

8-13-2012

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### Recommended Citation

Holofcener, Adam G. "Music as Biotech: Remixing the UBMTA for Use with Digital Samples." Intellectual Property Brief 3, no. 3 (2012): 8-21.

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# Music as Biotech: Remixing the UBMTA for Use with Digital Samples

## **Keywords**

Uniform Biological Material Transfer Agreement, copyright law, patent

# MUSIC AS BIOTECH: REMIXING THE UBMTA FOR USE WITH DIGITAL SAMPLES

by Adam G. Holofcener<sup>1</sup>

Duke University School of Law professor James Boyle wrote, "If one had to represent the image of creativity around which copyright law and patent law, respectively, are built, patent law's model of creativity would be a pyramid and copyright law's a fountain, or even an explosion."<sup>2</sup> This Article asks "Why?" and "Can copyright law, specifically in the area of licensing digital music samples, learn anything from patent law?" This Article will explore: how the Biotech community has learned to share patented materials easily and equitably through the Uniform Biological Material Transfer Agreement (UBMTA);<sup>3</sup> how development of the doctrine of Experimental Use allows for beneficial unlicensed use of patented materials;<sup>4</sup> how the traditional copyright licensing structure does not work for digital music samples;<sup>5</sup> how Fair Use does not, at least at the moment, lend itself to obviate the need for a restructuring of the copyright licensing system;<sup>6</sup> why copyright needs the benefit of liberal borrowing techniques like those patent licensing enjoys from the UBMTA;<sup>7</sup> and how copyright law can, and already has, started to model itself off of variations on patent licensing model agreements.<sup>8</sup> Creativity, in the realm of both patents and copyrights, may not be that different.

The UBMTA is the right model for this specific type of copyright reform because the underlying sentiments of scientific research and music made with digital samples are the same. A large part of research is conducted for non-commercial purposes, for the joy of exploration. Similarly, a majority of music is created without concern for commercial gain, solely for the sake of sonic exploration. The UBMTA encourages

creation engendered by humanity's insatiable curiosity. And the UBMTA does not stop there. The commercial possibilities surrounding both scientific research and music production are too lucrative to be ignored. The UBMTA creates pathways for scientists and institutions conducting non-commercial uses to go commercial with little friction and compensation for all parties involved. A similar structure would benefit everyone participating in music production, from the bedroom composer to the major record label. Humans should be allowed to mess around with the world around them, in both the contexts of organic material and media. The UBMTA properly lays out the parameters for sharing *all* intellectual property in both non-commercial and commercial transactions.

## I. TRANSFERRING PATENTED MATERIALS BETWEEN MEMBERS OF THE BIOTECH COMMUNITY FOR NON-COMMERCIAL AND COMMERCIAL USE

Through the UBMTA, the members of the Biotech community have a method of using each others' patented material for non-commercial means without much cost, and sometimes none at all. These non-commercial uses can then be turned into commercial uses. This section of the paper will first examine the UBMTA as a successful vehicle for freely, or cheaply, licensing patented materials for non-commercial research purposes while allowing for the fruits of the research to be used for later commercial purposes. Second, this section will analyze the development of the doctrine of Experimental Use.

### A. The UBMTA

Generally, a Material Transfer Agreement (MTA) is "a . . . contract between the owner of a . . . material and a party [seeking] the material . . . for research purposes."<sup>9</sup> As the National Institute of Health (NIH) points out:

MTAs are important because they require the recipient to exercise care in the handling of the materials, to maintain control over the distribution of the materials,

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1. Adam G. Holofcener: University of Maryland School of Law, J.D. (2012). Thanks to those in the intellectual property department at Maryland Law, Future of Music Coalition, and Maryland Volunteer Lawyers for the Arts for making the law fun. I also have to thank my family, friends, and Baltimore. Adam.Holofcener.Law@gmail.com - <http://www.kunstemporary.com>.

2. JAMES BOYLE, THE PUBLIC DOMAIN 123-24 (2008).

3. See Part I(A), *infra*.

4. See Part I(B), *infra*.

5. See Part II(A), *infra*.

6. See Part II(B), *infra*.

7. See Part III(A), *infra*.

8. See Part III(B), *infra*.

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9. NAT'L INST. OF HEALTH, REPORT OF THE NATIONAL INSTITUTE OF HEALTH (NIH) WORKING GROUP ON RESEARCH TOOLS, APP. B (1998) [hereinafter Research Tools Report], available at <http://biotech.law.lsu.edu/research/fed/NIH/researchtools/Report98.htm>.

to acknowledge the provider in publications, and to follow relevant [Public Health Service] guidelines relating to recombinant DNA, protection of human subjects in research, and the use of animals.<sup>10</sup>

However, MTAs are not all consistent; a model MTA, such as the UBMTA, is helpful for transferring patented materials while making sure that the principles above are applied uniformly.<sup>11</sup> Exploring the history of the UBMTA will help us to understand the niceties of the actual agreement and its reasons for possible success.

### 1. History of the UBMTA

In 1988, the Public Health Service (PHS) issued their “Policy Relating to Distribution of Unique Research Resources Produced with [Public Health Service] Funding,” acknowledging problems that befell PHS and NIH scientists with MTAs that required case-by-case negotiations.<sup>12</sup> In 1989, the NIH, in response to the PHS’s “Policy,” released a model MTA to be used by PHS scientists; however, this model MTA did not extend to other organizations.<sup>13</sup> The UBMTA grew out of this tradition.<sup>14</sup> The NIH proposed the UBMTA in 1994, in conjunction with members of academia<sup>15</sup> and industry, “to address concerns about contractual obligations imposed by some [material transfer agreements] and to simplify the process of sharing proprietary materials between non-profit institutions.”<sup>16</sup> Specifically, the UBMTA cut down on transaction costs associated with the transfer of biological materials and streamlined the process so that a transfer could take place with only an implementing letter and a statement, signed by the Provider and Recipient scientists, acknowledging that the agreement was in

accordance with the UBMTA.<sup>17</sup> In 1995, the NIH issued a final version of the UBMTA after reviewing public comments on the 1994 proposal.<sup>18</sup>

The public comments addressed two areas of the UBMTA that the NIH ended up revising from the original version.<sup>19</sup> First, the provision mandating that the Provider of the material furnish the Recipient with information regarding the patent status of the materials was removed for fear that the Recipient may inadvertently harm the Provider’s chance of successfully obtaining a patent for the material.<sup>20</sup> Second, the NIH added a provision that obliged institutions to provide a legally binding signatory to UBMTA material transfers if the scientist signing the agreement is not legally authorized to bind the institution.<sup>21</sup>

The PHS recommended that the UBMTA be adopted “for general use in the exchange of materials for research purposes among public and non-profit organizations,” but for-profit organizations were not precluded from using the document.<sup>22</sup> The PHS acknowledged that the UBMTA may not be sufficient for every material transfer, however, it was believed that the desired benefits of this model agreement would come to fruition even if the UBMTA was only used in the majority of transfers.<sup>23</sup> Those institutions who have signed onto the UBMTA, a list of now over 400, can be found on the Association of University Technology Managers website.<sup>24</sup> In 2008, the NIH released a Research Tools Report which reemphasized the importance of the UBMTA and some constraints the document itself may have, in both its current format and usage.<sup>25</sup>

### 2. Provisions of the UBMTA

For the purposes of this paper, the UBMTA contains two parts: the implementing letter and the

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10. Uniform Biological Material Transfer Agreement: Discussion of Public Comments Received; Publication of the Final Format of the Agreement, 60 Fed. Reg. 12,771, 12,771 (Mar. 8, 1995) [hereinafter *UBMTA*].

