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Copyright's Deprivations

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COPYRIGHT’S DEPRIVATIONS

Anne-Marie Carstens*

Abstract: This Article challenges the constitutionality of a copyright infringement remedy provided in federal copyright law: courts can order the destruction or other permanent deprivation of personal property based on its *mere capacity* to serve as a vehicle for infringement. This deprivation remedy requires no showing of actual nexus to the litigated infringement, no finding of willfulness, and no showing that the property’s infringing uses comprise the significant or predominant uses. These striking deficits stem from a historical fiction that viewed a tool of infringement, such as a printing plate, as the functional equivalent of an infringing copy itself. Today, though, the remedy more likely reaches modern “dual-use” property that might be used partly, predominantly, or even exclusively for lawful uses, from computers to manufacturing equipment. The risk of constitutional violation is particularly acute in the Second and Ninth Circuits, where copyright suits predominate and where cases in recent years give cause for greater concern. In high-profile parallel actions in New York and California, for example, the Second Circuit rejected a sound engineer’s plea for return of equipment, computers, and hard drives that he argued were never used for infringement and contained unrelated, highly personal content, including irreplaceable family photos. The federal district court in a similar action in California held that the Ninth Circuit required the same.

After scouring the history of this remedies provision, whose origins predate the Bill of Rights, this Article argues that this much-mutated remedy can run afoul of the Fifth Amendment because it is based on a historical fiction that has lost its force. Most notably, it can lead to an unconstitutionally arbitrary or excessive award that violates due process, and it might also rise to an unconstitutional taking of personal property. This Article maintains that courts can sidestep these constitutional landmines by making predicate findings of actual nexus, willfulness, and significant or substantial use to commit the infringement at issue. Moreover, reviewing courts should consistently review such orders *de novo* as a further safeguard against the risk of unconstitutional property deprivations.

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INTRODUCTION

Federal copyright law provides a remedy that permits courts to order the destruction or other permanent deprivation of private property—property that can go far beyond the infringing copies themselves—in civil copyright infringement suits between private litigants. In particular, the court may order the destruction or other disposition of personal property “by means of which” infringing copies “may be reproduced.”¹ Both the statutory text and the case law make clear that the mere capacity of such property for infringing uses makes it susceptible to permanent deprivation pursuant to this remedy. Moreover, courts do not employ the canon of *eiusdem generis* to limit such deprivations to the examples or kin provided

1. 17 U.S.C. § 503.

in the statute,² which refers to “plates, molds, matrices, masters, tapes, film negatives, or other articles” that can be used to infringe.³ Courts instead interpret the remedy to apply more broadly to equipment, machines, computers, and other apparatus that can serve as a vehicle for infringement but that also prove capable of non-infringing uses. So, query: Can such permanent deprivations of private property pursuant to this deprivation remedy run afoul of the Fifth Amendment?⁴

The severity of the Copyright Act's⁵ deprivation remedy and the stunning array of private property that falls within its ambit⁶ prompt this vexing and unexplored question about the remedy's constitutionality. Courts have considered whether the corresponding impoundment provision violates the Fourth Amendment prohibition on unreasonable searches and seizures.⁷ But they have left untouched whether the

2. See, e.g., *Cir. City Stores, Inc. v. Adams*, 532 U.S. 105, 114–15 (2001) (noting that applying the statutory canon of ejusdem generis means that “[w]here general words follow specific words in a statutory enumeration, the general words are construed to embrace only objects similar in nature to those objects enumerated by the preceding specific words” (quoting 2A N. SINGER, *SUTHERLAND ON STATUTES AND STATUTORY CONSTRUCTION* § 47.17 (1991))).

3. 17 U.S.C. § 503(a)(1)(B). The provision specifically provides that courts can order the impoundment, destruction, or other disposition of “plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies of phonorecords may be reproduced.” *Id.*

The Copyright Act refers specifically to infringing “copies or phonorecords” because sound recordings did not traditionally obtain copyright protection. *Id.* For ease of use, “copies” is used herein to encompass both “copies” and “phonorecords.” See 17 U.S.C. § 101 (defining “copies” and “phonorecords”); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 430 n.11 (1984) (noting that the Sound Recording Amendment of 1971 aimed to solve “the ‘record piracy’ problems that had been created by the development of the audio tape recorder”).

4. U.S. CONST. amend. V (providing that no person shall be “deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation”).

5. 17 U.S.C. §§ 101–1511.

6. *Id.* § 503.

7. See, e.g., *Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs., Inc.*, 923 F. Supp. 1231, 1263 (N.D. Cal. 1995) (stating that the Fourth Amendment governs “seizure orders directing the United States Marshal to impound allegedly infringing articles under the Copyright Act” (quoting *Paramount Pictures Corp. v. Doe*, 821 F. Supp. 82, 90 (E.D.N.Y. 1993))); *Time Warner Ent. Co. v. Does Nos. 1–2*, 876 F. Supp. 407, 413 (E.D.N.Y. 1994) (observing that copyright holders’ proposed order to allow their agents to seize and impound infringing articles in a “roving search” does “not come close to the particularity required by the Fourth Amendment”); *Paramount Pictures Corp.*, 821 F. Supp. at 90–91 (holding that copyright holders’ requested order for “roving warrant” to seize infringing articles would violate Fourth Amendment); see also Annemarie Bridy, *Three Notice Failures in Copyright Law*, 96 B.U. L. REV. 777, 806 (2016) [hereinafter Bridy, *Three Notice Failures*] (stating that “[e]x parte domain name seizures [in copyright cases] present amplified due process problems because they can have massive secondary effects, as when a seized domain name belongs to a public cyberlocker service that hosts the digital property of millions or tens of millions of users from all over the world”); PAUL GOLDSTEIN, *GOLDSTEIN ON COPYRIGHT* § 13.1.3.1 (3d ed. 2005) (noting that the Advisory Committee on the Federal Rules of Civil Procedure expressed

deprivation remedy effects a permanent deprivation of personal property that implicates the Fifth Amendment, which bars both deprivations of property “without due process of law” and improper government takings of personal property for public use.⁸

Not all deprivations occasioned by the deprivation remedy pose constitutional problems. The usual and most obvious targets of the deprivation remedy are materially identical, so-called direct copies.⁹ When applied strictly and exclusively to this category of pirated copies, bootlegs, and counterfeits,¹⁰ the remedy causes no affront to the hallowed

“serious doubts” about whether ex parte seizure procedures under previous copyright rules comported with the Fourth Amendment); 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 22:85 (“Very serious issues, including violation of the Fourth Amendment, are raised when the relief sought is ex parte seizure of property from private establishments.”); Paul S. Owens, *Impoundment Procedures Under the Copyright Act: The Constitutional Infirmities*, 14 HOFSTRA L. REV. 211, 239, 243 (1985)) (observing that items to be seized pursuant to writ of seizure in copyright actions “are frequently described in terms more general than would be allowed in criminal infringement actions, particularly where piracy is suspected” (citation omitted)).

In *Religious Technology Center*, two Scientology-affiliated organizations alleged that a former Scientology minister infringed by posting copyrighted works on the internet. 923 F. Supp. at 1239. Law enforcement officers executing a writ of seizure entered the defendant’s home with plaintiff’s experts, who “aided in the search and seizure of documents related to [the defendant’s] alleged copyright infringement” and, according to the defendant, “in fact directed the seizure.” *Id.* at 1240. The defendant claimed the “plaintiffs seized books, working papers, and personal papers” in addition to seizing “computer disks and cop[ying] portions of [the defendant’s] hard disk drive onto floppy disks and then eras[ing] the originals from the hard drive.” *Id.* On review, the court held that the writ of seizure was overbroad because it allowed for seizure of non-infringing items. The court therefore vacated the writ and ordered that all articles seized be returned to the defendant. *Id.* at 1264–65. The Advisory Committee specifically cited this case in revising Rule 65 of the Federal Rules of Civil Procedure to make its procedural safeguards applicable to copyright impoundments. *See* FED. R. CIV. P. 65 advisory committee’s note to 2001 amendment.

8. U.S. CONST. amend. V. The Fifth Amendment’s Due Process Clause applies to federal government action, as here. *Betts v. Brady*, 316 U.S. 455, 462 (1942) (“Due process of law is secured against invasion by the federal Government by the Fifth Amendment and is safeguarded against state action in identical words by the Fourteenth.”). Congress passed the Copyright Act of 1976, and federal courts possess original and exclusive jurisdiction over suits arising under the Copyright Act. 28 U.S.C. § 1338(a).

9. *See, e.g.*, *Crim. Prods., Inc. v. Turchin*, No. 3:16-cv-1695-AC, 2017 WL 979099, at *3 (D. Or. Mar. 14, 2017) (ordering the defendant “to destroy all unauthorized copies of Plaintiffs’ motion pictures”); *Evony, LLC v. Holland*, No. 2:11-cv-00064, 2011 WL 1230405, at *7 (W.D. Pa. Mar. 31, 2011) (ordering the defendant “to deliver to Plaintiffs . . . for destruction” all copies of the infringing video game and other infringing materials); *UMG Recordings, Inc. v. Stewart*, 461 F. Supp. 2d 837, 845 (S.D. Ill. 2006) (“Defendant also shall destroy all copies of Plaintiffs’ Recordings that Defendant has downloaded onto any computer hard drive or server without Plaintiffs’ authorization and shall destroy all copies of those downloaded recordings transferred onto any physical medium or device in Defendant’s possession, custody, or control.”); *Peer Int’l Corp. v. Luna Recs.*, 887 F. Supp. 560, 570 (S.D.N.Y. 1995) (Justice Sotomayor, then a district judge, granted the plaintiff’s request “that all infringing copies and materials in [the defendant’s] possession be destroyed.”); *see also* 17 U.S.C. § 603(c) (forfeiture and destruction of infringing copies unlawfully imported into the United States).

10. These undefined terms have understood meanings in the copyright context. The Agreement on

Due Process or Takings doctrines. The longstanding practice of destroying infringing copies harkens back to a federal copyright law¹¹ that predated and survived the Bill of Rights and its Fifth Amendment. Moreover, in such instances, the government deprives infringers of property in which they could have no title under law,¹² and so have lost no legally cognizable property interest. This premise stands firmly grounded in background principles of law and is both unremarkable and universal enough to be enshrined in the relevant international copyright treaties that apply the world over.¹³

The broad language of the deprivation remedy, however, barrels past this premise and facilitates potentially troublesome Due Process Clause and Takings Clause violations when applied to other categories of property. Dual-use items—property that does not constitute an infringing copy itself but is capable of both infringing and non-infringing uses—prove particularly susceptible. As expanded in the legislative overhaul that culminated in the current law, the Copyright Act of 1976,¹⁴ the remedy can ensnare dual-use property having only a *de minimis* nexus to infringement or *no direct nexus at all*. For example, a court could invoke the remedy to order the destruction or turn-over of a piano on which an infringing work has been performed or *may be performed* or a computer that has been used or *may be used* to upload an infringing video to

Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) defines a “pirated copy” generally as an unauthorized copy “made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right” under a country’s domestic law. Agreement on Trade-Related Aspects of Intellectual Property Rights art. 51 n.14, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement]. A “bootleg” refers specifically to a sound or video recording made from a live musical performance that has been copied into a tangible form, in violation of 17 U.S.C. § 1101, governing the unauthorized fixation and trafficking in sound recordings and music videos. 18 U.S.C. § 2319A. A “counterfeit” item is an infringing copy passed off as an authentic original in both content and packaging. To help cut down on counterfeiting, separate provisions criminalize trafficking in counterfeit or illicit labels or in counterfeit documentation or packaging for copyrighted works. 18 U.S.C. § 2318.

11. Copyright Act of 1790, Pub. L. No. 1-15, 1 Stat. 124; *see also infra* section I.A.

12. *See, e.g., Morrison v. Pettibone*, 87 F. 330, 332 (C.C.N.D. Ill. 1897) (holding “that the act of congress, clearly intending to give to the proprietor an exclusive right of property in that which has been produced by his mind and skill, confers as well an ownership in all copies which are made by infringers; that through the act of piracy the title to the imitation vests in the proprietor of the copyright”).

13. *E.g., Berne Convention for the Protection of Literary and Artistic Works* art 16(1), Sept. 9, 1886, 1161 U.N.T.S. 3 (as amended on Sept. 28, 1979) (“Infringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal protection.”); TRIPS Agreement, *supra* note 10, at art. 9(1) (requiring WTO Members to comply with the substantive articles 1–21 of the Berne Convention, except article 6*bis* governing moral rights).

14. Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101–810).

YouTube.¹⁵ In his seven-volume treatise on copyright law, Patry noted a “surprising lack of concern” for such issues during the legislative drafting of the provision.¹⁶

The risk grows when courts adopt the statutory language wholesale, leaving the affected party to decide on its scope (and face possible contempt for deciding in favor of under-breadth). The risk of constitutional conflict also increases when courts prove unwilling to tailor the remedy to the infringement, as both the Second and Ninth Circuits have shown themselves inclined to do.

The Second Circuit, for example, expressly confirmed a reading of the deprivation remedy that excluded any requirement of nexus to the litigated infringement in a high-profile dispute between Jay-Z, his record label, and his former studio sound engineer, Chauncey Mahan.¹⁷ After Mahan lost an infringement action to Jay-Z and the label, Roc-A-Fella Records, the engineer appealed the court’s deprivation order.¹⁸ The order deprived him of a storage unit’s worth of disks, CDs, cartridges, computers, hard drives, and an audio player, all of which had been seized by Los Angeles police officers from Mahan’s Los Angeles storage locker prior to the litigation.¹⁹ Among other arguments, the sound engineer maintained that the district court had made “no findings” that his main equipment had ever been used to create or distribute any infringing copies of the record label’s recordings. In fact, he stressed that the computers and hard drives contained unrelated, “irreplaceable” content, including “sentimental videos, photos, materials and documentation” of his children’s births and their first words and steps, as well as videos and photos of deceased family

15. 17 U.S.C. § 503(b); *see also infra* section I.C.

