An Examination of the Right to Jury Trial Where Copyright Statutory Damages Are Elected

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NOTE

AN EXAMINATION OF THE RIGHT TO JURY TRIAL WHERE COPYRIGHT STATUTORY DAMAGES ARE ELECTED

INTRODUCTION

Courts within the various circuits have been in disagreement for decades as to whether there is a right to a jury trial in copyright infringement actions where statutory damages are elected in lieu of actual damages under the Copyright Act. This issue is further complicated by the fact that over the years courts have ruled on this issue, applying either the Copyright Act of 1976 (the "1976 Act") or the now repealed Copyright Act of 1909 (the "1909 Act"). Prior to the enactment of the 1976 Act, courts that ruled on the jury trial issue looked to the language of § 101(b) of the 1909 Act. The language of that section referred directly to the court’s discretion in awarding statutory damages. As illustrated in Part I of this Note, the language of the statutory damages provision was changed upon the enactment of the 1976 Act. Under the corresponding statutory damages provision of the 1976 Act, § 504(c)(1), Congress dropped the term "discretion" in reference to the award of statutory damages. Despite this

3. The section of the 1909 Act which referred to statutory damages was originally § 25(b). See id. However, when the 1909 act was codified in the United States Code, § 25(b) was re-numbered § 101(b).
4. See infra note 13.
5. See infra notes 13, 14.
6. It should be noted that § 504(c)(2) refers to “the court in its discretion.” 17 U.S.C. § 504(c)(2) (1988 & Supp. 1991). However, this discretion pertains to the court’s authority to increase the statutory damage award for a finding of willfulness, or reduce the award for a finding of innocence. See id.

Moreover, it cannot be said upon a reading of § 504(c)(2) that the term “court” must pertain to a judge alone and not to a jury. It is not suggested here that Congress’ omission of the term “discretion” from § 504(c)(1) is in any way dispositive of the jury trial issue. The omission is highlighted to indicate the distinction between the statutory damages provi-
obvious difference in statutory construction, courts that have ruled on
the jury trial issue under the 1976 Act have nevertheless relied in part
upon case law which interprets the former Act. Although the 1976
Act was enacted to resolve ambiguities that existed in the 1909 Act,
the revisions in the newer legislation and the corresponding legislative
history are likewise not dispositive of the jury trial issue.

Part I of this Note examines various courts’ interpretations of the
relevant statutory provisions under the 1909 Act and the 1976 Act,
concluding that neither the statutory language nor the legislative histo-
ry are dispositive of the jury trial issue.7

Part II considers the analyses of those courts that have applied
the Seventh Amendment to the United States Constitution8 to cases
where statutory copyright damages were elected. The focus of these
courts’ analyses centers on the characterization of infringement actions
for statutory damages as either legal or equitable in nature, in accor-
dance with pre-merger doctrine.9 The Seventh Amendment provides
in relevant part: “In all Suits at common law, where the value in con-
troversy shall exceed twenty dollars, the right of trial by jury shall be
preserved . . . .”10 The Supreme Court has interpreted the term
“Suits at common law” to include those actions which were legal in
nature prior to the merger of law and equity jurisdictions.11 Prior to
the merger of law and equity, suits seeking an equitable remedy were
brought exclusively in courts of equity in which a judge alone presid-
ed. The judge in an equity proceeding had the discretion to fashion
any remedy necessary to foster an equitable resolution of the matter.
The majority of courts that have considered the jury trial issue have
characterized statutory copyright damages as equitable in nature. Con-
sequently, these courts have ruled that actions seeking statutory copy-
right damages do not warrant a jury trial.12 This Note, however, pro-

7. See infra notes 13-51 and accompanying text.
8. U.S. CONST. amend. VII.
9. See infra notes 52-145 and accompanying text.
10. U.S. CONST. amend. VII.
Pet.) 433, 447 (1830) (stating that “[i]n a just sense, the amendment then may well be con-
strued to embrace all suits which are not of equity and admiralty jurisdiction, whatever may
be the peculiar form which they may assume to settle legal rights”).
12. See Twentieth Century Music Corp. v. Frith, 645 F.2d 6 (5th Cir. 1981); Sid &
Marty Krofft Television Productions v. McDonald’s Corp., 562 F.2d 1157 (9th Cir. 1977);
poses that considerable merit should be afforded to the minority view: that statutory copyright damages are properly characterized as legal, not equitable in nature, and consequently, trial by jury should not be precluded merely because the plaintiff has elected statutory damages.

I. STATUTORY LANGUAGE AND LEGISLATIVE HISTORY NOT DISPOSITIVE OF THE JURY TRIAL ISSUE

Since the passage of the 1909 Act which provided for "in lieu" damages, the predecessor to modern copyright statutory damages, courts have been divided in interpreting the statutory damages provisions with respect to a jury trial right. Often, courts ruling on the issue under the 1909 Act, and those courts applying the 1976 Act, have first looked to the language of the respective statutes before progressing to an interpretation of the Seventh Amendment.

13. Copyright Act, ch. 320, § 25(b), 35 Stat. 1075, 1081 (1909). Section 25(b) provided in pertinent part:

To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from the infringement . . . or in lieu of actual damages and profits such damages as to the court shall appear to be just, and in assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but . . . such damages shall [not] exceed the sum of five thousand dollars nor be less than the sum of two hundred and fifty dollars, and shall not be regarded as a penalty.

Id.

14. Section 504(c) of the Copyright Act of 1976 states in pertinent part:

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $500 or more than $20,000 as the court considers just . . . .