11. MICHAEL A. CARRIER, *INNOVATION FOR THE 21ST CENTURY: HARNESSING THE POWER OF INTELLECTUAL PROPERTY AND ANTITRUST LAW* 286 (2009).

12. U.S. DEP’T. OF HEALTH AND HUMAN SERV. NIH GUIDE FOR GRANTS AND CONTRACTS, Vol. 17, No. 29, September 16, 1988: pg. 1.

13. UBMTA: Request for Comments, 59 Fed. Reg. 32,000 (Jun. 21, 1994).

14. *Id.*

15. Members of the Association of University Technology Managers (“AUTM”), Ms. Joyce Brinton, Harvard University; Ms. Lita Nelsen, Massachusetts Institute of Technology; and Dr. Sandra Shotwell, Oregon Health Sciences University.

16. UBMTA: Request for Comments, 59 Fed. Reg. 32,000 (Jun. 21, 1994).

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17. *Id.*

18. *UBMTA*, 60 Fed. Reg. at 12,771.

19. *Id.* (making other small changes to the original proposal such as refining the definitions of “modification” and “non-profit organization,” and adding a definition for “commercial Purposes”).

20. *Id.*

21. *Id.*

22. *Id.*

23. *Id.*

24. Association of University Technology Managers, *Signatories to the March 8, 1995 Master UBMTA Agreement*, [http://www.autm.net/Technology\\_Transfer\\_Resources/7150.htm](http://www.autm.net/Technology_Transfer_Resources/7150.htm).

25. Research Tools Report, *supra* note 9, at “Recommendations.” For the purposes of this paper, the UBMTA’s inadequate implementation will not be relevant because the focus here is on theoretical differences between patent and copyright licensing, not the problems of implementation which surround any policy once it is put into use.

actual agreement.<sup>26</sup> A material transfer can take place when an implementing letter is signed by both the Provider<sup>27</sup> and Recipient<sup>28</sup> scientists, and, if need be, by someone at the Recipient institution with legally binding authority, if the scientist attached to the agreement does not have such authority.<sup>29</sup> The implementing letter includes information on the Provider and Recipient institutions, the original material being transferred, being transferred, a possible termination date and a transmittal fee, if the Provider incurred any preparation or distribution costs in the material transfer.<sup>30</sup> The implementing letter acknowledges that both parties to the agreement have signed an unmodified copy of the UBMTA and agree to be bound by its terms.<sup>31</sup> Michael Carrier, in his book *Innovation for the 21st Century: Harnessing the Power of Intellectual Property and Antitrust Law*, lists the eight fundamental provisions to the UBMTA; we will explore each provision in turn.<sup>32</sup>

First, the UBMTA stipulates that the Provider owns the Material.<sup>33</sup> This clause also states that the Provider retains ownership of any Material contained or incorporated in Modifications.<sup>34</sup> Second, the Recipient retains ownership of (1) Modifications, except for the Material still included in said Modifications, and (2) substances created through the use of the Material or Modifications, but which are NOT Progeny, Unmodified Derivatives, or Modifications.<sup>35</sup> These first two provisions are important because they set up

a clear and equitable ownership structure surrounding the Material and its byproducts that is in line with pro-research principles.

The first two provisions of the UBMTA make sense when supported by the third and fourth fundamental provisions: that the Material will be used “solely for teaching and academic research purposes,”<sup>36</sup> and “the Provider shall have no obligation to grant such a [commercial] license to the Recipient . . . .”<sup>37</sup> For some, these two provisions are seen to hinder the UBMTA because they anchor the UBMTA in non-commercial use and encourage university technology transfer officials “to depart from the [UBMTA] whenever they think a particular material may have commercial value.”<sup>38</sup> However, my belief is that these provisions, and even deviation from the UBMTA itself in some cases, are not a bad thing. To borrow some language from the Supreme Court and the jurisprudence of copyright, which itself was borrowed from 18th century english literature, “[n]o man but a blockhead ever wrote, except for money.”<sup>39</sup> The utilization of this quote shows, or at the very least suggests, that creation is inextricably linked to commerce. Therefore, even if the UBMTA itself does not deal with the logistics of material transfers in the commercial world, it creates an environment ripe for commercial opportunities because increased research activities increase the propensity for commercially viable material, which may further streamline commercial material transfers as well as others. The PHS and NIH support this view with language in the Federal Register: “any organization would retain the option to handle specific material with unusual commercial or research value on a customized basis.”<sup>40</sup> The UBMTA is not a catchall, but as was mentioned earlier, the largest difficulty has been its lack of a unified implementation, this does not necessarily denigrate the potentially successful theoretical underpinning of the document though. The fifth fundamental principle of the UBMTA supports this view even further: the Recipient can file patent applications claiming inventions it made through use of the Material.<sup>41</sup> The UBMTA is trying to encourage an environment where

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26. *UBMTA*, 60 Fed. Reg. at 12,771. In the UBMTA framework there is also a “simple letter agreement for transfer of non-proprietary biological material,” however, our analysis can take place without dissecting this document, which shares essential qualities with the rest of the UBMTA materials.

27. *Id.* at 11,773. The UBMTA defines a “Provider” as an organization providing the Original Material.

28. *Id.* The UBMTA defines a “Recipient” as an organization receiving the Original Material.

29. *Id.* at 12,771.

30. *UBMTA* at 12,773, 12,775. The UBMTA defines “Original Material” as the material described for transfer in the implementing letter.

31. *UBMTA*, 60 Fed. Reg. at 12,772.

32. CARRIER, *supra* note 11, at 286.

33. *UBMTA*, 60 Fed. Reg. at 12,773 (defining “Material” as Original Material, Progeny, and Unmodified Derivatives, not including Modifications and/or other substances created by the Recipient through the use of the Material which are not Modifications, Progeny or Unmodified Derivatives).

34. *Id.* at 12,773 (defining “Modifications” as substances created by the Recipient which contain or incorporate the Material.).

35. *Id.* (“[those] substances created through the use of the Material or Modifications, but which are not Progeny, Unmodified Derivatives or Modifications (i.e. do not contain the Original Material, Progeny or Unmodified Derivatives)”).

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36. *Id.*

37. *Id.* at 12,774.

38. Arti K. Rai & Rebecca S. Eisenberg, *Bayh-Dole Reform and the Progress of Biomedicine*, 66 LAW & CONTEMP. PROBS. 289, 306 (2003).

39. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584 (1994) (quoting 3 BOSWELL’S LIFE OF JOHNSON 19 (1934)).

40. *UBMTA*, 60 Fed. Reg. at 12,771-12,772.

41. *Id.* at 12,774.

unencumbered research can lead to situations that promote licensing opportunities that would not have existed without the principles laid out in the UBMTA.

The sixth fundamental principle of the UBMTA is that the Recipient will be liable for damages that spawn from the Material.<sup>42</sup> This provision further entices institutions to share resources by letting Providers be free of responsibility relating to their Material, even though they still own the Material. The seventh principle is that the “[UBMTA] shall not be interpreted to prevent or delay publication of research findings resulting from the use of the Material or Modifications.”<sup>43</sup> Like the second and third principles, the importance the UBMTA puts on dissemination of knowledge through publication further demonstrates that this document is pro-research and pro-creativity. The eighth and final principle of the UBMTA underscores the prior efforts of the NIH and PHS in developing this document: the Material is to be transferred for free, excepting any preparation or distribution costs.<sup>44</sup> In essence, the UBMTA proclaims that the tools of research should be available for scientists to tinker with for the good of humanity, with the tacit understanding that the dissemination of these tools can only have positive fiscal implications flow from an increase in non-commercial activity.

### B. *The Doctrine of Experimental Use*

The development of Experimental Use by the courts has allowed for the unlicensed use of patented materials in certain situations. This section of the paper will explore the growth of Experimental Use as a doctrine and where the contours of the defense lie today.

