

IN THE UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

---

SOUTHCO INC.,

Appellee,

v.

KANEBRIDGE CORP.,

Appellant.

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

---

BRIEF AMICUS CURIAE OF THE UNITED STATES OF AMERICA  
URGING REVERSAL IN SUPPORT OF APPELLANT KANEBRIDGE CORP.

---

Of Counsel

ALBIN F. DROST

*Acting Solicitor*

JUSTIN HUGHES

JOHN M. WHEALAN

*Attorneys*

United States Patent & Trademark Office  
Arlington, VA 22215

DAVID O. CARSON

*General Counsel*

JESSE M. FEDER

STEVEN M. TEPP

*Attorneys*

United States Copyright Office  
Washington, D.C. 20540

JOEL I. KLEIN

*Assistant Attorney General*

A. DOUGLAS MELAMED

*Deputy Assistant Attorney General*

CATHERINE G. O'SULLIVAN

DAVID SEIDMAN

*Attorneys*

U.S. Department of Justice

601 D Street NW

Washington, DC 20530

(202) 514-4510

---

## **TABLE OF CONTENTS**

TABLE OF AUTHORITIES .....	iii
STATEMENT OF INTEREST .....	1
QUESTIONS PRESENTED .....	2
STATEMENT .....	2
ARGUMENT .....	7
I. SOUTHCO’S PART NUMBERS AS SUCH ARE NOT PROTECTED BY SOUTHCO’S COPYRIGHTS .....	8
A. The Part Numbers Are Not Protected Because They Are Analogous to Titles .....	9
B. The Part Numbers Are Not Protected Because They Lack Creativity .....	11
II. IF SOUTHCO’S PART NUMBERS WERE PROTECTED BY SOUTHCO’S COPYRIGHTS, USING THEM IN COMPARATIVE ADVERTISING WOULD BE FAIR USE .....	16
A. The Purpose and Character of the Use Weighs in Favor of Finding Fair Use Because Comparative Advertising Conveys New Information and Serves A Beneficial Public Function .....	17
B. The Utilitarian Nature of the Work Favors a Finding of Fair Use ..	21
C. The Small Amount Copied In Relation to the Handbooks as a Whole Weighs in Favor of Fair Use .....	23
D. Comparative Advertising Does Not Significantly Affect the Market Either for Southco’s Copyrighted Works or for Derivative Works ..	25
CONCLUSION .....	29

CERTIFICATE OF COMPLIANCE WITH TYPE VOLUME LIMITATION	30
CERTIFICATE OF SERVICE . . . . .	31

## TABLE OF AUTHORITIES

<i>CASES</i>	<i>Page(s)</i>
<i>American Geophysical Union v. Texaco Inc.</i> , 60 F.3d 913 (2d Cir. 1994) . . . . .	26
<i>Arvelo v. American Int'l Ins. Co.</i> , 66 F.3d 606 (Table), 1995 WL 561530 (1st Cir. 1995) . . . . .	9
<i>Atlas Manufacturing Co. v. Street &amp; Smith</i> , 204 F. 398 (8th Cir. 1913) . . . . .	9
<i>Autoskill Inc. v. National Educational Support Systems, Inc.</i> , 994 F.2d 1476 (10th Cir. 1993) . . . . .	8
<i>Baker v. Selden</i> , 101 U.S. 99 (1879) . . . . .	15
<i>Becker v. Loew's, Inc.</i> , 133 F.2d 889 (7th Cir. 1943) . . . . .	9, 10
<i>Black v. Ehrich</i> , 44 F. 793 (C.C.S.D.N.Y. 1891) . . . . .	9
<i>Burrow-Giles Lithographic Co. v. Sarony</i> , 111 U.S. 53 (1884) . . . . .	13
<i>CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.</i> , 44 F.3d 61 (2d Cir. 1994) . . . . .	13, 14
<i>CDN Inc. v. Kapes</i> , 197 F.3d 1256 (9th Cir. 1999) . . . . .	14
<i>CMM Cable Rep, Inc. v. Ocean Coast Properties, Inc.</i> , 97 F.3d 1504 (1st Cir. 1996) . . . . .	8
<i>Campbell v. Acuff-Rose Music, Inc.</i> , 510 U.S. 569 (1994) . . . . .	17, 18, 21, 25

<i>Computer Associates International v. Altai, Inc.</i> , 982 F.2d 693 (2d Cir. 1992) . . . . .	1
<i>Consolidated Metal Products, Inc. v. American Petroleum Institute</i> , 846 F.2d 284 (5th Cir. 1988) . . . . .	18
<i>Consumers Union of United States, Inc. v. General Signal Corp.</i> , 724 F.2d 1044 (2d Cir. 1983) . . . . .	18
<i>Corbett v. Purdy</i> , 80 F. 901 (C.C.S.C.N.Y. 1897) . . . . .	10
<i>Duff v. Kansas City Star Co.</i> , 299 F.2d 320 (8th Cir. 1962) . . . . .	9
<i>Feist Publications, Inc. v. Rural Telephone Service Co.</i> , 499 U.S. 340 (1991) . . . . .	11, 12, 13, 23
<i>Folsom v. Marsh</i> , 9 F. Cas. 342 (No. 4,901) (C.C.D. Mass. 1841) . . . . .	17
<i>Glaser v. St. Elmo Co.</i> , 175 F. 276 (C.C.S.D.N.Y. 1909) . . . . .	9
<i>Harper v. Ranous</i> , 67 F. 904 (C.C.S.D.N.Y. 1895) . . . . .	9
<i>Harper &amp; Row, Publishers, Inc. v. Nation Enterprises</i> , 471 U.S. 539 (1985) . . . . .	17, 25, 26
<i>Hoehling v. Universal City Studios, Inc.</i> , 618 F.2d 972 (2d Cir. 1980) . . . . .	8
<i>Mitel, Inc. v. Iqtel, Inc.</i> , 124 F.3d 1366 (10th Cir. 1997) . . . . .	14, 15
<i>Narell v. Freeman</i> , 872 F.2d 907 (9th Cir. 1989) . . . . .	8

