

infringe: verb - actively break the terms of (a law, agreement, etc.) : making an unauthorized copy would infringe copyright.

Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984), also known as the “**Betamax case**”, is a decision by the Supreme Court of the United States which ruled that the making of individual copies of complete television shows for purposes of time shifting does not constitute copyright infringement, but is fair use. The Court also ruled that the manufacturers of home video recording devices, such as Betamax or other VCRs, cannot be liable for infringement. The case was a boon to the home video market as it created a legal safe haven for the technology, which also significantly benefited the entertainment industry through the sale of pre-recorded movies.

The broader legal consequence of the Court's decision was its establishment of a general test for determining whether a device with copying or recording capabilities ran afoul of copyright law. This test has created some interpretative challenges to courts in applying the case to more recent file sharing technologies available for use on home computers and over the Internet.

Background of the case

In the 1970s, **Sony** developed Betamax, a video tape recording format. Universal Studios and the Walt Disney Company were among the film industry members who were wary of this development, but were also aware that the U.S. Congress was in the final stages of a major revision of U.S. copyright law, and would likely be hesitant to undertake any new protections for the film industry. The companies therefore opted to sue Sony and its distributors in the U.S. District Court for the Central District of California in 1976, alleging that because Sony was manufacturing a device that could potentially be used for copyright infringement, they were thus liable for any infringement that was committed by its purchasers.

Two years later, the District Court ruled for Sony, on the basis that noncommercial home use recording was considered fair use, that access to free public information is a First Amendment public interest served by this use. However, this ruling was reversed in part by the United States Court of Appeals for the Ninth Circuit, which held Sony liable for contributory infringement. The court also held that the Betamax was not a

staple article because its main purpose was copying. It went on to suggest damages, injunctive relief and compulsory licenses in lieu of other relief.

The majority opinion

The Court's 5-4 ruling to reverse the Ninth Circuit in favor of Sony hinged on the possibility that the technology in question had significant non-infringing uses, and that the plaintiffs were unable to prove otherwise.

On the question of whether Sony could be described as "contributing" to copyright infringement, the Court stated:

[There must be] a balance between a copyright holder's legitimate demand for effective - not merely symbolic - protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce. Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses....

The question is thus whether the Betamax is capable of commercially significant noninfringing uses ... one potential use of the Betamax plainly satisfies this standard, however it is understood: private, noncommercial time-shifting in the home. It does so both **(A)** because respondents have no right to prevent other copyright holders from authorizing it for their programs, and **(B)** because the District Court's factual findings reveal that even the unauthorized home time-shifting of respondents' programs is legitimate fair use....

If there are millions of owners of VTR's who make copies of televised sports events, religious broadcasts, and educational programs ... and if the proprietors of those programs welcome the practice, the business of supplying the equipment that makes such copying feasible should not be stifled simply because the equipment is used by some individuals to make unauthorized reproductions of respondents' works....

When one considers the nature of a televised copyrighted audiovisual work ... and that time-shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact ... that the entire work is reproduced ... does not have its ordinary effect of militating against a finding of fair use.

Combined with the noncommercial, nonprofit nature of time-shifting, he concluded that it was indeed a fair use.