#### 1. Development of the Defense of Experimental Use

Justice Story first considered the idea of Experimental Use in the case of *Whittemore v. Cutter*.<sup>45</sup> Justice Story stated that the intent of patent legislation was not to punish an individual who created a patented machine purely for her own “philosophical experiments.”<sup>46</sup> Shortly after *Whittemore*, Justice Story had the opportunity to refine his first musings on the subject of Experimental Use in *Sawin v. Guild*.<sup>47</sup>

Justice Story explained that “the making of [a] patented machine to be an offence [sic] within the purview of it, must be the making with intent to use for profit, and not for the mere purpose of philosophical experiment, or to ascertain the verity and exactness of the specification. In other words, the making must be with an intent to infringe the patent right and deprive the owner of the lawful rewards of his discovery.”<sup>48</sup> Justice Story’s holding in *Sawin* was reiterated in the 1861 case of *Poppenhausen v. Falke*.<sup>49</sup>

In his book, *Intellectual Property and Biotechnology*, Matthew Rimmer likened the early iteration of Experimental Use to something used by natural philosophers such as Henry David Thoreau.<sup>50</sup> Rimmer explains that Experimental Use left its roots in mechanical inventions and adapted for industries as diverse as agriculture, biotechnology and pharmaceutical drugs.<sup>51</sup> In recent years, the doctrine of Experimental Use was narrowed by the courts, especially because the doctrine is yet to be codified into law.<sup>52</sup>

Experimental Use was first narrowed in *Roche Products, Inc. v. Bolar Pharmaceuticals Co., Inc.*<sup>53</sup> In *Roche*, a pharmaceutical drug patent owned by Roche Products was about to expire and Bolar Pharmaceutical, in preparing its application for a generic version of Roche’s drug to the United States Food and Drug Administration (FDA), used Roche’s still patented drug in testing.<sup>54</sup> The Court of Appeals for the Federal Circuit found that Experimental Use did not apply in this context and that Bolar was liable for infringement.<sup>55</sup> The United States Congress responded to Roche by enacting the Drug Price Competition and Patent Term Restoration Act (the Hatch-Waxman Act) which created an exception in section 271(e)(1) of the Patent Act.<sup>56</sup> The exception granted that “it shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention . . . solely for uses

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48. *Id.* at 555.

49. *Poppenhausen v. Falke*, 19 F. Cas. 1048, 1049 (C.C.S.D.N.Y. 1861) (“It has been held, and no doubt is now well settled, that an experiment with a patented article for the sole purpose of gratifying a philosophical taste, or curiosity, or for mere amusement, is not an infringement of the rights of the patentee.”).

50. RIMMER, *supra* note 46, at 164.

51. *Id.* at 165.

52. *Id.*

53. 733 F.2d 858 (Fed. Cir. 1984).

54. *Id.*

55. *Id.*

56. RIMMER, *supra* note 46, at 174.

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42. *Id.*

43. *Id.*

44. *Id.*

45. 29 F. Cas. 1120 (D. Mass. 1813).

46. *Id.* at 1121. See also MATTHEW RIMMER, *INTELLECTUAL PROPERTY AND BIOTECHNOLOGY* 164 (2008).

47. 21 F. Cas. 554 (D. Mass. 1813).



reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use or sale of drugs or veterinary biological products.”<sup>57</sup>

Experimental Use was recently narrowed by the Federal Circuit decision in *Madey v. Duke University*.<sup>58</sup> In *Madey*, Duke used lasers that were patented by a scientist, *Madey*, who used to be on staff at the University.<sup>59</sup> After *Madey*’s departure, Duke continued to use the patented lasers, so *Madey* brought suit against the University for patent infringement.<sup>60</sup> The Federal Circuit found in favor of *Madey* and determined that the non-profit status of an institution is of no concern in an Experimental Use analysis. The correct focus is on “whether or not the use was solely for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry.”<sup>61</sup> The Supreme Court did not grant Duke’s petition for certiorari, and Duke eventually settled with *Madey*, however, after *Madey*, the status of Experimental Use for research universities is now quite unclear.<sup>62</sup> The Supreme Court in *Merck KGaA v. Integra Lifesciences I, Ltd.*, most recently upheld the exception in 271(e)(1) of the Patent Act.<sup>63</sup>

## II. THE TRANSFER OF COPYRIGHTED MUSIC MATERIAL FOR USE IN DERIVATIVE AND APPROPRIATION BASED WORKS

The Music Industry deals with the transfer and use of its copyrighted material in a very different way than the Biotech community treats its patented materials. Before we analyze whether the two institutions have any reason to approach their materials similarly, especially considering that copyright and patent encompass two different legal disciplines, we must examine where copyright licensing falls short in its treatment of contemporary works that rely on copyrighted source material for its chosen means of expression. Examples abound of musical works that utilize digital samples. The premiere genre of music to

integrate sampling into our social fabric has been hip-hop. Artists such as Vanilla Ice, Public Enemy, 2 Live Crew, the Beastie Boys, and Biz Markie helped develop the genre both musically, and litigiously, by their use of digital samples.<sup>64</sup> However, hip-hop is not the only, nor even the first, musical genre to utilize samples.<sup>65</sup> This section mimics the structure of Section I above and contains a study of traditional music licensing, desperately in want of a model agreement like the UBMTA, and the Doctrine of Fair Use, copyright’s answer to Experimental Use.

### A. Traditional Music Licensing and Digital Samples

A digital sample of music consists of a sound, or group of sounds, recorded on a digital medium<sup>66</sup> that can be easily copied, manipulated, and repurposed to create new musical objects.<sup>67</sup> In a digital sample of music, there are two relevant copyrights: (1) the underlying musical composition and (2) the performance of that musical composition which resides on the sound recording; in licensing a digital sample, each copyright is usually handled by a separate licensing agreement.<sup>68</sup> Under the Copyright Act of 1976, it is

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64. See *Campbell*, 510 U.S. at 569; *Newton v. Diamond*, 349 F.3d 591, 593-94 (9th Cir. 2003); *Grand Upright v. Warner*, 780 F.Supp. 182 (S.D.N.Y. 1991). The aforementioned artists used samples which contained the copyrighted materials of others, but from those samples crafted extremely creative, and lucrative, popular music.

65. Sampling also has a rich tradition in academia and high art. From *Musique Concrète*, developed in France in the early 1900s, to works by John Cage and Steve Reich, made in the United States during the latter part of the 20th Century, we now have a wide swath of artists, such as *Negativland*, the *Books*, the *Avalanches*, *Four Tet*, *Girl Talk*, *Jason Urick* and *Cex*, who blur the lines between hip-hop, art music, formal graduate level dissertations and beyond. Currently, the type of individuals who create sample based music range from amateurs posting exclusively on the internet to professional recording artists and everywhere in between.

66. See GREG MILNER, *PERFECTING SOUND FOREVER* 192-195 (2009). Digital recording devices translate recorded sound waves into binary code (0s and 1s), to be reassembled later by a digital playback machine, as opposed to analog recordings that transcribe the actual recorded sound waves onto what is usually magnetic tape or wax.

67. See PETER DiCOLA & KEMBREW McLEOD, *CREATIVE LICENSE: THE LAW AND CULTURE OF DIGITAL SAMPLING* 37-42 (2011). Sampling had taken place before digital technology; however, the current deluge of works utilizing samples was of no moment before because creating, using or reproducing samples in the analog world involved expensive equipment and expertise. Now, almost every commercially sold computer comes with software that allows you to easily, and intuitively, manipulate digital music files. Further, in the analog world, the distribution of music was also cumbersome and expensive, leading to even fewer individuals distributing their sample based works than those actually creating them.