16. As specific examples, Patry noted that the drafters seemed unconcerned with whether the deprivation remedy would apply to “dual-use items, like photocopy machines” or “a piano that is used to perform an unlicensed song or all the instruments in a band playing at an unlicensed club.” PATRY, *supra* note 7, § 22:84; *see also* Marc Alexander, *Discretionary Power to Impound and Destroy Infringing Articles: An Historical Perspective*, 29 J. COPYRIGHT SOC’Y U.S.A. 479, 490 (1982) (observing that the legislative history “addressed, without resolving, the issue of whether means used to produce infringing items which were also capable of non-infringing uses could be impounded and destroyed”).

17. *Mahan v. Roc Nation, LLC*, 720 F. App’x 55 (2d Cir. 2018).

18. *Id.*

19. *See* Opinion and Order at *2, *Mahan v. Roc Nation, LLC*, No. 14 Civ. 5075(LGS), 2015 WL 1782095 (S.D.N.Y. Apr. 15, 2015), *aff’d*, 634 F. App’x 329 (2d Cir. 2016); *see also* Order Granting Motions to Dismiss at *2, *Mahan v. Perez*, No. 16-cv-02024-JST, 2016 WL 7048997 (N.D. Cal. Dec. 5, 2016) (noting that a lawyer representing Roc Nation met Mahan at Mahan’s storage unit, cataloged the contents, then called the Los Angeles Police Department (LAPD), which then seized the media contents from the unit). According to Mahan, Roc Nation’s attorney “placed his own name on the property receipt form issued by the LAPD, as if Roc Nation was the true rightful possessor of the chattel[s].” Complaint at 13, *Mahan v. Perez*, No. CV16-2024-JST, 2016 WL 7048997 (N.D. Cal. Apr. 18, 2016).

members.²⁰

In the appeal, the Second Circuit disregarded that the order permitted the permanent deprivation of personal property that might bear no relationship to the complained-of infringement. Instead, the court swiftly dismissed the challenge in a Summary Order.²¹ According to the court, the prevailing party “did not have to prove that copyright infringement had already occurred” with respect to the items because “[t]he statute permits the court to order the reasonable disposition of property ‘by means of which such copies or phonorecords *may* be reproduced.’”²²

This cursory assertion is both alarming and striking. Although the Second Circuit Rules provide that a Summary Order does not have precedential effect, the court’s decision to resolve the issue without additional inquiry or explanation itself reflects that the court was unbothered by this outcome or broad reading of the statutory language.²³ Moreover, it reached this conclusion in the absence of any well-reasoned opinion below.

Even more, the underlying events spanned both coasts, and a federal district court in California held (in a related action against different defendants) that the Ninth Circuit commanded a similar conclusion.²⁴ Mahan had again sought to challenge the confiscation and recover the property by filing the action in California against representatives of the record label and several Los Angeles police officers, all of whom Mahan alleged were responsible for the “illegal” confiscation of his property.²⁵ The district court observed that the case centered on “nearly identical” facts as the New York action, and it therefore dismissed the complaint on preclusion grounds.²⁶

In reaching this conclusion, though, the California district court observed that the New York federal courts had resolved the question of ownership of the property in favor of the record label, thereby precluding relitigation of Mahan’s allegation that the property had been “illegally confiscated.”²⁷ In reaching this conclusion, the court made clear that it referred not only to the disputed content that was the subject of the

20. Reply Brief of Petitioner-Appellant at 3, *Mahan v. Roc Nation, LLC*, 720 F. App’x 55 (2d Cir. 2018) (No. 16-2791), 2017 WL 1328523.

21. *Mahan*, 720 F. App’x at 57.

22. *Id.* (emphasis in original) (quoting 17 U.S.C. § 503(b)).

23. Moreover, the case remains available on legal electronic databases and can be cited consistent with the Federal Rules of Appellate Procedure. *See* FED. R. APP. P. 32.1.

24. Order Granting Motions to Dismiss, *supra* note 19, at *4–5.

25. Complaint, *supra* note 19, at 13.

26. Order Granting Motions to Dismiss, *supra* note 19, at *2, *4.

27. *Id.* at *3.

copyright infringement action—i.e., the music files—but also to the media equipment. Tellingly, the court noted that “the Ninth Circuit has interpreted [the relevant provision of the Copyright Act] to permit confiscation of ‘the whole of the paraphernalia’ even if the items ‘may be used for other purposes.’”²⁸

By allowing the deprivation of dual-use property under these circumstances, the Second and Ninth Circuits—and the lower courts governed by their authority—are forging a dangerous path for constitutionally defective deprivations in future copyright cases. Both the Second Circuit and Ninth Circuit have established themselves as highly influential authorities in the copyright sphere in ways that cannot be overstated. In the words of two commentators, the two circuits “are undeniably the most important jurisdictions in terms of sheer number of cases heard and the influence of their precedent.”²⁹ Their outsized prominence means that other courts, too, often look to Second Circuit and Ninth Circuit law as persuasive authority on issues of copyright law.³⁰

This Article therefore investigates whether this outcome is justified by the purposes or history of our copyright regime. It establishes at the outset that for more than a century, Congress has resisted entreaties to address these thorny issues through statutory changes. Congress has instead demonstrated its firm resolve to leave these issues to the courts.³¹ Part I shows how this outcome developed against the historical backdrop. Federal copyright law evolved from initially providing for destruction only of infringing copies to an expansive rule that provides for destruction of non-copyrighted equipment and apparatus that was used—or could be

28. *Id.* at *3 n.4 (quoting *Duchess Music Corp. v. Stern*, 458 F.2d 1305, 1309 (9th Cir. 1972)). For additional discussion of the Ninth Circuit ruling in *Duchess Music*, see *infra* text accompanying notes 75–77.

29. Mark Bartholomew & John Tehranian, *An Intersystemic View of Intellectual Property and Free Speech*, 81 GEO. WASH. L. REV. 1, 51 n.352 (2013) (citation omitted).

30. See, e.g., *Markham Concepts, Inc. v. Hasbro, Inc.*, 1 F.4th 74, 83 (1st Cir. 2021) (deciding copyright issue with direct reference to Second Circuit and Ninth Circuit case law); *TD Bank N.A. v. Hill*, 928 F.3d 259, 275 (3d Cir. 2019) (same); *Brammer v. Violent Hues Prods., LLC*, 922 F.3d 255, 263–64 (4th Cir. 2019) (same); *Digit. Drilling Data Sys., L.L.C. v. Petrolink Servs., Inc.*, 965 F.3d 365, 380 (5th Cir. 2020) (same); *Everly v. Everly*, 958 F.3d 442, 452 (6th Cir. 2020) (same); *Design Basics, LLC v. Signature Constr., Inc.*, 994 F.3d 879, 887 (7th Cir. 2021) (same); *Warner Bros. Ent. v. X One X Prods.*, 644 F.3d 584, 593 (8th Cir. 2011) (same); *Stan Lee Media, Inc. v. Walt Disney Co.*, 774 F.3d 1292, 1300 & n.4 (10th Cir. 2014) (same); *MidlevelU, Inc. v. ACI Info. Grp.*, 989 F.3d 1205, 1219 (11th Cir.), *cert. denied*, ___ U.S. ___, 141 S. Ct. 2863 (2021) (same); *IMAPizza, LLC v. At Pizza Ltd.*, 965 F.3d 871, 878–79 (D.C. Cir. 2020) (same); see also Mary LaFrance, *Authorship, Dominance, and the Captive Collaborator: Preserving the Rights of Joint Authors*, 50 EMORY L.J. 193, 194 (2001) (noting that because the Second, Seventh, and Ninth Circuits “hear the majority of copyright appeals, and thus are particularly influential in copyright law,” their articulation of a standard “makes it highly likely that other circuits will follow suit”).

31. See *infra* sections I.B–I.C.

used—to infringe.

Given congressional resistance to crafting a legislative fix, Part II exposes the grave risk that a deprivation order will violate the Due Process Clause or the Takings Clause. The analysis plots the application of the Fifth Amendment to permanent deprivations ordered in copyright actions. When courts order the deprivation remedy on top of the already extensive remedies in copyright actions, the risk grows that such deprivations are excessive and unreasonable and therefore violate the Due Process Clause, as measured by the standards set out in *BMW of North America, Inc. v. Gore*³² and its progeny. Moreover, the uncompensated deprivations can run afoul of the Takings Clause when they do not comport with appropriate safeguards.

Part III sets out a doctrinal framework to avoid Fifth Amendment violations by limiting deprivations to property (1) with a nexus (2) to a willful infringement. In addition, permanent deprivations of dual-use property should not occur except (3) where the subject property was used substantially or predominantly to commit the litigated infringement.

The analysis undergirding the first part of this framework rests on a comparison to the Copyright Act's civil forfeiture provisions, which were added in 2008.³³ Civil forfeiture provisions generally allow for forfeiture of property under conditions specified by statute, and in the copyright context, the provisions allow for forfeiture to the federal government of "[a]ny property used, or intended to be used, in any manner or part to commit or facilitate" *criminal* copyright infringement.³⁴ The expansive breadth of property forfeitable pursuant to civil forfeiture regimes—viewed through the prism of the legal constraints and public outrage that these regimes prompt—strongly suggests that it represents the outer bounds of property deprivations that can be ordered without violating the Fifth Amendment.³⁵ Resort to the Copyright Act's civil forfeiture provisions thus strongly indicates that actual nexus to infringement should be the *sine qua non* for permanent deprivations of dual-use property as a

32. 517 U.S. 559, 568 (1996).

33. Pub. L. No. 110-403, 122 Stat. 4256, 4262–63 (2008).

34. 18 U.S.C. § 2323(a)(1)(B); *see infra* text accompanying notes 161–222.

35. For discussion of the broad reach of civil forfeiture in copyright cases, *see*, for example, Annemarie Bridy, *Carpe Omnia: Civil Forfeiture in the War on Drugs and the War on Piracy*, 46 ARIZ. ST. L.J. 683, 686 (2014) [hereinafter Bridy, *Carpe Omnia*] (“Civil forfeiture differs in important ways from impoundment and destruction, which are copyright remedies that go back to the 1909 Act. . . . Unlike orders of impoundment and destruction, civil forfeiture of allegedly tainted property can occur even if a claim of infringement against the owner of the property is never brought.” (citations omitted)). As civil forfeiture regimes have exploded in recent decades, *see infra* section III.A, the Supreme Court has incrementally curtailed the practice, most recently in *Timbs v. Indiana*, 586 U.S. ___, 139 S. Ct. 682 (2019).

remedy in civil copyright actions. Moreover, the Copyright Act's civil forfeiture can only apply in cases of willful infringement, consistent with the general protection afforded to "innocent owners" in the civil forfeiture regime.³⁶ Evidence that the infringer reproduced or distributed a copyrighted work, by itself, is insufficient to establish willfulness.³⁷

Civil forfeiture provisions prove less helpful in resolving residual concerns over proportionality, partly due to the anomalous way by which they entered our jurisprudence via admiralty law.³⁸ Most investigations into the excessive character of civil forfeitures also get shoehorned into the Eighth Amendment's Excessive Fines Clause given their reliance on underlying criminal offenses.³⁹

Instead, a determination as to whether the deprivation remedy proves grossly disproportional in a given case, and therefore excessive, flows from the spout of the Fifth Amendment's Due Process Clause. Where the scrutinized sanction or remedy is not remedial but instead veers toward punishment or deterrence, a Due Process proportionality determination focuses on reprehensibility, the harm-penalty correlation, and the sanctions imposed for comparable misconduct in other cases.⁴⁰ Even after affording the necessary deference to Congress, the need for a proportionality showing stands clear. In addition to requiring showings of nexus and willfulness, a court cannot constitutionally order the permanent deprivation of property absent a showing that the subject property was significantly or predominantly used to commit the litigated infringement rather than for legitimate, lawful uses.

In addition, appellate courts should take special care to apply the correct *de novo* standard of review to deprivation orders.⁴¹ An abuse of discretion is inappropriate because it allows too much deference to the court ordering the deprivation, given the grave constitutional risks posed by this particular remedy. The *de novo* standard thus remains a critical safeguard in the proper application of the deprivation order.

36. 17 U.S.C. § 506(a)(1). For discussion of the "innocent owner" defense applicable to civil forfeiture, see, for example, *Bennis v. Michigan*, 516 U.S. 442, 451–53 (1996), and *Austin v. United States*, 509 U.S. 602, 619 (1993).

37. 17 U.S.C. § 506(a)(2).

38. For a brief discussion of this history, see *infra* note 227 and accompanying text.

39. *Timbs*, 586 U.S. ___, 139 S. Ct. 682; *United States v. Bajakajian*, 524 U.S. 321, 324 (1998); *Austin*, 509 U.S. 602; see also *Browning-Ferris Indus. of Vt., Inc. v. Kelco Disposal, Inc.*, 492 U.S. 257, 264 (1989).

40. *Cooper Indus., Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 435 (2001).