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware of and had no reason to believe that his or her acts constituted an infringement of copyright, the court it [sic] discretion may reduce the award of statutory damages to a sum of not less than $200 . . . .


16. See, e.g., Gnossos, 653 F.2d 117 (examining congressional intent as to any right to
Specifically, several courts have interpreted the use of the word "court" in § 504(c) of the 1976 Act as requiring a bench trial with the judge serving as fact finder.\(^7\) For example, the Ninth Circuit in *Sid & Marty Krofft Television Productions v. McDonald's Corp.*\(^8\) stressed that "[t]he jury plays no role in this determination, because 'the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement, and the like, is made the measure of the damages to be paid . . . ."\(^9\)

Additionally, several courts that have failed to recognize a jury trial right where statutory copyright damages were elected have stressed that the phrase "in its discretion" in § 101(b) of the 1909 Act and similarly, the phrase "as the court considers just" in § 504(c), grant considerable discretion to the fact finder.\(^10\) Traditionally, such discretion was said to lie outside the province of a jury.\(^11\) However, upon interpreting a similar statutory damages provision within the Civil Rights Act of 1968, the U.S. Supreme Court held that usage of the term "court" within the statutory remedy should not, in and of itself, be dispositive of the jury trial issue.\(^12\) Moreover, several courts within the Fourth Circuit have ruled that statutory language similar to the language found within the copyright statutory damages provision will not necessarily bar a jury trial. The court in

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\(^8\) 562 F.2d 1157.


\(^10\) 562 F.2d 1157.

\(^11\) Id. at 1177 (quoting L.A. Westermann & Co. v. Dispatch Printing Co., 249 U.S. 100, 106 (1919) (emphasis added by the Krofft court).

\(^12\) Id. at 1177 (quoting L.A. Westermann & Co. v. Dispatch Printing Co., 249 U.S. 100, 106 (1919) (emphasis added by the Krofft court).

\(^13\) See, e.g., Glazier v. First Media Corp., 532 F. Supp. 63, 65 (D. Del. 1982) (citing to legislative history which explains that one purpose of § 504(c) was "to provide the court with reasonable latitude to adjust recovery to the circumstances of the case." (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess. 161 (1976))).

\(^14\) See *Papa John's*, 201 U.S.P.Q. (BNA) 302 (stating that juries do not typically exercise discretion, and determining the jury's function as finding fact and applying law as it is explained to them).

\(^15\) Curtis v. Loether, 415 U.S. 189 (1974) (ultimately relying upon analysis under the Seventh Amendment in finding in favor of a jury trial right).
Barber v. Kimbrell's, Inc., for example, interpreted the language of the Truth in Lending statute as permitting a jury trial, notwithstanding the phrases: "as the court may allow," and "as determined by the court." In addition, the court in Gnossos Music v. Mitkin, Inc. held that the term "court" within the copyright statute could mean "judge" or "judge and jury in tandem.

At least one court has looked to other provisions within the Copyright Act in an attempt to discern the plain meaning of § 504(c). The court in Raydiola Music v. Revelation Rob, Inc. examined the language of § 505 of the 1976 Act which governs the award of costs and attorney's fees, noting that this section refers to "the court in its discretion." As the court indicated, it is clear that a judge is the proper adjudicator of both costs and awards of attorney's fees, and that a jury has no role in this limited determination. The Raydiola court reasoned that to reach the conclusion that § 504(c) permits a jury trial on the basis of its language alone, would therefore require a court to interpret the identical statutory language of § 504(c) and § 505 in a conflicting manner. Although the court's argument, stressing consistent interpretation of similar language within the Copyright Act, may seem compelling on the surface, the Raydiola court failed to consider the very different contexts in which the similar statutory language was used. Moreover, the Raydiola court conceded that "similarity in statutory language cannot in and of itself conclusively carry the day." In concluding that the plain meaning of the statute was not dispositive, the Raydiola court

25. Id.
26. Id.; see also Barber, 577 F.2d at 225 n.26 (finding such statutory language is not dispositive of the jury trial issue).
27. 653 F.2d 117 (4th Cir. 1981).
28. Id. at 119.
30. Id.
31. Id. at 371. 17 U.S.C. § 505 (1988) provides:
In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

Id. (emphasis added).
32. Raydiola Music, 759 F. Supp. at 371 (stating that "there is no question that it is the function of the trial judge and not a jury to assess costs and attorney's fees").
33. Id. at 371-72.
34. Id. at 372.
recognized further that courts that have at least considered the statutory language in deciding the jury trial issue have reached inconsistent results.\textsuperscript{35}

It is significant to note that one court, ruling in favor of a jury trial right, explained that the purpose of adding the phrase "the court in its discretion" to § 505 of the 1976 Act was to effect a significant change in the 1909 Act entirely unrelated to the jury trial issue.\textsuperscript{36} The court in \textit{Educational Testing Servs. v. Katzman}\textsuperscript{37} acknowledged that under the 1909 Act, an award of costs to the prevailing party was mandatory. The court noted that § 505 of the 1976 Act substituted the phrase "in its discretion" for the word "shall" found within the corresponding provision of the former Act.\textsuperscript{38} The \textit{Katzman} court commented on the inference drawn from this substitution of language, stating "[i]t is a quantum leap to suggest that this change proves that simply because Congress intended to place with the judge the discretion to award or withhold costs—a task regularly assumed by judges—that it also intended to remove from juries the power to award damages."\textsuperscript{39}

