



## Idea Versus Expression

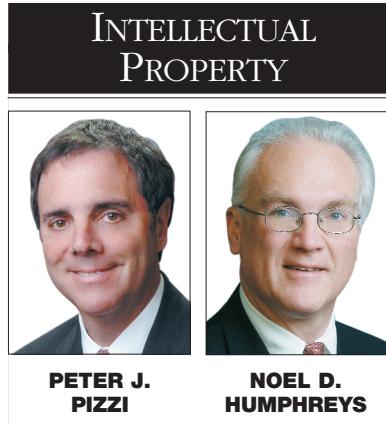
*Copyright Claim for Industrial Parts Vexes the Third Circuit*

For more than a century, the idea/expression dichotomy in copyright law has troubled courts.<sup>1</sup> Only the expression of an idea can be protected by copyright, not the idea itself.

A recent en banc decision by the U.S. Court of Appeals for the Third Circuit wrestled with this elusive distinction in the rather mundane context of industrial fasteners. Even though the system by which the plaintiff manufacturer numbered each part was clearly creative, and therefore an “expression” of an idea, the court held that the specific numbers the manufacturer assigned to its fasteners were not protectable. Therefore, the defendant competitor was free to use the part numbers in promotional materials that compare the two companies’ competing fasteners.

The decision, *Southco Inc. v. Kanebridge Corporation*, 390 F.3d 276 (2004), merits closer examination because the Third Circuit struggled to distinguish between idea and expression on the facts before it. The ruling also has implications for other industries, including computer hardware and software because it may further limit protectable elements in those fields. “Short words” or encoded values within a computer program, for example, are apparently not protectable. Both of these limitations affected the circuit’s thinking.

Southco makes screws and assigns part numbers based on the characteristics of the product — such as the kind of fastener, its composition, thread size, style and finish. Southco’s numbering consistently assigns a value in a particular sequence based upon product characteristics. The pattern allows a user to identify the part number



needed for a particular job, for example.

Kanebridge, Southco’s competitor, began to use Southco’s actual part numbers in promotional materials that identified Kanebridge parts that could substitute for Southco parts. Southco sought an injunction, relying upon copyright law.

The trial court initially ruled for Southco;<sup>2</sup> the Third Circuit reversed;<sup>3</sup> the trial court granted summary judgment for the competitor; the circuit reversed;<sup>4</sup> and finally an en banc panel affirmed the district court’s dismissal, refusing copyright protection.

Though the setting was decidedly low tech, the circuit devoted much effort to the case and was clearly troubled: the recent en banc decision resulted in a majority opinion in which 11 judges joined but three agreed only to portions; three judges filed a concurrence; and two dissented.

The case provided Southco’s lawyers a chance for imaginative lawyering. U.S. law generally allows competitors to use specific competitive information in honest advertising. Therefore, Southco could not prove an unfair competition claim based only on Kanebridge’s use of the part numbers. Southco had to emphasize that the part numbers were creative expressions of an idea.

Furthermore, Southco’s originality and creativity lay in the selection and organization of the

encoded characteristics of the screws, rather than in the actual parts numbers.

Copyright law does not, however, restrict a competitor from copying a “system.” Therefore, Southco also had to blend the numbering plan with the part numbers; Kanebridge was copying specific numbers, not the whole arrangement.

At the district court, Southco’s lawyers urged that Southco’s “copyright in the part numbers entitles it to a complete ban against Kanebridge copying for any purpose.” The issue, according to the district judge, “is 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.”<sup>5</sup>

Southco’s brief stated that “Southco’s part numbers are the expression of its system. ... Southco’s numbering system is a unique, non-intuitive and highly complex expression of original creative thought developed by Southco.”<sup>6</sup>

Initially, Southco’s argument prevailed as the district court ordered Kanebridge not to use Southco part numbers in its promotional materials, saying “Southco’s time, effort, creativity and expense over the years in authoring the Numbering System must be protected because copyright law grants its statutory monopoly to protect the investment made in expressing the results of innovation.”

After four years of decisions, however, Judge Samuel A. Alito Jr.’s majority en banc opinion denied Southco relief based on two independent grounds.

First, 11 circuit judges agreed that assignment of particular numbers based on Southco’s system did not contain the “spark of creativity” required for copyright protection. Mechanical assignment of numbers in sequence in accordance with a formula is not original or creative.

“The Southco numbers are purely functional,” the circuit said. “The Southco numbers convey information about a few objective characteristics of mundane products — for example, that a particular screw is one-eighth of an inch in length.”

**Peter J. Pizzi**, a member of Connell Foley, is chairman of the Internet and Litigation Committee of the New York State Bar Association’s Commercial and Federal Litigation Section. **Noel D. Humphreys**, counsel at Connell Foley, is a member of the Executive Committee of the state bar’s Intellectual Property Section.

Second, Judge Alito and seven other judges agreed that the numbers are too short to copyright. The government, which appeared as an amicus, argued that the Copyright Office routinely rejects registrations when the work of authorship is short, like a slogan.

"We believe the Copyright Office's longstanding practice of denying registration to short phrases merits deference," the court wrote. Three concurring judges and two dissenting judges objected to this part of the majority opinion.

Judge Edward R. Becker's concurring opinion relied upon the "scenes a faire" doctrine, which holds that copyright does not protect elements of a work that are "standard, stock, or common to a particular topic" or setting. This theory commonly applies to industry standards in fields such as computer technology and software. Under this theory, Southco's creativity was insufficient: "[N]ot only are there a limited number of relevant characteristics, but the characteristics chosen by Southco were dictated by industry standards, customer preferences or the objective characteristics of the captive screw itself. This doctrine, therefore, dispels the notion that there was the requisite originality in Southco's selection of characteristics and values to merit copyright protection."