<i>National Picture Theatres, Inc. v. Foundation Film Corp.</i> , 266 F. 208 (2d Cir. 1920) . . . . .	9
<i>Quality King Distributors v. L'anza Research International</i> , 523 U.S. 135 (1998) . . . . .	27
<i>Sega Enterprises, Ltd. v. Accolade, Inc.</i> , 977 F.2d 1510 (9th Cir. 1993) . . . . .	22
<i>SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc.</i> , 211 F.3d 21 (2d Cir. 2000) . . . . .	28
<i>Sony Computer Entertainment America, Inc. v. Bleem, LLC</i> , 2000 WL 531067, 4-5 (9th Cir., May 4, 2000) . . . . .	20, 27
<i>Sony Corp. of America v. Universal Studios, Inc.</i> , 464 U.S. 417 (1984) . . . . .	17, 23
<i>Stewart v. Abend</i> , 495 U.S. 207 (1990) . . . . .	22
<i>Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc.</i> , 626 F.2d 1171 (5th Cir. 1980) . . . . .	19, 20
<i>Twentieth Century Music Corp. v. Aiken</i> , 422 U.S. 151 (1975) . . . . .	2
<i>Universal Athletic Sales Co. v. Salkeld</i> , 511 F.2d 904 (3d Cir. 1975) . . . . .	10
<i>Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.</i> , 425 U.S. 748 (1976) . . . . .	18
<i>Warner Brothers, Inc. v. American Broadcasting Cos., Inc.</i> , 720 F.2d 231 (2d Cir. 1983) . . . . .	16

*STATUTES AND RULES*

17 U.S.C. 101 . . . . . 14

17 U.S.C. 102(a) . . . . . 11, 15

17 U.S.C. 102(b) . . . . . 15

17 U.S.C. 107 . . . . . 6, 20, 23, 25

16 C.F.R. 14.15(c) . . . . . 20

37 C.F.R. 202.1(a) . . . . . 9, 24

37 C.F.R. 202.3(b)(3) . . . . . 24

Fed. R. App. P. 29(a) . . . . . 2

**MISCELLANEOUS**

Jane Ginsburg, *No “Sweat”? Copyright and Other  
Protection of Works of Information after Feist v.  
Rural Telephone*, 92 Colum. L. Rev. 338 (1992) . . . . . 22

Pierre Leval, *Toward a Fair Use Standard*, 103 Harv.  
L. Rev. 1105 (1990) . . . . . 17, 19

IN THE UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

---

SOUTHCO INC.,

Appellee,

v.

KANEBRIDGE CORP.,

Appellant.

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

---

BRIEF AMICUS CURIAE OF THE UNITED STATES OF AMERICA  
URGING REVERSAL IN SUPPORT OF APPELLANT KANEBRIDGE CORP.

---

**STATEMENT OF INTEREST**

The United States has a substantial interest in the resolution of this appeal. It has numerous responsibilities related to the proper administration of the intellectual property laws, as well as primary responsibility for enforcing the antitrust laws, which establish a national policy favoring economic competition. Accordingly, the United States has an interest in properly maintaining the “delicate equilibrium,” *Computer Assocs. Int’l v. Altai, Inc.*, 982 F.2d 693, 696 (2d Cir. 1992), Congress established through the copyright law between

protecting private ownership of expression as an incentive for creativity and enabling the free use of basic building blocks for future creativity. See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975). The district court's rulings regarding the use of product identification numbers for product comparisons threatens that equilibrium. We file pursuant to the first sentence of Fed. R. App. P. 29(a).

### **QUESTIONS PRESENTED**

1. Whether part numbers that merely describe and serve to identify particular items of hardware are protected by copyrights on handbooks incorporating those numbers.
2. Whether, assuming the part numbers to be protected by copyright, their use in comparative advertising is a non-infringing fair use.

### **STATEMENT**

1. Southco manufactures and sells hardware, including “retractable captive-screw assemblies” designated as Southco’s “47” series of fasteners. Each item in this series is identified by a nine-digit number that begins with 47. The remaining digits “denote functional characteristics of each product, for example, installation type, thread size, recess type (phillips or slotted), grip length, type of material, and knob finish.” A3 (Memorandum and Order (Jan. 12, 2000))

(“Order”)).<sup>1</sup> As the court explained, “The Numbering System is a language, communicating functional details of the hardware it describes.” *Id.* Since 1972, Southco has published Handbooks containing, among other things, the numbers associated with the hardware. The Southco Numbering System “has developed to some use as an industry standard.” A9. Customers have learned it and use it. A19. The record does not indicate that Southco licenses or sells its Numbering System or part numbers; it simply sells parts described by the numbers.

Kanebridge is a hardware distributor, selling to other distributors panel fasteners it obtains from a manufacturer, Matdan America Corp., but labels with its own part numbers, not Matdan numbers. Southco alleges that Kanebridge “refer[red] customers . . . to comparison charts listing Kanebridge-numbered parts as interchangeable with Southco parts.” A4.<sup>2</sup> These comparison charts are analogous to the “Supreme Court Reporter References” tables that translate between U.S. and S. Ct. volume and page references. *See, e.g.*, 101A S. Ct. 9-14.