Furthermore, the court in \textit{Katzman} explained that the use of the terms "court" and "discretion" within the statute "is nothing more than a subtle admonishment that, absent the relative ease in computing damages occasioned by hard facts, discretion should be exercised to avoid the twin evils of under- or over-compensation."\textsuperscript{40} While it may be asserted that such discretion was traditionally exercised by judges alone and not by juries, thereby supporting the proposition that there is no right to jury trial where statutory damages are elected, it is significant to reiterate that the word "discretion" was omitted from the statutory damages provision of the 1976 Act.\textsuperscript{41}

\textsuperscript{35} \textit{Id. Compare} Twentieth Century Music Corp. v. Frith, 645 F.2d 6 (5th Cir. 1981) (no right to jury trial on statutory or constitutional grounds); Sid & Marty Krofft Television Productions v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977) (jury trial not required under 1909 Act); and Glazier v. First Media Corp., 532 F. Supp. 63 (D. Del. 1982) (under 1909 Act the judge determines statutory damages) with Mail & Express Co. v. Life Pub. Co., 192 F. 899 (2d Cir. 1912) (jury trial available under the 1909 Act); and Chappell & Co. v. Cavalier Cafe, 13 F.R.D. 321 (D. Mass. 1952) (although this case upheld a jury trial right under the 1909 Act, it has been implicitly overruled by Chappell & Co. v. Palermo Cafe, 249 F.2d 77 (1st Cir. 1957)).


\textsuperscript{37} \textit{Id.}

\textsuperscript{38} \textit{Id.}

\textsuperscript{39} \textit{Id.}

\textsuperscript{40} \textit{Id.}

Assuming, arguendo, that it was proper, based upon the language of the statute, for a judge and not a jury to fix statutory damage awards, such a determination should not be a basis for removing certain substantive issues from the purview of a jury. Where a plaintiff elects statutory damages, thereby relieving himself of the burden of proving his actual damages, this election should not operate to deprive the defendant of her right to trial by jury on the key issues of infringement, and in some cases wilfulness or innocence, as well as the defense of fair use. The discretion referred to by several courts applies, if at all, solely within the context of fixing damage

42. See id. § 501 providing in pertinent part:
   (a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 or of the author as provided in section 106A(a), or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright or right of the author, as the case may be.

Id.

43. See id. § 504(c)(2) providing in pertinent part:
   (2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than $200. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107 . . . .

Id.

   Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
   (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.
   The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Id.
awards. Neither the Copyright Act nor its corresponding legislative history, examined in the discussion to follow, mentions an inability or inappropriateness on the part of juries to decide these key issues. In fact, in infringement actions where actual damages are sought, it is both proper and commonplace for juries to decide these critical issues.

The Katzman court, like many other courts that have considered the jury trial issue, declined to rule solely on the basis of the statutory language. Instead, the court resorted to an examination of the legislative history, which it found likewise not dispositive of the jury trial issue. The court cautioned against reliance on legislative history to the exclusion of other factors, suggesting that "the history on any given legislative action is often comprised of a selective list of statements helpful to the party advancing them to the notable exclusion of damaging ones." Nevertheless, the Katzman court embarked upon an analysis of the legislative history of the 1909 Act. The court favored the defendant's contention that the statutory damages provision of the 1909 Act was drafted with the intention of preserving prior statutory damages provisions which were available at law. Moreover, the court suggested, albeit without explanation, that § 504 was also intended to perpetuate the existing law, and that therefore, the 1976 Act was intended to maintain a right to jury trial when

46. Id. at 1240 (citing WILLIAM L. REYNOLDS, JUDICIAL PROCESS 225 (1980)).
47. Katzman, 670 F. Supp. at 1240 (interpreting Brady v. Daly, 175 U.S. 148 (1894)). The plaintiffs in Katzman maintained that the statutory damages provision was a “radical departure” from the traditional law in that, for the first time, the Copyright Act allowed the court to assess statutory damages without any regard to actual damages. Id. The plaintiffs urged that this fundamental change created an equitable right “entrusted . . . to the judge to the exclusion of the jury.” Id.

For a discussion of the characterization of the action for statutory copyright damages as either legal or equitable, see infra notes 52-145 and accompanying text.
statutory damages were elected. The court concluded that the statutory damages provision of the 1909 Act was enacted with the intention that a jury could indeed try actions seeking statutory damages. The court's conclusion was based in large part upon the exchange of Mr. Steuart, who was the primary drafter of the statutory damages provision of the 1909 Act, and Mr. Wilcox, whose role in the drafting process is not clear:

Mr. Wilcox. [I]f the plaintiff sought his remedy on the equity side . . . and asked for an injunction and [also] for [statutory] damages[,] then it would be for the court to assess the damages unless it referred [statutory] damages to a jury, which is what in many jurisdictions the courts would do . . . . But suppose the plaintiff . . . sought his remedy on the law side . . . then how could the court exercise its discretion? . . . . Mr. Steuart. Of course, such questions as were submitted to the jury would have to be passed upon by the jury, and whatever verdict the jury found would leave the court in the position where the court could increase that if the court saw fit to do so . . . .

