Comment

*John Wiley & Sons, Inc. v. Kirtsaeng: The Uncertain Future of the First-Sale Doctrine*

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John Wiley & Sons, Inc. (Wiley) is a large publishing company primarily focused on producing academic and scientific works, including textbooks and journals, for distribution within the United States. Wiley’s wholly-owned subsidiary, John Wiley & Sons (Asia) Pte Ltd. (Wiley Asia), manufactures books for sale in international markets. While textbooks published for the international market are nearly identical in terms of content to their U.S. counterparts, the international versions sell for significantly less due to differences in quality and design. Between 2007 and 2008, Supap Kirtsaeng attempted to take advantage of the disparity in pricing structure between Wiley and Wiley Asia by purchasing textbooks manufactured abroad by Wiley Asia and selling them in the United States.

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2. *Id.*

3. *Id.* at 213. As stated by the court, “[B]ooks intended for international markets can differ from the domestic version in design, supplemental content (such as accompanying CD-ROMS), and the type and quality of materials used for printing, including “thinner paper and different bindings, different cover and jacket designs, fewer internal ink colors, if any, [and] lower quality photographs and graphics.”

*Id.* (quoting Joint App’x at 18).

4. *Id.* Kirtsaeng’s plan to sell the foreign edition of Wiley’s textbooks in the United States apparently developed as a means of subsidizing the cost of his graduate education. To make the plan work, he enlisted the aid of friends and relatives living abroad to purchase the textbooks and ship them to him in the United States. Kirtsaeng then sold the textbooks online through sites such
Wiley, as the registered copyright holder of the United States editions of the works sold by Kirtsaeng, filed suit in the United States District Court for the Southern District of New York claiming, among other things, copyright infringement under 17 U.S.C. § 501. Kirtsaeng’s defense was based on the first-sale doctrine, which allows “the owner of a particular copy [of a copyrighted work] . . . lawfully made under this title . . . to sell or otherwise dispose of the possession of that copy” without the permission of the copyright holder. However, the District Court prohibited Kirtsaeng from raising the first-sale doctrine as a defense, and the jury subsequently found that Kirtsaeng had infringed and awarded significant damages to Wiley. This holding was affirmed by a panel of the Second Circuit, which reasoned that the first-sale doctrine does not apply to works manufactured outside of the United States and thus could not provide Kirtsaeng with a defense to the allegations of infringement.

The prospect of nationwide denial of the first-sale doctrine to works manufactured outside of the United States has broad implications with regard to the sale of gray-market goods within the United States. Many large United States retailers, including eBay.com.

5. *Id.* at 213–14; 17 U.S.C. § 501(a) (2006) (stating, in relevant part, “Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 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.”).


7. *John Wiley & Sons*, 654 F.3d at 214–15. The jury ultimately found that Kirtsaeng had infringed the copyright of eight of Wiley’s protected works, and awarded damages in the amount of $75,000 per infringed work. Under the statutory scheme controlling the action, the jury had the option of awarding damages as high as $150,000 per work infringed, or as low as $200 per work. The amount of the damages awarded indicates that the jury believed, contrary to Kirtsaeng’s testimony, that his actions constituted a willful act of infringement. *Id.* at 215.

8. *Id.* at 224. Kirtsaeng appealed on the grounds that the first-sale doctrine should have been allowed as a defense to the alleged infringement, as well as that the District Court had erred in deciding certain evidentiary issues with regards to Kirtsaeng’s gross profits from selling foreign textbooks in the United States. *Id.* Although the Second Circuit ultimately affirmed the District Court’s ruling with regard to both of these issues, only the issue of the first-sale doctrine as a defense to the alleged infringement is relevant here.

9. *Id.*

10. Gray-market goods are products manufactured by or with the permis-
cluding corporations such as Costco, use gray-market goods to deliver products to customers at a substantial savings. Online retailers such as eBay and Amazon.com would be particularly affected, as these companies rely on the sale of gray-market goods to a substantial extent. Narrowing of the first-sale doctrine may even affect the ability of libraries in the United States to lend foreign manufactured books. Finally, if the Second Circuit’s holding is affirmed by the Supreme Court, companies that manufacture copyright-protected goods within the United States will have an incentive to move their manufacturing plants abroad so as to gain greater control over the sale of their products.

This goal of this Comment is to examine the court’s reasoning in John Wiley & Sons, Inc. v. Kirtsaeng in light of the history of the first-sale doctrine and certain overarching public policy concerns related thereto. Section II outlines the history of the first-sale doctrine, including recent attempts by the Ninth Circuit Court of Appeals and the Supreme Court to define the scope of the protection offered by the latest codification of the first-sale doctrine. Section III details the holding in John Wiley & Sons and the court’s reasoning. Section IV critiques the reasoning of the Second Circuit and explains why the case should have come out differently. This Comment concludes that the


12. Id.


14. On April 16, 2012, the Supreme Court granted Kirtsaeng’s petition for a writ of certiorari.

Supreme Court must definitively extend the first-sale doctrine to goods manufactured abroad.

I. BACKGROUND

The origin of the first-sale doctrine can be traced back to 1908, when the Supreme Court decided *Bobbs-Merrill Company v. Straus*. In that case, the holder of the copyright to the novel *The Castaway* sued Isidor and Nathan Straus, partners at R.H. Macy & Company, for reselling copies of the novel purchased from a wholesaler. Although each copy of the novel contained a notice, placed there by the publisher, requiring that the novel be sold for not less than one dollar, the Strauses had been selling the novel for eighty-nine cents. The Court held that a copyright holder may not limit the alienation of a copyrighted work beyond the occasion of the first, authorized sale: “one who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it. The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it.”

One year after *Bobbs-Merrill* was decided, the first-sale doctrine was codified in the Copyright Act of 1909. It was recodified in 1947, and again in the Copyright Act of 1976, which established the doctrine in its modern form. Currently, the statute reads in relevant part: “Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.” Prior to 1976, the phrase “[l]awfully made

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17. *Id.* at 341–42.
18. *Id.* at 342.
19. *Id.* at 350. The Court went on to say:
   In our view the copyright statutes, while protecting the owner of the copyright in his right to multiply and sell his production, do not create the right to impose, by notice, such as is disclosed in this case, a limitation at which the book shall be sold at retail by future purchasers, with whom there is no privity of contract.

