

A Textbook Response?: The Supreme Court Holds The “First Sale” Doctrine Applies to Copies of A Copyrighted Work Manufactured Abroad

On April 16, 2012, the Supreme Court granted certiorari in *Kirtsaeng v. John Wiley & Sons*. The case involved Supap Kirtsaeng, a native of Thailand, who came to the U.S. for his college and graduate studies. Kirtsaeng decided to help pay for his education by selling textbooks online by having Kirtsaeng’s family and friends, in Thailand, purchase the cheaper foreign editions of textbooks that were manufactured abroad and having them send the textbooks to Kirtsaeng to sell for a small profit on eBay. When John Wiley & Sons (Wiley), a publisher of those textbooks, caught wind of his activities, they brought suit for copyright infringement and argued that the “first sale” doctrine only applies to goods made in the United States and therefore sought to block the further importation of the cheaper foreign editions of the textbooks that were legally purchased in Thailand. A jury for the district court awarded Wiley statutory damages in the amount of \$600,000, and the Second Circuit upheld the decision.

At issue before the Supreme Court was whether the “first sale” doctrine¹ applies to protect a buyer or other lawful owner of a copy (of a copyrighted work) lawfully manufactured abroad; for example, may that buyer bring that copy into the United States (and sell it or give it away) without obtaining permission to do so from the copyright owner?

On March 20, 2013, the Supreme Court [held](#) in the affirmative, by a 6-3 vote, holding that the “first sale” doctrine applies to copies of a copyrighted work lawfully made abroad. This reversal of the Second Circuit’s decision essentially means that copyright holders in the United States cannot block the resale of its products in the U.S., made abroad. U.S. copyright holders, such as Wiley, therefore lose the protection of U.S. copyright law as soon as goods are sold lawfully, regardless of whether the goods are sold in the U.S., or elsewhere.

In writing for the majority, Justice Breyer characterized Wiley’s argument as being “geographical.” Wiley argued that copies are lawfully made “under this title” if they are made in the United States, and the first-sale doctrine therefore limits Wiley’s control only when copies are made in the United States. Justice Breyer then characterized Kirtsaeng’s view as a “non-geographical limitation” with the question under this interpretation being whether the manufacturing of the copies complied with the requirements of U.S. law. The majority reasoned that because it was indisputable that Wiley authorized the making of the copies and the copies were “lawfully made under this title,” the first-sale doctrine therefore applied.

Furthermore, in coming to the conclusion that it is for Congress to decide whether copyright owners should or should not have more than ordinary commercial power to divide international markets, Justice Breyer wrote:

Wiley and the dissent claim that a nongeographical interpretation will make it difficult, perhaps impossible, for publishers (and other copyright holders) to divide foreign and domestic markets. We concede that is so. A publisher may find it more difficult to charge different prices for the same book in different geographic markets. But we do not see how these facts help Wiley, for we can find no basic principle of copyright law that suggests that publishers are especially entitled to such rights.

In their dissent, Justices Ginsburg, Kennedy, and Scalia described the majority’s ruling as a “bold departure from Congress’ design.” Justice Ginsburg added that the decision shrank “copyright protection against the unauthorized importation of foreign-made copies” to “insignificance.”

¹Copyright law grants a copyright owner an exclusive right “to distribute copies...of [a] copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.” The [“first sale” doctrine](#), however, is an exception to the copyright holder’s right of distribution. That is, once a copyrighted work is lawfully sold or even transferred gratuitously, the copyright owner’s interest in the material object in which the copyrighted work is embodied is exhausted, and the owner of the material object is entitled to resell it; rent it; give it away; or otherwise dispose of it, as they see fit.