However, in light of the fact that historically many judges had awarded statutory damages without the aid of a jury, the Katzman court reasoned that through the years the original intent of the statute was lost. It is evident that not even Steuart, as the colloquy reprinted above demonstrates, contemplated the use of a jury in every case. In concluding that the legislative history was indeed ambiguous, the Katzman court stressed that "the best that can be said is that Congress chose to leave § 504 basically intact despite a clear conflict in the case law." 49

II. THE SEVENTH AMENDMENT GUARANTEE TO A RIGHT TO TRIAL BY JURY: THE APPLICATION OF ROSS V. BERNHARD

Irrespective of whether Congress intended to impose a right to jury trial in enacting § 504(c), the Seventh Amendment to the U.S. Constitution nevertheless guarantees such a right in legal actions. 50

49. Id.
50. Id. (quoting E. FULTON BRYLAWSKI & ABE GOLDMAN, LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT (1976)) (alteration in original) (emphasis added).
53. The Seventh Amendment provides in pertinent part: "In all Suits at common law,
The Supreme Court has interpreted the Seventh Amendment's use of the term "Suits at common law" to include those actions which were legal in nature, as opposed to equitable in nature, prior to the merger of law and equity jurisdictions. Writing for the Court in 1830 Justice Story established the well-accepted principle that:

The phrase 'common law,' found in this clause, is used in contradistinction to equity, and admiralty, and maritime jurisprudence . . . . By common law, [the framers of the Amendment] meant . . . not merely suits, which the common law recognized among its old and settled proceedings, but suits in which legal rights were to be ascertained and determined, in contradistinction to those where equitable rights alone were recognized, and equitable remedies were administered . . . . In a just sense, the amendment then may well be construed to embrace all suits which are not of equity and admiralty jurisdiction . . . .

Historically, equitable actions were brought exclusively in courts of equity, in which a judge alone presided. These equity courts had the discretion to fashion any remedy necessary to foster an equitable resolution of the matter. Although the federal system has never had separate courts for legal and equitable actions, there certainly existed separate law and equity proceedings. Today however, under the rules of modern pleading, unification of law and equity jurisdiction exists so that all claims and defenses, whether legal or equitable in nature, may be presented in the same action.

The application of the Seventh Amendment to the issue of a right to jury trial under § 504(c) hinges on the characterization of the rights and remedies granted by that section as either legal or equitable in nature. The Supreme Court in Ross v. Bernhard articulated a

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54. Curtis v. Loether, 415 U.S. 189 (1974); see also Parsons v. Bedford, 28 U.S. (3 Pet.) 433, 446 (1830) ("In a just sense, the amendment then may well be construed to embrace all suits which are not of equity and admiralty jurisdiction, whatever may be the peculiar form which they may assume to settle legal rights.").

55. Parsons, 28 U.S. (3 Pet.) at 446-47.

56. See Beacon Theaters, Inc. v. Westover, 359 U.S. 500, 507 (1959) (acknowledging that equity jurisdiction may provide equitable remedies where legal remedies are otherwise inadequate).

57. See generally 5 James W. Moore et al., Moore's Fed. Practice ¶ 2.02[1], 2.03-2.05 (2d ed. 1991).


three-prong standard to determine the appropriate characterization of an issue before the court. The nature of an issue is determined by first looking to the pre-merger custom with respect to the action at bar. If the pre-merger equivalent of the action was legal in nature, the action at bar is likewise to be treated as legal. Similarly, an action that was considered equitable in nature prior to the merger of law and equity is to be treated as equitable by a modern court. Where the action at bar did not exist prior to the merger of law and equity jurisdictions, modern courts have drawn an analogy between the action at bar and its closest pre-merger counterpart. Secondly, the court should consider the nature of the remedy sought in the action at bar. Finally, under the Ross standard, the court should examine the practical abilities and limitations of juries to deal with the issue before it.

A. Characterization of the Right

Analysis under the first prong of the Ross test examines whether statutory copyright damages were considered legal or equitable prior to the merger of law and equity. The Supreme Court has consistently held in a long series of cases that because the Seventh Amendment mandates the preservation of a jury trial right, the content of that right must be determined by looking to eighteenth century standards.

An historical examination of the development of modern day copyright statutory damages is useful to illustrate that the provisions in § 504(c)(1) of the 1976 Act clearly evolved from pre-merger actions which were legal in nature. The first federal copyright legislation was enacted in 1790 and provided for relief to be granted in actions at law. Section 2 of the original Copyright Act pertained to unpublished works and provided in pertinent part:

60. Id. at 538 n.10.
61. See e.g. Barber v. Kimbrell's, Inc., 577 F.2d 216, 225 (4th Cir. 1978) (examining whether "the rights and duties created by the statute [at bar were] analogous to rights and duties historically comprehended by the common law").
63. Id. at 542-43.
Section 2. That if any other person or persons . . . shall print, reprint, publish or import . . . any copy or copies of such map, chart, book or books, without the consent of the author or proprietor thereof . . . then such offender or offenders shall forfeit . . . [same] to the author or proprietor . . . : And every such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession . . . the one moiety thereof to the author or proprietor of such map, chart, book or books who shall sue for the same, and the other moiety thereof to and for the use of the United States, to be recovered by action for debt in any court of record in the United States, wherein the same is cognizable . . . .

This section created fixed statutory damages as early as 1790 in the amount of fifty cents for each sheet found in the possession of the infringer. Moreover, the Act specified a common law cause of action in the form of an action for debt. As the Act of 1790 failed to provide for equity jurisdiction, all actions for copyright infringement were at law, and therefore triable to a jury.

The absence of equity jurisdiction, however, was short lived. The Supplemental Copyright Act of 1819 enacted provisions to extend jurisdiction to federal equity courts over copyright actions in which injunctive relief was sought. As one scholar, William F. Patry, has indicated, "[t]here is no suggestion that this extension of equitable jurisdiction was intended in any way to alter the at-law characterization of proceedings to collect statutory (or actual) damages." In 1831, Congress enacted the first general revision of the Copyright Act, preserving the fifty-cents-per-sheet statutory damages provision for books, but raising the damage amount to one dollar-per-sheet for maps, prints, engravings, charts, and musical compositions, which received federal copyright protection for the first time. Again, there was no mention of changing or limiting the at-law nature of copyright statutory damages.