Judge Jane R. Roth wrote the second Third Circuit opinion in *Southco*,<sup>7</sup> which the en banc majority rejected. She therefore dissented from the en banc decision, joined by Judge Michael Chertoff. The dissent emphasized the distinction between the idea and the expression of the idea.

"In the present case," she wrote, "the definition of Southco's 'idea' is at the heart of my disagreement with the majority."

Choices of particular numbers represent creative choices about how to convey meaning, in Judge Roth's view; therefore, the part numbers themselves reflect enough creativity to justify copyright protection.

[T]he majority has adopted an overly broad definition of the 'idea.' By deciding that the determination of the part number is inherent in the 'idea,' the majority has pushed all of Southco's creative work onto the unprotected 'idea' side of the idea/expression dichotomy," Judge Roth wrote, adding, "By extending the 'idea' through to [the] point in the creation of the code at which the number is inevitable, the majority has concluded that the rules constitute an unprotectable system or idea."

Judge Roth cited *Toro*<sup>8</sup> for the proposition that copyright could indeed protect a system of parts numbering. In that decision, the Eighth Circuit decided that Toro's arbitrarily assigned parts numbers lacked adequate originality, but said that copyright might protect other

parts-numbering plans.<sup>9</sup>

In her dissent, Judge Roth urged that selections of particular symbols and a particular number of digits constituted "expression" under the test developed in *Whelan*, a Third Circuit software case.<sup>10</sup>

"The purpose of the scheme is to encode relevant product specifications in part numbers, but Southco's particular scheme is not necessary to achieve this end — other schemes could provide the same information," she wrote. In her view, copyright should protect Southco's encoded numbers, "because of the originality of its numbering rules."

Her dissent said the majority failed to follow *Whelan*. In a footnote, the majority responded that the relevant question is whether the "numbers [used to express the encoding ideal] possess the requisite spark of creativity needed for copyright protection."

## Similar Questions

Computer programs evoke similar questions. In *Mitel*,<sup>11</sup> for example, the panel found that "arbi-

*'Southco' has implications for the computer hardware and software industries because it may further limit protectable elements. "Short words" or encoded values within a computer program, for example, are apparently not protectable.*

trary selection of a combination of three or four numbers" for use as command codes used as software "required de minimis effort," and the court denied copyright protection.

*Whelan* involved copyright protection for the non-literal structure of a computer program.<sup>12</sup> The *Whelan* court wrote that "the line between idea and expression may be drawn with reference to the end sought to be achieved by the work in question. In other words, the purpose or function of a utilitarian work would be the work's idea, and everything that is not necessary to that purpose or function would be part of the expression of the idea."

The Court added, "Where there are various means of achieving the desired purpose, then the particular means chosen is not necessary to the purpose; hence, there is expression, not idea."

## ADA

All three opinions in *Southco* purport to adhere to Judge Frank H. Easterbrook's opinion in *American Dental Association v. Delta Dental Plans*,<sup>13</sup> which

considered the six-digit procedure codes dentists write on patient invoices for payment by insurance companies. The issue in ADA centered on "whether a taxonomy is copyrightable." Judge Easterbrook wrote, "Facts do not supply their own principles of organization. Classification is a creative endeavor."

The disputed copyright in that decision involved the ADA's book that separately numbered each dental procedure.

"Dental procedures could be classified by complexity, or by the tools necessary to perform them or by the parts of the mouth involved, or by the anesthesia employed, or in any of a dozen different ways. The Code's descriptions don't 'merge with the facts' any more than a scientific description of butterfly attributes is part of a butterfly," the court wrote.

Judge Roth in *Southco* viewed ADA as supporting a finding of creativity in an arrangement and choice of symbols for expressing pertinent screw characteristics. Echoing the majority's description of Southco's products as "mundane," Judge Becker's concurring opinion distinguished the "originality in the editorial selections" of the ADA's code from the "baldly unoriginal" scheme for Southco's parts numbers.

Judge Alito's *Southco* majority opinion prominently noted the numbering system's usefulness. A part number would not be useful if the numbers varied from the standard. As a result, "the number assigned to each product results from the mechanical application of the system, not creative thought."

This "rigidity" is true — creativity arose in only the original choice of symbols to use; in that way, Judge Alito and Judge Roth were speaking past each other.

.....  
1. See, e.g., *Baker v. Selden*, 101 US 99 (1879).  
2. *Southco, Inc. v. Kanebridge Corporation*, 2000 WL 21257 (E.D. Pa.).

3. 258 F3d 148 (3d Cir. 2001).  
4. 324 F3d 190 (3d Cir. 2003).  
5. 2000 WL 21257 at 2.  
6. Southco's brief dated June 30, 2000, 2000, WL 33982857, at page 14.  
7. 324 F3d 190.

8. *Toro Co. v. R&R Products Co.*, 787 F2d 1208 (8th Cir. 1986).

9. The opinion does not cite, for example, the decision in *Gem Products v. Robertshaw Control Company*, 1986 WL 32733 (C.D. Cal.), which described "part numbers, derived from Gem's catalogs" as unprotectable facts in denying an injunction to Gem (at paragraph 22).

10. *Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, 797 F2d 1222, 1234 (3d Cir. 1986).

11. *Mitel, Inc. v. Iqtel, Inc.*, 124 F3d 1366 (10th Cir. 1997).

12. 797 F2d at 1234.

13. *American Dental Association v. Delta Dental Plan Association*, 126 F.3d 977 (7th Cir. 1997).