*Id.*

under this title” did not appear in either of the codified versions of the first-sale doctrine. Despite the Supreme Court’s recent assertion that Congress did not intend to limit the scope of the first-sale doctrine through the Copyright Act of 1976, this phrase has made it difficult for courts to determine exactly when the first-sale doctrine should be applied.

One of the first cases to confront this issue was Columbia Broadcasting System, Inc. v. Scorpio Music Distributors, Inc. The case involved Scorpio, a Pennsylvania corporation, which had purchased phonorecords manufactured in the Philippines. These phonorecords were manufactured with the permission of the United States copyright holder, but this permission was granted with the expectation that the phonorecords would be sold exclusively outside of the United States. However, after multiple legal sales to various distribution companies, the phonorecords were eventually purchased by Scorpio in order to resell them domestically. The United States copyright holder filed suit alleging, among other things, that Scorpio had violated § 602 of the Copyright Act. The United States

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: . . . (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.


23. See Pearson Educ., Inc. v. Liu, 656 F. Supp. 2d 407, 410 (S.D.N.Y. 2009) (quoting Pub. L. No. 60–349, § 41, 35 Stat. 1075, 1084 (1909)) (“Section 41 of the 1909 Act, which appears in identical form in § 27 of the 1947 Act, provides in relevant part that ‘nothing in this Act shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained.’”).


27. Id. at 47.

28. Id.

29. Id.

30. Id. 17 U.S.C. § 602(a)(1) provides:

Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under section 106, actionable under section 501.

District Court for the Eastern District of Pennsylvania held that § 109(a) of the Copyright Act “grants first sale protection to the third party buyer of copies which have been legally manufactured and sold within the United States and not to purchasers of imports such as are involved here.” The court reasoned that extending first-sale protection to works either manufactured or sold abroad would constitute an impermissible extraterritorial application of the statute, and further that “[c]onstruing § 109(a) as superseding the prohibition on importation set forth in the more recently enacted § 602 would render § 602 virtually meaningless.”

Although the Third Circuit affirmed Scorpio without opinion, they soon had occasion to call that holding into question. In Sebastian International Inc. v. Consumer Contacts (PTY) Ltd., a United States-based manufacturer of hair-care products with copyrighted labels filed suit against a foreign company which purchased the hair-care products and then shipped them back to the United States for resale. In contrast to Scorpio, the court held that the first-sale doctrine does apply to works that are manufactured within the United States and then sold abroad. In arriving at its conclusion, the court reasoned that a domestic manufacturer which chose to sell its products abroad would have already been rewarded once for its work and that nothing in the Copyright Act indicates that a copyright holder should be entitled to more than this. Although the court specifically avoided considering situations in which a product is manufactured and sold abroad, it did “confess some uneasiness” with the proposition that works manufactured and sold abroad would not qualify for first sale protection.

32. Id.
34. Id. at 1094.
35. Id. at 1099 (“Nothing in the wording of section 109(a), its history or philosophy, suggests that the owner of copies who sells them abroad does not receive a ‘reward for his work.’ Nor does the language of section 602(a) intimate that a copyright owner who elects to sell copies abroad should receive ‘a more adequate award’ than those who sell domestically. That result would occur if the holder were to receive not only the purchase price, but a right to limit importation as well.”).
36. Id. at 1098 n.1 (“We confess some uneasiness with this construction of ‘lawfully made’ because it does not fit comfortably within the scheme of the Copyright Act. When Congress considered the place of manufacture to be im-
Just three years after *Sebastian* was decided, the Ninth Circuit began hearing a series of cases that would eventually culminate in a grant of certiorari by the Supreme Court. The first such case came before the Ninth Circuit Court of Appeals in 1991 and presented facts similar to those in *Scorpio*. In *BMG Music v. Perez*, the plaintiffs, BMG Music, CBS Inc., and A & M Records, brought suit for copyright infringement against Edmundo Perez and his distribution company after Perez imported into the United States and resold certain phonorecords that had been manufactured and sold abroad by the plaintiffs. Although Perez had legally purchased the phonorecords abroad, the court held that “the first sale doctrine in 17 U.S.C. § 109(a) does not, however, provide a defense to infringement under 17 U.S.C. § 602 for goods manufactured abroad[,]” and that “[t]he words ‘lawfully made under this title’ . . . grant first sale protection only to copies legally made and sold in the United States.”

*Parfums Givenchy, Inc. v. Drug Emporium, Inc.* presented a case in which perfume, manufactured in France and sold in a copyrighted box, was sold to a third party abroad who then imported the perfume into the United States and sold it to Drug Emporium, a nationwide retail chain, which in turn sold the perfume for less than the price of the domestic version. Although the court refused to grant first sale protection to the purchaser, citing the fact that the perfume was both manufactured and sold abroad, it did attempt to atone for what has come to be seen as a glaring oversight in both *Scorpio* and *BMG Music*. As the *Parfums Givenchy* court no doubt realized, if the first-sale doctrine only applies to goods manufactured and

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38. *Id.* at 319.
39. *Id.* The court went on to say that “*Scorpio’s* concern over the possibility of rendering meaningless § 602 is justified and, for that reason, so is its result.”
40. *Parfums Givenchy, Inc. v. Drug Emporium, Inc.*, 38 F.3d 477, 479 (9th Cir. 1994).
41. *Id.* at 481–82; see, e.g., Rothchild, supra note 20, at 1219 (“While professing adherence to that decision [*BMG Music*], the court [in *Parfums Givenchy*] introduced an important modification that was necessitated by the *BMG Music* court’s failure to anticipate an important question that arises from a common scenario: what happens when the copyright owner manufactures (or licenses another to manufacture) the copyrighted article abroad, and then imports it into the United States and sells it there?”).
sold domestically, then a company can always avoid the first-sale doctrine by simply manufacturing all of its copyright-protected products (and apparently all of those products that can fit inside a copyrightable box) abroad.42 To counteract this problem, the court stated that a sale within the United States that is authorized by the United States copyright holder, regardless of the place in which the product was manufactured, would trigger the first-sale doctrine.43 However, the Parfums Givenchy court’s novel modification to the first-sale doctrine was only dicta, because the court did not actually have before it a case in which a product was manufactured abroad but first sold domestically.