41. See *id.*; *infra* text accompanying notes 127–130.

I. SEIZURE AND DESTRUCTION OF DUAL-USE ITEMS:
FROM MAPS, CHARTS, AND BOOKS TO PIANO ROLLS TO
NONCHALANCE

Section 503 of the current Copyright Act provides for impoundment during a pending copyright action, and separately provides for destruction or other disposition following a determination of infringement:

As part of a final judgment or decree, the court may order the destruction or other reasonable disposition of all copies or phonorecords found to have been made or used in violation of the copyright owner's exclusive rights, and of all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced.⁴²

As with destruction, "other reasonable disposition" requires the defendant to "deliver up" or otherwise relinquish title and possession.⁴³ Such disposition thus is encompassed by the deprivation remedy, as used in this analysis, because it has the same practical effect of permanently depriving one of personal property. The Copyright Act also provides for an extensive variety of other remedies to redress violations of copyright and neighboring rights. Other available remedies under the Act include actual damages, statutory damages, disgorgement of profits, attorney's fees, costs, and preliminary and permanent injunctive relief.⁴⁴ The Act also provides for criminal liability for certain willful infringements.⁴⁵

As set out above, the deprivation remedy allows courts to order the ultimate "destruction or other reasonable disposition" of two categories of property: (1) the infringing copies themselves or copyrighted works used in committing copyright infringement (such as a lawfully acquired DVD that was unlawfully projected on a large screen),⁴⁶ and (2) non-

42. 17 U.S.C. § 503(b). The impoundment provision applies to the same two categories of property, prior to a determination of infringement, and the items are taken into the custody of the court. *Id.* § 503(a). Seizure and impoundment are now governed by the procedural safeguards set out in Rule 65 of the Federal Rules of Civil Procedure. FED. R. CIV. P. 65(f); *see also infra* note 77.

43. *See infra* text accompanying notes 60–62.

44. 17 U.S.C. §§ 502–505.

45. *Id.* § 506.

46. The 1976 Copyright Act added the language "or used" to the provision in the early copyright revision bills introduced in 1964, "thereby sweeping in copies lawfully made but unlawfully used." PATRY, *supra* note 7, § 22:84. The purpose was to prevent "bicycling" by movie houses, which lawfully acquired a copy but then sometimes circulated and forwarded them to other establishments for unauthorized exhibition, which constituted infringement. The term "bicycling" comes originally from "the idea of a messenger speeding on a bicycle from one to the other houses of the same exhibitor." Brief for the Appellant at 27, *Paramount Famous Lasky Corp. v. United States*, 282 U.S. 30 (1930) (No. 83), 1930 WL 30225. The practice was estimated to cost film distributors as much as

copyrighted items that an infringer can use to produce infringing copies or otherwise to commit infringement. The destruction or other disposition of property in the first category does not result in a Takings Clause violation, for the reasons already briefly noted.⁴⁷

This discussion instead focuses on the development of our federal copyright laws to apply to dual-use items that fall into the second category. The historical analysis establishes that the deprivation remedy retains roots in early copyright law that already existed at the adoption of the Fifth Amendment's Takings Clause. It also suggests, however, that the current iteration of the remedy evolved through an opaque process in which concerns of overbreadth were voiced, acknowledged, and ultimately left unresolved.

A. *The 1790 Copyright Act and 1870 Revisions: Limiting Destruction to Infringing Copies and Expanding to Equipment*

Congress enacted our nation's first copyright legislation in 1790,⁴⁸ a year before it adopted the Constitutional Bill of Rights that contains the Fifth Amendment's settled-on language prohibiting uncompensated takings.⁴⁹ The 1790 Copyright Act⁵⁰ protected a much less extensive body of material compared to contemporary copyright law because its reach was limited to maps, charts, and books.⁵¹ A party committed infringement if it printed, reprinted, published, imported, sold, exposed to sale, or otherwise facilitated the previous actions, without written consent.⁵² The first copyright law enumerated a mandatory penalty for infringement that called for the forfeiture and destruction of infringing articles by requiring an offender to "forfeit all and every copy and copies of such map, chart, book or books, and all and every sheet and sheets, being part of the same, or either of them, to the author or proprietor of such map, chart, book or

\$10,000,000 a year by the unauthorized exhibition of their pictures, *id.* at 28, an equivalent to almost \$150,000,000 today.

47. See *supra* text accompanying notes 9–13.

48. Copyright Act of 1790, Pub. L. No. 1-15, 1 Stat. 124. The Act established the law pursuant to its authority under Article 1 of the Constitution, which granted Congress the power "[t]o promote the [p]rogress of [s]cience and useful [a]rts, by securing for limited [t]imes to [a]uthors and [i]nventors the exclusive [r]ight to their respective [w]ritings and [d]iscoveries." U.S. CONST. art. 1, § 8.

49. U.S. CONST. amend. V.

50. Pub. L. No. 1-15, 1 Stat. 124.

51. Lexicographer Noah Webster had produced an early draft, printed in 1789, that would have limited copyright protection to books, but would have extended the protections to booksellers and printers, not just authors. His original bill "was apparently destroyed when the British burned the Capitol building" during the War of 1812, though copies survive. 1 WILLIAM F. PATRY, COPYRIGHT LAW AND PRACTICE 28 n.81 (1994).

52. Copyright Act of 1790 § 2.

books, who shall forthwith destroy the same.”⁵³

From an originalist perspective, the 1790 Act therefore does not foreclose Fifth Amendment scrutiny of the contemporary deprivation remedy as applied to a vastly wider body of material and as sometimes carried out today by government officials. Still, the statute authorized a deprivation of direct copies from an infringing party in a copyright infringement suit, apparently without controversy.

Less than a century later, though, this early precedent for destruction had started to develop in directions that signaled a possible tension with the Takings Clause. Part of the impetus for the current deprivation provisions developed from perceived shortcomings in the pre-1909 copyright regime, which strictly limited destruction and monetary penalties, for example, to infringing copies in the infringer's possession.⁵⁴ Another difficulty was that the regime called for the infringer to turn over goods to the copyright holder, but to do so under the antiquated doctrine of replevin, which is based on restoring to an owner that which is his.⁵⁵ Doctrinal confusion therefore hampered forfeiture efforts because “an action for replevin by the true owner of the copyright would allow [them] to recover ink, paper, and labor that were not [theirs] originally.”⁵⁶

The 1870 revision exacerbated this difficulty. For the first time, federal copyright law provided for an infringer to forfeit—and thus to be deprived of—items other than the infringing articles themselves. The revisions provided that an infringer “shall forfeit to the proprietor *all the plates on*

53. *Id.*

54. *Backus v. Gould*, 48 U.S. 798, 811–12 (1849) (finding error in award below that was based on infringing articles that defendant “had published or procured to be published,” rather than the number in his possession, as provided in revised statutes); *see also* Alexander, *supra* note 16, at 482–83. Limiting monetary relief to copies in the infringer's possession had the paradoxical result of rewarding the infringer: the more infringing copies he successfully sold out of his possession, the fewer he retained on hand from which damages could be calculated in favor of the copyright holder. RICHARD ROGERS BOWKER, *COPYRIGHT: ITS HISTORY AND ITS LAW* 265 (1912).

55. *See Falk v. Curtis Pub. Co.*, 102 F. 967, 970 (C.C.E.D. Pa. 1900), *aff'd*, 107 F. 126 (3d Cir. 1901) (stating that it seemed clear “that the action of replevin, as it is now known to the profession, cannot be used for either purpose or for both [contemplated by copyright laws] without laying violent hands upon it”); *Rinehart v. Smith*, 121 F. 148, 148 (C.C.E.D. Pa. 1903) (stating that the court did not think “that the common-law action of replevin” was an appropriate remedy to enforce forfeiture under copyright laws, and that the subject “should be dealt with by Congress, so that an adequate and uniform remedy might be provided”); *Thornton v. Schreiber*, 124 U.S. 612 (1888) (holding that where infringing goods were found with a third party, the copyright holder could maintain an action for replevin against the third party, but monetary recovery could not be based on those items because they were not in infringer's possession).

56. Alexander, *supra* note 16, at 483 & n.30 (quoting *Colburn v. Simms*, [1843] 2 Hare 543, 554 (UK), for the proposition that the doctrine thus distorted longstanding common law principles by resorting to the legal fiction that “if [an individual] voluntarily mixes [their] property with that of another, so that the two become inseparable, the entirety is held to belong to [the individual] whose property has been invaded”).

*which the same shall be copied, and every sheet thereof, either copied or printed.*⁵⁷

The case law from this period supports the supposition that drafters included the forfeiture of plates partly to cure the frustration that damages and forfeiture of infringing articles were limited to those in the infringer's possession.⁵⁸ The restriction to plates also proves instructive to the larger analysis because the nature of printing plates at that time, with their engraved facsimile or impression of the copyrighted work itself, rendered them akin to infringing articles. The seized plates were directly implicated in the making of the infringing products and were not capable of non-infringing uses.

B. The 1909 Copyright Act: Expanding Destruction to Dual-Use Property

The 1909 Copyright Act⁵⁹ further resolved some of the doctrinal difficulty by providing that an infringer shall “deliver up” to the government, and the government—not the copyright holder—could destroy the infringing works.⁶⁰ This provision followed a corollary provision that already called for the alleged infringer to “deliver up” “all articles alleged to infringe a copyright” for impoundment while the action was pending.⁶¹ This change obviated some of the messy issues associated with replevin, but it also put the seizure and destruction more firmly in the government's hands.⁶²

The 1909 Act also introduced the concept of destroying not just plates, but dual-use items capable of infringing and non-infringing uses.⁶³ It

57. 2 THE FEDERAL STATUTES ANNOTATED 268 (William M. McKinney & Charles C. Moore eds., 1903) (emphasis added) (reproducing, in a footnote, the relevant provision from the Act of July 8, 1870, ch. 230, 16 Stat. 214); *see also* *Werckmeister v. Am. Tobacco Co.*, 207 U.S. 375, 379–80 (1907) (considering the same language in the 1895 revisions from the Act of Mar. 2, 1895, ch. 194, 28 Stat. 965). By the 1895 revision, copyright protection also had been extended to any “map, chart, dramatic, or musical composition, print, cut, engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts.” *Id.*

58. *See, e.g., Werckmeister*, 207 U.S. at 381 (1907) (noting that pre-1909 copyright law did not allow for monetary recovery for infringing articles except for those found in defendant's possession); *Bolles v. Outing*, 175 U.S. 262, 268 (1899) (same); *Backus*, 48 U.S. 798, 804 (1849) (same); *see also Thornton*, 124 U.S. 612, 617–21 (1888) (holding that per-copy penalty should not be imposed against defendant for infringing copies held in his possession, where he held them on behalf of another).

59. Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075.

60. *Id.* § 25(d), 35 Stat. at 1081.

61. *Id.* § 25(c), 35 Stat. at 1081.

62. *See* 29 S. Ct. xlvi (1909) (calling for a federal marshal to “forthwith seize” the relevant articles, “using such force as may be reasonably necessary in the premises”).

63. Copyright Act of 1909 § 25(d), 35 Stat. at 1081.

specifically provided for destroying the equipment and apparatus—which, if not concerning to the drafters of the later 1976 Copyright Act, certainly occasioned debate during the drafting of the 1909 Copyright Act thanks to a then-raging dispute over player piano rolls, the perforated rolls of paper punctuated with holes that could produce the melodies of musical compositions when played on player pianos.⁶⁴ By then, copyright had evolved to extend protection to an “author, inventor, designer, or proprietor of any book, map, chart, dramatic or musical composition.”⁶⁵

The 1909 Act was responding, in part, to the Supreme Court’s decision one year earlier on the urgent question of whether player piano rolls constituted unauthorized copies (infringing) or mere mechanical devices (not infringing).⁶⁶ In *White-Smith Music Publishing Co. v. Apollo Co.*,⁶⁷ the Court commented that the issue was “one of very considerable importance” and “argued with force and ability,” then relied on, among other things, an eye-ear distinction to rule that piano rolls did not infringe on the copyrights in musical compositions.⁶⁸ The eye could read the sheet music of compositions; piano rolls instead relied on a “mechanical device[]” to produce a product recognizable to the ear, and their punctuated perforations meant nothing to the eye.⁶⁹ The Court held that responsibility for fixing this understandably unsatisfactory result resided with the legislature, not the judiciary (partly because the drafters of recent copyright laws appeared unconcerned about mechanical music boxes that preexisted the piano rolls).⁷⁰ Justice Holmes wrote separately to concur on this point, stating, “[o]n principle anything that mechanically reproduces that collocation of sounds ought to be held a copy, or, if the statute is too narrow, ought to be made so by a further act, except so far as some extraneous consideration of policy may oppose.”⁷¹

64. Alexander, *supra* note 16, at 486–87.

65. Act of July 8, 1870, ch. 230, § 86, 16 Stat. 198, *construed in White-Smith Music Publ’g Co. v. Apollo Co.*, 209 U.S. 1, 9 (1908).

66. The British Parliament had already passed its own law, in 1906, putting itself in the latter camp by including statutory language that “the expressions ‘pirated copies’ and ‘plates’ shall not, for the purposes of this Act, be deemed to include perforated music rolls used for playing mechanical instruments.” Musical Copyright Act 1906, 6 Edw. 7 c. 36 (UK).

67. 209 U.S. 1 (1908).

68. *Id.* at 12–14.

69. *Id.*

70. *Id.* at 14–15. The Court noted that although the United States was not a party at the time to the Berne Convention, the drafters of the existing copyright statutes would have been aware that the Berne Convention of 1886 expressly provided that the “manufacture and sale of instruments serving to reproduce mechanically the airs of music borrowed from the private domain” did not constitute infringement. *Id.*

71. *Id.* at 20; *see also* Daniel Fisher, *SOPA, Meet the Player Piano Copyright Threat*, FORBES (Jan.