68. MELVILLE NIMMER, *NIMMER ON COPYRIGHT* § 30.03

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57. 35 U.S.C. § 271(e)(1).

58. 307 F.3d 1351 (Fed. Cir. 2002).

59. *Id.*

60. *Id.*

61. *Id.* at 1363.

62. RIMMER, *supra* note 46, at 164.

63. 545 U.S. 193 (2005) (stating a four part holding by Justice Scalia: (1) the 271(e)(1) exception should be read broadly; (2) the exception is not limited to only preclinical data pertaining to safety of drug in humans; (3) the exception can extend to experimentation on drugs that do not ultimately appear in an application before the FDA; and (4) the exception can extend to the use of patented compounds in experiments that do not culminate with submission to the FDA).

the exclusive right of the copyright owner to create derivative works; a license is necessary if an individual wants to create a derivative work by using a digital sample of a copyrighted music sound recording.<sup>69</sup> Copyright licensing agreements, which operate as contracts, allow for an infinite number of variations to fit the needs of the individual transaction; however, copyright law does necessitate that certain provisions be explicit and in writing to be enforceable.<sup>70</sup> This section will explore copyright licensing agreements in the abstract before exploring how these agreements operate in reality.

### 1. Copyright Licensing Agreements

In his treatise on licensing, Robert Milgrim included a sample copyright license agreement, the grant of which is worth inspection.<sup>71</sup> In Milgrim's sample license, the licensor grants the licensee a non-exclusive right to copy, prepare derivative works, and distribute the licensed work in a specified geographic region for a royalty based on the net sales of the licensed work.<sup>72</sup> In one of only two footnotes accompanying the sample license, Milgram says, "[T]he need to prepare derivative works is important for certain types of copyright license, particularly those pertinent to the subject matter of this treatise. This right permits the licensee to use the licensed work as a 'base' from which, with modifications,

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(stating the underlying musical composition is the arrangement of musical notes that underlie the musical piece). Originally, musical compositions were fixed in sheet music, or player piano rolls, and protection extended to the reproduction of the arrangement of musical notes as well as their public performance. In 1971, sound recordings were deemed copyrightable. The sound recording holds a copyright on the arrangement of said notes residing on a particular phonorecord. The sound recording can now also be used to fix the musical composition. Therefore, in a digital sample both copyrights are implicated because an exact copy of the phonorecord is digitally created when an individual appropriates a chunk of another individual's song via the splicing of binary code, and that digital copy contains the musical composition which has been fixed by the sound recording.

69. 17 U.S.C. § 106 (informing that other rights are also implicated with digital samples, such as the performance right or distribution right, but those other rights would probably be involved in the negotiation of the right to make derivative works).

70. VAN LINDBERG, *INTELLECTUAL PROPERTY AND OPEN SOURCE: A PRACTICAL GUIDE TO PROTECTING CODE* 150 (2008).

71. MILGRIM ON LICENSING 4-IV FORM IVC (listing standard terms referring to: the negation of rights not licensed, duration of the license, audit rights, licensor's warranties, no grants of other rights, indemnification, assignment, breach and governing law. As we will see below, the importance of our discussion on traditional copyright licenses is not necessarily the wording of the agreements themselves but how those agreements are obtained and the consideration that usually accompanies those agreements.)

72. *Id.*

to create a derivative work."<sup>73</sup> Although, Milgrim specifically mentions software, not music, in reference to the importance of derivative works creation in the footnote,<sup>74</sup> it is the omission of derivative musical works, specifically made from digital samples, which perpetuates the absence of a proper licensing scheme for the discipline.

In Nimmer's seminal treatise on copyright, we find an omission similar to that of Milgrim.<sup>75</sup> While Nimmer includes sample agreements that handle the original sale of copyrights in musical compositions and sound recordings at their creation and sample agreements that handle musical licenses for motion picture, television, and stage shows there is no advice on how to wade the treacherous licensing waters in regards to digital sampling.<sup>76</sup> Even more telling are the provisions of Nimmer where digital sampling is mentioned. In a footnote from the chapter on "Assignments, Licenses, and Other Transfers of Rights," Nimmer briefly mentions digital sampling to demonstrate that past grants of copyright, which include the contractual language "all rights of whatsoever nature," implicate digital sampling.<sup>77</sup> This one line of insight on previously constructed copyright licenses provides little guidance for future agreements, which have been adjusted to such a development. Nimmer mentions digital sampling again in a footnote in his chapter on "Performance," which posits that compulsory licensing in "an era of . . . digital sampling" may be successfully adapted to other areas of music.<sup>78</sup> Digital sampling is most prevalent in Nimmer's chapter on "Infringement;" this paper's section on Fair Use will speak to that.<sup>79</sup>

### 2. The "How?" and "How Much?" of Digital Sample Licensing Agreements

In the abstract, licensing digital samples may seem like a reasonable contractual endeavor, especially when a musician at a major record label has a legal department and financial resources to clear rights

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73. *Id.* at n. 1 (emphasis added) (borrowing of "modifications" helps to underscore the assumption of this paper, that creation, whether it be technical or sonic, happens through the use of previously created materials and our licensing agreements should encourage such creation.)

74. *Id.*

75. NIMMER, *supra* note 68, § 30.03.

76. *Id.* at §§ 30.02-30.06.

77. *Id.* at § 10.10 n. 1; *see also* *Batiste v. Island Records Inc.*, 179 F.3d 217, 223 (5th Cir. 1999).

78. NIMMER, *supra* note 68, § 8.17 n. 6; *see also* 17 U.S.C. § 116.

79. NIMMER, *supra* note 68, § 13.03.



for digital samples. Without the benefits of a major record label, the logistical and financial requirements of obtaining a license may prove insurmountable. First, in order to obtain a license, you have to know who owns the copyrighted material. There are no longer formal requirements for obtaining copyright protection and, thus, while it may still be possible to locate the owners of very well-known copyrighted works from the twentieth century our current databases are insufficient when it comes to works outside of that scope.<sup>80</sup> This is especially true for lesser known works which may be more amenable to offering a reasonably priced license.<sup>81</sup> With so little information publically available, a savvy would-be licensee probably need to obtain counsel to conduct a search. The search for the copyright owners, because there may be, and usually are, different owners for the respective composition and sound recording copyrights, in the hands of an attorney will be expensive, especially when the piece sought for licensing may be an orphan work whose owners are in fact be impossible to find.<sup>82</sup>

In *Free Culture*, Lawrence Lessig presents the example of Jon Else, a documentary filmmaker who unsuccessfully attempted to seek permission for a clip from an episode of *The Simpsons* to appear for 4.5 seconds in the background of his film to show how difficult it can be to wade through the licensing waters.<sup>83</sup> Else first contacted the office of *Simpsons'* creator Matt Groening to seek permission for use of the clip.<sup>84</sup> Groening gave Else permission, but he suggested that Else check with the company that produces *The Simpsons*, Gracie Films.<sup>85</sup> Else then received permission from Gracie Films, who subsequently asked Else to contact Fox, Gracie Film's parent company.<sup>86</sup> Fox told Else two things: that Groening does not own the rights to *The Simpsons*, and that it would cost \$10,000 to use the 4.5 second clip of the *Simpsons* in his

documentary.<sup>87</sup> \$10,000 was far above the budget of a documentary filmmaker like Else, so he had to digitally replace the *Simpsons* clip with footage he had taken for a previous film.<sup>88</sup> This example shows the licensing trials and tribulations of one reasonably successful documentary filmmaker. We will return to the progress in licensing forged by documentary filmmakers in our discussion of Fair Use, but now we will look directly at the startling costs that can accompany licensing digital samples in music.