Just two years later, Denbicare v. Toys “R” Us44 presented the Ninth Circuit Court of Appeals with an opportunity to turn its dicta from Parfums Givenchy into a binding rule within its jurisdiction. The copyright infringement allegation in Denbicare involved cloth diapers that were manufactured abroad but first sold within the United States with the permission of the copyright holder.45 Applying dicta from Parfums Givenchy, the court held that “§109 applies to copies made abroad only if the copies have been sold in the United States by the copyright owner or with its authority.”46

In the wake of Scorpio and BMG Music, copyright law was increasingly seen by companies as a means of combating the importation of gray-market goods.47 Though the dicta in Parfums Givenchy and holding in Denbicare may have allayed some of the growing public policy concerns surrounding the use of copyright law to control products beyond the first sale, one of the Denbicare holding’s major flaws was the amount of emphasis that it placed on the location of the first sale, an emphasis

42. See Rothchild, supra note 20, at 1219 (pointing out that, under the BMG Music court’s holding: “The copyright owner would be able to shut down the secondary market in these articles, making a neat end-run around the first-sale rule that could not have been contemplated by Congress.”).
44. Denbicare U.S.A., Inc. v. Toys “R” Us, Inc., 84 F.3d 1143 (9th Cir. 1996).
45. Id. at 1145–46.
46. Id. at 1150.
47. See Brooks, supra note 43, at 22–23.
utterly lacking in statutory support. Consequently, when the Ninth Circuit Court of Appeals held, in direct conflict with the Third Circuit’s holding in Sebastian, that products manufactured domestically and sold abroad were not subject to the first-sale doctrine, the Supreme Court stepped in to address the issue.

Quality King Distributors v. L’anza Research International involved a United States company, L’anza, which manufactures and sells shampoos, conditioners, and other hair-care products featuring copyrighted labels. The cause of action arose when L’anza sold a large quantity of products to a foreign distributor, as was its practice, at prices thirty-five to forty percent lower than the prices charged to domestic distributors. After a series of legal transactions, the products were eventually purchased by Quality King Distributors, which then sold the products to United States retailers in California at discounted prices. The Court began by confirming that the rights provided to copyright holders by § 602 are, in fact, subject to the limitation of § 109 and, for that matter, all of the limitations to which § 106 is subject. More importantly, the Court held that providing first-sale protection to works lawfully purchased abroad does not render § 602 meaningless, as had been contended by the Ninth Circuit in BMG Music and its progeny.

48. Though 17 U.S.C. § 109(a) requires that the copy in question be “lawfully made under this title” in order to qualify for first-sale protection, it imposes no requirements as to the location of the first sale. 17 U.S.C. § 109(a) (2006).

49. See L’anza Research Int’l, Inc. v. Quality King Distrib., Inc., 98 F.3d 1109, 1114 (9th Cir. 1996), rev’d, 523 U.S. 135 (1998) (“We decline to adopt the approach taken by the Third Circuit in Sebastian.”).


51. Id. at 139.

52. Id.

53. Id. at 145 (“Read literally, § 109(a) unambiguously states that such an owner ‘is entitled, without the authority of the copyright owner, to sell’ that item. Moreover, since § 602(a) merely provides that unauthorized importation is an infringement of an exclusive right ‘under section 106,’ and since that limited right does not encompass resales by lawful owners, the literal text of § 602(a) is simply inapplicable to both domestic and foreign owners of L’anza’s products who decide to import them and resell them in the United States.”).

54. Id. at 146–47 (“First, even if § 602(a) did apply only to piratical copies, it at least would provide the copyright holder with a private remedy against the importer, whereas the enforcement of § 602(b) is vested in the Customs Service. Second, because the protection afforded by § 109(a) is available only to the ‘owner’ of a lawfully made copy (or someone authorized by the owner), the
Thus, the court held that, for products manufactured within the United States, the first-sale doctrine applies, and the copyright holder cannot control the product beyond the first authorized sale regardless of the location in which that sale takes place.55 However, as Justice Ginsburg pointed out in her concurring opinion, the Court did not decide whether the first-sale doctrine applies to works manufactured abroad.56

Against this uncertain backdrop, the Ninth Circuit Court of Appeals decided *Omega v. Costco Wholesale Corp.* in 2008.57 The facts of the case seemed to present just the type of situation that the Supreme Court needed to decide the fate of the first-sale doctrine once and for all. The case involved watches manufactured in Switzerland by Omega and then sold to a foreign distributor.58 After a series of transactions, the watches were eventually purchased by a New York company, which in turn sold the watches to Costco.59 After examining the Supreme Court’s holding in *Quality King*, and comparing it to previous Ninth Circuit decisions including *BMG Music*, the court held that the first-sale doctrine did not apply to products manufactured and first sold abroad.60

In arriving at its conclusion, the court first examined the first sale doctrine would not provide a defense to a § 602(a) action against any nonowner such as a bailee, a licensee, a consignee, or one whose possession of the copy was unlawful. Third, § 602(a) applies to a category of copies that are neither piratical nor ‘lawfully made under this title.’ That category encompasses copies that were ‘lawfully made’ not under the United States Copyright Act, but instead, under the law of some other country.”).

55. *Id.* at 151–54. The court stated explicitly that the “whole point of the first sale doctrine is that once the copyright owner places a copyrighted item in the stream of commerce by selling it, he has exhausted his exclusive statutory right to control its distribution.” *Id.* at 152.

56. *Id.* at 154 (Ginsburg, J., concurring) (“This case involves a ‘round trip’ journey, travel of the copies in question from the United States to places abroad, then back again. I join the Court’s opinion recognizing that we do not today resolve cases in which the allegedly infringing imports were manufactured abroad.”).


58. *Id.* at 983–84.

59. *Id.* at 984.