The 1909 Act therefore reflected Congress's quick response to the Court's suggestion for legislation. The 1909 Act's "seemingly broad language" that provided for destruction of infringing *devices*, and not just infringing *articles*, "was aimed directly at piano roll producers."⁷² It required an infringer "[t]o deliver up on oath for destruction all the infringing copies or devices, as well as all plates, molds, matrices, or other means for making such infringing copies as the court may order."⁷³

Based on the legislative history and the timing following the Supreme Court's pronouncement, legislators certainly were aware of the argument that the new language could cover dual-use items, such as reusable tools or a printing press. What Congress actually intended as to the scope of the destruction clause, however, remains unclear. According to one commentator, the public statements and statutory text "evinced an understanding that courts had limited power to destroy items capable of non-infringing uses" and, moreover, that "[a]lthough the drafters failed to articulate a First Amendment limitation or a principle of proportionality, it seems clear that they did not intend to give the courts carte blanche."⁷⁴

Yet the Ninth Circuit has declared quite the opposite, opining that "[w]hile the Joint Committee reporting the proposed Act did not elaborate" on the remedies of seizure and destruction, the outcome was clear because the issue was often discussed in legislative hearings:

Congressmen, supporters, and opponents of the copyright bill agreed that the impoundment and destruction provisions were sweeping in their scope, and encompassed machines and items which could be used for other, allegedly innocent purposes. During the June, 1906 hearings, opponents of the bill foresaw the spectre of the destruction of equipment, machines, and entire plants. Proponents of the bill envisioned the same.⁷⁵

In the end, Congress seemed content to leave it to courts to exercise reasonable discretion to "decide and order just what should be destroyed and what not."⁷⁶ This interpretation is perhaps best evidenced by the

18, 2012, 9:06 AM), <https://www.forbes.com/sites/danielfisher/2012/01/18/sopa-meet-the-player-piano-copyright-threat/?sh=6f35330114d8> [<https://perma.cc/XY5V-56YS>] (discussing the player piano copyright dispute and noting that in the wake of *White-Smith Publishing*, the 1909 Copyright Act included a two-cent per roll tax, which had risen to 6.95 cents by 1996).

72. Alexander, *supra* note 16, at 487.

73. Copyright Act of 1909, Pub. L. No. 60-349, § 25(d), 35 Stat. 1075, 1081.

74. Alexander, *supra* note 16, at 488.

75. *Duchess Music Corp. v. Stern*, 458 F.2d 1305, 1308–09 (9th Cir. 1972) (citing *Hearings on S. 6330 and H.R. 19853 Before the S. and H. Comms. on Pats.*, 59th Cong., 124, 146, 177–78, 200 (1906) (citation omitted)).

76. Alexander, *supra* note 16, at 487 (citing 5 LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT J180 (E. Fulton Brylawski & Abe Goldman eds., 1976)).

concluding phrase, “as the court may order,” because the phrase softens and blunts what would otherwise be a mandatory obligation to “deliver up” the infringing articles, devices, and other enumerated items.⁷⁷

C. *The 1976 Copyright Act: Adding “Other Disposition” to the Deprivation Remedy and Expanding Again to Dual-Use Property that “May Be” Used to Infringe*

This deference to the discretion of judges prevailed in the negotiations leading to the 1976 Copyright Act, in which the deprivation remedy was expanded but also elicited a sort of shrugging nonchalance. Under the heading of “Impounding and Disposition of Infringing Articles,” the 1976 Copyright Act expanded the prior deprivation remedy beyond “infringing articles” and the equipment or other means by which the infringing party carried out infringement, by adding “other articles by means of which such copies or phonorecords *may be* reproduced.”⁷⁸ It also made the destruction provision more flexible by allowing the court to order “destruction *or other reasonable disposition.*”⁷⁹ Thus a court could order the infringing articles “sold, delivered to the plaintiff, or disposed of in some other way that would avoid needless waste and best serve the ends

77. From the 1909 Copyright Act until the 1976 Copyright Act, courts exhibited confusion as to whether destruction was discretionary or mandatory. The difficulty resided in an inconsistency between the statutory language in the 1909 Act and the language in the Supreme Court’s rules and recommendations for the implementation of the act. While the 1909 Act provided for destruction “as the court may order,” the Supreme Court Rules stated that destruction was mandatory once infringement was found. 29 S. Ct. xlviiii (1909).

The statutory text might have prevailed except that a leading case, *Duchess Music Corp. v. Stern*, declared that both texts made seizure mandatory in an impending case and made destruction mandatory upon a finding of infringement. 458 F.2d at 1308. The appellate court therefore ordered continued impoundment of seized material, which included:

25,000 complete tape recordings and master recordings, which serve to reproduce mechanically appellants’ copyrighted musical compositions; blank tapes and cartridges designed for use in the manufacture of tape recordings; printed labels; machinery used to transfer the sounds onto blank tapes; packaging and promotional materials; and other equipment and machinery utilized in the manufacturing process.

Id. at 1307. This incompatibility in the Supreme Court Rules remained a source of contention until the rules were formally repealed in 2001. See PATRY, *supra* note 7, § 22:84 (stating that the status of Supreme Court Rules remained unclear until their repeal in 2001, when Rule 65 of the Federal Rules of Civil Procedure was also amended to specifically apply to copyright impoundment proceedings); *Religious Tech. Ctr. v. Netcom On-Line Comm. Servs.*, 923 F. Supp. 1231, 1261 (N.D. Cal. 1995) (case citing numerous authorities for the proposition that “[a]lthough neither the Supreme Court nor the 1976 Act explicitly repealed the Copyright Rules, courts and commentators have questioned the Rules’ continuing validity, both as a matter of statutory construction and constitutional law” (citation omitted)).

78. 17 U.S.C. § 503(b) (emphasis added).

79. *Id.* (emphasis added).

of justice.”⁸⁰ This change was immaterial because destruction and disposition both result in a permanent deprivation of personal property for the affected party.

The boldest change to the deprivation remedy in the 1976 Copyright Act, though, was the expansion to any item having the mere *capacity* to reproduce an infringing copy, even if it never was used for such a purpose.⁸¹ The 1909 Copyright Act had provided for the destruction of dual-use items for “making such infringing copies,” and this language was preserved in the 1963 bill proposed by the Copyright Office.⁸² Yet the new language adding articles with the capacity to produce an infringing article was introduced after that and survived into enacted law.

When concerns were raised about whether Congress “seriously intended” to provide for destruction of “the pressing plant, or the microfilm hardware equipment which produced or can produce the infringing microfilm,” the Register of Copyrights responded that “you could depend on the courts not to do something ridiculous if you give them discretion.”⁸³ Congress’s approach therefore reflects its refusal to resolve this thorny issue and instead delegate it to the courts without sufficient guidance to mitigate the risks of unconstitutional deprivations. As discussed below, the courts have not adopted a consistent approach, developed an appropriate test, or even always adopted the correct standard for appellate review of decisions ordering the deprivation of dual-use property.

II. PERMANENT DEPRIVATIONS OF PERSONAL PROPERTY AND THE FIFTH AMENDMENT

Government action that results in a permanent deprivation of tangible

80. *Id.*; H.R. REP. NO. 94-1476, at 160 (1976). According to Patry, the Copyright Office offered another motivation for the change to include “or other disposition”:

In some cases where valuable copies are recovered (as in the case of motion picture prints), it seems rather anomalous to require destruction of copies which were not infringing when made, but which have infringed only through unauthorized performances. This would permit the court in such instances to return to the copyright claimant the copies of the impounded films.

PATRY, *supra* note 7, § 22:84 (quoting STAFF OF H. COMM. ON THE JUDICIARY, 88TH CONG., COPYRIGHT LAW REVISION PART 4: FURTHER DISCUSSIONS AND COMMENTS ON PRELIMINARY DRAFT FOR REVISED U.S. COPYRIGHT LAW 118 (Comm. Print 1964)).

81. 17 U.S.C. § 503(b).

82. Copyright Act of 1909, Pub. L. No. 60-349, § 25(d), 35 Stat. 1075, 1081; PATRY, *supra* note 7, § 22:84 (quoting STAFF OF H. COMM. ON THE JUDICIARY, 88TH CONG., COPYRIGHT LAW REVISION PART 3: PRELIMINARY DRAFT FOR REVISED U.S. COPYRIGHT LAW AND DISCUSSIONS AND COMMENTS ON THE DRAFT 29 (Comm. Print 1964)).

83. Alexander, *supra* note 16, at 491 (citing STAFF OF H. COMM. ON THE JUDICIARY, 88TH CONG., COPYRIGHT LAW REVISION PART 4: FURTHER DISCUSSIONS AND COMMENTS ON PRELIMINARY DRAFT FOR REVISED U.S. COPYRIGHT LAW 132–33 (Comm. Print 1964)).

personal property can trigger dual inquiries for purposes of determining a violation of the Fifth Amendment. After all, the Fifth Amendment contains a property-protecting two-step in its back-to-back Due Process Clause and Takings Clause: “No person shall be . . . deprived of life, liberty, or property, without due process of law,” immediately followed by “nor shall private property be taken for public use, without just compensation.”⁸⁴

The Supreme Court’s cumulative interpretations of the Fifth Amendment’s Due Process Clause show that while the deprivation remedy sidesteps procedural due process concerns (thanks to bolstered procedural protections implemented since passage of the 1976 Copyright Act), due process concerns based on arbitrariness still abound. Moreover, uncompensated deprivations of dual use property also can raise concerns of unconstitutional takings.

A. *Due Process and Personal Property Deprivation*

In establishing whether both procedural due process and substantive due process are met for purposes of the Fifth Amendment’s Due Process Clause,⁸⁵ the court process inherent in the copyright litigation itself resolves procedural due process concerns. Nonetheless, the permanent deprivation of dual-use property can prove “arbitrary or grossly excessive” in some circumstances, violating substantive due process.⁸⁶

Procedural due process, as established through numerous Court decisions, refers to “the general rule that individuals must receive notice and an opportunity to be heard before the Government deprives them of property.”⁸⁷ The Copyright Act’s provision for destruction makes no direct reference to procedural safeguards, but an order for destruction or other disposition requires a finding of infringement.⁸⁸ As a practical

84. U.S. CONST. amend. V. The two doctrines that have developed from these clauses bear little resemblance to one another. Early in its consideration of property deprivations, the Court rejected the suggestion that “the deprivation of property without due process of law is the same thing as the taking of private property for public use without just compensation, or that the former includes the latter.” *Mugler v. Kansas*, 123 U.S. 623, 8 S. Ct. 273, 277 (1887).

85. *United States v. Salerno*, 481 U.S. 739, 746 (1987).

86. *See infra* text accompanying notes 96–101.

87. *United States v. James Daniel Good Real Prop.*, 510 U.S. 43, 48 (1993); *Fuentes v. Shevin*, 407 U.S. 67, 82 (1972); *Sniadach v. Fam. Fin. Corp. of Bay View*, 395 U.S. 337, 342 (1969) (Harlan, J., concurring); *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 313 (1950).

88. *See Mahan v. Roc Nation, LLC*, 720 F. App’x 55, 57 (2d Cir. 2018) (stating that district court did not violate due process in ordering turn-over of infringing articles and dual-use items because the party “received notice and had an opportunity to be heard prior to the issuance of the § 503(b) order”); PATRY, *supra* note 7, § 22:84 (“Destruction of infringing goods or the devices used to commit infringement is rarely controversial since destruction comes only after a trial on the merits.”).

matter, the deprivation therefore occurs in the context of a determination on remedies where the infringing party has an opportunity to be heard in a judicial proceeding. It is probably no accident that some cases in which orders calling for broad, non-specific destruction of an infringer's property involved defaulting defendants,⁸⁹ though at least one court has declined to impose such "extreme relief" against a defaulting defendant.⁹⁰ Even the corollary provisions governing seizure and impoundment have been shored up to withstand a procedural due process challenge.⁹¹

The substantive due process doctrine proves another matter. Generally speaking, the Court has held that "[s]o-called 'substantive due process'" protects individuals against two types of government action: it "prevents the government from engaging in conduct that 'shocks the conscience,' or interferes with rights 'implicit in the concept of ordered liberty.'"⁹² Property deprivations generally have not fared well under this formulation.⁹³ Although extensive jurisprudence exists discussing property deprivations in the context of the Takings Clause, one commentator has observed that "plaintiffs who wish to assert that the deprivation of a particular property interest violates substantive due process have had difficulty getting the contemporary Supreme Court's

89. See, e.g., *Graduate Mgmt. Admission Council v. Raju*, 267 F. Supp. 2d 505, 511–12 (E.D. Va. 2003) (ordering destruction of dual-use items against defaulting defendant in action alleging infringement of higher education secured testing materials).

90. *Evony, LLC v. Feng Inv., Ltd.*, No. CV 11-00141-SBA, 2014 WL 12658954, at *10 (N.D. Cal. May 21, 2014).

91. The previous Supreme Court rules enacted for the 1909 Copyright Act were repealed in 2001, and Rule 65 of the Federal Rules of Civil Procedure was amended at the same time to apply specifically to copyright impoundment proceedings. The Committee Notes regarding the 2001 amendment state:

New subdivision (f) is added in conjunction with abrogation of the antiquated Copyright Rules of Practice adopted for proceedings under the 1909 Copyright Act. Courts have naturally turned to Rule 65 in response to the apparent inconsistency of the former Copyright Rules with the discretionary impoundment procedure adopted in 1976, 17 U.S.C. §503(a). Rule 65 procedures also have assuaged well-founded doubts whether the Copyright Rules satisfy more contemporary requirements of due process.

FED. R. CIV. P. 65 advisory committee's note to 2001 amendment.

92. *United States v. Salerno*, 481 U.S. 739, 746 (1987) (internal citation omitted) (first quoting *Rochin v. California*, 342 U.S. 165, 172 (1952); then quoting *Palko v. Connecticut*, 302 U.S. 319, 325–26 (1937)).