Jay L. Berger, agent and business manager of a musical group entitled "The Cold Crush Brothers," submitted expert testimony on licensing in the case *The Cold Crush Brothers v. Columbia Recording Corp.*<sup>89</sup> Berger explained that a typical license fee for a sound recording would be between \$0.05 and \$0.08 per unit and for a musical composition<sup>90</sup> would be from \$0.03775 to \$0.0755 per unit.<sup>91</sup> These prices are extremely small by themselves, but Berger explained, "[i]n negotiating a contract for a license, customarily he would demand a non-refundable advance based on either 500,000 or 1,000,000 units, as an initial payment."<sup>92</sup> Assuming that Berger would have asked for an advance on 1,000,000 units, the total sound recording and musical composition licenses would cost between \$87,750 and \$155,500.<sup>93</sup> The court found that Berger's calculations were reasonable.<sup>94</sup> These "reasonable" costs are prohibitively expensive for amateur and even most professional creators who are interested in making music that utilizes digital samples.<sup>95</sup> With proper licensing as an untenable

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80. Brianna Dahlberg, *The Orphan Works Problem: Preserving Access To The Cultural History of Disadvantaged Groups*, 20 S. CAL. REV. L. & SOC. JUST. 275, 289 (2011).

81. *Id.*

82. *Id.* at 281 (stating that difficulties in locating copyright owners can be attributed to extended terms of copyright, taking foreign works out of the public domain, and the change in our policies concerning formal registration).

83. LAWRENCE LESSIG, *FREE CULTURE* 96 (2004) (claiming it can be assumed that the process of obtaining a license would be the same whether or not you were trying to clear a video or music sample).

84. *Id.*

85. *Id.*

86. *Id.*

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87. *Id.* To provide context, Else's documentary was on Wagner's *Ring Cycle*, and the fleeting shot of the *Simpsons* came at the bottom corner of the screen when Else took footage of stage hands on a break playing checkers and watching TV.

88. *Id.* at 97.

89. 2006 U.S. Dist. LEXIS 84729 (S.D.N.Y. 2006) (stating that Berger "reviewed and/or negotiated more than three hundred songwriter contracts and master license use and sample use agreements for master recordings and compositions").

90. The license fee for a musical composition is usually determined by statute. See 37 C.F.R. § 255.3.

91. *The Cold Crush Brothers v. Columbia Recording Corp.*, 2006 U.S. Dist. LEXIS 84729, at \*12 (S.D.N.Y. 2006) (basing figures on a "per-unit sold" basis).

92. *Id.*

93. *Id.* at \*13 (holding that Berger did, in fact, ask for this number and it was found reasonable, but the higher number was chosen specifically in reference to the copyright infringement involved in the case; however, even if the minimum advance was chosen by Berger, it would not make the licensing cost any less prohibitively expensive for the majority of musicians).

94. *Id.*

95. LESSIG, *supra* note 83, at 96 (pointing out that Public Enemy's manager will no longer "allow" them to sample because

solution to creating works with digital samples, artists only viable option is to hope that their work qualifies under the doctrine of Fair Use.

*B. Why Fair Use Does Not Work for Creating Derivative Works with Digital Samples*

Codified in the Copyright Act of 1976, Fair Use allows for the “use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching . . . scholarship, or research.”<sup>96</sup> Fair Use is an affirmative defense that can be brought by an individual with an infringement claim against them.<sup>97</sup> In determining whether the purported infringer has a successful claim of Fair Use, the court must consider the following four factors: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit 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<sup>98</sup> for or value of the copyrighted work.<sup>99</sup> The Fair Use analysis is conducted by the court on a case-by-case basis, with each factor given more, or less, weight depending on the context.<sup>100</sup> In *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court stated that “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”<sup>101</sup> With no bright line test for Fair Use, it can be a highly unpredictable defense to use with hardly consistent results.

We are concerned with how the courts have dealt with Fair Use in the context of copyrighted music compositions and sound recordings. To apply the doctrine of Fair Use it is first necessary to find

infringement. Usually, Fair Use has been relegated to the realm of parody and news reporting, however, music made with digital samples more naturally falls under the headings of critique or comment.<sup>102</sup> Therefore, because the case law is undeveloped in the arena of Fair Use and digital samples, it will be necessary to focus our study on the concept of de minimis use, which has played a more substantial part in showing musicians and lawyers how and when they may use digital samples.

1. De Minimis and Fair Use

In *Newton v. Diamond*, the United States Court of Appeals for the Ninth Circuit analyzed whether a six second, three note digital sample infringed the composition copyright of a piece of music.<sup>103</sup> In analyzing the sample, the court applied the theory of de minimis copying, which allows for some copying as long as an average listener would not recognize the use of the original composition.<sup>104</sup> The court conducted its analysis under the framework laid out by Justice Story in *Folsom v. Marsh*, just as the Supreme Court did in *Campbell*.<sup>105</sup> The court concluded that the use of the sample was not of any quantitative or qualitative significance and was therefore de minimis.<sup>106</sup> *Newton* allows for the possibility that a composition copyright in a digital sample can be used without obtaining a license; the same cannot be said for the sound recording copyright though.

In *Bridgeport v. Dimension Films*, the United States Court of Appeals for the Sixth Circuit examined whether another use of a three note digital sample was considered de minimis, however, this time the examination implicated the sound recording copyright.<sup>107</sup> The court fashioned a bright line rule unlike any that has been seen in the Fair Use/de minimis jurisprudence: “Get a license or do not sample.”<sup>108</sup> The court, after delivering its ruling, stated

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the legal costs are too high); see WILLFUL INFRINGEMENT: A REPORT FROM THE FRONT LINES OF THE REAL CULTURE WARS (Fiat Lucre Productions 2003).

96. 17 U.S.C. § 107.

97. *Id.*

98. *Campbell*, 510 U.S. at 569 (1994) (holding that the consideration of the effect upon the potential market extends not only to the copyrighted work, but to derivative works as well).

99. *Id.*

100. *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 560 (1985).

101. *Campbell*, 510 U.S. at 579; see also *Folsom v. Marsh*, 9 F. Cas. 342, 344-45 (CCD Mass. 1841) (“[I]t is as clear, that if he thus cites the most important parts of the work, with a view, not to criticise, but to supersede the use of the original work, and substitute the review for it, such a use will be deemed in law a piracy.”).

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102. See *Campbell*, 510 U.S. at 579; see also *Harper* 471 U.S. at 560.

103. *Newton v. Diamond*, 349 F.3d 591, 594 (9th Cir. 2003) (the defendants in this case had properly licensed the sound recording copyright for use in their derivative work; therefore, the Court’s analysis only concerned the composition copyright).

104. *Id.* See also *Fisher v. Dees*, 794 F.2d 432, 434 (9th Cir. 1986).

105. *Newton*, 349 F.3d at 596-97.

106. *Id.* at 598.

107. 410 F.3d 792 (6th Cir. 2005).

108. *Id.* at 801 (being somewhat similar to Judge Duffy’s opening remark of *Grant Upright v. Warner*, 780 F. Supp. 182 (S.D.N.Y. 1991) (“Thou shalt not steal.”)).

that it did not see this test as one that would stifle creativity because a musician could mimic the sound of the recording by playing the instruments himself or, if he felt so inclined to sample, the market would keep the price of samples reasonable.<sup>109</sup> In perhaps even less justified musings, the court explained that many musicians and record labels have chosen to license, implying that this has become a reasonable practice for all.<sup>110</sup> Of course, the court found that summary judgment in favor of Dimension Films was inappropriate and remanded the case to the district court.<sup>111</sup> However, the court did say that on remand the district court was free to hear arguments on Fair Use.<sup>112</sup> It is substantially dubious that the district court could have been able to find Fair Use after the “get a license or do not sample” maxim. Fair Use is wildly unpredictable; therefore, the music and legal communities are left only to wonder whether they should test the bounds of the Sixth Circuit’s axiom or just obtain an expensive license.

