocatello Chamber of Commerce*, 848 F.2d 976, 983 (9th Cir., 1988) (“(1) that the defendant is a monopolist in control of the essential facility, (2) that competitors of the monopolist are unable to duplicate the facility, (3) that the monopolist has refused to provide the competitors access to the facility, and (4) that it is feasible for the monopolist to do so.”); *City of Malden v. Union Elec. Co.*, 887 F.2d 157, 160 (8th Cir. 1989) (same). *See also* *Alaska Airlines*, 948 F.2d at 543; *Aspen Highlands Skiing Corp. v. Aspen Skiing Co.*, 738 F.2d 1509 (10th Cir. 1984) *aff’d on other grounds* 472 U.S. 585 (1985) (the Court noting that affirmance on traditional monopolization theory made it “unnecessary” to analyze the essential facilities holding of the appellate court).

to duplicate the facility."²⁵² As the Areeda treatise points out in the context of antitrust law,

"[t]he essential facility claim is about the duty to deal of a monopolist who is able to supply an input for itself in a fashion that is so superior over anything else available that others cannot succeed unless they can access that firm's input as well. For this reason a strict conception of objectively measured 'essentiality' is critical for any rational essential facility doctrine"²⁵³

When expressions have taken on the glow of institutional facts because of integration into binding law, the case of essentiality seems straightforward. The Medicare/Medicaid programs would not permit a physician to seek reimbursement with any other procedure designations; a person whose car is totaled must use the Red Book number in seeking an insurance recovery. Although quite critical of the essential facilities doctrine in antitrust law, even Professor Areeda recognized that "the strongest claims of essentiality" include resources "whose duplication is forbidden by law."²⁵⁴ That is exactly the situation in the *BOCA*, *Veeck*, *Maclean Hunter*, and *Practice Management* cases.

For expressions which have taken on the glow of social facts as a matter of convention – *CDN*, *Southco* – the case for essentiality is substantial, but not as strong. Still, if we have concluded that an author's creations have become social facts or institutional facts in the Searlean sense, then generally speaking

²⁵² *Ferguson v. Greater Pocatello Chamber of Commerce*, 848 F.2d 976, 983 (9th Cir. 1988).

²⁵³ AREEDA, ANTITRUST LAW *supra* note ____ at ¶ 771a at 172; *see also* Areeda, *The "Essential Facility" Doctrine: An Epithet in Need of Limiting Principles*, 56 ANTITRUST L. J. 841 (1989).

²⁵⁴ AREEDA, ANTITRUST LAW *supra* note ____ at ¶ 773 at 199, but the Areeda treatise also notes that "when duplication is prohibited by law, forced sharing may be as well," citing patent law. *Id.* at fn. 2. While the federal government's adoption of the CPT codes for Medicaid payments did not "forbid" the development of alternative codes, it does make such development pointless or, more strongly, it makes it impossible to develop a competitor facility.

the expression of those social facts will be necessary, unique, and irreplaceable as to a range of activities distinct from the author's primary market. "Factness" is essentiality in a society that places the emphasis on public discourse that ours does.

But it is the fourth requirement of the essential facilities doctrine which provides the most interesting payoff in how to apply the merger doctrine to created fact works. The fourth requirement of the essential facility doctrine is "the feasibility of providing the facility"²⁵⁵ to others without undermining the defendant's own commercial activities. At first blush, it appears that this fourth element is *automatically* satisfied with intellectual property: the public goods nature of information works means that the copyright owner will *always* be able to "provide" the information facility while continuing to use the expression themselves.

But the situation is more complicated if we think, again, about *ex ante* and *ex post facto* perspectives. If the fourth requirement is that the property owner must be able to continue to enjoy use of the facility, then we should ask: *will the defendant, over the long term, be able to continue to use the created fact work for its own commercial activities?* And this is the key difference of eliminating exclusive rights in traditional merger analysis and what an essential facilities analysis would produce: a kind of compulsory license.