The substantive due process doctrine remains controversial. Justice Thomas recently complained that "the oxymoronic 'substantive' 'due process' doctrine has no basis in the Constitution," and thus "it is unsurprising that the Court has been unable to adhere to any 'guiding principle to distinguish 'fundamental' rights that warrant protection from nonfundamental rights that do not.'" *Timbs v. Indiana*, 586 U.S. ___, 139 S. Ct. 682, 692 (2019) (Thomas, J., concurring) (quoting *McDonald v. Chicago*, 561 U.S. 742, 811 (2010) (Thomas, J., concurring)).

93. See generally Ronald J. Krotoszynski, Jr., *Fundamental Property Rights*, 85 GEO. L.J. 555 (1997).

attention.”⁹⁴ Instead, the Court’s jurisprudence on substantive due process “reflects an almost exclusive focus on fundamental liberty rights and has largely ignored the existence of fundamental property interests.”⁹⁵

Nonetheless, the Court has made clear that the Due Process Clause “of its own force” prohibits arbitrary and “grossly excessive” punishments in civil cases, including in cases involving deprivations of property.⁹⁶ The Court has admonished lower courts from entering such awards by setting up “three guideposts” that an award should clear to avoid a constitutional violation.⁹⁷ In addition, it has recognized additional safeguards to protect awards from the “zone of arbitrariness.”⁹⁸

1. *The Three Guideposts that Rein in “Grossly Excessive” Awards*

In *BMW of North America, Inc. v. Gore*,⁹⁹ the Court observed that exemplary damages that are awarded beyond compensatory relief can serve “legitimate interests in punishment and deterrence.”¹⁰⁰ Damage awards that are “grossly excessive” in relation to these interests, however, “enter the zone of arbitrariness that violates the Due Process Clause of the Fourteenth Amendment.”¹⁰¹ The Court erected “three guideposts” to

94. *Id.* at 560.

95. *Id.* at 560–61. This dichotomy remains true because the substantive due process doctrine aims pretty exhaustively at providing substantive protections for certain fundamental rights and liberties, and a right to property is not recognized among them. *See* Krotoszynski, Jr., *supra* note 93, at 560–61 (“The Court’s substantive due process jurisprudence reflects an almost exclusive focus on fundamental liberty rights and has largely ignored the existence of fundamental property interests.”); *see also* *Munn v. Illinois*, 94 U.S. 113, 141 (1876) (Field, J., dissenting) (arguing that the Due Process Clause of the Fifth Amendment “places property under the same protection as life and liberty”); Rashmi Dyal-Chand, “*A Poor Relation?*” *Reflections on a Panel Discussion Comparing Property Rights to Other Rights Enumerated in the Bill of Rights*, 16 WM. & MARY BILL RTS. J. 849, 861 (2008) (“[P]erhaps it is not at all wrong for property rights to serve as the ‘poor relation’ precisely so that they may fulfill their role as the ‘guardian of every other right.’”).

96. *Cooper Indus., Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 434 (2001) (citing *United States v. Bajakajian*, 524 U.S. 321, 324 (1998)); *BMW of N. Am., Inc. v. Gore (BMW v. Gore)*, 517 U.S. 559, 585–86 (1996); *see also* *Sw. Tel. & Tel. Co. v. Danaher*, 238 U.S. 482, 489, 491 (1915) (stating that the question was “whether the application made of the statute in this instance [in providing for penalty] was so arbitrary as to contravene the fundamental principles of justice which the constitutional guaranty of due process of law is intended to preserve” and holding that the award was “so plainly arbitrary and oppressive as to be nothing short of a taking of its property without due process of law”).

97. *See infra* section II.A.1.

98. *BMW v. Gore*, 517 U.S. at 568; *see infra* section II.A.2.

99. 517 U.S. 559 (1996).

100. *Id.* at 568.

101. *Id.* The majority in *BMW v. Gore* did not expressly state either way whether the prohibition on grossly excessive awards stemmed from substantive or procedural due process. Justice Scalia in his dissent, however, stated that the majority’s “identification of a ‘substantive due process’ right

measure whether an award or penalty rises to a level of unconstitutional arbitrariness: (1) the degree of reprehensibility; (2) the disparity between the harm or potential harm suffered and the award or penalty; and (3) the difference between “this remedy and the civil penalties authorized or imposed in comparable cases.”¹⁰² This test supplants the rational basis and strict scrutiny tests that ordinarily apply to substantive due process inquiries.¹⁰³

On the specific facts of *BMW v. Gore*, the Court ruled that a \$2,000,000 punitive damage award against the American distributor of BMW vehicles amounted to a “grossly excessive award” that “transcends the constitutional limit” where the compensatory damages for the plaintiff’s claim based on an undisclosed repainting of a new BMW vehicle, prior to its sale to the plaintiff, totaled only \$4,000.¹⁰⁴ The Court emphasized that the defendant’s conduct was not “sufficiently egregious to justify a punitive sanction that is tantamount to a severe criminal penalty.”¹⁰⁵

In his concurrence in *BMW v. Gore*, Justice Breyer (joined by Justices O’Connor and Souter) made clear that compliance with procedural safeguards did not always suffice to extinguish due process concerns.¹⁰⁶ He wrote that despite a prevailing sentiment that if “fair procedures were followed, a judgment that is a product of that process is entitled to a strong presumption of validity,”¹⁰⁷ the presumption would not hold where the procedural safeguards offered “no significant constraints or protection

against a ‘grossly excessive’ award” was one of “[t]he most significant aspects of today’s decision.” *Id.* at 599 (Scalia, J., dissenting).

102. *Id.* at 574–75.

103. *TXO Prod. Corp. v. All. Res. Corp.*, 509 U.S. 443, 456 (1993) (“The parties’ desire to formulate a ‘test’ for determining whether a particular punitive award is ‘grossly excessive’ is understandable. Nonetheless, we find neither formulation [of the rational basis or strict scrutiny tests] satisfactory.”).

104. *BMW v. Gore*, 517 U.S. at 559, 585–86.

105. *Id.* at 585. The Alabama Supreme Court had allowed a punitive damage of \$2,000,000, which it reduced from the original \$4,000,000 punitive damage award provided by the jury and entered by the trial court. *Id.* at 559. The punitive damage award was based on the car distributor’s policy of not disclosing to consumers that a new vehicle was repainted prior to first sale, which it allowed to correct paint damage during manufacture or transportation (here, the parties presumed the prior damage occurred from acid rain during its overseas transportation). *Id.* at 563 n.1, 564. The award was based on the calculated benefit to the distributor based on this undisclosed policy. *Id.* at 564.

In holding that the punitive damage award was “grossly excessive,” the Court noted that the maximum civil penalty for violation of the state deceptive practices statute was \$2,000 and that the record disclosed “no deliberate false statements, acts of affirmative misconduct, or concealment of evidence of improper motive,” unlike the deliberate misconduct in other cases where a large punitive damage might be warranted. *Id.* at 579–85.

106. *Id.* at 586–88 (Breyer, J., concurring).

107. *Id.* at 586–87 (quoting *TXO Prod. Corp.*, 509 U.S. at 457).

against arbitrary results.”¹⁰⁸ Justice Breyer emphasized that the “constitutional concern, itself harkening back to the Magna Carta, arises out of the basic unfairness of depriving citizens of life, liberty, or property, through the application, not of law and legal processes, but of arbitrary coercion.”¹⁰⁹

The Court revisited the issue in *State Farm Casualty Insurance Co. v. Campbell*,¹¹⁰ where it emphasized that an award that amounted to “grossly excessive *or* arbitrary punishment” violated this standard.¹¹¹ It provided the following admonishment:

The Due Process Clause of the Fourteenth Amendment prohibits the imposition of grossly excessive or arbitrary punishments on a tortfeasor. The reason is that “[e]lementary notions of fairness enshrined in our constitutional jurisprudence dictate that a person receive fair notice not only of the conduct that will subject him to punishment, but also of the severity of the penalty that a State may impose.” To the extent an award is grossly excessive, it furthers no legitimate purpose and constitutes an arbitrary deprivation of property.¹¹²

In *BMW v. Gore* and its progeny, including *Campbell*, the Court examined punitive damages awards, which—like the deprivation remedy available for civil copyright infringement—are awarded on top of compensatory relief. Like the deprivations accomplished pursuant to the deprivation remedy, punitive damages also are not per se unconstitutional.¹¹³ As already noted, punitive damages are constitutionally permissible, for example, “to further a State’s legitimate interests in punishing unlawful conduct and deterring its repetition.”¹¹⁴ The permanent deprivation of dual-use property thus can similarly violate the “three guideposts” first set out in *BMW v. Gore*, as discussed in more detail below.¹¹⁵

2. *Additional Safeguards Against Arbitrariness*

In a series of cases, the Court has also made clear that additional safeguards perform as a check on excessive awards. None of these

108. *Id.* at 588.

109. *Id.* at 587.

110. 538 U.S. 408 (2003).

111. *Id.* at 416 (emphasis added).

112. *Id.* at 416–17 (internal citations omitted) (quoting *BMW v. Gore*, 517 U.S. at 574).

113. *Pac. Mut. Life Ins. Co. v. Haslip*, 499 U.S. 1, 17–18 (1991).

114. *BMW v. Gore*, 517 U.S. at 568.

115. *See infra* section IV.A.

additional safeguards exist in the context of the deprivation remedy in the Copyright Act.

First, the Court considers whether prescribed processes or rules are in place to operate as a “sufficiently definite and meaningful constraint” on unreasonable awards, bringing the thrust of Justice Breyer’s concurrence in *BMW v. Gore* to the fore.¹¹⁶ Such standards should apply not only to constrain unlimited jury discretion, but also to constrain “unlimited judicial discretion for that matter”—as in the case of the unfettered discretion of judges to order deprivations pursuant to the deprivation remedy—to avoid “extreme results that jar one’s constitutional sensibilities.”¹¹⁷ In *Pacific Mutual Life Insurance Co. v. Haslip*,¹¹⁸ the Court held that several standards operated as a check on a jury-determined punitive damages award, including specific jury instructions that outlined the permissible considerations.¹¹⁹ In other cases, statutory limits or standards can operate as such a safeguard.¹²⁰

Second, though, reviewing courts must scrutinize the awards for reasonableness.¹²¹ The Court has admonished that the real concern for punitive damages is not necessarily the median ratio—which, according to the Court, remains less than 1:1—but the “stark unpredictability” and the inherent unfairness of having a dramatic and inconsistent spread between high and low awards.¹²² The Court further observed that while the widest spread occurred in state civil trials, *the distribution even of judge-assessed awards* was “still remarkable.”¹²³

For this reason, the Court held in *Cooper Industries v. Leatherman Tool Group*¹²⁴ that reviewing courts must apply a de novo standard of review to awards that raise a constitutional issue, especially a Due Process or

116. *Haslip*, 499 U.S. at 22; see also *BMW v. Gore*, 571 U.S. at 586–97 (Breyer, J., concurring).

117. *Haslip*, 499 U.S. at 18.

118. 499 U.S. 1 (1991).

119. *Id.* at 19–21.

120. See, e.g., *Exxon Shipping Co. v. Baker*, 554 U.S. 471, 495–96 (2008) (providing several examples of state statutory caps).

121. *Haslip*, 499 U.S. at 20–21. In *Haslip*, for example, the Court found that Alabama’s Supreme Court had established adequate post-trial procedures for reviewing and scrutinizing awards that provided “an additional check on the jury’s or trial court’s discretion.” *Id.*

122. *Baker*, 554 U.S. at 498–99 (“The real problem, it seems, is the stark unpredictability of punitive awards. Courts of law are concerned with fairness as consistency, and evidence that the median ratio of punitive to compensatory awards falls within a reasonable zone, or that punitive awards are infrequent, fails to tell us whether the spread between high and low individual awards is acceptable.”).

123. *Id.* at 499–500. The Court cited a series of studies, including a study of representative samples of state court awards in tort, contract, and property cases, gathered directly from state-court clerks’ offices. *Id.*

124. 532 U.S. 424 (2001).

Excessive Fines concern.¹²⁵ Specifically, the *de novo* standard must replace the more forgiving abuse-of-discretion standard. The Court stressed that the need for *de novo* review arose from the need for “an independent examination of the relevant criteria,”¹²⁶ that is, the *BMW v. Gore* guideposts, as well as its tendency to “‘unify precedent’ and ‘stabilize the law.’”¹²⁷

With respect to the deprivation remedy in the copyright context, the Copyright Act itself provides no guidance or standards that govern when a court can order the deprivation remedy, except that the remedy is available on a finding of infringement. Copyright infringement is a strict liability regime and can attach even to non-willful infringers or to infringers with a good-faith belief that the fair use doctrine shielded their conduct.¹²⁸

Taken together, the application of this body of jurisprudence establishes the capacity of deprivation orders to cross the line. The application of the *BMW v. Gore* guideposts especially shows the potential disconnect between the interests of deterrence and the deprivation. The lack of statutory guidance and rigorous appellate review further demonstrate a worrying absence of additional safeguards that can operate to rein in excessive deprivations ordered by the district courts. And, as with punitive damages, the fact that some courts scrupulously toe the line does not absolve those that cross it in ordering the permanent deprivation of dual-use property.

B. The Takings Clause and Personal Property Deprivation

The Takings Clause is the more typical go-to provision for examining the constitutionality of property deprivations. It has generated a body of jurisprudence that ranges from considering concrete property deprivations, such as eminent domain, to the more conceptual property deprivations, including those reflected in the regulatory Takings doctrine. These two activity centers lead one on a circuitous path. The classic Takings cases that focus on the government’s eminent domain power to

125. *Id.* at 435–39. The Court has similarly demanded that reviewing courts apply the *de novo* standard to proportionality determinations for property forfeitures that raise constitutional questions. See *United States v. Bajakajian*, 524 U.S. 321, 336 (1998).