### III. THE MUSIC INDUSTRY THROUGH THE CREATIVE LENS OF THE BIOTECH COMMUNITY

The music industry could benefit from the implementation of systemic changes which mimic the Biotech community’s support for research and experimentation. The first part of this section will explore the first major roadblock presented by this proposal: why should the creation of music with digital samples be sublimated to a similar plane as scientific research done at the university level? Second, this section will examine how the music industry could create a model agreement such as the UBMTA to easily license digital samples.

#### A. *Why is an Easy and Equitable Licensing Scheme for Digital Samples Important, or at Least Worthy of UBMTA like Treatment?*

Apart from being born out of Article I, § 8, Clause 8 of the United States Constitution, copyright and patent do not share many practical similarities. However, that one common thread should not be overlooked and can be used to buttress this argument: our founding fathers were interested in the progress of both the arts and sciences, even if, semantically, those

two terms played different roles at the drafting of the Constitution. Art and science are not analogous in the micro sense, but from the macro perspective of creative based endeavors in western civilization, similarities are apparent. The comparisons become even clearer when a public/private duality underlies the information used in both creative fields. Sound and Biotech, as egalitarian members of the IP brotherhood and disciplines that both bear most of their fruit from new things made out of old things, equally deserve to have their progress promoted as Article I, § 8, Clause 8 of the Constitution intended.

#### 1. How Incompatible is Western Civilization’s Creative Process with Current Licensing Schemes?

Two examples, one antiquated and one contemporary, best illustrate some misconceptions of the average IP lawyer, or citizen for that matter, about how music creation actually occurs. In his book, *Music and Copyright*, Ronald Rosen presented the story of Antonio Lucio Vivaldi and Johann Sebastian Bach, two titans of western classical music.<sup>113</sup> In 1712, Vivaldi composed a *Concerto for Four Violins*; in 1730, Bach composed a *Concerto for Four Harpsichords*.<sup>114</sup> Other than being arranged for different instruments and being in different keys, the pieces are exactly the same.<sup>115</sup> Rosen postulated that Vivaldi would have never brought suit against Bach, even though he had an open and shut case of infringement, for two reasons: “(1) there was no concept of copyright protection in Germany and Italy (the obvious venues for legal action) nor were there any copyright laws in those “countries” in the 18<sup>th</sup> century; and (2) until the late eighteenth and nineteenth centuries in Italy and Germany, the concept that anyone could “own” literary, musical or other artistic creations was not contemplated.”<sup>116</sup> So, the first reason that licensing would be incompatible with the tradition of Western music creation is that the musicians themselves, until somewhat recently, would

109. *Id.* (demonstrating that as seen in the discussion of *The Cold Crush Brothers*, the cost of licenses for digital samples is not reasonable).

110. *Id.* at 804.

111. *Id.* at 805.

112. *Id.*

113. RONALD ROSEN, *MUSIC AND COPYRIGHT* 4 (2008).

114. *Id.*

115. *Id.*; see NORMAN CARRELL, *BACH THE BORROWER* 241 (1967). This was not an isolated case; Bach liberally borrowed from a host of other composers such as Corelli, Albinoni, Benedetto Marcello, Torelli, Telemann, Neumark, Rosenmüller, Buxtehude and others. And Bach was not the only person to participate in this common practice. George Frideric Handel shared Bach’s proclivity for borrowing and building on the music of his contemporaries.

116. ROSEN, *supra* note 113, at 5 (“[T]his is most certainly the tradition that we descended from musically, as well as legally, because, remember, our first copyright statute of 1790 granted only protection to books, maps and charts, not music.”).

have thought the proposition itself absurd. However, in our next example we find out what happens when the buck stops being passed and a musician from the “borrowing” heritage accepts payment for a license of his musical composition.

James Boyle, in his book *The Public Domain*, followed Ray Charles’ song “I Got A Woman” forward and backwards in an attempt to discover what source materials went into making the song and how the song was later allowed to be used.<sup>117</sup> Boyle asserted that it was musicologically common knowledge that Charles’ song was merely a rewording of the hymn “Jesus Is All the World to Me,” which was written by Will Lamartine Thompson and published in 1904.<sup>118</sup> Under the copyright law of the time, when Ray Charles released “I Got A Woman” in 1955, his use of Thompson’s material would have been justified without a license because “Jesus Is All the World to Me” would have been in the public domain.<sup>119</sup> Boyle was skeptical of Thompson’s song actually being the source material for “I Got A Woman,” because he said there was little resemblance between the two pieces.<sup>120</sup> After tedious research, Boyle found what he called a “mysterious song” by the Bailey Gospel Singers entitled “I’ve Got a Savior,”<sup>121</sup> which sounds like “I’ve Got A Woman” and predates Ray Charles.<sup>122</sup> After even more digging, Boyle found that “I’ve Got a Savior” had roots in the spiritual “Ain’t That Good News,” from 1940.<sup>123</sup> Charles was known for creating re-worded versions of gospel songs and turning them into rhythm and blues, so the probability of this progression with “I Got A Woman” was likely.<sup>124</sup> It was probable that “I’ve Got a Savior” did not properly obtain copyright protection when it was written, so no matter which song was Charles’ source material, their respective inhabitation in the public domain would have allowed him to make his adaptation of the work.<sup>125</sup> Boyle’s main concern was this: Thompson and Ward were likely to find Charles’ new work, a mesh of sacred and secular music, to be unsavory at best.<sup>126</sup> Under today’s copyright law,

Charles would have had to obtain a license from either Thompson or Ward to create his seminal work, and it would have been at their discretion to refuse Charles such a license.<sup>127</sup> With this intense background for Ray Charles as “borrower sans-license,” we skip to the present, where rapper Kanye West released his song “Gold Digger.”<sup>128</sup>

West’s song sampled the music composition copyright of “I Got A Woman,” and West obtained a license through Charles’ estate, a license the heirs to Charles’ estate were not required to give.<sup>129</sup> Boyle conducted a Fair Use/de minimis analysis, like the one illustrated above, to contemplate whether West needlessly obtained a license.<sup>130</sup> Boyle’s analysis leads to anything but a concrete answer for whether West should have been able to sample without a license; therefore, it is safe to say that West’s decision to obtain a license was conscientious, at least.<sup>131</sup> To complicate matters further, an amateur hip-hop group, Legendary K.O., digitally sampled West’s song in response to Hurricane Katrina and West’s thoughts on President George W. Bush’s actions during the conflict.<sup>132</sup> No licenses were obtained by Legendary K.O.<sup>133</sup> The full circle of this group of creative events is important because it fully illustrates how people make musical objects and the interactions between musical motifs, digital samples, and other musical elements in our creative culture. This situation is also fodder for the argument that perhaps musical creation can gain a level of deference held by scientific research; a creative dialectic of this magnitude is one of the most remarkable aspects of our humanity. Now that the tango danced between music creation and the law has been displayed, it is worthwhile to explore how similar systemic values can be found in the creative endeavors of the Biotech community.

## 2. The Human Genome Project is Similar to Ray Charles

In the example above, it was shown that copyright laws instituted in the latter part of the 20th century made it more difficult to create musical works that were created using similar methods earlier in

117. BOYLE, *supra* note 2, at 126.

118. *Id.* at 127-28.

119. *Id.* at 128.

120. *Id.* at 127-28.

121. *Id.* at 134 (stating that “I’ve Got a Savior” was thought to be written by famous gospel singer Clara Ward).

122. *Id.* at 133.

123. BOYLE, *supra* note 2, at 133.

124. *Id.* at 134. Charles had turned Clara Ward’s “This Little Light of Mine” into “This Little Girl of Mine.”

125. *Id.* at 136.