60. *Id.* at 988 (“In short, copies covered by the phrase ‘lawfully made under [Title 17]’ in § 109(a) are not simply those which are lawfully made by the owner of a U.S. copyright. Something more is required. To us, that ‘something’ is the making of the copies within the United States, where the Copyright Act applies.”) (emphasis removed).
rationale behind the holding in BMG Music:

First, a contrary interpretation would impermissibly extend the Copyright Act extraterritorially. . . . Second, the application of § 109(a) after foreign sales would “render § 602 virtually meaningless” as a tool against the unauthorized importation of nonpiratical copies because importation is almost always preceded by at least one lawful foreign sale that will have exhausted the distribution right on which § 602(a) is premised.61

Because the Supreme Court in Quality King had explicitly denied the BMG Music court’s second rationale—that application of the first-sale doctrine in this type of situation would render § 602 meaningless—the Ninth Circuit was forced to rely heavily on the other rationale from BMG Music, that such application of the first-sale doctrine constituted an impermissibly extraterritorial extension of the Copyright Act.62 However, in order for the court to justify its holding on this basis, it first had to conclude that “the Supreme Court’s brief discussion on extraterritoriality [in Quality King] is not ‘clearly irreconcilable’ with our general limitation of § 109(a) to copies that are lawfully made in the United States.”63

As a further source of support, the Ninth Circuit emphasized once again its own modification to the first-sale doctrine, specifically that copies made abroad but first sold within the United States were subject to the first-sale doctrine.64 In this way, the court claimed to negate any public policy concerns caused by its restriction of the first-sale doctrine.65 Finally, the

62. Id. at 987.
63. Id. (quoting Miller v. Gammie, 335 F.3d 889, 900 (9th Cir. 2003) (en banc)). In Quality King, the Supreme Court determined that application of the first-sale doctrine to a work that was first sold abroad did not constitute an impermissibly extraterritorial application of United States law:

Despite L'anza’s contention to the contrary . . . the owner of goods lawfully made under the Act is entitled to the protection of the first sale doctrine in an action in a United States court even if the first sale occurred abroad. Such protection does not require the extraterritorial application of the Act any more than § 602(a)'s “acquired abroad” language does.

64. Omega, 541 F.3d at 986.
65. Id. ("BMG Music appeared to give greater copyright protection to foreign-made copies than to their domestically made counterparts. . . . We therefore created an exception to BMG Music, concluding that § 109(a) can apply to copies not made in the United States so long as an authorized first sale occurs
court pointed to certain dicta contained within the Quality King opinion, as well as Justice Ginsberg’s brief concurring statements, as evidence that its decision was in line with the reasoning of the Supreme Court. Unfortunately, the Supreme Court was unable to weigh in on the Ninth Circuit’s interpretation of Quality King. Though the Court granted certiorari, Justice Kagan was forced to recuse herself due to her involvement in the case while serving as United States Solicitor General. The remaining eight Justices were unable to reach a decision, splitting four to four and affirming without opinion.

In the wake of the Supreme Court’s failure to conclusively establish the status of the first-sale doctrine, courts have continued to struggle to interpret both §109 and the Court’s statements in Quality King. Although most courts have ultimately held that the first-sale doctrine does not apply to foreign manufactured works, such holdings have at times been made based upon the reluctant belief that relying on the Supreme Court’s dicta in Quality King cannot be avoided: “[w]hile this Court would not limit the doctrine to copies manufactured in the United States, the case for this interpretation of §109(a) is not

here.”).

66. Id. at 989. Specifically, the Ninth Circuit highlighted an illustration employed by the Supreme Court in Quality King to demonstrate that its reasoning was consistent with the Supreme Court’s. Id. This illustration, as set forth in Quality King, reads as follows:

Even in the absence of a market allocation agreement between, for example, a publisher of the United States edition and a publisher of the British edition of the same work, each such publisher could make lawful copies. If the author of the work gave the exclusive United States distribution rights—enforceable under the Act—to the publisher of the United States edition and the exclusive British distribution rights to the publisher of the British edition, however, presumably only those made by the publisher of the United States edition would be “lawfully made under this title” within the meaning of § 109(a). The first sale doctrine would not provide the publisher of the British edition who decided to sell in the American market with a defense to an action under § 602(a) (or, for that matter, to an action under § 106(3), if there was a distribution of the copies).


67. See Aldridge, supra note 15, at 329.


so overwhelming as to justify disregarding the Supreme Court’s views.”

II. CASE DESCRIPTION

The copyright infringement claim filed against Kirtsaeng in *John Wiley & Sons* stemmed from his sale within the United States of textbooks manufactured by Wiley Asia. As was the case in *Omega*, the works in question were manufactured and first sold abroad, then imported into the United States and sold domestically. Although district courts within the Second Circuit had decided cases involving similar circumstances in the past, *John Wiley & Sons* presented an issue of first impression for the Second Circuit Court of Appeals.

In order to decide whether the first-sale doctrine applies to goods manufactured abroad, the Court of Appeals first looked to the origin of the doctrine, *Bobbs-Merrill Company v. Straus*. In doing so, the court noted the changes that have been made to the first-sale doctrine between its first codification in 1909, following the Court’s decision in *Bobbs-Merrill Company*, and the modern version codified in 1976. The court went on to analyze the Supreme Court’s holding in *Quality King*, paying particular attention to certain statements made by the Court in dicta. The Court of Appeals concluded that, in

70. *Liu*, 656 F. Supp. 2d at 416 (“[t]his Court therefore holds, dubitante, that the first-sale doctrine does not apply to copies of a copyrighted work manufactured abroad.”).


72. *Id.*


74. *John Wiley & Sons*, 654 F.3d at 212.


76. *John Wiley & Sons*, 654 F.3d at 216 n.14 (noting that one key change “is that the first sale doctrine no longer applies to ‘any copy of a copyrighted work,’ but rather, only to any copy ‘lawfully made under this title’”).

77. *Id.* at 218. The Court of Appeals cites two passages from *Quality King*. The first consists of the Supreme Court’s acknowledgment that § 602(a) “encompasses copies that are not subject to the first sale doctrine—e.g., copies that are lawfully made under the law of another country.” *Quality King Distibs. v. Lanza Research International, Inc.*, 523 U.S. 135, 148 (1998). The second passage quoted by the Court of Appeals reads as follows:

If the author of [a] work gave the exclusive United States distribution rights—enforceable under the Act—to the publisher of the United States edition and the exclusive British distribution rights to the publisher of the British edition, . . . presumably only those made by the
these statements, “the Court suggests that copyrighted material manufactured abroad cannot be subject to the first sale doctrine contained in §109(a).”

However, as this conclusion was based on dicta, the Court of Appeals did not end its analysis there. Instead, the court turned to a textual analysis of the first-sale doctrine, and attempted to “give meaning to the phrase ‘lawfully made under this title’ contained in §109(a).” First, the court sought to determine whether applying the first-sale doctrine to works manufactured abroad constituted an impermissibly extraterritorial application of United States law, thereby mandating the conclusion that “lawfully made under this title” means “lawfully made in the United States.” The court concluded that the presumption against the extraterritorial application of United States law did not dictate such a reading, particularly because other provisions of Title 17 “explic itly take account of activity occurring abroad.” Ultimately, the court held that the text of §109(a) was simply too ambiguous to support a purely textual

publisher of the United States edition would be “lawfully made under this title” within the meaning of § 109(a). The first sale doctrine would not provide the publisher of the British edition who decided to sell in the American market with a defense to an action under § 602(a) (or, for that matter, to an action under § 106(3), if there was a distribution of the copies).