126. *Cooper Indus.*, 532 U.S. at 425.

127. *Id.* at 435–36 (quoting *BMW of N. Am., Inc. v. Gore (BMW v. Gore)*, 517 U.S. 559, 697–98 (1996)).

128. *UMG Recordings, Inc. v. Disco Azteca Distributions, Inc.*, 446 F. Supp. 2d 1164, 1172 (E.D. Cal. 2006) (“A plaintiff need not demonstrate the defendant’s intent to infringe the copyright in order to demonstrate copyright infringement.” (citing *Educ. Testing Serv. v. Simon*, 95 F. Supp. 2d 1081, 1087 (C.D. Cal. 1999))).

build highways¹²⁹ or that focus on whether a government regulation unduly interferes with reasonable investment-backed expectations,¹³⁰ for example, can be difficult to analogize to the situation under consideration. Further complicating the analysis, the Takings doctrine has developed largely in cases alleging takings of real property, which necessitated the *Horne v. Department of Agriculture*¹³¹ admonition that the prohibition applies equally to personal property, historically known as chattels.¹³²

This analysis sets aside the initial inquiry into whether the permanent deprivation of dual-use items would qualify as private property “taken for public use,”¹³³ under the broad interpretation articulated by the Court in *Kelo v. City of New London*.¹³⁴ Since the 2005 *Kelo* decision, courts have quickly dispensed with meaningful investigation of the “public use” requirement on the grounds that it sets a very low bar, at least as a matter of federal law rather than under corollary provisions of state constitutions.¹³⁵

129. *See, e.g., Rindge Co. v. L.A. Cnty.*, 262 U.S. 700, 702 (1923) (challenging taking of private land for public highways).

130. *Penn Cent. Transp. Co. v. New York City*, 438 U.S. 104, 124 (1978).

131. 576 U.S. 351 (2015).

132. *Id.* at 358. State courts have held the same with respect to takings clauses contained in their state constitutions. *See, e.g., G.M. McCrossin, Inc. v. W. Va. Bd. of Regents*, 355 S.E.2d 32, 37 (W. Va. 1987) (“Long ago, this Court acknowledged that [the state’s] constitutional prohibition ‘protects private property in personalty as fully as in real estate.’” (quoting *Teter v. W. Va. Cent. & Pittsburgh Ry. Co.*, 14 S.E. 146, 148 (W. Va. 1891))); *AGCS Marine Ins. Co. v. Arlington Cnty.*, 800 S.E.2d 159, 170 (Va. 2017) (stating that as far back as the Magna Carta, takings by the state applied to both real and personal property, and that the state constitution’s takings clause makes no categorical distinction between personal and real property).

133. U.S. CONST. amend. V (emphasis added).

134. 545 U.S. 469 (2005).

135. At the end of the *Kelo* majority opinion, written by Justice Stevens, the Court took pains to “emphasize that nothing in our opinion precludes any State from placing further restrictions on its exercise of the takings power.” *Id.* at 489. The Court further noted that, “[i]ndeed, many States already impose ‘public use’ requirements that are stricter than the federal baseline” either “as a matter of state constitutional law” or through “state eminent domain statutes that carefully limit the grounds upon which takings may be exercised.” *Id.* (internal citation omitted).

Even so, the *Kelo* Court’s broad interpretation of “public use” aroused swift fury and state reform. *See, e.g., John G. Sprankling, Property and the Roberts Court*, 65 U. KAN. L. REV. 1, 1 (2016) (observing that the *Kelo* decision “ignited a firestorm of protest across the nation”); Carol L. Zeiner, *Eminent Domain Wolves in Sheep’s Clothing: Private Benefit Masquerading as Classic Public Use*, 28 VA. ENV’T L.J. 1, 3 (2010) (“The public reaction to *Kelo* was outrage.”). After *Kelo*, forty-four states enacted more restrictive rules for takings under their state constitutions or state law to prevent a recurrence of a *Kelo* scenario. *See 50 State Report Card: Tracking Eminent Domain Reform Legislation Since Kelo*, CASTLE COAL., <http://castlecoalition.org/50-state-report-card> [https://perma.cc/9HU2-2LYC]. Because the Takings Clause in the U.S. Constitution provides only the floor of protection against uncompensated takings, individual states can establish higher thresholds for establishing “public use,” for example, in their state constitutions.

The analysis instead presumes satisfaction of the “public use” requirement and focuses on how the deprivation remedy can result in direct appropriation or a categorical taking that implicates the Takings Clause. This Takings analysis separately considers (1) what conduct qualifies as a Taking, and (2) whether a recognized exception in the Takings doctrine nonetheless exempts that conduct from the reach of the Takings Clause.

1. *The Taking*

The Takings Clause bars the government from taking private property for public use without compensation, though in some instances, a deprivation by the government in favor of a third party or by a third party still implicates the Takings Clause. When the government itself permanently deprives a litigant of property pursuant to the Copyright Act’s deprivation remedy, the Takings examination is more straightforward compared to cases where the deprivation is carried out by a third party. For example, when Congress passed a 1965 law that called for the federal government to “acquire all right, title, and interest, in and to, certain items of evidence” considered by the Warren Commission in investigating President Kennedy’s assassination, the widow of Lee Harvey Oswald was entitled to compensation for the taking of Oswald’s personal effects.¹³⁶

Some commentators maintain that *Kelo* merely represented the culmination of a longstanding erosion, rather than a thunderclap. See, e.g., Ilya Somin, Opinion, *The Story Behind Kelo v. City of New London—How an Obscure Takings Case Got to the Supreme Court and Shocked the Nation*, WASH. POST (May 29, 2015), <https://www.washingtonpost.com/news/volokh-conspiracy/wp/2015/05/29/the-story-behind-the-kelo-case-how-an-obscure-takings-case-came-to-shock-the-conscience-of-the-nation/> [https://perma.cc/X38Y-BNB2] (“Property law experts were well aware that longstanding Supreme Court precedent permitted the government to take property for almost any reason. But very few members of the general public [before *Kelo*] knew that.”); David Schultz, *What’s Yours Can Be Mine: Are There Any Private Takings After Kelo v. City of New London?*, 24 UCLA J. ENV’T L. & POL’Y 195, 196 (2006) (arguing that the *Kelo* decision “did not really represent any major change in the law as it had evolved in the last 20, if not 100, or so years”); G. David Mathues, *Shadow of a Bulldozer?: RLUIPA and Eminent Domain After Kelo*, 81 NOTRE DAME L. REV. 1653, 1688 (2006).

Mathues notes that between the Court’s 1954 *Berman* decision and 2002, “not a single federal case rejected an eminent domain proceeding as not being for a public use.” Mathues, *supra*, at 1688. But Mathues claims that *Kelo* was nonetheless controversial given the climate in which it was decided: the pendulum had started to swing away from a broad reading of “public use,” and a public backlash to the broad reading was brewing—so that three federal courts in three years, decided just before *Kelo*, had held that condemnations did not represent a constitutional “public use” for purposes of the Takings Clause. Thus, commentators at the time suspected that the Court’s grant of certiorari in *Kelo* signaled that it would follow this new trend, instead of putting the Court’s imprimatur on the old one. *Id.*

136. *Porter v. United States*, 473 F.2d 1329, 1332–34 (5th Cir. 1973).

Horne, too, was premised on a direct taking of personal property by the government. In *Horne*, government trucks arrived to haul away a certain volume of raisins from raisin growers, a remnant of a New Deal-era regulatory program to regulate the supply and therefore stabilize the price of U.S.-grown raisins.¹³⁷ Once in hand, the government sold the raisins to non-competitive markets or disposed of them “by ‘any other means’ consistent with the purposes of the raisin program.”¹³⁸ Residual proceeds from the program were to be funneled back to the growers, except that in some recent years, no proceeds were left after subtracting the program’s substantial administrative costs.¹³⁹ The Court held that the action amounted to “a clear physical taking”¹⁴⁰ based on the “actual taking of possession and control” and the passing of title.¹⁴¹

As with the taking of Oswald’s personal property and the taking in *Horne*, the government likewise sometimes takes actual possession and control of dual-use items when ordered pursuant to the deprivation remedy. Obvious analogies between these two scenarios therefore suggest that the deprivation remedy in federal copyright law can result in an unconstitutional Taking, when left uncompensated.

When ordering destruction of dual-use items, courts today are more inclined, however, to order the defendant to deliver the items to the prevailing plaintiff for that purpose¹⁴² (sometimes referred to as a “turn-over” order) or that the infringer itself even destroy the items.¹⁴³ The wisdom of removing the government from the actual seizure and destruction is obvious as a practical matter, as it saves the government the burdens and resources that it would have to commit to seizing and destroying the items.

But even when the government does not seize the property directly in this scenario, the authorization to seize and destroy personal property still can violate the Takings Clause. The Takings jurisprudence makes clear

137. *Horne*, 576 U.S. at 355–56.

138. *Id.* at 355 (quoting 7 C.F.R. § 989.67(b)(5) (2015)).

139. *Id.* *But see id.* at 380 (Sotomayor, J., dissenting) (“According to the Government, of the 49 crop years for which a reserve pool was operative, [raisin] producers received equitable distributions of net proceeds from the disposition of reserve raisins in 42.”).

140. *Id.* at 361.

141. *Id.* at 362 (quoting *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 431 (1982)).

142. *See, e.g.*, *Columbia Pictures Indus., Inc. v. T & F Enters., Inc.*, 68 F. Supp. 2d 833, 841 (E.D. Mich. 1999) (granting request “that the seized videocassettes be delivered to Plaintiffs for destruction”).

143. *See, e.g.*, *Getty Images (U.S.), Inc. v. Virtual Clinics*, No. C13-0626JLR, 2014 WL 1116775, at *10 (W.D. Wash. Mar. 20, 2014) (ordering infringing party “to delete all copies of the copyrighted works” owned by or licensed to the prevailing party).

that government action that results in the deprivation of *title* to personal property likewise can constitute an impermissible taking, even if the government does not obtain possession or title itself. *Horne* was premised on the government taking both possession and title, but the Court in *Yee v. City of Escondido*¹⁴⁴ made clear that either alternative basis implicated the Takings Clause.¹⁴⁵ The result to the property owner is the same: complete deprivation. The permanent turn-over of dual-use items to an opposing party pursuant to the Copyright Act can be further characterized as a per se, or categorical taking on the grounds that it deprives the owner of all economically beneficial use of the property, per *Lucas v. South Carolina Coastal Council*.¹⁴⁶

The deprivation remedy therefore can violate the Takings Clause regardless of whether an order calls for destruction by the government or turn-over to the plaintiff. Keep in mind, though, that no unconstitutional Taking occurs if a court subtracts the value of the transferred property from a monetary award for copyright infringement, in the shape of either monetary damages or statutory damages. In such cases, the deprivation would no longer constitute an *uncompensated* taking and so would not violate the Takings Clause.

The reason for ordering the set-off occurs where turn-over to the opposing side accompanies other forms of relief, and especially where the copyright holder has obtained both actual damages and disgorged profits so as to be compensated beyond its harm. Simply put, the turn-over acts as additional, duplicative award to the copyright holder beyond that contemplated by the Copyright Act.¹⁴⁷

Few courts have recognized that a turn-over of infringing articles or dual-use items can be duplicative or redundant. One reason may be that destruction is considered equitable relief, along the lines of injunctions not to infringe.¹⁴⁸ Still, at least one court has held that where the infringer

144. 503 U.S. 519 (1992).

145. *Id.* at 522–23 (citing *Loretto*, 458 U.S. at 426); *see also* *Norman v. United States*, 429 F.3d 1081, 1088–89 (Fed. Cir. 2005) (regarding claim that government action required party to transfer title to a third party, the court stated that it “is axiomatic that ‘[w]here the government authorizes a physical occupation of property (or actually takes title) the Takings Clause generally requires compensation’” (quoting *Yee*, 503 U.S. at 522)).

146. 505 U.S. 1003 (1992).

147. *See, e.g.*, MARSHALL A. LEAFFER, UNDERSTANDING COPYRIGHT LAW § 9.09[D] (6th ed. 2014) (“In addition, a time-honored variant on the § 503(b) order requiring the destruction of infringing materials is the ‘turnover’ order, under which the defendant must surrender the articles in question to the plaintiff. Such orders may raise delicate questions of fairness.”).

148. *See, e.g.*, *Rogers v. Koons*, 960 F.2d 301, 313 (2d Cir. 1992) (stating that a forfeiture order under section 503(b) is an equitable remedy “issued under the broad powers vested in a trial judge”); LEAFFER, *supra* note 147, § 9.09[D] (stating that “[i]n addition to temporary and/or permanent

was required to turn over dual-use items to the plaintiff, the value would be subtracted from the plaintiff's monetary award.¹⁴⁹ There, the court ordered the defendant to turn over to the plaintiff equipment that the court found was used primarily for infringing purposes, and it further directed the plaintiff "to sell any remaining machinery, which would presumably be equipment for general photographic or sound duplication and can be used for legitimate, non-infringing purposes."¹⁵⁰ The reasoning echoed the reasons for the "other reasonable disposition" supplied in the legislative history, while also preventing the plaintiff from obtaining a double recovery.¹⁵¹ Specifically, the court held that the proceeds of plaintiff's sale of the property, less sale costs, "are to be applied pro rata against the damages assessed against defendants" because "[s]uch a sale is clearly contemplated by the 'other reasonable disposition' language of Section 503(b) and is far preferable to the destruction of useful duplicating equipment."¹⁵²

Most courts, however, do not provide for such a set-off where they order the turn-over of dual-use items to the prevailing party. Absent this scenario, a Taking therefore might occur unless an exemption based on public nuisance, civil forfeiture, or other basis applies.