---

<sup>1</sup>Citations in the form “An” refer to pages in the Appendix. Unless otherwise identified, these citations are to the Order.

<sup>2</sup>Southco also alleged Kanebridge used Southco part numbers in various other ways, including labeling of Matdan panel fasteners with Southco numbers. We do not address these other uses here.

2. On August 27, 1999, Southco sued Kanebridge, alleging copyright infringement.<sup>3</sup> Asserting registered copyrights in various Handbooks (and a Supplement to a Handbook), A31 (Complaint ¶17), Southco alleged that Kanebridge had “copied some or all” of 51 specified nine-digit part numbers from the Supplement (or from a derivative work), A38 (Complaint ¶¶53, 55), out of the “over 1,000” different such numbers in the 47 series, A3, and used them in various ways. A38 (Complaint ¶57). Kanebridge consented to a temporary restraining order. Kanebridge was “prepared” to consent to a preliminary injunction, A217 (Memorandum of Law in Partial Opposition to Plaintiff’s Motion for a Preliminary Injunction), but viewed the one Southco sought as too broad, since it provided that Kanebridge could “make no reference to [Southco’s] products.” *Id.* at A218. Kanebridge thus contested the preliminary injunction but stipulated to the facts alleged. A5.

3. The district court (Norma Shapiro, S.D.J.) granted the preliminary injunction, viewing the underlying issue in the case as “whether Kanebridge may use Southco numbers in comparison charts, or whether Kanebridge is prohibited from using Southco’s numbers in any way, at any time.” A6. The court’s

---

<sup>3</sup>Southco also alleged Lanham Act violations and state law unfair competition violations, trademark infringement, and trademark dilution. The district court addressed only the copyright claim.

opinion addressed four conventional criteria for granting a preliminary injunction,<sup>4</sup> but gave primary attention to whether Southco had shown a reasonable probability of success on the merits, concluding that it had. In light of Southco's copyright infringement claim and Kanebridge's answer, Southco would succeed on the merits if it established (a) that it owned a valid copyright; (b) that Kanebridge had without authorization copied the work protected by that copyright; (c) and that Kanebridge's copying was not "fair use."

Kanebridge had stipulated that each Southco Handbook was the subject of a copyright registration, and Southco offered no evidence that any Handbook was "a compilation of material in the public domain." A7-A8. The court concluded that Southco's Numbering System, which the court apparently thought to be expressed in the Handbooks, was sufficiently original to be protected by copyright. A9-A12. The court also concluded that "Southco is likely to succeed in establishing that its product identification numbers are copyrightable." A12. The court also stated that "Kanebridge admits that it copied . . . Southco's numbering system." A12.

---

<sup>4</sup>Those criteria are reasonable probability of success on the merits, irreparable injury to the moving party, harm to the nonmoving party, and the public interest. A6.

The court then addressed each of the statutory fair use factors.<sup>5</sup> It concluded that the character of the use in question was “commercial,” and therefore presumptively unfair, A14, even to the extent that use was for the purpose of truthful comparative advertising, A15. It concluded that the nature of the work entitled it to “strong protection,” presumably because “[t]he more creative a work, the more protection it is accorded,” and, the court indicated, the work showed considerable “creativity.” A17. The court considered the amount of copying at issue to be “substantial,” because “[t]o the extent each nine-digit number is copyrighted, Kanebridge would be copying the entire copyrighted material.” A18. Finally, the court noted that “[t]here was no evidence of losses Southco would suffer if Southco’s copyrighted material were used in the manner proposed by Kanebridge” and that “[a]ny such losses could plausibly be attributed

---

<sup>5</sup>The four factors are (17 U.S.C. 107):

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

to commercial competition with lower priced competitors.” A19. Nevertheless, the court reasoned that unauthorized use of the Numbering System in comparison charts would “lessen the value” to Southco of its copyrighted works, because customers would learn new parts numbers over time from these charts featuring “translations of Southco numbers into generic ‘equivalents.’” *Id.* Thus the court concluded that all four fair use factors favored Southco, so that Kanebridge was unlikely to succeed on the merits of its fair use defense.

### **ARGUMENT**

Southco seeks to use copyright to forestall competition in the market for uncopyrighted captive screw assemblies. The district court’s decision, sanctioning Southco’s strategy, threatens to distort copyright to serve ends for which it was never intended.

The district court analyzed at length whether Southco’s copyrights protected its Numbering System, but not whether those copyrights protected individual parts numbers. The court’s conclusion that Southco was likely to succeed in establishing that the parts numbers were protected is wrong -- even if the Numbering System is protected. Moreover, the court’s fair use analysis is incorrect as to each of the fair use factors and in its conclusion. The result is an unwarranted expansion of copyright protection that erects barriers to competition

in products not covered by copyright while failing to further any purpose of the copyright statute.

## **I. SOUTHCO'S PART NUMBERS AS SUCH ARE NOT PROTECTED BY SOUTHCO'S COPYRIGHTS**

To establish copyright infringement, as alleged here, Southco must show “unauthorized copying to the extent copies are substantially similar to the copyrighted work,” A6-A7, and it must base this showing on protected expression; there is no infringement if only unprotected material is copied.<sup>6</sup> But nothing that was allegedly copied here is protected by copyright.

Kanebridge is alleged to have copied 51 individual part numbers (e.g., 47-10-202-10 and 47-10-204-10), a small fraction of those found, along with other material, in Southco's Handbooks. Whether these numbers are treated as works in themselves, see A18, or as constituent elements of Southco's registered works, they are not protected by copyright.