The Supplemental Act of 1856 (the "1856 Act") expanded copyright protection for the unauthorized performance of dramatic compo-

66. Id.
68. Id. at 157 (citing the Act of Feb. 15, 1819, 15th Cong. 2d Sess., 3 Stat. 481).
69. Id. (stressing that the 1790 act was left intact).
70. Id. at 158.
Patry points out that this right of protection was enforced by an action on the case, a “classic common law cause of action,” and that damages were assessed at not less than one hundred dollars for the first unauthorized performance, and fifty dollars for each subsequent infringing performance, “as to the court . . . shall appear to be just.” As Patry indicates, this was the first copyright provision of its kind to speak of statutory damages in connection with the language “as to the court . . . shall appear to be just,” but this language was limited to the infringement of dramatic compositions. Indeed, to construe the language of the 1856 Act as creating an equitable action exclusively for the infringement of a dramatic composition produces an anomalous result whereby all infringement actions to collect statutory damages would be at law, except for those infringement actions involving dramatic compositions, which would be at equity. Moreover, such an interpretation of the 1856 Act is wholly unsupported by the purpose of the Act as declared by Senator Seward, the bill’s sponsor. Senator Seward made the following remarks in the Senate prior to the passage of the 1856 Act:

I desire to state, in regard to this bill, that the only provision which it contains is a provision to the effect that the copyright for dramatic composition shall be extended so as to give authors a property for a given period of time in acting or enacting of their own compositions.

The 1870 Copyright Revision extended copyright protection to photos, paintings, and other works of fine art. This enactment provided only for actual damages with respect to those works covered by sections 2 and 6 of the 1856 Act, yet the damage provisions governing dramatic compositions remained unchanged from the previous enactment. Perhaps the most significant change implemented by the 1870 Copyright Revision was that suits to recover statutory damages were to be recovered “by action” where they formerly were recovered by actions on the case or actions for debt, depending on the nature of

72. Patry, supra note 67, at 164.
73. 1856 Act, supra note 71, at 139.
74. Patry, supra note 67, at 163.
75. Id. at 162 (quoting Cong. Globe, 34th Cong., 1st Sess. 847 (1856)) (emphasis added).
77. Patry, supra note 67, at 165.
78. Id.
the infringed work.79 Again, Patry indicates that these modifications in terminology were not intended to limit or restrict the at-law characteristics of existing legal rights, but rather to enlarge them.80 Patry quotes the bill's House sponsor stating, "[The committee's] object has been, not to disturb any existing rights or to take away any remedies, but to enlarge the remedies in every case where they could do so consistently with the principle of the law."81

The next significant revision in the area of copyright damages occurred in 1909, in which all the prior damage provisions were consolidated into one section, section 25.82 Statutory damages under the 1909 Act were restricted to no less than $250 nor more than $5000, and this statutory range was applicable to infringements of all types of works except the newspaper reproduction of a copyrighted photograph which had its own lower range of damages.83 Patry notes that this provision of the 1909 Act is "identical in concept" to statutes passed in several states as far back as 1783.84 He further states that damages under these state statutes were collected by actions for debt, traditionally common law actions.85 Patry, therefore, urges that the monetary range stipulated in section 25(b) of the 1909 Act did not destroy the right to jury trial, but rather "delineated the range within which the right was to be exercised."86

Patry confidently concludes that prior to the 1909 Act, all actions to collect statutory copyright damages were properly at law, and that this characterization remained intact through the enactment of the present copyright statute, the 1976 Act.87 Additionally, Patry indicates the significance of the enactment of § 504(c)(2) of the 1976 Act.88 That section adds a punitive provision which assesses $100,000 in damages based upon a finding of fact of willfulness on the part of the infringer.89 Patry argues that the punitive nature of

79. Id. at 166.
80. Id.
81. Id. (citing Cong. Globe, 41st Cong., 2d Sess. 2854 (1870)).
83. Id. §§ 25, 27 (repealed 1976).
84. Patry, supra note 67, at 176.
85. Id.
86. Id. It is significant to note that the 1909 Act also expressly stated that this range of damages "shall not be regarded as a penalty." Law of Mar. 4, 1909, ch. 320, § 25, 35 Stat. 1075, 1081 (1909).
87. See generally Patry, supra note 67, at 175-94.
89. Patry, supra note 67, at 191. At the time Patry's in-depth study was published,
§ 504(c)(2) disqualifies the section from characterization as equitable, and therefore the section should be characterized as legal in nature.\(^9\) Moreover, he emphasizes that "a determination of willfulness or innocence is a fact matter peculiarly within the traditional province of the jury."\(^9\) In sum, Patry urges that the legal nature of statutory copyright damages has remained unscathed through more than two hundred years of the copyright statute's dynamic development.

Notwithstanding Patry's persuasive study of the development of statutory copyright damages, several courts have found a right to jury trial in statutory copyright damages cases by analogizing copyright infringement actions to rights which were traditionally enforceable as legal actions at common law prior to the merger of law and equity.\(^9\) In fact, the Supreme Court has held that where a modern statute, such as the statutory copyright damages provisions within the 1976 Act, has no pre-merger counterpart, courts will look to the pre-merger action that is most closely analogous to the action at bar in order to determine whether said action qualifies as legal or equitable in nature.\(^9\)

The Court of Appeals for the Fourth Circuit was the first appellate court to find a jury trial right where statutory copyright damages were elected. The court in *Gnossos Music v. Mitkin, Inc.*\(^9\) applied a two-prong test which was articulated earlier by that circuit.\(^9\) Essentially, this two-prong analysis was the functional equivalent of the first two prongs of the *Ross* test: a characterization of the rights involved in the action as either legal or equitable in nature, and a characterization of the remedy sought.\(^9\)

The *Gnossos* court, in applying the first prong, analogized copyright infringement actions to actions for tortious interference with a

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\(^9\) *Id.* at 190-91.