Quality King, 523 U.S. at 148.

78. John Wiley & Sons, 654 F.3d at 218.
79. Id. at 218–19.
80. Id. at 219 (“Wiley contends that we must interpret 'lawfully made under this title' to mean 'lawfully made in the United States.' This view of the law—which was also adopted by the United States in its amicus brief before the Supreme Court in Costco—is certainly consistent with the text of § 109(a). It is also the logical consequence, Wiley submits, of the general presumption against the extraterritorial application of statutes, a presumption which we have specifically applied to the copyright laws. Wiley argues that Title 17 only applies in the United States, and thus, copyrighted items can only be 'made' under that title if they were physically made in this country.”).
81. Id. at 219–20 (“Indeed, because § 104(b)(2) provides that copyright protection can apply to works published in foreign nations, it is possible to interpret § 109(a)'s 'lawfully made under this title' language to mean, in effect, 'any work that is subject to protection under this title.’”). The court also noted the Supreme Court's holding in Quality King that applying first-sale protection to works first sold abroad does not constitute extraterritorial application of the Copyright Act. Id. at 219 n.34.
82. In addition to its extraterritorial application analysis, the court noted that, "if Congress had intended the first sale doctrine—at least as codified by § 109(a)—to apply only to works made in the United States, it could have easily written the statute to say precisely that.” Id. at 220. The court continued:
reading:

But while a textual reading of §109(a) does not compel the result favored by Wiley, it does not foreclose it either. The relevant text is simply unclear. "[L]awfully made under this title" could plausibly be interpreted to mean any number of things, including: (1) "manufactured in the United States," (2) "any work made that is subject to protection under this title," or (3) "lawfully made under this title had this title been applicable."83

Confronted with the prospect of an "utterly ambiguous text," the court returned to the Supreme Court’s dicta in Quality King in order to support an interpretation of §109(a) that, in the court’s opinion, “best comports with . . . §602(a)(1)."84 The court reasoned that §602(a)(1) is “intended to allow copyright holders some flexibility to divide or treat differently the international and domestic markets for the particular copyrighted work."85 Thus, the court held that, "while perhaps a close call, . . . in light of its necessary interplay with §602(a)(1), §109(a) is best interpreted as applying only to works manufactured domestically."86 This view was supported, according to the Court

Moreover, “lawfully made under this title” appears in other provisions of Title 17 where it is at least arguable that Congress intended this language to apply to works manufactured outside of the United States. For instance, § 1006(a)(1) of the Audio Home Recording Act provides for applicable royalty payments to be made to “any interest-ed copyright party whose musical work or sound recording has been embodied in a digital musical recording or an analog musical recording lawfully made under this title that has been distributed . . . .” It is the view of the U.S. Copyright Office that distribution of royalty payments under this Act is not limited to those recordings manufactured in the United States.

Id. (quoting 17 U.S.C. § 1006(a)(1) (2006)).

83. Id. at 220. The court noted that, under the latter two interpretations of “lawfully made under this title,” Kirtsaeng would prevail. The court further noted that “both of these possible formulations are explicitly employed elsewhere in Title 17,” such as in § 401 and § 602(b). Id. at 220 n.38.

84. Id. at 220.

85. Id. at 221. The court continued:

If the first sale doctrine codified in § 109(a) only applies to copyrighted copies manufactured domestically, copyright holders would still have a free hand . . . to control the circumstances in which copies manufactured abroad could be legally imported into the United States. On the other hand, the mandate of § 602(a)(1) . . . would have no force in the vast majority of cases if the first sale doctrine was interpreted to apply to every work manufactured abroad that was either made “subject to protection under Title 17,” or “consistent with the requirements of Title 17 had Title 17 been applicable.” This reading of the Copyright Act militates in favor of a finding that § 109(a) only applies to domestically manufactured works.

Id. (quoting 17 U.S.C. § 602(a)(1)).

86. Id.
of Appeals, by the Supreme Court’s dicta in Quality King, which the court had already determined to favor application of the first-sale doctrine only to works manufactured within the United States.87

Interestingly, the Second Circuit Court of Appeals specifically declined to adopt the Ninth Circuit’s rule that works manufactured abroad but first sold within the United States with the permission of the copyright holder qualified for first-sale protection.88 Though the court acknowledged that its absolute ban on applying the first-sale doctrine to works manufactured abroad could give copyright holders “an incentive to ‘outsource’ publication to foreign locations to circumvent the availability of the first sale doctrine as a defense for consumers wishing to re-sell their works in the domestic market,” such considerations did not “affect or alter [the court’s] interpretation of the Copyright Act.”89 The court concluded that, “if our decision leads to policy consequences that were not foreseen by Congress or which Congress now finds unpalatable, Congress is of course able to correct our judgment.”90

III. ANALYSIS

There are several key problems with the Second Circuit’s holding in John Wiley & Sons. First, the court failed to give proper weight to the history of the Copyright Act and the first-sale doctrine when attempting to determine the meaning of 17 U.S.C. §109(a). Second, the Court placed too much emphasis on the Supreme Court’s dicta in Quality King, dicta which could be interpreted to refute the Second Circuit’s holding just as easily as support it. Finally, the negative public policy implications of the John Wiley & Sons holding militates for a broader application of the first-sale doctrine, one that would encompass both works manufactured domestically and abroad.

87. Id.
88. Id. at 228 (criticizing the Ninth Circuit’s decision in Denbicare  U.S.A. Inc. v. Toys R Us, Inc., 84 F.3d 1143, 1150 (9th Cir. 1996), which held that the first sale doctrine can apply to copies made outside the United States but only after there has been one authorized sale within the United States).
89. Id. at 222 n.44.
90. Id. at 222.
A. THE HISTORY OF THE COPYRIGHT ACT AND THE FIRST-SALE DOCTRINE

In *John Wiley & Sons*, a panel of the Second Circuit Court of Appeals examined the language of the first-sale doctrine in 17 U.S.C. §109(a), and concluded that “the relevant text is simply unclear.”\textsuperscript{91} However, the Supreme Court has held that, “The plainness or ambiguity of statutory language is determined by reference to the language itself, the specific context in which that language is used, and the broader context of the statute as a whole.”\textsuperscript{92} The Supreme Court has also held that, “Interpretation of a word or phrase depends upon reading the whole statutory text, considering the purpose and context of the statute, and consulting any precedents or authorities that inform the analysis.”\textsuperscript{93} When §109(a) is read in light of the purpose and history of both the first-sale doctrine and the Copyright Act as a whole, the phrase “lawfully made under this title” does not limit the application of the first-sale doctrine to works manufactured within the United States.