---

<sup>6</sup>*CMM Cable Rep, Inc. v. Ocean Coast Properties, Inc.*, 97 F.3d 1504, 1514 (1st Cir. 1996); *Autoskill Inc. v. Nat'l Educ. Support Sys., Inc.*, 994 F.2d 1476, 1491 (10th Cir. 1993); *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 977 (2d Cir. 1980) (“Ordinarily, wrongful appropriation is shown by proving a ‘substantial similarity’ of *copyrightable* expression”) (emphasis in original); *Narell v. Freeman*, 872 F.2d 907, 910 (9th Cir. 1989) (“The underlying question is whether *protected* elements of Narell's book were copied”) (emphasis in original).

### **A. The Part Numbers Are Not Protected Because They Are Analogous to Titles**

The courts long ago concluded that copyright does not protect the titles of works. *See, e.g., Glaser v. St. Elmo Co.*, 175 F. 276, 278 (C.C.S.D.N.Y. 1909) (“the authorities, particularly the American cases, preponderate that the copyright of a book does not prevent other persons from taking the same title for another book”), *citing, e.g., Harper v. Ranous*, 67 F. 904 (C.C.S.D.N.Y. 1895). This rule is so well settled in precedent, *e.g., Becker v. Loew’s, Inc.*, 133 F.2d 889, 891 (7th Cir. 1943); *National Picture Theatres, Inc. v. Foundation Film Corp.*, 266 F. 208, 210 (2d Cir. 1920); *Atlas Mfg. Co. v. Street & Smith*, 204 F. 398, 403 (8th Cir. 1913), and Copyright Office regulation, 37 C.F.R. 202.1(a) (works “not subject to copyright” include “[w]ords and short phrases such as names, titles, and slogans”), that the First Circuit recently described “[t]he non-copyrightability of titles” as “authoritatively established.” *Arvelo v. American Int’l Ins. Co.*, 66 F.3d 606 (Table), 1995 WL 561530, at \*\*1 (1st Cir. 1995).

The title of a work is merely its name, “a term of description, which serves to identify the work.” *Black v. Ehrich*, 44 F. 793, 794 (C.C.S.D.N.Y. 1891). Copyright protects “‘the product of the mind and genius of the author -- not the name or title given to it.’” *Duff v. Kansas City Star Co.*, 299 F.2d 320, 323 n.2

(8th Cir. 1962), *quoting* 2 Nims, *Unfair Competition and Trademarks* (4th ed.), § 272, at 889; *accord*, *Becker*, 133 F.2d at 891, *citing* *Corbett v. Purdy*, 80 F. 901 (C.C.S.D.N.Y. 1897). Withholding the exclusive rights of copyright from that which “is only a means of description which aids in identifying a literary production,” *Becker*, 133 F.2d at 891, leaves the basic elements of language free for all to use, *cf. id.* (“copyright in a poem gives no monopoly in the separate words”), allowing everyone to refer to the things named. Moreover, like words and other short phrases, titles typically lack the requisite quantum of creativity for copyright protection. *Cf. Universal Athletic Sales Co. v. Salkeld*, 511 F.2d 904, 908 (3d Cir. 1975) (“[t]he smaller the effort (e.g. two words) the greater must be the degree of creativity in order to claim copyright protection,” *quoting* Nimmer on Copyright § 10.2).

The Southco part numbers are nothing more than names, and have the same function as the titles of literary works. Strictly analogous to literary titles, they “serve to identify” these parts; they should similarly not be protected by copyright. The parts “are each identified by [a] nine-digit number[]”. A2. Each part number “describes” functional details of the associated part. A3. The numbers are “used . . . to refer to parts.” *Id.* All that distinguishes the Southco part numbers from the uncopyrightable titles of copyrightable literary works is

that the Southco part numbers are the titles of uncopyrightable hardware. Nothing suggests the titles of hardware should be any more protected by copyright than the titles of books.<sup>7</sup>

**B. The Part Numbers Are Not Protected Because They Lack Creativity**

Even if the Southco part numbers are not in principle unprotectible merely because they are just like literary titles, they are not protected because they entirely lack creativity.

To prove infringement, Southco must prove, among other things, the “copying of constituent elements of the work *that are original.*” *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991) (emphasis added). The originality requirement is constitutionally based, *id.* at 345-47, and embodied in statute; as the district court recognized, A8, “[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression.” 17 U.S.C. 102(a).

---

<sup>7</sup>Southco claims its part numbers are inherently distinctive and have “acquired secondary meaning signifying Southco.” A41 (Complaint ¶¶81, 82). Beyond noting that product names are frequently protected by trademark, we do not address possible trademark protection for Southco’s part numbers. *See also* n.15 *infra*.

Originality means more than that a work was not simply copied from another work. To be original, a work must “possess at least some minimal degree of creativity,” some “creative spark.” *Feist*, 499 U.S. at 345.

The 51 individual parts numbers allegedly copied are not “original” within the meaning of *Feist*; “47-10-202-10” possesses no creative spark. The district court’s opinion makes clear that this string of digits is the product not of a creative “act of authorship,” *Feist*, 499 U.S. at 347, but rather of the mechanical application of a set of rules to well-defined physical characteristics of a retractable captive-screw assembly. The parts numbers “convey specific properties of the products manufactured [and] are assigned based on the properties of the parts.” A12. This assignment is not left to human judgment: “Southco assigns numbers based on a system designed over twenty years ago and refined ever since.” *Id.* The result is that “each part number tells the story of a part’s size, finish, and utility.” *Id.* Thus, “[a]ny person, once familiar with the Numbering System, can identify a product based on the content and arrangement of its product number.” *Id.*<sup>8</sup> In other words, each part number is determined by

---

<sup>8</sup>We assume it is also true that, using the Numbering System, a customer could specify a part that has never been manufactured, and that Southco, Matdan, or another manufacturer, given only that part number and knowledge of the Numbering System, could manufacture the desired part.

the characteristics of the part and the content of the rules; any creativity in assigning a number would defeat the purpose of the Numbering System, “a language, communicating functional details of the hardware it describes.” A3. Nothing in the assignment of a number to a particular part suggests “the existence of . . . intellectual production, of thought, and conception,” *Feist*, 499 U.S. at 362, quoting *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 59-60 (1884), no matter how much thought and conception went into designing or refining the Numbering System.