\(^9\) *See, e.g.*, *Gnossos Music v. Mitkin, Inc.*, 653 F.2d 117 (4th Cir. 1981) (analogizing copyright infringement actions to actions for tortious interference with a property right, an action historically enforceable at law).


\(^9\) 653 F.2d 117 (4th Cir. 1981).

\(^9\) Barber v. Kimbrell's, Inc., 557 F.2d 216, 225 (4th Cir. 1978) (interpreting whether the Truth in Lending Act provided a right to jury trial under the Act's statutory damage provision).

\(^9\) *Id.*
property right, an action traditionally enforceable at law prior to the 
merger of law and equity.\textsuperscript{97} However, the Gnossos analogy to a tort 
action is not without criticism.\textsuperscript{93} Critics of this tort analogy have 
stressed that traditionally tort actions, and property interference torts 
in particular, may properly be characterized as either legal or equita-
ble depending upon the type of relief sought—damages or injunction 
respectively.\textsuperscript{95} Thus, they conclude that the first prong of the Ross 
test—the characterization of the right—is not dispositive of the jury 
trial issue.\textsuperscript{100}

The copyright infringement cause of action has also been 
analogized to actions for trademark infringement which have been 
upheld as preserving a right to jury trial.\textsuperscript{101} Both copyright and 
trademark infringement actions can be viewed as actions at law to 
vindicate tortious interferences with intellectual property rights, despite 
the fact that Congress has instituted different statutory damages for 
each.\textsuperscript{102}

B. Characterization of the Remedy

Assuming arguendo that the “characterization of the right” prong 
of the Ross test is not dispositive of the jury trial issue, an examina-
tion of analysis under the second prong, the characterization of the 
remedy,\textsuperscript{103} is warranted. As the court in \textit{Educational Testing Servs. 
v. Katzman}\textsuperscript{104} aptly phrased it, “Of the three Ross factors, the sec-

\textsuperscript{97} See Gnossos, 653 F.2d at 120 (finding several Second Circuit decisions supportive 
of the analogy, despite the fact that these decisions utilized the tort analogy in a different 
context—the determination of whether the rule of joint and several liability extended to a 
copyright infringement action); \textit{see also} Screen Gems-Columbia Music v. Metlis & Lebow 
Corp., 453 F.2d 552, 554 (2d Cir. 1972); Ted Browne Music Co. v. Fowler, 290 F. 751, 
754 (2d Cir. 1923).

98. See Andrew W. Stumpff, \textit{Note, The Availability of Jury Trials in Copyright 
Infringement Cases: Limiting the Scope of the Seventh Amendment}, 83 \textit{Mich. L. Rev.} 1950, 

99. \textit{Id.}

100. \textit{Id.}


103. This element of the Ross test is often viewed as the determinative factor by those 
arguing for either equitable or legal characterization. See Gnossos Music v. Mitkin, Inc., 653 
F.2d 117 (4th Cir. 1981); Raydiola Music v. Revelation Rob, Inc., 729 F. Supp. 369 (D. 
Del. 1990); Glazier v. First Media Corp., 532 F. Supp. 63 (D. Del. 1982); National Conf. of 
Bar Examiners v. Multistate Legal Studies, Inc., 212 U.S.P.Q. (BNA) 486 (N.D. Ill. 1981); 


http://scholarlycommons.law.hofstra.edu/hlr/vol21/iss1/7 16
ond—the nature of the remedy sought—is the most compelling argument for a right to a jury in this case." The Katzman court stressed that the specific remedy sought in the case at bar, money damages (statutory) "smacks of the law side of the court." The court indicated that the statutory damages granted by § 504(c) were not cumulative—i.e., that a plaintiff must elect either actual damages or statutory damages, but may not seek both in tandem. Moreover, the Katzman court noted that the plaintiff's characterization of statutory damages as "wholly discretionary" was inaccurate. The court explained that the discretion exercised in fixing statutory copyright damages between a Congressionally set minimum and maximum was sufficiently distinct from other statutory damage provisions held to be equitable. Unlike statutory copyright damages, these equitable damage provisions authorized the use of discretion in granting any reasonable amount or no amount at all. In contrast, the statutory damages provisions under the Copyright Act provide for a mandatory damage award upon an election of statutory damages and a finding of infringement. At the very least, the minimum damage award of $500 must be awarded where infringement is found. This award may be augmented where the infringement is found to be either willful or innocent. Under § 504(c), any degree of discretion granted to the fact finder is limited by the range of damages fixed by the statute.

The court in Gnossos found the jury trial right to hinge on the characterization of the remedy. In Gnossos, the court found the discretion extended to the fact finder to be restricted by Congressionally imposed limitations. In considering the merit of this fact the court recognized that various statutory rights created by state legislators have indeed "circumscribed damage-fixing by juries in wrongful death actions, tortious interference with mineral rights, usury actions and

105. Id. at 1242.
106. Id. (urging that "money damages are the quintessential form of legal relief granted by a jury").
107. Id.
108. Id. at 1243. The Katzman court found the Copyright Act distinguishable from authority cited to support plaintiff's contention that statutory damage provisions are often held to be equitable. Id.
109. Id.
111. Id.
112. Id. § 504(c)(2).
many others." Moreover, the Gnossos court stressed that Congress had granted discretion to the fact finder to assess damages in a number of statutes including the Truth in Lending Act, the fair housing provisions of the Civil Rights Act, and the antitrust laws.