The Constitution of the United States grants to Congress the power, “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”\textsuperscript{94} The Framers recognized that allowing inventors and artists to possess a limited monopoly over their creative works was necessary to encourage continuous creation.\textsuperscript{95} Without the incentive of a limited monopoly, the financial impetus to create would be lacking, and progress would be slowed. Of course, the purpose of promoting progress would be entirely undercut if the public were not given access to the final product of an individual’s creative labor. As the Supreme Court has said: “The immediate effect of our copyright law is to secure a fair return for an ‘author’s’ creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.”\textsuperscript{96}

\textsuperscript{91} *Id.* at 220.
\textsuperscript{94} U.S. CONST. art. 1, § 8, cl. 8.
\textsuperscript{96} Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975); see also Fox Film Corp. v. Doyal, 286 U.S. 129, 127 (1932) (“The sole interest
The public good is benefited when an individual has an incentive to create, but the substantiality of this benefit directly correlates to the amount of access granted to the public. Thus, the process of promoting the “progress of science and useful arts” involves the tension between, on the one hand, incentivizing the creative process through the granting of limited monopolies, and, on the other, increasing the public benefit by allowing the public as much access to the creative product as possible.97

The proper balance between creative incentive and public access is best achieved through application of the single-reward principle.98 This principle holds that, once a copyright holder has “transferred a copy at whatever price he chooses to accept, he is not entitled to any additional reward on account of the copyright when the purchaser sells or otherwise disposes of that particular copy.”99 The key here is that the copyright holder has the ability to dictate any price that he or she chooses for the initial sale of a creative work. This initial sale, or single reward, acts as the incentive that the Framers of the Constitution intended. The ability to control the alienation of a physical copy of a copyrighted work beyond the first sale, thus receiving a second reward for one’s efforts, is unnecessary, as the first reward has already generated the requisite incentive. As John A. Rothchild has explained:

In both the copyright and patent areas, the courts have declared unmistakably that the touchstone for determining whether a rights owner’s intellectual property rights, with respect to a particular article, are exhausted is whether the rights owner disposed of the article for a price he deemed suitable, and thereby obtained the reward to which the law entitles him. Neither a copyright owner nor a patentee is entitled to two monopoly rewards from the sale of a single article.100

Without question, granting a second reward for an individual’s creative efforts would enhance the incentive that the Framers of the Constitution sought to establish. However, as the ultimate goal of copyright law from a Constitutional standpoint is to benefit the public as a whole, it cannot be assumed that copyright law is meant to generate the greatest incentive

97. See Jansen, supra note 95, at 13.
98. Rothchild, supra note 20, at 1188.
99. Id.
100. Id. at 1195.
possible to create. Copyright law is meant to produce an incentive for individuals to create, but the scope of that incentive is directly checked by the need to allow as much public access to the creative product as possible.

This concept seems to have been the understanding held by the Supreme Court when it decided Bobbs-Merrill Company v. Straus. To the Court, “one who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it.” The Court in Bobbs-Merrill placed no geographical limitations on this rule; it simply adhered to the philosophy that a copyright holder is entitled to benefit from the sale of an individual copy of a copyrighted work only once. This interpretation was reinforced by the Supreme Court in Quality King:

The whole point of the first sale doctrine is that once the copyright owner places a copyrighted item in the stream of commerce by selling it, he has exhausted his exclusive statutory right to control its distribution. As we have recognized, the codification of that doctrine in § 109(a) makes it clear that the doctrine applies only to copies that are “lawfully made under this title,” but that was also true of the copies involved in the Bobbs-Merrill case, as well as those involved in the earlier cases applying the doctrine. There is no reason to assume that Congress intended either § 109(a) or the earlier codifications of the doctrine to limit its broad scope.

If, as the Supreme Court indicates, the first-sale doctrine is to be given the same meaning today that it had in 1908, history requires a construction of § 109(a) that applies to all copyrighted works that have undergone a first sale, regardless of the place of manufacture.

Although § 109(a) may appear utterly ambiguous if read in a vacuum, it appears decidedly less so when read in light of the purpose of the Copyright Act and the history of the first-sale doctrine. It is difficult to believe that the phrase “lawfully made under this title” could have been meant to restrict the scope of § 109(a) to works manufactured within the United States; such an interpretation would allow a copyright holder to receive a potentially unlimited number of rewards for copies manufactured outside of the United States. This result damages the

102. Id. at 350.
104. See Justin Yedor, Comment, Lacking Swiss Precision: The First-Sale Doctrine in Costco v. Omega, 6 DUKE J. CONST. LAW & PUB. POL’Y SIDE BAR 126, 139 (2011) (“If Congress intended to distinguish between goods based on place of manufacture, surely it would have favored U.S.-made goods.”).
balance struck by the Constitution between creative incentive and public access by not simply tipping the scales in favor of creative incentive, but by toppling the scales altogether. Such an interpretation creates, not a limited monopoly, but a total monopoly over the alienation of copyrighted works from the first sale to the last. A proper statutory interpretation, and one that accords with the purpose of the Copyright Act and the history of the first-sale doctrine, dictates that § 109(a) applies to all works that have been sold with the permission of the copyright holder, regardless of the place of manufacture, and the Second Circuit should have so held.