To be sure, courts have concluded in other cases that individual numbers were “original” in this sense. But assuming arguendo that these conclusions are correct,<sup>9</sup> they have no bearing on the status of numbers so bereft of creativity as Southco’s part numbers. The contrast with the used car valuation numbers treated as “original” in *CCC Information Servs., Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994), is striking. Far from the product of mechanical application of rules, Maclean’s valuations of used cars were “approximative statements of opinion by the Red Book editors,” *id.* at 72, that were not “derived by mathematical formulas from available statistics,” but

---

<sup>9</sup>The United States has substantial doubts that they are. We do not expand upon these doubts here, because this case can be decided without determining the correctness of the conclusions in other cases involving different facts.

instead involved “professional judgment.” *Id.* at 63.<sup>10</sup> And in *CDN Inc. v. Kapes*, 197 F.3d 1256, 1260-61 (9th Cir. 1999), the court said that coin valuations were based on professional judgment and expertise as well as data and thus showed creative spark.<sup>11</sup>

The district court’s originality analysis addressed the originality not of the 51 nine-digit numbers Southco alleged Kanebridge to have copied, but rather of the “Numbering System.” A9-A10. The court found that system to be original and protected by Southco’s registered copyrights. Whatever the merits of those findings, they do not compel, nor even suggest, a conclusion that the parts numbers are protected by copyright.<sup>12</sup> The propriety of a preliminary injunction

---

<sup>10</sup>*Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366 (10th Cir. 1997), on which the district court relied, A11, addresses the copyrightability of a system of command codes, not of individual numbers.

<sup>11</sup>The *CDN* court went beyond *CCC* and treated each individual valuation as a “compilation” copyrightable in itself, 197 F.2d at 1259-60, despite a statutory definition of “compilation” that on its face is inapplicable to an individual number, see 17 U.S.C. 101.

<sup>12</sup>The court’s findings about the Numbering System are themselves questionable. As we understand it, the Numbering System amounts to a set of abstract rules for translating specified characteristics of particular pieces of hardware into a compact notation. A work expressing those rules, illustrating them, or showing how they are used would be within the subject matter of copyright (and we assume that the Southco Handbooks are such works). But whether the abstract set of rules itself is protected by copyright is a different question. The Copyright Act provides that “[i]n no case does copyright

(continued...)

depends on, inter alia, whether the 51 numbers Kanebridge admittedly copied were protected by copyright.<sup>13</sup> Nothing in the district court's opinion explains why they were protected by copyright. On this record, the preliminary injunction should therefore be vacated.

---

<sup>12</sup>(...continued)

protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." 17 U.S.C. 102(b). While application of Section 102(b) is sometimes difficult, see *Mitel*, 124 F.3d at 1371-72 (discussing Section 102(b) and cases applying it), the language of the provision creates reason to question the district court's conclusion about the copyrightability of the Numbering System.

In any event, as the Supreme Court explained many years ago:

The use of the art is a totally different thing from a publication of the book explaining it. The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such a book. Whether the art might or might not have been patented, is a question which is not before us. It was not patented, and is open and free to the use of the public.

*Baker v. Selden*, 101 U.S. 99, 104 (1879). Similarly, copyright does not constrain the use of the art of the Numbering System.

<sup>13</sup>Of course, reproducing Southco's Handbooks would involve copying part numbers and would presumably infringe Southco's copyright. But that is because reproducing the Handbooks would copy original material along with the part numbers.

## **II. IF SOUTHCO'S PART NUMBERS WERE PROTECTED BY SOUTHCO'S COPYRIGHTS, USING THEM IN COMPARATIVE ADVERTISING WOULD BE FAIR USE**

The question of fair use would arise here only if copying the part numbers would, but for fair use, be infringement. We have shown that it would not be, both because the numbers are uncopyrightable names and because the numbers lack the originality required for copyright protection. But assuming arguendo that the fair use question does arise, on this record the conclusion that the use of 51 of these numbers in comparative advertising is fair use, and therefore not infringing, appears compelling. At the very least, Southco has not shown a reasonable probability of success on the fair use issue. The district court found all four statutory fair use factors to weigh against a finding of fair use (and considered no other factors). But not one of the four, properly considered, actually weighs against fair use. The court reached the wrong fair use “balance[ of] the public’s interest in the free flow of ideas with the copyright holder’s interest in the exclusive use of his work.” *Warner Bros., Inc. v. American Broad. Cos., Inc.*, 720 F.2d 231, 242 (2d Cir. 1983).

**A. The Purpose and Character of the Use Weighs in Favor of Finding Fair Use Because Comparative Advertising Conveys New Information and Serves A Beneficial Public Function**

A court’s investigation of the first statutory fair use factor, the purpose and character of the use, has as its “central purpose . . . to see . . . whether the new work merely ‘supersede[s] the objects’ of the original creation, *Folsom v. Marsh*, [9 F. Cas. 342, 348 (No. 4,901) (C.C.D. Mass. 1841)]; accord, *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 562 (1985)] (‘supplanting’ the original), or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is ‘transformative.’ [Pierre Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990).]” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994). What is required is a “‘sensitive balancing of interests.’” *Id.* at 584, quoting *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n.40 (1984).