2. *Exceptions to Takings*

As applied to dual-use property, most of the exceptions that would permit the government to take property without running afoul of the Takings Clause do not apply. First and foremost, the government can seize contraband and other objects that are illegal in and of themselves.¹⁵³ This exception applies to infringing copies, as noted above, so that their destruction does not amount to a Taking.¹⁵⁴ Dual-use items are not contraband, however, because the property is not banned but rather it is "only the alleged use to which" the particular property is put that subjects

injunctive relief, equitable remedies available to the successful plaintiff under the Copyright Act include impoundment and eventual disposition of the defendants infringing copies and the equipment used to produce them, up to and including possible confiscation and destruction"). *But see* *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 34 (1998) (holding that the Copyright Act of 1790 did not provide for equitable remedies at all, but also stating that the other remedies provisions of the Copyright Act use the term "court" in contexts generally thought to confer authority on a judge, rather than a jury).

149. *RSO Recs., Inc. v. Peri*, 596 F. Supp. 849, 849 (S.D.N.Y. 1984).

150. *Id.* at 864.

151. *Id.* (quoting 17 U.S.C. § 503(b)).

152. *Id.* (quoting 17 U.S.C. § 503(b)).

153. *See Bennis v. Michigan*, 516 U.S. 442, 458, 459 (Stevens, J., dissenting).

154. *See supra* text accompanying notes 9–13.

a party “to its possible loss.”¹⁵⁵

Dual-use items also are not susceptible to seizure pursuant to the Public Nuisance doctrine, which resides at the intersection of Torts and Property law. A “public nuisance” is generally defined by state law as “an unreasonable interference with a right common to the general public.”¹⁵⁶ Since the early development of the *Mugler-Hadacheck* doctrine, the government does not violate the Takings Clause when it regulates “harmful or noxious uses” of private property that are akin to a public nuisance.¹⁵⁷ Thus the government can exercise its police power to seize items that either create a public nuisance or violate a law or ordinance established to abate public nuisances, from wild animals or pit bulls,¹⁵⁸ to fireworks,¹⁵⁹ to fishing nets or contaminated meats, all without paying compensation.¹⁶⁰ In doing so, the government restricts property that endangers the health, morals, or safety of the community. Such nuisance-based exceptions to the Takings Clause are inapposite as applied to the seizure of dual-use items, however, given the unlikelihood that a hypothetical printing press, piano, or computer endangers public health, morals, or safety.¹⁶¹

Civil forfeiture regimes, however, also result in a direct taking of personal property that the Court has held do not violate the Takings Clause.¹⁶² And they provide the strongest basis for examining whether

155. *One 1958 Plymouth Sedan v. Pennsylvania*, 380 U.S. 693, 699 (1965).

156. RESTATEMENT (SECOND) OF TORTS § 821B(1) (AM. L. INST. 1979).

157. *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1022 (1992) (“It is correct that many of our prior opinions have suggested that ‘harmful or noxious uses’ of property may be proscribed by government regulation without the requirement of compensation.”); *see Mugler v. Kansas*, 123 U.S. 623 (1887) (no taking of brewery where law prohibited manufacture of alcoholic beverages); *Hadacheck v. Sebastian*, 239 U.S. 394 (1915) (no taking of brickmaking plant where law barred operation of brickyard or brickkiln in residential area). A ban or restriction on private property is permitted pursuant to the doctrine even if the particular property did not cause the anticipated harm, on the grounds that a ban was “expected to produce a widespread public benefit and applicable to all similarly situated property.” *Penn Cent. Transp. Co. v. New York City*, 438 U.S. 104, 133–34, 134 n.30 (1978).

158. Sallyanne K. Sullivan, *Banning the Pit Bull: Why Breed-Specific Legislation Is Constitutional*, 13 U. DAYTON L. REV. 279 (1988) (discussing how pit bull incidents and characteristics support regulation pursuant to police power to protect public safety).

159. Donald T. Kramer, Annotation, *Validity, Construction, and Application of State or Local Laws Regulating the Sale, Possession, Use, or Transport of Fireworks*, 48 A.L.R.5th 659 (1997).

160. *Lawton v. Steele*, 152 U.S. 133, 133–36 (1894).

161. *See Penn Cent. Transp. Co.*, 438 U.S. at 145–46 (Rehnquist, J., dissenting) (stating that the “nuisance exception to the taking guarantee is not coterminous with the police power itself” but that “[t]he question is whether the forbidden use is dangerous to the safety, health, or welfare of others”).

162. *Bennis v. Michigan*, 516 U.S. 442, 443, 452 (1996) (holding that no Takings Clause violation occurred where forfeited automobile was used in sexual act between a convicted party and a prostitute, though jointly owned by the convicted party’s innocent wife, because “the cases authorizing actions

property seized under the Copyright Act's deprivation remedy would violate the Takings Clause. Not only does federal copyright law include civil forfeiture provisions, but the breadth of property that can be seized pursuant to civil forfeiture suggests that it represents the outer bounds of property deprivations that are beyond the reach of the Takings Clause.

Civil forfeiture provisions were added to the Copyright Act in the Prioritizing Resources and Organization for Intellectual Property (PRO IP) Act of 2008¹⁶³ to "enhance remedies for violations of intellectual property laws, and for other purposes."¹⁶⁴ As the name suggests, civil forfeiture actions are civil in nature, despite their reliance on criminal activity, and civil forfeiture is only available if provided by statute,¹⁶⁵ as in the Copyright Act.¹⁶⁶ Civil forfeiture is used "to guarantee that wrongdoers do not reap the financial benefits of criminal activity or continue to use the tools of their illegal trade."¹⁶⁷

Civil forfeiture actions are in rem proceedings against an article itself as a participant in criminal activity and therefore do not require criminal conviction of the wrongdoer in an in personam action. The Supreme Court stated as early as 1827: "The thing is here primarily considered as the offender, or rather the offence is attached primarily to the thing."¹⁶⁸

Civil forfeiture regimes are not commonly or historically associated with or used in copyright law. Their prevailing use remains in seizing property suspected of being used in, or bought with proceeds of, drug trafficking.¹⁶⁹ Having been introduced into the copyright regime,

of the kind at issue are "too firmly fixed in the punitive and remedial jurisprudence of the country to be now displaced'" (quoting *Goldsmith-Grant Co. v. United States*, 254 U.S. 505, 511 (1921)).

163. Pub. L. No. 110-403, 122 Stat. 4256, 4256, 4262-63 (2008).

164. *Id.* The Copyright Act also contains criminal forfeiture provisions that directly parallel the criminal forfeiture provisions more prevalent and more publicized in drug cases. 18 U.S.C. § 2323(b). The criminal forfeiture provisions are beyond the scope of this article, though it bears keeping in mind that criminal forfeiture actions, brought by federal prosecutors, do require a criminal conviction. In the case of conviction, though, the Copyright Act provides that seizure and destruction or other disposition are mandatory but limited to infringing articles. *Id.* The criminal forfeiture provisions do not provide for the seizure and destruction of non-infringing dual-use property.

165. 18 U.S.C. § 983.

166. *Id.* § 2323(a).

167. Craig Gaumer, *A Prosecutor's Secret Weapon: Federal Civil Forfeiture Law*, U.S. ATT'YS' BULL. (U.S. Dep't of Just., D.C.), Nov. 2007, 59, 59.

168. *The Palmyra*, 25 U.S. 1 (1827); *see also Calero-Toledo v. Pearson Yacht Leasing Co.*, 416 U.S. 663, 693 (1974) (Douglas, J., dissenting) ("I realize that the ancient law is founded on the fiction that the inanimate object itself is guilty of wrongdoing."); *Goldsmith-Grant Co. v. United States*, 254 U.S. 505, 510 (1921) (stating that Congress provides for civil forfeiture for breach of revenue provisions "by ascribing to the property a certain personality, a power of complicity and guilt in the wrong").

169. Rebecca R. Ruiz, *Justice Dept. Revives Criticized Policy Allowing Assets to Be Seized*, N.Y.

however, the civil forfeiture carve-out in the Takings doctrine provides the principal rationale for investigating the civil forfeiture provisions now contained in federal copyright law and assessing their impact.¹⁷⁰

III. STARTING A CONSTITUTIONAL FRAMEWORK: DUAL-USE ITEMS AND THE CIVIL FORFEITURE TEST OF NEXUS AND WILLFULNESS

The civil forfeiture doctrine offers a strong, starting basis for a doctrinal framework that evaluates the deprivation remedy as applied to dual-use items. The civil forfeiture provisions added to federal copyright law in the PRO IP Act¹⁷¹ provide a direct corollary for analysis.

The cacophony of controversy that has erupted in our society surrounding civil forfeitures proves instructive. Even though the Court has made clear that property deprivations accomplished through application of civil forfeiture regimes do not violate the Takings Clause,¹⁷² the continuing controversy has already yielded several reform efforts, including passage of the Civil Asset Forfeiture Reform Act of 2000.¹⁷³ The Court has also worked to delineate proportionality restraints, most recently in *Timbs v. Indiana*.¹⁷⁴

The public outrage and invited scrutiny that attach to civil forfeiture regimes heavily suggest that the property deprivations accomplished as civil forfeitures test the outer limits of constitutionally sound property deprivations. By superimposing the Copyright Act's civil forfeiture provisions over the deprivation remedy, one therefore can extract key clues as to the outer contours of property deprivations exempted from the reach of the Takings Clause, in particular.

The civil forfeiture provisions therefore provide a valuable tool for evaluating permanent deprivations that occur where courts order the

TIMES (July 19, 2017), <https://www.nytimes.com/2017/07/19/us/politics/justice-department-civil-asset-forfeiture.html> [<https://perma.cc/Y5EN-4SR9>] (quoting Deputy Attorney General Rod J. Rosenstein as saying that civil forfeiture was “about taking assets that are the proceeds of, or the tools of, criminal activity, and primarily drug dealing”); *see also* Press Release, U.S. Dep’t of Just., Acting Manhattan U.S. Attorney Announces Historic Jury Verdict Finding Forfeiture of Midtown Office Building and Other Properties (June 29, 2017), <https://www.justice.gov/usao-sdny/pr/acting-manhattan-us-attorney-announces-historic-jury-verdict-finding-forfeiture-midtown> [<https://perma.cc/8ZEN-2HMD>] (announcing jury-approved forfeiture of thirty-six-story Manhattan office tower, valued at \$500 million, as “largest terrorism-related civil forfeiture in United States history”).

170. *See infra* Part III.

171. Pub. L. No. 110-403, 122 Stat. 4256, 4262–63 (2008).

172. *See supra* text accompanying notes 162–169.

173. Pub. L. No. 106-185, 114 Stat. 202 (2000).

174. *Timbs v. Indiana*, 586 U.S. ___, 139 S. Ct. 682 (2019) (holding forfeiture “grossly disproportionate to the gravity of [the] offense” and therefore violative of the Excessive Fines Clause).

destruction or other disposition of dual-use items. This analysis establishes the need for actual nexus between the conduct and the property and a showing of willful infringement.

A. *Adding Civil Forfeiture to Federal Copyright Law, Against the Broader Backdrop of Expanding Civil Forfeiture Regimes*

The addition of civil forfeiture provisions in the Copyright Act¹⁷⁵ was just one part of a broader federal law enforcement initiative that saw the rapid proliferation of civil forfeiture regimes. Rather than being directed solely at curbing copyright infringement, they instead represented one step in an incremental march toward expanding federal civil forfeiture by successively implanting new civil forfeiture provisions in a wide variety of statutory regimes.

Despite its long history, civil forfeiture was seldom used until the 1980s, save for flourishing briefly during Prohibition with the seizure of bootleg liquor and the equipment and vehicles used to produce and transport it.¹⁷⁶ Civil forfeiture emerged full-throttle from its relative dormancy during the war on drugs in the early 1980s.¹⁷⁷ Since then, civil

175. In introducing the bipartisan bill in July 2008, Senator Leahy remarked that it “improves and harmonizes the forfeiture provisions in copyright and counterfeiting cases” to help law enforcement combat piracy and counterfeiting, partly because the internet had become “an unparalleled tool for piracy.” 154 CONG. REC. S7280–81 (daily ed. Jul. 24, 2008) (statement of Sen. Leahy). Senator Leahy also remarked that “[j]ust in the movie industry, piracy costs 140,000 U.S. jobs and \$5.5 billion in wages” and “an estimated \$837 million in additional tax revenue” each year. *Id.*; see also Bridy, *Carpe Omnia*, *supra* note 35, at 687 (analyzing “civil asset forfeiture, its use and abuse in the war on drugs, and its problematic translation into the realm of online copyright crimes”). Since adopted, the civil forfeiture provisions have been employed directly in several cases in which domain names have been seized and forfeited. See, e.g., United States’ Response in Opposition to Claimant’s Motion for Partial Summary Judgment at 2, *United States v. PlayboyMonthly.com*, No. 8:10-cv-1214-T-27TBM, 2010 WL 4619773 (M.D. Fla. 2010) (stating that the court had granted the governments’ “motions for warrants of arrest *in rem* of Defendant Domains”); see also Bridy, *Three Notice Failures*, *supra* note 7, at 795–816 (discussing application of civil forfeiture provisions to domain name seizures).