B. THE SECOND CIRCUIT MISINTERPRETED THE SUPREME COURT’S DICTA IN \textit{QUALITY KING}

The ambiguity of § 109(a) prevented the Second Circuit Court of Appeals from basing its holding on a purely textual analysis of the statute.\textsuperscript{105} Therefore, the court looked to the Supreme Court’s opinion in \textit{Quality King} for guidance, focusing heavily on two statements made by the Court.\textsuperscript{106} The main passage of \textit{Quality King} that the court analyzes is the Supreme Court’s explanation that § 602(a) remains relevant even if § 109(a) applies to works that are manufactured domestically and sold abroad because § 602(a) can be used to prevent the importation of both piratical copies and copies that were not “lawfully made under this title.”\textsuperscript{107} This latter category, according to the Court, includes works that were made lawfully under the laws of a foreign country, but not under the United States Copyright Act.\textsuperscript{108} The Second Circuit interpreted this passage to mean that copies that are lawfully made under the laws of a foreign country cannot be “lawfully made under this title” for the purposes of the first-sale doctrine.\textsuperscript{109} However, the passages cited by the Court of Appeals do not necessarily dictate such a conclusion, and another passage, which the court seems to

\begin{itemize}
\item \textsuperscript{105} John Wiley \& Sons, Inc. v. Kirtsaeng, 654 F.3d 210, 220 (2d Cir. 2011).
\item \textsuperscript{106} \textit{Id.} at 218.
\item \textsuperscript{107} \textit{Quality King}, 523 U.S. at 147–49. The Court’s explanation here is in response to the argument that if the copyright holder cannot ban the importation of works manufactured domestically and sold abroad (because the first-sale doctrine would provide a defense in such a case), § 602(a) is rendered meaningless. \textit{Id.}
\item \textsuperscript{108} \textit{Id.}
\item \textsuperscript{109} John Wiley \& Sons, 654 F.3d at 221.
\end{itemize}
overlook, directly contradicts this reading. The Supreme Court’s dicta in Quality King was inconclusive at best and did not justify an interpretation of § 109(a) that was out of step with the history and purpose of the first-sale doctrine.

The court in John Wiley & Sons places a great deal of emphasis on the Supreme Court’s assertion in Quality King that a copy can be non-piratical and yet not “lawfully made under this title.” In Quality King, the Court explains that this includes “copies that were ‘lawfully made’ not under the United States Copyright Act, but instead, under the law of some other country.” The Second Circuit interprets this to mean that, “in the Court’s view, works ‘lawfully made’ under the laws of a foreign country—though perhaps not produced in violation of any United States laws—are not necessarily ‘lawfully made’ insofar as that phrase is used in § 109(a) of our Copyright Act.” While this interpretation makes a certain amount of sense, it does not fully accord with the Supreme Court’s statement. The Court does not say that a work which is lawful under the United States Copyright Act, but which is produced in a foreign country, is not “lawfully made under this title.” Instead, the Court simply says that a work that is not lawfully made under the United States Copyright Act but which is lawfully made under the laws of a foreign country is not “lawfully made under this title” for the purposes of the first-sale doctrine. In other words, the Court seems to be saying that § 602(a) bars the im-

110. The court’s conclusion seems to be contradicted by the fact that the Supreme Court says explicitly in Quality King that Congress’s codification of the first-sale doctrine was not meant to limit the doctrine’s broad scope. See Quality King, 523 U.S. at 152.

111. John Wiley & Sons, 654 F.3d at 221.

112. Quality King, 523 U.S. at 147. The Court seems to be drawing a distinction between works that are piratical and works that are illegal under U.S. law but which were produced lawfully because of less stringent copyright laws in their country of origin. Black’s Law Dictionary defines “piracy” as “[t]he unauthorized and illegal reproduction or distribution of materials protected by copyright, patent, or trademark law.” BLACK’S LAW DICTIONARY 1266 (9th ed. 2009). By this definition, in order for a work to be considered “piratical,” its production must be illegal. When one makes an unauthorized copy of a copyrighted work within the United States, that copy is undoubtedly “piratical.” The same goes for a copyrighted work that is copied in a country that offers copyright protections which are similar to those of the United States. But in a country that offers little, if any, copyright protection, reproduction of a work without the permission of the United States copyright holder would not technically be illegal within the country in which it is reproduced; therefore, the copy would not be “piratical.”

113. John Wiley & Sons, 654 F.3d at 221.
portation of works that are either piratical or that are illegal under the United States Copyright Act but which were produced lawfully in their place of manufacture. In both cases, the works would not be “lawfully made under this title.” Contrary to the Second Circuit’s reading of Quality King, nothing in the passage quoted above indicates that § 109(a) does not apply to a foreign-made copy that is produced lawfully under the United States Copyright Act.

Although the above mentioned dicta from Quality King garnered the bulk of the Court of Appeals’s attention in John Wiley & Sons, the court did look to a second piece of “instructive dicta” from Quality King to draw support for its holding that § 109(a) does not apply to works manufactured outside of the United States.114 The passage from the Quality King opinion reads as follows:

If the author of [a] work gave the exclusive United States distribution rights—enforceable under the Act—to the publisher of the United States edition and the exclusive British distribution rights to the publisher of the British edition, . . . presumably only those made by the publisher of the United States edition would be “lawfully made under this title” within the meaning of § 109(a). The first sale doctrine would not provide the publisher of the British edition who decided to sell in the American market with a defense to an action under § 602(a) (or, for that matter, to an action under § 106(3), if there was a distribution of the copies).115

While the Second Circuit found this passage instructive, the weight given to these statements by the Supreme Court must be tempered by the fact that the Court’s hypothetical scenario lacks logical consistency. The Court states that “presumably only those made by the publisher of the United States edition would be ‘lawfully made under this title’ within the meaning of § 109(a).”116 This statement certainly seems to support the Second Circuit’s holding. However, the Supreme Court then says, “The first sale doctrine would not provide the publisher of the British edition who decided to sell in the American market with a defense to an action under § 602(a).”117 The problem is that neither the Supreme Court’s hypothetical British publisher, nor any publisher, could ever invoke the first-sale doctrine, because there has been no first sale. The British pub-

114. Id. at 218.
115. Quality King, 523 U.S. at 148.
116. Id.
117. Id.
lisher has not sold the copies to anyone, therefore the publisher is naturally barred in this scenario from invoking § 109(a) as a defense to an action under § 602(a). In one sense, then, the Supreme Court has not added anything at all to our understanding of the first-sale doctrine in this passage, and the Court of Appeals should not have given it more than a cursory acknowledgment.