The district court’s investigation of this factor began, and effectively ended, with the fact that Kanebridge’s use was commercial, and the court’s quotation, A14, of the Supreme Court’s mention of the presumptive unfairness of commercial uses in *Sony*, 464 U.S. at 451. Although in form recognizing that the presumption is not conclusive, the court rejected out of hand any claim that use of

these numbers in Kanebridge’s comparative advertising tended to favor a fair use finding, reasoning that comparative advertising is, after all, commercial. A15.

That is precisely the error the Supreme Court ascribed to the lower court in *Campbell*, 510 U.S. at 583-84. There, as here, the court “confin[ed] its treatment of the first factor essentially to one relevant fact, the commercial nature of the use [and] then inflated the significance of this fact by applying a presumption ostensibly culled from *Sony* [although] the commercial . . . purpose of a work is only one element of the first factor enquiry into its purpose and character.”

Left out of the “sensitive balance” here was the “strong [societal] interest in the free flow of commercial information.” *Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 764 (1976). As the Court explained, in a predominantly free enterprise economy, the allocation of resources largely depends on private economic decisions, and so “[i]t is a matter of public interest that those decisions, in the aggregate, be intelligent and well informed.” *Id.* at 765. Thus, “[p]roduct information is crucial to a competitive economy.” *Consolidated Metal Prods., Inc. v. American Petroleum Inst.*, 846 F.2d 284, 294 (5th Cir. 1988). *Cf. Consumers Union of United States, Inc. v.*

*General Signal Corp.*, 724 F.2d 1044, 1049 (2d Cir. 1983) (“commercial uses also serve the important function of educating the public”).

Comparative advertising is a use of Southco part numbers that in no sense supplants either those numbers or the Southco Handbooks. It presents those numbers in a context that conveys something new and valuable to the reader, something not conveyed in Southco’s own use: the fact that captive-screw assemblies from another manufacturer have many of the same physical characteristics as Southco assemblies and may therefore be substituted for Southco assemblies in situations calling for those characteristics.<sup>14</sup> It is for just such reasons that “the public interest in comparative advertising is well-recognized.” *Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1176 n.13 (5th Cir. 1980) (holding use of copyrighted magazine cover in comparative advertising to be fair use).<sup>15</sup> “Comparative advertising, when

---

<sup>14</sup>*Cf.* Leval, *supra*, 103 Harv. L. Rev. at 1111 (if secondary use adds value to the original, transforming quoted matter by creating “new information, new esthetics, new insights and understandings -- this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society”).

<sup>15</sup>The district court, refusing to follow *Triangle*, distinguished it on two grounds, neither persuasive. A16. First, the comparative advertising in *Triangle* was intended to show that two products were different, while Kanebridge’s was intended to show two products were similar. But either comparison, if accurate, informs and improves purchase decisions. Second, in *Triangle* but not here there  
(continued...)

truthful and nondeceptive, is a source of important information to consumers and assists them in making rational purchase decisions. Comparative advertising encourages product improvement and innovation, and can lead to lower prices in the marketplace.’” *Id.*, quoting 16 C.F.R. 14.15(c) (1980).<sup>16</sup> See also *Sony Computer Entertainment America, Inc. v. Bleem, LLC*, 2000 WL 531067, \*4-5 (9th Cir., May 4, 2000) (“*Bleem*”) (holding commercial comparative advertising use to weigh in favor of fair use because “such comparative advertising redounds greatly to the purchasing public’s benefit with very little corresponding loss to the integrity of [the] copyrighted material”). This strong public interest in

---

<sup>15</sup>(...continued)

was evidence that the manner of advertising was generally accepted in the industry. But the Fifth Circuit used that evidence only to support its conclusion that the defendant had not attempted to palm off its product as the plaintiff’s, but instead merely engaged in comparative advertising. 626 F.2d at 1176 & n.13. The district court here gave not a hint that the comparative advertising at issue was in actuality palming off. While recognizing that comparative advertising is favorably treated in trademark law, A17, citing 2 J. McCarthy, McCarthy on Trademarks and Unfair Competition, § 25:53 at 25-86 (4th Ed. 1999), the court dismissed trademark law as beside the point because trademark and copyright law are “distinct.” But that distinctness is no reason to reject advancement of the public interest through comparative advertising as consistent with the purposes of both. A Honda advertisement comparing the “Accord” to the Toyota “Camry” would advance the public interest no less if Toyota could somehow copyright the name “Camry.”

<sup>16</sup>These functions of comparative advertising are shared by criticism and news reporting, both expressly recognized in the statute as likely to be fair use despite their typically commercial character. 17 U.S.C. 107.

comparative advertising -- the very use the district court considered -- is the reason that the first factor weighs in favor of fair use.

The district court, in finding otherwise, advised that Kanebridge “identify a particular fastener manufactured by Southco for comparative advertising purposes . . . by describing it in factual terms, but not by using Southco’s copyrighted part numbers.” A17. This is, of course, wholly unrealistic. Substituting a narrative description covering “installation type, thread size, recess type (phillips or slotted), grip length, type of material, and knob finish” (A3) for a nine-digit number that concisely conveys that very information both increases advertising volume beyond all reason and feasibility and impedes the very comparison the advertisement intended, as the reader struggles to determine and compare the content of verbose descriptions.

