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April 20, 2011

By Hand

Hon. Catherine O'Hagan Wolfe, Clerk
United States Court of Appeals
for the Second Circuit
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, New York 10007

Re: John Wiley & Sons, Inc. v. Supap Kirtsaeng
09-4896-cv

Dear Clerk Wolfe:

We are attorneys for Wiley. We are writing in reply to the letters of Kirtsaeng and his amici.

Question 1

The parties agree that the specific foreign nation in which the Foreign Editions were manufactured does not matter. (Kirtsaeng Letter at 3)("Kirtsaeng agrees with Wiley that the place where the foreign-printed copies were manufactured is irrelevant. . .")

Question 2

The parties disagree as to whether the Court intended the word "works" to mean (i) the underlying copyright, or (ii) the physical copies. If the Court is referring to the nation(s) whose laws govern the manufacture of the physical copies, the parties agree that it should not matter. (Kirtsaeng Letter at 6)("As for the question of whether the reproduction of copies of works in India infringed some Indian copyright holder's rights: the issue is not before this Court. . .")

If the Court is referring to the creation of the copyright in the Foreign Editions, derivative works of the copyright in the United States Editions, then the record does not disclose where those copyrights were created. In any event, neither the location of the creation of the derivative work, or the underlying work, should matter. Section 109(a) concerns "the owner of a particular copy or phonorecord lawfully made under this title. . ." (Emphasis added.) Section 109 does not address the location of the creation of the copyright.

Question 3

Title 17 does not apply to the Foreign Editions until their importation into the United States. The rights of the copyright owner under § 106 are limited to the United States. See Morrison v. Nat'l Austl. Bank Ltd., ___ U.S. ___, ____, 130 S. Ct. 2869, 2877 (2010); United Dictionary Co. v. G & C Merriam Co., 208

U.S. 260, 264 (1908). Section 602(a) teaches that § 106 includes the time at which the Foreign Editions are imported into the United States. Neither Kirtsaeng nor his amici have identified anything in the text or structure of the Copyright Act that suggests the Copyright Act applies to the Foreign Editions before their importation.

Kirtsaeng's three arguments that the Copyright Act applies to the Foreign Editions upon their manufacture in a foreign nation are unpersuasive.

First, the plain language of § 9 of the Copyright Act of 1909 provided that copyright notice "shall be affixed to each copy thereof published or offered for sale in the United States. . ." The Supreme Court held that publication of a work in a foreign nation without a copyright notice does not impair the ability of the author to secure a United States copyright. United Dictionary Co., 208 U.S. at 266 ("[W]e are satisfied that the statute does not require notice of the American copyright on books published abroad and sold only for use there. . ."). Twin Books Corp. v. Walt Disney Co., 83 F.3d 1162, 1166 (9th Cir.1996), expressly criticized the three cases Kirtsaeng cites, Basevi v. Edward O'Toole Co., 26 F. Supp. 41 (S.D.N.Y. 1939), American Code Co. v. Bensinger, 282 F. 829 (2d Cir. 1922), and Universal Film Mfg. Co. v. Copperman, 218 F. 577 (2d Cir. 1914), because "these decisions were at odds with the doctrine of territoriality put forth by the Supreme Court." See Gen., Heim v. Universal Pictures Co., 154 F. 2d 480 (2d Cir. 1946).

Second, the dicta from Quality King that Kirtsaeng cites posits that the goods were made in the United States, as in that case. Quality King Distribs. v. L'Anza Research Int'l., 523 U.S. 135, 145 n.14, 118 S. Ct. 1125, 1130 (1998)("[T]he owner of goods lawfully made under the Act is entitled to the protection of the first sale doctrine in an action in a United States court even if the first sale occurred abroad."). The dicta does not address the situation in which the goods were lawfully made in a foreign nation, as in the present case.

Third, Wiley's notice concerning books "exported" from the geographic region in which they were authorized to be sold does not demonstrate that the Copyright Act protects the Foreign Editions before their importation to the United States. The references on the banners in the Foreign Editions to "exported" do not refer to United States law. Moreover, even if Wiley intended to assert that United States law governed the export of the Foreign Editions from a geographic area in which they were authorized to be sold, that assertion would not change the law.

The argument of amicus Ganghua Liu concerning the 1990 amendment to the Copyright Act of 1976 is not persuasive. (Liu Letter at 2-5) Generally, later legislation should not be used to interpret earlier legislation. Doe v. Chao, 540 U.S. 614, 626-7, 124 S.Ct. 1204, 1211-12 (2004). In any event, Red Baron-Franklin Park, Inc. v. Taito Corp., 883 F.2d 275, 278 (4th Cir. 1989),

assumed that the video game was lawfully imported into the United States, and addressed the public performance rights of the owner of the game. It is not clear what Congress intended to overrule with the 1990 amendment. The statement of the Copyright Office in DMCA § 104 Report, vol. 1, at 25 n.54 is from 2001, more than 10 years after the enactment of the statute, and therefore lacks any probative force as to what Congress intended in 1990.

Adopting Wiley's construction, and limiting the application of § 109(a) to copies made in the United States, would not grant the United States copyright owner perpetual control over the resale of a copy made abroad. To the contrary, regardless of § 109(a), if a United States copyright owner sells a book, in a transaction to which § 106(3) applies, the copyright owner would have exhausted its rights under § 106(3). Section 109 post-dated Bobbs-Merrill v. Straus, 210 U.S. 339, 350, 28 S. Ct. 722, 726 (1908), but did not supplant it. If the first sale occurred outside of the United States, then § 106(3) would not apply to that sale, See Morrison, 130 S. Ct. at 2877, United Dictionary Co., 208 U.S. at 264, and that foreign sale would not exhaust the rights of the copyright owner.

The relationship between §106(3) and § 109(a) that Wiley advocates would give meaning to both sections. The applicability of §106(3) turns on the existence of a sale within the United States, while the applicability of § 109(a) turns on the location where the goods are made. Section 106(3) would therefore

apply if the United States copyright owner sold the books, or authorized them to be sold, in the United States, regardless of where the books were made. Section 109(a) would apply if the books were lawfully made in the United States, the place of the sale being irrelevant. This result is faithful to the statutory text and structure, and achieves the necessary result of preventing the United States copyright owner from exercising perpetual control over books made with its authorization outside of the United States. Because the books that Kirtsaeng sold were made outside of the United States, and because Wiley did not make or authorize a sale to which § 106 applied, Wiley has the right to restrict the resale of the Foreign Editions that Kirtsaeng purchased in Thailand.

Question 4

Kirtsaeng does not cite any evidence, or offer any explanation, concerning the reference to Title 17 in the Foreign Editions. Moreover, Kirtsaeng does not argue that these references authorize the distribution of the Foreign Editions in the United States.

Respectfully submitted,

William Dunnegan

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