The Gnossos court also characterized the remedy in question as legal on the basis of drawing an analogy to the ancient civil action for debt, an action traditionally legal in nature. In Stockwell v. United States, the Supreme Court defined an action for debt as lying "whenever a sum certain is due to the plaintiff, or a sum which can readily be reduced to a certainty... It is immaterial in what manner the obligation was incurred, or by what it is evidenced, if the sum owing is capable of being definitely ascertained." The analogy drawn by the Gnossos court is applicable where a plaintiff seeks the minimum amount of statutory damages as prescribed under § 504(c)(1), because said amount is indeed a sum certain. However, the analogy as articulated by the court fails to be persuasive in instances where a plaintiff seeks an amount greater than the statutory minimum.

Moreover, the Gnossos court neglected to support the analogy by any means other than merely stating the conclusion that § 504(c) provides a remedy of a type which was traditionally enforceable at law. The analogy drawn in Gnossos has been attacked on the grounds that it is wholly unlike the definition of an action for debt as articulated by the Supreme Court. Critics of the Gnossos court's analogy argue that statutory copyright damages are "completely unlike a 'sum certain'" in that "they are determined entirely at the discretion of the court, within prescribed limits." However, this criticism fails to account for the fact that the fine imposed by the very statute in question in Stockwell delineated parameters much like §

114. Id. (emphasis added).
118. Gnossos, 653 F.2d at 120.
119. 80 U.S. 531 (1871).
120. Id. at 542.
121. See Gnossos, 653 F.2d at 120.
123. Id.
124. Section 4 of the Act of July 18, 1866 titled "An act further to prevent smuggling, and for other purposes" states in pertinent part: "... he or she shall, on conviction thereof before any court of competent jurisdiction, be fined in any sum not exceeding $5000 nor less than $50... at the discretion of such court." Stockwell, 80 U.S. at 533-34 (quoting the Act of July 18, 1866, 14 Stat. 179).
504(c), thus lending some credence to the Gnossos court’s analogy.

The most compelling arguments in favor of characterizing statutory copyright damages as legal, and therefore favoring a right to jury trial, have been advanced by the Court of Appeals for the Seventh Circuit in Video Views, Inc. v. Studio 21, Ltd.\textsuperscript{125} The Video Views ruling is the most recent and the most persuasive Circuit Court opinion acknowledging the right to jury trial upon the election of statutory copyright damages. The Seventh Circuit stressed that the remedy fashioned by § 504(c) “defies blanket characterization as either ‘equitable’ or ‘legal,’” illustrating that the statutory award is intended to approximate actual damages in only certain cases.\textsuperscript{126} In other cases, such as those where only the minimum statutory award is sought, the damage award cannot be construed as approximating the actual amount of damage incurred by the plaintiff.\textsuperscript{127} The court asserted that the fact that a copyright owner is relieved from the burden of proving actual damages does not, in and of itself, characterize statutory damages, the substitute remedy under § 504(c), as equitable in nature.\textsuperscript{128} Furthermore, the court recognized that the availability of statutory damages “is premised on a far less demanding standard than the ‘inadequacy of an adequate remedy at law’ standard; it is premised simply upon the copyright owner’s election—\textit{for whatever reason}.”\textsuperscript{129}

Additionally, the Video Views court focused on the deterrent nature of statutory copyright damages, stressing that this characteristic “reflects more than a concern to provide equitable relief.”\textsuperscript{130} The court referred to its prior decision in Illinois Bell Telephone Co. v. Haines & Co.\textsuperscript{131} affirmiting an award of statutory damages imposed to both penalize the infringer and to deter him from future infringement. The Video Views court expressed that to the extent statutory damages constitute a penalty, this is an even greater justification for categorizing them as amongst legal remedies.\textsuperscript{132}

Interestingly, the Video Views court articulated one additional principle that is so fundamental and clearly stated, that it is remark-

\textsuperscript{125} 925 F.2d 1010 (7th Cir. 1991).
\textsuperscript{126} Id. at 1015.
\textsuperscript{127} Id.
\textsuperscript{128} Id.
\textsuperscript{129} Id. (emphasis added).
\textsuperscript{130} Id. at 1016 (citing Tull v. United States, 481 U.S. 412, 423 (1986)).
\textsuperscript{131} 905 F.2d 1081 (7th Cir. 1990).
\textsuperscript{132} Video Views, 925 F.2d at 1016.
able that many other courts ruling on the issue have virtually overlooked this plausible argument. The court discussed the fact that notwithstanding any degree of discretion granted to a judge to determine damages, Congress could not have intended to divest completely either copyright owners or infringers of their right to trial by jury.\(^{133}\) Stated another way, even if it were appropriate for the judge exclusively to fix the proper amount of damages, the factual issues of infringement, and in some cases willfulness, innocence, and the defense of fair use, for example, still remain for the jury to decide.\(^{134}\) Removing these fundamental issues from the jury infringes upon the litigants' Seventh Amendment rights.

Moreover, pursuant to § 504(c)(1) a plaintiff-copyright owner may elect to pursue statutory damages in lieu of actual damages at any time prior to the rendering of final judgment in the case.\(^{135}\) Under the majority view, a plaintiff may properly try his case before a jury to obtain actual damages, and at any point prior to the final judgment, he has the luxury of dispensing with the jury by electing statutory copyright damages. This election would serve to remove all issues from jury consideration and would vest in the judge the authority to rule on the issues of infringement, willfulness, or innocent infringement, the defense of fair use, as well as damages. To permit this approach would afford a plaintiff a powerful tool which enables him to test drive his case before a jury and to remove the case entirely from the jury in the event that plaintiff's pursuit of actual damages is unlikely to succeed.