**B. The Utilitarian Nature of the Work Favors a Finding of Fair Use**

The second statutory fair use factor, nature of the copyrighted work, “calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied.” *Campbell*, 510 U.S. at 586. As the district court recognized, “[t]he more creative a work the more protection it is accorded.” A17. Copying the novel *Catch 22* is less likely to be fair use than

copying the local sandwich shop's menu. *Cf. Stewart v. Abend*, 495 U.S. 207, 237-38 (1990).<sup>17</sup>

The district court, apparently confusing a useful tool in the fastener business with art, fact with fiction, or what Professor Ginsburg calls a work of “low authorship” with one of “high authorship,” Jane Ginsburg, *No “Sweat”?* *Copyright and Other Protection of Works of Information after Feist v. Rural Telephone*, 92 Colum. L. Rev. 338, 340 (1992), found Southco's numbering system to be entitled to “strong protection,” and thus concluded that this factor weighed against fair use. But the court's premise is erroneous; whatever else may be said of Southco's part numbers and its numbering system, they are not

---

<sup>17</sup>“Works of fiction receive greater protection than works that have strong factual elements, such as historical or biographical works . . . or works that have strong functional elements, such as accounting textbooks.” *Sega Enters., Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524 (9th Cir. 1993) (discussing second fair use factor; citations omitted).

close to the core of copyright.<sup>18</sup> They are low authorship products, and that weighs in favor of fair use.

**C. The Small Amount Copied In Relation to the Handbooks as a Whole Weighs in Favor of Fair Use**

The third statutory factor, “amount and substantiality of the portion used in relation to the copyrighted work as a whole,” 17 U.S.C. 107(3), requires comparing the quantity of material copied to the whole of the copyrighted work. This the district court failed to do, or at least to do correctly.

The court treated each nine-digit number as a copyrighted “work” in itself, so that in copying 51 nine-digit numbers from Southco’s copyrighted Handbooks

---

<sup>18</sup>The district court injected an entirely distinct consideration into the second factor, and then misapplied it. It observed, following *Sony*, 464 U.S. at 455 n.40, that “[m]aterial with broad secondary markets has a broader claim to protection because of the greater potential for commercial harm.” A17. A novel is sold as a book; it is adapted for the stage and sold in that secondary market; later screen rights are sold; eventually there is a market for sequels, in all these media. That novel is material with broad secondary markets. On this record, however, there is no evidence of a primary market for Southco’s Numbering System or part numbers, let alone broad secondary markets; there is no evidence that Southco licenses or otherwise sells either one.

The court also concluded that Southco was entitled to broad protection because it had “invested time, resources, and creativity” in its numbering system. Only creativity counts in the analysis of this factor. Time and resources are another way of saying “sweat of the brow.” *Feist* squarely rejected copyright protection of sweat of the brow, and the notion that “copyright was a reward for . . . hard work.” 499 U.S. at 352. Investing sweat of the brow, therefore, moves Southco no closer to the core of copyright.

copies a “copyrighted work as a whole” 51 separate times. It is at best unusual to view a single number as a “work” for copyright purposes, and to do so ignores the failure of Southco’s complaint to allege that the copyrighted work that Kanebridge copied was anything other than the Handbooks on which Southco has copyright registrations.<sup>19</sup> Moreover, whittling the “work” down to fit exactly what was copied ensures that the third factor always weighs against fair use. Congress would not have included the third factor if it did not help distinguish between fair and unfair use.

The court next reasoned that copying was substantial because Kanebridge “admits it would copy a numbering system that is copyrighted in its entirety.” A18. But the complaint alleges the copying of 51 numbers, not a “numbering system.” What matters is what Kanebridge did, not what it says it “would” do.

It is plain from the complaint and the district court’s opinion that, while Kanebridge was alleged to have copied 51 numbers, the copyrighted work is one

---

<sup>19</sup>Southco did not claim to have registered each part number as a “work,” either by separately registering them or by registering a single work containing the parts numbers as “copyrightable elements that are otherwise recognizable as self-contained works,” 37 C.F.R. 202.3(b)(3), and gave no indication it ever considered individual part numbers to be “self-contained works.” Indeed, the Copyright Office would likely refuse an application to register a Southco part number as a work. See 37 C.F.R. 202.1(a). Lacking any justification for treating individual part numbers as works in themselves, the district court should have limited its analysis to Southco’s registered works, the Handbooks.

or more of Southco's Handbooks, containing, at a minimum, over 1000 such numbers, along with "illustrations and descriptions of the products depicted," A3, and there is no allegation that Kanebridge copied the illustrations and descriptions (or the Handbooks). Although mere quantitative analysis may not always determine the force of the third factor, here nothing counters the impression created by quantitative analysis that the amount of copying is not substantial.

**D. Comparative Advertising Does Not Significantly Affect the Market Either for Southco's Copyrighted Works or for Derivative Works**

The fourth factor, "the effect of the use upon the potential market for or value of the copyrighted work," 17 U.S.C. 107(4), addresses whether the use "materially impair[s] the marketability of the work which is copied." *Harper & Row*, 471 U.S. at 567, quoting 1 M. Nimmer, Copyright §1.10[D], at 1-87 (1984); accord, *Campbell*, 510 U.S. at 590 ("substantially adverse impact on the potential market' for the original," quoting 3 M. Nimmer & D. Nimmer, Nimmer on Copyright § 13.05[A][4], at 13-102.61, and for derivative works). The marketplace harm cognizable under this factor occurs when the new work serves as a market substitute for the original, *Campbell*, 510 U.S. at 591, or for derivative works.