We have posited that in *some* situations *ex ante* knowledge of the merger doctrine applying to the expression of facts would have prevented creation of the facts at issue. In other words, if the publishers of the Redbook or the *Coin Dealer Newsletter* knew, in advance, that the merger doctrine would allow people to freely copy their publications, they "might direct their energies

²⁵⁵ 708 F.2d at 1133.

elsewhere, depriving the public of their creations”²⁵⁶ – and, thereby, depriving the public of the (created) facts. In other words, the traditional merger doctrine might eliminate the next iteration of the “facility” -- both for the producer of the work and for those who benefited (temporarily) from the merger doctrine. In antitrust law the essential facilities doctrine certainly does *not* require the defendant to give away access to the facility *so as to cause decline, waste, or destruction of the facility*.²⁵⁷ So, where we determine that the incentive structure of copyright is genuinely needed to generate the (created) facts, then our modified merger doctrine should require the producer of the created fact work to license the work on reasonable, non-discriminatory, and still profitable terms.

Since merger is a judge-created doctrine, there is no ban to grafting onto it compelled licensing in these rare situations of created fact works for which the economic incentive of copyright has been judged necessary for creation of the work. This comports with a small, but growing body of intellectual property case law including the Ninth Circuit's 1988 *Abend v. MCA* decision,²⁵⁸ the Supreme Court's 1995 *Campbell v. Acuff-Rose* decision,²⁵⁹ and the Court's recent 2006 *eBay v. MercExchange* decision²⁶⁰: cases that, as many

²⁵⁶ Maclean Hunter, 44 F.3d at 66.

²⁵⁷ Also *cf.* Areeda's point, in the context of MCI, that no court would order interconnection if it would harm the incumbent's facilities. Some uses might do that to a work.

²⁵⁸ 863 F.2d 1465 (9th Cir. 1988). The compulsory license nature of the court's decision is made clear by the remand instructions that, in calculating the plaintiff's portion of defendant's profits, "the district court must recognize" that "the tremendous success" of the film was "attributable in significant measure to . . . Grace Kelly and James Stewart -- and the brilliant directing of Alfred Hitchcock." *Id.* at 1478. The court clearly of the mind that the plaintiff would take far less than 100% of the studio's profit from the film. *Id.* at 1480.

²⁵⁹ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578, n. 10 (1994) (the goals of the copyright law "are not always best served by automatically granting injunctive relief when [defendants] are found to have gone beyond the bounds of fair use.")

²⁶⁰ 126 S. Ct. 1837 (2006) (concluding that injunctive relief in patent law is not automatic, but follows equitable consideration).

commentators have noted, constitute the germ of a case-by-case, judicially-imposed compulsory licensing system.²⁶¹

While a situation like *Abend v. MCA* leaves the damage level to the judge's intuitions, decisions concerning the created fact works discussed above need not be so *ad hoc*. Created fact works are typically *iterated* works – works that are continually updated and for which any one edition has a limited shelf-life of value. The Redbook and Coin Dealer Newsletter have extremely short shelf lives; the CPT, the ADA Nomenclature, and the model legal codes are more stable, but a party using the code is ill-advised not to have a complete, up to date set. Thus, when a judge determines that “essential expression” should be made available to third parties, a price can be set that ensures that the copyright owner continues to keep the information facility in “good repair,” so to speak – not much differently than the owner of a bridge or power lines deserving adequate returns under the essential facilities doctrine to maintain the physical facilities.

In the occasional circumstances when this proposal will come into play, it is still subject to the same criticism that the Court recently leveled against any court-enforced sharing: that it forces courts to identify the “proper price . . . and

²⁶¹ Wendy J. Gordon, *Symposium: Toward a Third Intellectual Property Paradigm: Comments; Assertive Modesty: An Economics of Intangibles*, 94 Colum. L. Rev. 2579, 2588, n. 41 (1994) (Citing Campbell and noting “[t]oday, judges are more open to exploring liability-rule avenues in copyright litigation.”); Alice Haemmerli, *Take It, It's Mine: Illicit Transfers of Copyright by Operation of Law*, 63 Wash & Lee L. Rev. 1011, 1020 (2006) (“In these cases, one could say that the court's refusal to grant injunctive relief for copyright infringement effectively results in a compulsory license in favor of the defendant.”); Karjala, *supra* note __ at 524 (“If fair use were a reliable form of compulsory license, it could be an important counterweight to a copyright in functional works. Its use in this fashion, however, has little foundation other than a footnote in the Supreme Court's decision in Campbell”); Timothy J. McClimon, *Denial of Preliminary Injunction in Copyright Infringement Cases: An Emerging Judicially Crafted Compulsory License*, 10 COLUM.-VLA J. L. & ARTS 277 (1986).