Opponents of the right to jury trial where statutory damages are sought might argue that doing away with jury trials where statutory damages are elected fosters judicial economy. Admittedly, bench trials tend to dispense of issues in a more expedient fashion than trials by jury. The removal of at least some copyright actions from jury consideration would arguably free up crowded trial court dockets. However, the Supreme Court has cautioned that considerations of judicial economy are "an insufficient basis for departing from our longstanding commitment to preserving a litigant's right to a jury trial."\(^{136}\)

As further suggested by the court in Video Views, the fact that

\(^{133}\) Id.

\(^{134}\) Id. (stating that "[t]he fact that the district judge is given the responsibility to assess the statutory damages does not, without more, transform the proceeding—one in which monetary relief is sought—from one legal in nature to one equitable in nature").


statutory copyright damages provide monetary relief is compelling in characterizing them as legal in nature. However, when monetary relief was found to be restitutionary in nature, courts have declined to enforce a right to jury trial, relying on the fact that traditionally, courts of equity administered restitutionary relief. The court in *Broadcast Music, Inc. v. Papa John's,* ruling on the jury trial issue, articulated a compelling argument for the equity view along these lines. The court drew upon the similarity between statutory copyright damages on the one hand, and the back pay provisions of Title VII of the Civil Rights Act on the other, likening each to the equitable relief of restitution. Although the court offered no actual comparison of these two statutory provisions, it nevertheless concluded that “[l]ike restitution, these [copyright] statutory damages are used to force a party to disgorge profits or money wrongfully gained by the infringement of another’s copyrighted work.” However, the court failed to acknowledge the disparity in the degree of discretion granted to the fact finder to award damages under each respective statute. Title VII grants total, uninhibited discretion to the court with respect to awards of back pay and provides in relevant part: “The court may . . . order such affirmative action as may be appropriate, which may include but is not limited to, reinstatement or hiring of employees with or without back pay, or any other equitable relief as the court deems appropriate.” Moreover, the language of Title VII expressly labels this remedy as equitable. In contrast, with respect to § 504(c), Congress has merely determined an appropriate range within which damages must be awarded upon a finding of infringement. Furthermore, there is no express designation within § 504(c), nor anywhere else within the 1976 Act, that would indicate that statutory damages are equitable. This Note does not dispute the designation of back pay awards as restitutionary, and therefore equitable as suggested

137. *Id; see also* Broadcast Music, Inc. v. Papa John’s, Inc., 201 U.S.P.Q. (BNA) 302 (N.D. Ind. 1979) (acknowledging that traditionally monetary relief was awarded by courts of law, but nevertheless holding that no jury right exists upon the election of statutory copyright damages).


142. *Id.*


by the Papa John’s court. However, it must be stressed that the Papa John’s court’s leap of logic with respect to the characterization of statutory copyright damages as equitable, is unsubstantiated by the court, and therefore remains unpersuasive.

C. The Practical Abilities and Limitations of Juries

The third prong of the Ross test concerns the “abilities and limitations of juries.” Under this prong of the test, a cause of action is more likely to be characterized as equitable if it typically raises issues which are too complex for a jury to understand and decide fairly. Where issues at trial are likely to confuse jurors because the facts involved are so complex as to lie beyond the comprehension of jurors, a bench trial may be warranted to ensure the fairness of the proceeding to all parties involved. However, typically the issues involved in determining whether there was an infringement of a copyrighted work and what the appropriate level of damages should be in a given case, are not prohibitively complex. This weighs in favor of characterizing copyright statutory damages as legal. Moreover, where an issue is said to be within the grasp of a jury, the issue is likewise within the grasp of a judge. The third prong offers no insight as to whether issues within the competence of both judge and jury should be characterized as legal or equitable. Therefore, at least where issues are not prohibitively complex, the third prong of the Ross test remains inconclusive.

CONCLUSION

There can be no dispute that the federal courts have widely disparate views with respect to the right to a jury trial upon the election of statutory copyright damages. Not only have these courts handed down virtually polar opinions on cases interpreting this issue, but the fact that they have interpreted the question under both the 1909 Act and the 1976 Act also lends to the confusion. Interestingly, courts have been in dispute at each stage of the analytical process: the statutory construction phase; the interpretation of the respective legislative

145. See e.g., Slack v. Havens, 522 F.2d 1091 (9th Cir. 1975).
147. Chappell & Co. v. Pumpernickel Pub, 79 F.R.D. 528, 530 (D. Conn. 1977) (holding that the case at bar was “legal” since, inter alia, the issues presented were not overly complicated for the jury).
148. Id.
histories; and the analysis under the Seventh Amendment, applying the three prongs of the Ross test. This Note suggests that merit be given to the minority view articulated by both the Fourth and Seventh Circuits that infringement actions seeking statutory copyright damages are legal in nature, and therefore may properly be tried before a jury. A plaintiff’s election of statutory damages in a copyright infringement action should not constitute valid grounds for removing, at the very least, the factual issues of infringement, willfulness, innocence, and fair use, if not the entire damage determination from the purview of the jury. This issue is ripe for Supreme Court adjudication, and the fact that the Seventh Circuit has joined the Fourth Circuit in adopting the minority view is some indication of a trend toward characterization of statutory copyright damages as legal in nature.

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