The district court never considered whether Kanebridge’s (or anyone else’s) use of Southco’s part numbers in comparative advertising was likely to cause cognizable marketplace harm by substituting for Southco’s part numbers (or the Numbering System) in the marketplace. Indeed, the court never considered whether there was, or was ever likely to be, a market for the Southco part numbers (or the Numbering System).<sup>20</sup> The court nevertheless concluded that “[t]he value to Southco of its Numbering System would suffer as a direct result of widespread use by unauthorized competitors.” A19.

Since there was before the court no evidence, nor even a claim, of any market for the Numbering System, the court must have had in mind a value to Southco based on something other than Numbering System sales. The court saw that comparative advertising that included both Southco part numbers and other part numbers might lead customers to learn generic equivalents to Southco part

---

<sup>20</sup>We are aware of no suggestion that Southco ever licensed, or contemplated licensing, its part numbers or Numbering System to competitors. We therefore doubt that a market for licensing these materials to competitors is “any part of the normal market,” *Harper & Row*, 471 U.S. at 568, *quoting* S. Rep. No. 94-473, at 65 (1975), that figures in an analysis of this factor. *Cf. American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 929-30 & n.17 (2d Cir. 1994) (“not every effect on potential licensing revenues enters into the analysis under the fourth factor” since a “copyright holder can *always* assert some degree of adverse affect on its potential licensing revenues . . . simply because the copyright holder has not been paid a fee to permit that particular use”; thus courts consider “only traditional, reasonable, or likely to be developed markets”).

numbers. *Id.* And it saw that Southco might suffer losses that “could plausibly be attributed to commercial competition with lower priced competitors.” *Id.*

The only loss Southco incurs when competitors use its part numbers in comparative advertising is the loss reflecting customers’ choice of equivalents to Southco’s parts. That diversion of sales is the diversion of sales not from anything in which Southco claims copyright, but rather from the uncopyrightable parts themselves. Copyright law may provide that Southco is entitled to the “fruits of [its] creative labor,” A20, but that law has no concern for Southco’s revenues from uncopyrighted parts. The “principal function [of the copyright statute] is the protection of original works, rather than ordinary commercial products that use copyrighted material as a marketing aid.” *Quality King Distribs. v. L’anza Research Int’l*, 523 U.S. 135, 151 (1998). *See also Bleem*, 2000 WL 531067, at \*7 (in case alleging infringement through comparative advertisements for video game emulator featuring screen shots of plaintiff’s video games, the most important question in fourth factor fair use analysis is “what precisely the market is[, and t]he market cannot be the video games themselves because it is the emulator that competes in that niche, not the screen shots that

adorn the emulator’s advertising”).<sup>21</sup> In short, there appears here no cognizable “effect of the use upon the potential market for or value of the copyrighted work.”

---

<sup>21</sup>*Cf. SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc.*, 211 F.3d 21, 29 n.5 (2d Cir. 2000):

it has been recognized that the “danger lurking in copyright protection for labels is that the tail threatens to wag the dog -- proprietors at times seize on copyright protection for the label in order to leverage their thin copyright protection over the text . . . on the label into a monopoly on the typically uncopyrightable product to which it is attached . . . . Used in this fashion, the copyright serves ‘primarily as a means of harassing competitors’ and thus fails ‘nine times out of ten.’”

(*quoting* 1 Nimmer on Copyright § 2.08[G][2], at 2-138-39).

## CONCLUSION

For the foregoing reasons, the Court should vacate the preliminary injunction.

Respectfully submitted.

Of Counsel:

ALBIN F. DROST  
*Acting Solicitor*  
JUSTIN HUGHES  
JOHN M. WHEALAN  
*Attorneys*  
United States Patent & Trademark  
Office  
Arlington, VA 22215

DAVID O. CARSON  
*General Counsel*  
JESSE M. FEDER  
STEVEN M. TEPP  
*Attorneys*  
United States Copyright Office  
Washington, D.C. 20540

---

JOEL I. KLEIN  
*Assistant Attorney General*

A. DOUGLAS MELAMED  
*Deputy Assistant Attorney General*

CATHERINE G. O'SULLIVAN  
DAVID SEIDMAN  
*Attorneys*  
U.S. Department of Justice  
601 D Street NW  
Washington, DC 20530  
(202) 514-4510

June 12, 2000

## **CERTIFICATE OF COMPLIANCE WITH TYPE VOLUME LIMITATION**

I certify that this Brief Amicus Curiae of the United States of America complies with the applicable type volume limitation, determined pursuant to Rules 29(d) and 32(a)(7)(B) of the Federal Rules of Appellate Procedure.

Exclusive of cover, captions, table of contents, table of authorities, and signature block, it contains 6268 words, as counted by the word-processing system used to prepare this brief.

---

David Seidman

June 12, 2000

## **CERTIFICATE OF SERVICE**

I certify that on this 12th day of June, 2000, I caused two copies of the Brief Amicus Curiae of the United States of American Urging Reversal in Support of Appellant Kanebridge Corp. to be served by Federal Express next day delivery to the following:

James C. McConnon, Esq.  
Paul & Paul  
Suite 2900  
Two Thousand Market Street  
Philadelphia, PA 19103  
(215) 568-4900  
Counsel for Southco, Inc.

Steven B. Pokotilow, Esq.  
Stroock, Stroock & Lavan  
180 Maiden Lane  
New York, NY 10004  
(212) 806-5400  
Counsel for Kanebridge Corp.

Malla Pollack, Esq.  
Florida Coastal School of Law  
7555 Beach Blvd.  
Jacksonville, FL 32216  
(904) 680-7759  
Amicus

---

David Seidman