other terms of dealing – a role for which they are ill-suited.”²⁶² If there is no visible market failure in, say, the used car or collector coin markets, why attempt this market intervention? The answer comes in more or less summarizing the project here: [a] we generally make copyright available for these sorts of expressive works to avoid one sort of market failure; and [b] we have identified one limited set of situations (*Maclean Hunter*-like cases) where the intervention of copyright does seem needed to ensure that the market is supplied with the expression *and* the facts; [c] we have strong non-market reasons – related to democratic self-governance – for wanting to make “facts” available to all; yet [d] application of our usual doctrinal tool – merger – will negate “b” and, thereby, kill off the facts. The most reasonable course in these rare circumstances is to “dial back,” not turn off, the incentive of copyright.

CONCLUSION

In the 13th century, St. Bonaventure called the scribes of his time “compilers and weavers of approved opinions,”²⁶³ an apt description for the activities – and resulting works -- of companies like Maclean Hunter and non-profit associations like the AMA, ADA, BOCA, and SBCCI. Sometimes privately-generated opinions become so widely “approved” that they become necessary for subsequent expressive and non-expressive activities. Based on such wide-spread -- often legally-mandated -- use these “opinions” become woven into the social fabric as facts, as or more significant to our lives than facts of nature. When an author’s intentional act of creating the *expression* produces the *social fact*, I call the results “created facts.”

The *Feist* decision’s definition of “facts” and its understanding of their

²⁶² *Verizon v. Trinko*, *supra*, 540 U.S. at 408 (“Enforced sharing also requires antitrust courts to act as central planners, identifying the proper price, quantity, and other terms of dealing – a role for which they are ill-suited.”)

²⁶³ JOSEPH R. STRAYER, ED. 11 *DICTIONARY OF THE MIDDLE AGES* 56 (1988) (chapter on “Scholasticism and Scholastic Method”)

unprotected nature fails to capture how created facts arise in our social reality. Copyrighted works can generate social facts via many avenues: the ones described in this Article have been evaluations, designations, and model provisions that become essential for others to use in subsequent expressive and non-expressive activities. As our economy produces more and more “information products,” valuable non-fictional databases filled with evaluations, judgments, and designations will proliferate. Similarly, government reliance on privately-created model codes “reflects a governmental off-balance sheet financing strategy”²⁶⁴ and is not going to abate at a time when the public fisc is strained (if there ever was a time when it was not).

Skillful jurists like Judges Leval and Newman deftly avoided the “facts” issue in the years immediately following *Feist*, but courts are now starting to recognize that expressions created by identifiable individuals produce social facts. The problem is that if we admit that these works generate “facts,” the merger doctrine seems to lead – almost inextricably – to elimination of the copyright in the works involved.

This Article suggests that the merger doctrine should be applied differently in created fact situations depending on whether the copyright incentive was truly needed for production of the created facts work. Where no copyright incentive was needed, the merger doctrine can be applied traditionally – as in situations like *Southco* – because those lists or designations would be created even if the creator knew that the results would not be protectable under copyright. But the merger doctrine should not apply to eliminate copyright when the *ex ante* elimination of copyright’s incentive for yet-to-be-created *expressions of fact* would prevent the social facts themselves from ever coming into existence. *Maclean Hunter* and *CDN* probably fit this description. Instead, in such circumstances – as infrequent as they may be – the

²⁶⁴ Cunningham, *supra* note __ at 330.

merger doctrine should produce a compulsory license/sharing result, as the essential facilities doctrine does. Instead of doctrine-distorting machinations to withhold application of the merger doctrine, we should apply it in a sensible way that does not destroy the future flow of *both* expressions of facts and the facts themselves.