126. *Id.* at 134.

127. *Id.* at 156.

128. *Id.* at 138.

129. BOYLE, *supra* note 2, at 140.

130. *Id.* at 140-41.

131. *Id.* at 142.

132. *Id.* at 142-43.

133. *Id.* at 157 (stating that Legendary K.O. understood that Kanye West probably had a legal right to claim that their song infringed his copyright).



the century. In the Biotech community, the Human Genome Project (HGP) also contrasts the use of material, in this case genetic as opposed to sonic, in both the public and private sectors. However, in the example of the HGP explicated below, the battle between public and private use of material happens simultaneously instead of sequentially.

The HGP was started in 1990 by the U.S. Department of Energy and the NIH with public funds and the goals to “identify all the approximately 20,000-25,000 genes in the human DNA, determine the sequences of the 3 billion chemical base pairs that make up human DNA, store this information in databases, . . . [and] transfer related technologies to the private sector . . . .”<sup>134</sup> In 1998, Celera Genomics (“Celera”), a research group founded by former NIH scientist Dr. J. Craig Venter, decided to initiate a similar project, but using private funds and aiming to patent specific genes.<sup>135</sup> Celera’s approach also differed from the publicly funded project in that it only published its data annually, instead of daily, and it provided its data by way of subscription to academic and commercial institutions.<sup>136</sup> On March 14, 2000, President Bill Clinton issued a joint statement with U.K. Prime Minister Tony Blair which stated that “raw fundamental data on the human genome, including the human DNA sequence and its variations, should be made freely available to scientists everywhere.”<sup>137</sup> In February of 2001, both the public and private efforts to map the human genome were published in *Nature*<sup>138</sup> and *Science*,<sup>139</sup> respectively. Celera had incorporated the public data into their genome, but prohibited the public effort from using Celera data.<sup>140</sup>

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134. HUMAN GENOME PROJECT INFORMATION, [http://www.ornl.gov/sci/techresources/Human\\_Genome/home.shtml](http://www.ornl.gov/sci/techresources/Human_Genome/home.shtml) (last visited Jan. 11, 2011).

135. See CELERA, <https://www.celera.com/celera/history>; see also Kristen Philipkoski, *Celera Wins Genome Race*, WIRE (Apr. 6, 2000), <http://www.wired.com/science/discoveries/news/2000/04/35479>.

136. See Kristen Philipkoski, *Final Stretch in the Genome Race*, WIRE (Oct. 25, 1999), <http://www.wired.com/science/discoveries/news/1999/10/32076>.

137. Joint Statement by President Clinton and Prime Minister Tony Blair of the U.K. (Mar. 14, 2000), <http://clinton4.nara.gov/WH/EOP/OSTP/html/00314.html>. This statement curbed Celera’s attempts to patent specific genes; however, it did not change Celera’s choice to offer its data via subscription.

138. Eric S. Lander et al., *Initial Sequencing and Analysis of the Human Genome*, 409 NATURE 860 (2001).

139. J. Craig Venter et al., *The Sequence of the Human Genome*, 291 SCIENCE 1304 (2001).

140. LEWIS HYDE, COMMON AS AIR: REVOLUTION, ART, AND OWNERSHIP 191, 196 (2010).

Celera’s unwillingness to share its data is analogous to Ray Charles borrowing freely from his predecessors while asking that new musicians obtain licenses of his work. In both cases, Ray Charles and Celera are able to have their cake and eat it too. Leslie Roberts anticipated this type of situation at the outset of the HGP in his article, *Genome Project: An Experiment in Sharing*, which was published in the same journal as Celera’s genome results.<sup>141</sup> In the case of the HGP, even Celera realized the hypocrisy of its ways when, in 2005, they decided to end their subscription service and place their genome sequence data in the public GenBank.<sup>142</sup> It is true that the HGP example does not specifically include the use of MTAs or the UBMTA; however, the significance is that both the Biotech and music communities similarly suffer when private entities are allowed to exploit public information, but not vice versa. Creation, in either context, functions properly when public information is privatized in such a totalizing way. This paper does not bemoan the privatization of information in total, it only contemplates situations where the proprietization of information should be handled with more nuance, especially in situations where similar information is handled both publicly and privately. With the parallel solidified, or at least enumerated, between the two disparate communities we can now explore the ways in which the music community can learn from the Biotech world.

### B. *A Model Sampling License as the Musical UBMTA*

In a complex area of law such as intellectual property licensing, where many intricate transactions constantly take place and the industries involved rely on those transactions taking place quickly and efficiently, it makes sense for each industry to adopt some sort of standard practice. The NIH and PHS clearly recognized the need that existed to streamline transfers of patented materials between universities for research and non-commercial purposes. The process used to create the UBMTA can be replicated in crafting a model agreement for licensing digital samples.

Just as the NIH proposed the UBMTA,<sup>143</sup> it would not be unfathomable for a Model Sampling License (MSL) to be proposed, in this case, by a

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141. Leslie Roberts, *Genome Project: An Experiment in Sharing*, 248 SCIENCE 953 (1990).

142. Jocelyn Kaiser, *Celera to End Subscriptions and Give Data to Public GenBank*, 308 SCIENCE 775 (2005).

143. See Part I(A)(i), *supra*.



national think tank responsible for monitoring these types of issues, such as Future of Music Coalition, the Electronic Frontier Foundation, or the Center for Social Media at American University's Washington College of Law. If the necessary credence for such a policy proposal must come from a federal administrative agency, it seems most likely that the United States Copyright Office could provide guidance to Congress on such an issue. After a period of public comment, a document could be crafted by the original third party policy proposer that properly balances the Constitutional requirements of copyright and the contemporary realities of the marketplace.

Just as the UBMTA was insufficient for all transactions, the MSL would not be a one size fits all answer to sampling licenses. In this context, the concern is amplified because the number of musicians that exist, only counting musicians who utilize digital samples, dwarfs the number of university level scientific researchers. The MSL could be in a tiered system depending on different levels of use that the licensee is willing to abide by.<sup>144</sup> The tiers could correlate to different levels of freedom associated with each license, similar to Creative Commons (CC) licenses which allow for the licensors to control the level of restriction for each particular license it offers.<sup>145</sup> Major record labels have not adopted CC; this is likely because most content creators do not believe that CC engenders fiscally viable interactions between licensors and licensees.<sup>146</sup> An MSL would change that because it would set up a dialogue between licensees interested in procuring a non-commercial license, which has the propensity for commercial use in the future, with licensors vying to enhance the value of their copyrighted works. In this way, the MSL would mimic the UBMTA. *Bavarian Nordic v. Acambis Inc.* is an

example of a case where a licensor lost potential future commercial ventures with his material because he unwittingly transferred material using an unrestricted MTA.<sup>147</sup> If the parties in *Bavarian Nordic* took part in the UBMTA, then 1) the use of the material would have been restricted to non-commercial, and 2) the stage would have been set for those non-commercial uses to be renegotiated into commercial uses. With no current model agreement available for use with digital samples, there is no good way for individuals to successfully make sure that instances like *Bavarian Nordic* do not happen to them. The MSL will borrow directly from the UBMTA to avoid scenarios like *Bavarian Nordic*.