Though the two pieces of dicta cited by the Court of Appeals to support its holding hardly seem dispositive, a third passage, which the majority utterly ignores, could have been cited to shift the court's interpretation of § 109(a) in the other direction. As has already been discussed, the Supreme Court in Quality King directly states that, “There is no reason to assume that Congress intended either § 109(a) or the earlier codifications of the doctrine to limit its broad scope.”118 As the dissent correctly points out in John Wiley & Sons, “Under the 1909 and 1947 Copyright Acts, the first sale doctrine applied to ‘any copy of a copyrighted work the possession of which has been lawfully obtained.’”119 Therefore, according to the Supreme Court, § 109(a) should be read to apply to any copy which has been “lawfully obtained,” without regard to the place of manufacture. If the Court of Appeals truly wished to ground its decision in dicta from Quality King, it is difficult to see how this passage could have been overlooked. Given the ambiguous nature of the two passages that the court chose to focus on, this third piece of dicta could have easily justified a holding that applied the first-sale doctrine to works manufactured abroad.

C. PUBLIC POLICY CONCERNS REQUIRE APPLICATION OF THE FIRST-SALE DOCTRINE TO FOREIGN MANUFACTURED WORKS

As a matter of public policy, § 109(a) should be applied to works manufactured outside of the United States. Although the Second Circuit Court of Appeals acknowledged in John Wiley & Sons that its holding potentially created an “incentive to 'outsource' publication to foreign locations to circumvent the availability of the first sale doctrine as a defense for consumers wishing to re-sell their copies in the domestic market”—with the potential result that “American manufacturing would con-

118. Id. at 152.
tract along with the protections of the first sale doctrine—
the court concluded that Congress was best suited to deal with
these concerns. However, given that the court’s ultimate de-
cision was based on little more than two pieces of questionable
Supreme Court dicta, these public policy concerns should have
been enough by themselves to persuade the court to apply the
first-sale doctrine to works manufactured abroad.

The most obvious impact of the Second Circuit’s decision is
on the American manufacturing economy. If the court’s holding
were to become the nationwide rule with regard to the first-sale
doctrine, products manufactured abroad would enjoy greater
copyright protection than works manufactured domestically.
Companies wishing to benefit from this holding would “simply
need to go outside the United States, affix a copyrighted work,
like a logo, to its goods in order to harness this power over dis-
bution.” This concern led the Ninth Circuit Court of Ap-
peals to adopt a rule allowing for first-sale protection for for-

120. Id. at 222 n.44.
121. Id. at 222.
122. Aldridge, supra note 15, at 341. Aldridge goes on to note: “Considering
the relative ease with which a copyrighted symbol can be applied to almost
any good, the potential ramifications are great.” Id.; see also Paul E. Thomas,
What Will Come from the Uncertainty of the Split Decision in Costco v. Ome-
ga?, FREDRIKSON & BYRON, P.A. (Dec. 31, 2010), http://www.fredlaw.com/art-
wicles/ip/copy_1012_pet.html (“This may be the most curious long-term effect of
the decision: the application of copyright law to non-media goods that would
normally not fall within copyright’s domain because those goods are orna-
mented with a copyrighted design that has been registered with the U.S. Cop-

123. Denbicare U.S.A. Inc. v. Toys “R” Us, Inc., 84 F.3d 1143, 1150 (9th Cir.
1996).
124. John Wiley & Sons, 654 F.3d at 221.
this holding other companies, especially large retailers such as Costco, will be damaged because they will no longer be able to sell gray-market goods. Although the sale of gray-market goods makes up only a portion of the business done by retailers like Costco, other companies, such as eBay, may eventually find themselves struggling to stay afloat as the number of goods manufactured within the United States—which will be the only goods authorized for resale on sites such as eBay—dwindles.\textsuperscript{125}

In addition to the potential danger to American manufacturing jobs and gray-market companies (not to mention garage sales), libraries may feel a significant impact from the decision in \textit{John Wiley & Sons}.\textsuperscript{126} Currently, the ability of libraries to lend copyrighted material is primarily based on the first-sale doctrine.\textsuperscript{127} Although libraries may still be able to lend copyrighted material based on other legal grounds, such as fair use, it is unclear whether libraries could continue to operate at their full potential in the absence of first-sale protection.\textsuperscript{128} Rather, libraries may well be forced to rely on obtaining a “lending license” in order to lend foreign-printed works.\textsuperscript{129} Unfortunately, “[t]he costs associated with acquiring and maintaining records of such licenses may result in an overall reduction in libraries’ acquisitions adversely affecting the size of the collections.”\textsuperscript{130} Of course, it is difficult to see how an interpretation of § 109(a) that restricts the ability of libraries to disseminate information

\textsuperscript{125}. See Sims & Friedman, \textit{supra} note 11 (explaining that the Supreme Court’s disposition in \textit{Costco} regarding whether the first-sale doctrine applies to imported goods manufactured abroad “may have particular importance for online retailers such as Amazon.com and Ebay, which conduct substantial business through the secondary market.

\textsuperscript{126}. Aldridge, \textit{supra} note 15, at 339–40.

\textsuperscript{127}. See Bobby Glushko, \textit{The Future of Copyright}, INFO. OUTLOOK, Oct.-Nov. 2010, at 15 (“[T]he first sale doctrine is the current cornerstone of library lending.”).

\textsuperscript{128}. \textit{Id.}; see also Band, \textit{supra} note 13 (“Accordingly, a library in the Second Circuit that wants to lend foreign manufactured copies must rely on fair use or the ambiguous exception in 17 USC 602(a)(2)(C) that allows a library to import 5 copies (except audiovisual works) for lending purposes, but doesn’t specifically allow the library to actually lend those copies.”).

\textsuperscript{129}. Aldridge, \textit{supra} note 15, at 340.

\textsuperscript{130}. \textit{Id.}
to the public could ever accord with the purpose of copyright law. 131

CONCLUSION

As this Comment goes to print, the Supreme Court has granted Kirtsaeng’s petition for certiorari and is expected to hear arguments in the case this fall. In an already struggling economy, the last thing that the country needs is precedent giving companies a further incentive to move manufacturing plants overseas. The constitutional justification for copyright law, as well as the history of the first-sale doctrine, dictates that a copyright holder should not be allowed to benefit multiple times from the sale of an individual copy of a copyrighted work. In order to preserve the balance between creative incentive and public access, the Supreme Court must hold that 17 U.S.C. § 109(a) applies equally to works manufactured within and without the United States.

131. See Glushko, supra note 127, at 16 ("Libraries are vital and influential cultural and intellectual institutions, and their mission lies at the heart of copyright law’s stated purpose to ‘promote the progress of science and useful arts.’").