In terms of borrowing terms directly from the UBMTA, there are specific provisions that it would benefit the MSL to appropriate. First, the MSL should have a similar structure related to allocation of ownership as the UBMTA. In the MSL, the Provider would be the content provider and the Material would be the digital sample. The Provider would retain ownership of the digital sample and any trace of the digital sample which exists in modifications, which were not Fair Use or *de minimis*, made by the Recipient musician. The use of the Fair Use and *de minimis* doctrines would mimic the ownership clause in the UBMTA where the Recipient retains ownership of works that no longer contain any original material, progeny, or unmodified derivatives.<sup>148</sup>

The base level MSL could include use provisions similar to those of the UBMTA, namely that the Recipient would use the digital sample solely for "teaching and academic research purposes."<sup>149</sup> Again, this may seem like a provision that cannot be blindly taken from the Biotech context and thrown into the den of musical wolves. However, as the lengthy study above showed, what is being conducted here by the

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144. This could allay some fears of the record labels that are licensing content. One of the concerns is that there would be no control of uses as either commercial or non-commercial because of how digital music can move around the internet. However, this ignores the changing economic principles of the music industry as they apply to the internet. See Jared S. Walsh, *Pay What You Like - No, Really: Why Copyright Law Should Make Digital Music Free For Non-Commercial Uses*, 58 EMORY L.J. 1495 (2009).

145. See CREATIVE COMMONS, [www.creativecommons.org/licenses/](http://www.creativecommons.org/licenses/) (last visited Jan. 11, 2011) (Creative Commons is a licensing system that parallels standard copyright law. CC allows its users to mark their digital material with a license that explains what rights the license holder has allowed the public to engage in with their work).

146. At least in the literary world, this is strange because writers like Lawrence Lessig and Cory Doctorow have been extremely successful giving away their books for free under CC licenses online.

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147. 486 F. Supp. 2d 354, 364 (D. Del. 2007). It is unclear whether Plaintiff in the case actually had ownership of said material, but for purposes of this paper it can be assumed that he did.

148. It may be difficult to draw an exact line where the Provider's original sample no longer exists in the Recipient's new musical work. However, it is reasonable to believe that there is a qualifiable level wherein the sample has been so far modified that it is unrecognizable from its original form. See Shamantis, *Justin Bieber: 800% Slower*, YOUTUBE (Aug. 16, 2010), <http://www.youtube.com/watch?v=QspuCt1FM9M>.

149. Currently, there is no specific field of "Academic Research" sampling in music. There is sampling that happens in the academic context, but similar sampling also takes place in the amateur context. In this case, the "Academic Research" clause of the UBMTA would be interpreted as allowing non-commercial use with a properly executed MSL.

music creators is cultural research of mass import. This cultural research leads to dissemination of important criticism and critique from the populous, something that should not be relegated to academic institutions in this case. Further, digital samples are fantastic teaching tools for imparting onto the younger generation the skills of technology. Just as individuals learned to write words and then paint pictures, children will learn how to code and manipulate digital samples. However, this is where the MSL could deviate from the UBMTA by having different tiers of use in an attempt to deal with the much larger magnitude of potential users of digital samples.

The MSL will also contain the provision from the UBMTA dealing with the commercialization of the digital sample or modifications of such. This clause is another vehicle for the MSL to encourage dialog between the licensor and the licensee about creating viable economic opportunities for both parties where none existed before. As the market continues to change from what the record labels were used to in the past 30 years, such a boon from this sort of licensing, perhaps a pittance before, will look infinitely more attractive.

Another delicate area of transference from the UBMTA to the MSL will be in the publication provision. Most music created with digital samples, even if completely non-commercial, is meant for publication primarily, if not solely, on the internet. This type of “user generated content,” is one of the fires that burn most brightly for the population of potential Recipients to the MSL agreement.<sup>150</sup> However, another level of the tier structure could delineate different levels of publication allowed for such a license.

Finally, it will be important that, for at least the base level MSL, the transfer of the digital sample to the Recipient is free, minus transaction costs. The transaction cost here could even be the price of the song itself, assuring that from now on individuals must purchase the material that they are interested in using to create derivative works.

### C. *The Actual Hope for a MSL*

There is actual hope for this type of endeavor to take hold in the music industry and community. Arts communities have been trying to deal with the dearth of model agreements which could help different mediums create their work without legal red tape. The Center for Social Media (CSM) in Washington, DC has been spearheading efforts for what it calls “Best

Practices in Fair Use.”<sup>151</sup> The CSM first dealt with the medium of documentary filmmakers to deal with the type of problem that we encountered in section II(A) (ii) of this paper. The process that the CSM and the community of documentary filmmakers went through to create a model agreement that both creators and corporations could agree on resembled the process needed to create the UBMTA. Obviously, as has been shown above, music presents its own unique problems for Fair Use and licensing. The attempt for a “Best Practices in Fair Use for Music Sampling,” again organized by CSM, but this time partnering with the Future of Music Coalition,<sup>152</sup> would be an amazing collaboration which could facilitate either an MSL, or a “Best Practices,” that would have an equivalent effect. I implore both organizations to think deeply about pursuing such an endeavor.

The first definitive text on law and digital sampling, *Creative License: The Law and Culture of Digital Sampling* by Kembrew McLeod and Peter DiCola, was released March 2011.<sup>153</sup> The book analyzes specific examples of seminal albums featuring digital samples, such as Public Enemy’s *Fear of a Black Planet* and Beastie Boys’ *Paul’s Boutique*, which could no longer be made today without some type of legal reform.<sup>154</sup> The book offers suggestions for reform in this area, such as enhanced property rights, compulsory licenses, specific definitions for *de minimis* at Fair Use, and new voluntary licenses.<sup>155</sup> The reforms proposed by the book vary from moderate to quite radical, such as the proposal that copyright holders affirmatively, and with accompanying payment, opt-out of the public’s ability to sample its work.<sup>156</sup> However, DiCola and McLeod’s work did not rally the troops around copyright reform, in this area.<sup>157</sup> To underscore the

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151. See CENTER FOR SOCIAL MEDIA, BEST PRACTICES, <http://www.centerforsocialmedia.org/fair-use/best-practices> (last visited January 11, 2011). A “Best Practices in Fair Use” creates an agreement between the industry and the creators on what will be considered Fair Use. Therefore, for example, creators do not have to guess whether their appropriation of a scene from an industry created film will get them wrapped into litigation. The bounds of Fair Use are set and followed without court intervention.

152. For more information on the Future of Music Coalition visit [www.futureofmusic.org](http://www.futureofmusic.org).

153. DiCOLA & McLEOD, *supra*, note 67.

154. *Id.* at 207-57.

155. *Id.* at 217.

156. *Id.* at 263.

157. During Future of Music Coalition’s 2010 Policy Summit, the Center for Social Media handed out fliers for “Best Practices in Fair Use for Music Sampling.” No information was ever put online for the project, and, a year and a half later, the project has not come to fruition. Even after the publication of *Creative License*, a formal

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150. See BOYLE, *supra* note 2, at 40-41.

academic nature of the book, the proposal mentioned above was offered as a “thought experiment,” not necessarily something with practical application.<sup>158</sup> This is not to denigrate the great accomplishments of Creative License; however, the MSL can pick up where the text leaves off.

Decisively, a sea change has already started to occur, and the more opportunities there are for equitable and profitable licensing available for creators and corporations to choose from, the smoother, and hopefully more pro-creativity, the transition will be.

#### IV. CONCLUSION

This paper compared the similarities that exist in the creation of patentable objects and the creation of copyrightable objects; more specifically, the similarities between the creation of Biotech materials and musical materials. In making that comparison, this paper showed that a particular licensing technique utilized by the Biotech community, the UBMTA, holds helpful tips for model agreements that could be used in the music industry for licensing digital samples. Whether the creative pursuit at issue hinges on the use of DNA or quarter notes, we are intrinsically, and constitutionally, motivated to make sure that the public benefits from our need to continually push the envelope. The current copyright licensing structure does not support new, valid, and important mediums of expression which will suffer, and perhaps even die, if new means of legally transferring intellectual property are not vigorously pursued.

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attempt to reform laws around digital sampling, either by legislation or industry practice, has not been put forward.

158. DiCOLA & McLEOD, *supra* note 67.