176. E.g., *Carroll v. United States*, 267 U.S. 132, 155 (1925) (stating that National Prohibition Act “was intended to reach and destroy the forbidden liquor in transportation and the provisions for forfeiture of the vehicle and the arrest of the transporter were incidental”); accord Darpana Sheth, *Incentives Matter: The Not-So-Civil Side of Civil Forfeiture*, FED. LAW., July 2016, at 46, 47 (stating that “[a]s ‘drastic’ as forfeiture laws may have appeared during Prohibition, they were quite limited in comparison to the forfeiture laws enforced today” because forfeiture was considered “incidental” to purpose of destroying forbidden contraband); Stefan B. Herpel, *Toward a Constitutional Kleptocracy: Civil Forfeiture in America*, 96 MICH. L. REV. 1910, 1923 (1998) (reviewing LEONARD LEVY, *A LICENSE TO STEAL: THE FORFEITURE OF PROPERTY* (1996)) (“With the repeal of Prohibition in 1932, the use of civil forfeiture in criminal law enforcement waned considerably, at least at the federal level. But civil forfeiture gained new prominence in the 1980s, when the federal government began using it aggressively in the enforcement of laws prohibiting or regulating the possession or sale of controlled substances.”).

177. See, e.g., Bridy, *Carpe Omnia*, *supra* note 35, at 694–95 (stating that although civil forfeiture

forfeiture provisions have been added in many additional contexts, so that “[w]hat began as an effort to address a growing national and international drug trafficking problem in the 1980s has become a powerful tool to address white collar crime, international organized crime, drug trafficking, cybercrime, terrorism, human trafficking, child exploitation, and so much more.”¹⁷⁸

Civil forfeiture regimes have provoked significant controversy, even in the public forum, given their lower standard of proof, onerous procedures for challenging forfeitures and reclaiming property, disproportionate impact on lower-income individuals, failure to require prosecution of the underlying illegal activity, and association with racial profiling.¹⁷⁹ Moreover, the Court has upheld civil forfeiture of property or property interests of third parties who did not participate in the underlying illegal activity,¹⁸⁰ though the subsequent Civil Asset Forfeiture Reform Act of 2000¹⁸¹ provides that “[a]n innocent owner’s interest in property shall not be forfeited under any civil forfeiture statute,” where the claimant proves innocence by a preponderance of the evidence.¹⁸² Justice Thomas, for one, has made his distaste for civil forfeiture regimes known, complaining that they lead to “egregious and well-chronicled abuses” and “frequently

dates to colonial times, “it was seldom called upon until its meteoric rise in the enforcement of federal drug laws beginning in the 1980s,” and observing that “the war on drugs led to an increase in federal asset forfeitures of more than 1,500% between 1985 and 1990.” (citation omitted)).

178. Jaikumar Ramaswamy, *Overview of Asset Forfeiture and Money Laundering Program*, U.S. ATT’YS’ BULL. (U.S. Dep’t of Just., D.C.), Sept. 2013, at 1, 1 (noting growth of civil forfeiture on thirtieth anniversary of the Department of Justice’s Asset Forfeiture Program).

179. See Jacob Sullum, *How Cops Got a License to Steal Your Money*, FORBES (Sept. 11, 2014) (on file with author); Michael Sallah, Robert O’Harrow Jr., Steven Rich & Gabe Silverman, *Stop and Seize*, WASH. POST (Sept. 6, 2014), <http://www.washingtonpost.com/sf/investigative/2014/09/06/stop-and-seize> [<https://perma.cc/SX36-6UFW>]; Chloe Cockburn, *Easy Money: Civil Asset Forfeiture Abuse by Police*, ACLU (Feb. 3, 2010), <https://www.aclu.org/blog/criminal-law-reform/reforming-police/easy-money-civil-asset-forfeiture-abuse-police> [<https://perma.cc/D4MH-5PGH>]; LEONARD W. LEVY, LICENSE TO STEAL: THE FORFEITURE OF PROPERTY (1996). In Part III, this Article suggests a test based on the civil forfeiture regime for judges to apply before ordering destruction or other disposition of dual-use items in a copyright infringement case. This proffered test implicates few of the noted concerns because the courts would apply the test in the course of judicial proceedings. See Bridy, *Carpe Omnia*, *supra* note 35, at 799–800 (pointing out that civil forfeiture “differs in important ways” from seizure and destruction under the Copyright Act because the copyright impoundments meet strict standards for preliminary injunctions and orders of destruction “can issue only upon final judgement,” while civil forfeiture does not require prosecution, and civil forfeiture warrants can be issued “on a mere showing of probable cause”).

180. *Bennis v. Michigan*, 516 U.S. 442, 1001 (1996); see also CRIM. PRAC. MANUAL § 107:39 (2021) (stating that several statutes, including those for proceeds of drug transactions and for money laundering, were amended after *Bennis* to preclude forfeiture of property where the owner was unaware or did not consent to the underlying illegal activity).

181. Pub. L. No. 106-185, 114 Stat. 202.

182. 18 U.S.C. § 983(d)(1).

target the poor and other groups least able to defend their interests in [civil] forfeiture proceedings.”¹⁸³

In the copyright context, dual-use items make easy targets for civil forfeiture. Dual-use items capable of both infringing and non-infringing uses have long been a thorn in the side of developing copyright law. These items pose difficulties not only in fashioning remedies, as with the deprivation remedy, but also in deciding where to draw the line as to what conduct gives rise to copyright liability.¹⁸⁴ These long-standing difficulties are exacerbated in the digital environment, where dual-use items can prove capable not only of non-infringing uses but also of producing millions and even billions of infringing copies within a short span of time.¹⁸⁵

183. *Leonard v. Texas*, 580 U.S. ___, 137 S. Ct. 847, 848 (2017) (Thomas, J., concurring in denial of certiorari) (noting petitioner raised due process claim for the first time in their petition to the Court) (citations omitted); *see also Bennis*, 516 U.S. at 454 (Thomas, J., concurring) (“One unaware of the history of forfeiture laws and 200 years of this Court’s precedent regarding such laws might well assume that such a scheme is lawless—a violation of due process.”). Criticisms of civil forfeiture have grown in recent years alongside increased use of civil forfeiture regimes, from \$27.2 million in 1985 to more than \$5 billion in federal forfeitures in 2014. Christopher Ingraham, *Law Enforcement Took More Stuff from People than Burglars Did Last Year*, WASH. POST (Nov. 23, 2015), <https://www.washingtonpost.com/news/wonk/wp/2015/11/23/cops-took-more-stuff-from-people-than-burglars-did-last-year> [<https://perma.cc/GJ7P-UP9C>] (also reporting that fourteen states took in a further combined \$250 million through civil forfeitures in 2013); *see also* Dan Frosch, *Asset-Forfeiture Laws Raise Concerns*, WALL ST. J. (July 5, 2015, 5:20 PM), <https://www.wsj.com/articles/asset-forfeiture-laws-raise-concerns-1435868428> [<https://perma.cc/E59A-V7PE>] (stating that according to the Institute for Justice, which culled federal data reports, the Department of Justice collected an average of \$1.5 billion per year between fiscal years 2001 and 2014). A single U.S. Attorney’s Office in northern Illinois reported that its office alone collected \$75 million in criminal, civil and asset forfeiture actions in Fiscal Year 2017, with civil forfeiture and asset forfeiture actions constituting more than half. Press Release, U.S. Dep’t of Just., U.S. Att’y’s Off. N.D. Ill., U.S. Attorney’s Office Collected Nearly \$75 Million in Civil, Criminal and Asset Forfeiture Actions in Fiscal Year 2017 (Feb. 7, 2018), <https://www.justice.gov/usao-ndil/pr/us-attorney-s-office-collected-nearly-75-million-civil-criminal-and-asset-forfeiture> [<https://perma.cc/3K8A-AEXV>]. One of the most controversial programs, an equitable sharing program in which state and local authorities have authority to seize property through federal civil asset forfeiture laws and share in the forfeited assets, was discontinued during the last years of the Obama administration but resurrected in the early months of the Trump administration. Ruiz, *supra* note 169; Douglas A. Leff, *Money Laundering and Asset Forfeiture: Taking the Profit Out of Crime*, U.S. ATT’YS’ BULL. (U.S. Dep’t of Just., D.C.), Sept. 2013, at 4, 7 (stating that federal law enforcement processes a seizure originally made by state or local law enforcement officers relying on federal forfeiture law, and that under equitable sharing, the state or local agencies “can receive up to 80 percent of the net forfeiture”).

184. *See, e.g., Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 417 (1984) (video tape recorders); *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 913 (2005) (peer-to-peer files-sharing networks).

185. *See, e.g., Metro-Goldwyn-Mayer Studios Inc.*, 545 U.S. at 923 (“[N]o one can say how often the software is used to obtain copies of unprotected material. But MGM’s evidence gives reason to think that the vast majority of users’ downloads are acts of infringement, and because well over 100

In the modern era, it is precisely the capacity of modern equipment and technology for infringing activities that illustrates the attraction in removing dual-use items from an infringer's possession, as a deterrent to prevent future infringement. The same capacity of modern technology to fuel and facilitate widespread copyright infringement also served as an impetus for adding civil forfeiture provisions to federal copyright law in the 2008 PRO IP Act.¹⁸⁶

B. Civil Forfeiture in Copyright: Requiring Actual Nexus to Infringement and Willfulness

The Copyright Act's civil forfeiture provisions specifically provide for forfeiture of "[a]ny property used, or intended to be used, in any manner or part to commit or facilitate" criminal copyright infringement.¹⁸⁷ The "used, or intended to be used" language indicates a direct, not merely hypothetical, nexus requirement.¹⁸⁸ The deprivation remedy should similarly require direct nexus as a threshold showing. Civil forfeiture also requires willfulness that should likewise be imported into the deprivation-remedy analysis.

The Copyright Act's civil forfeiture provisions provide for forfeiture of two other categories of property that should be mentioned but dismissed from this analysis. First, the same civil forfeiture provisions also allow for forfeiture of "[a]ny article, the making or trafficking of which is, prohibited" under the relevant criminal copyright infringement provisions.¹⁸⁹ This refers to the kinds of infringing articles, or direct copies, that do not require a Takings analysis.¹⁹⁰ Second, the Copyright Act's civil forfeiture provisions also provide for forfeiture of "[a]ny

million copies of the software in question are known to have been downloaded, and billions of files are shared across the FastTrack and Gnutella networks each month, the probable scope of copyright infringement is staggering.”)

186. See H.R. REP. NO. 110-617, at 21–22 (2008).

187. 18 U.S.C. § 2323(a)(1)(B). These same civil forfeiture provisions apply to copyright-related actions, including when a party affixes counterfeit or illicit labels to infringing copies, so as to deceive consumers as to the authenticity of the work, as well as bootleg copies of sound recordings and music videos of live musical performances. See *id.* § 2319A.

188. *Id.* § 2323(a)(1)(B).

189. *Id.* § 2323(a)(1)(A).

190. See *supra* text accompanying notes 9–11. To the extent that such infringing articles could include unauthorized derivative works, their seizure and destruction as a possible Takings violation is discussed *supra* Part II. In the civil forfeiture context, such infringing articles are akin to contraband, whose seizure in civil forfeiture proceedings does not even offend the liberal wing of the Court. In Justice Stevens's dissent in the civil forfeiture case *Bennis v. Michigan*, for example, Justice Stevens found no problem with the government seizure of “objects the possession of which, without more, constitutes a crime” [because] the government has an obvious remedial interest in removing the items from private circulation” 516 U.S. 442, 459 (Stevens, J., dissenting) (citation omitted).

property constituting or derived from any proceeds obtained directly or indirectly as a result of the commission” of a relevant offense.¹⁹¹ This category consists of property simply not subject to the deprivation remedy. Other remedies exist in copyright law for awarding a prevailing copyright holder “any profits of the infringer that are attributable to the infringement,” which can be awarded in addition to actual damages.¹⁹²

The real crux of determining a Takings violation rests on whether or not the dual-use item was used or intended to be used in committing copyright infringement. In this context, forfeiture of property on grounds that it merely *may* be used to commit an offence would constitute an uncompensated Taking. Depriving one of property based on its mere capacity for unlawful use would turn the entire premise of the already-tenuous civil forfeiture doctrine on its head because the underlying premise of the *in rem* proceeding is that the forfeited article itself committed the crime.¹⁹³ The analogy from the civil forfeiture drug cases would be the forfeiture of an automobile that *might be used* in drug trafficking, which does not pass constitutional muster.

Actual nexus likewise should be the *sine qua non* to seizing and destroying, or otherwise disposing of, dual-use property in a civil copyright infringement action. The different procedural posture of civil forfeiture actions and civil copyright infringement actions (in *rem* actions as opposed to in *personam* actions) provide no basis for treating the nexus requirement differently. If actual nexus is required where a higher threshold showing of *criminal* copyright infringement is shown—which requires findings of both willfulness on the part of the infringer and seriousness of the offense¹⁹⁴—all the more reason that actual nexus should

191. 18 U.S.C. § 2323(a)(1)(A), (C).

192. 17 U.S.C. §§ 504(a)(1), 504(b). The copyright holder must elect between either statutory damages or actual damages in combination with profits of the infringer. *Id.* § 504(a).

193. In that context, authorities might still seek forfeiture of the automobile on grounds that it was purchased with the proceeds of a crime. As noted above, that basis is inapplicable to this analysis because other civil remedies are directed toward disgorging or recouping an infringer’s profits in civil copyright infringement actions. *See id.* § 504(b).

194. *Id.* § 506(a)(1). Serious infringement to establish criminal liability exists where the infringer willfully committed infringement either: (a) for private financial gain or commercial advantage; (b) by electronically reproducing or distributing one or more copyrighted works with a retail value above a threshold amount (currently \$1,000) within a 180-day period; or (c) by distributing, via computer network available to members of the public, a work that the infringer knew or should have known was intended for commercial distribution. *Id.* Criminal copyright infringement under (c) is a felony, as is criminal copyright infringement under (b) if the infringer reproduced or distributed at least ten copies with a retail value greater than \$2,500. U.S. DEP’T OF JUST., PROSECUTING INTELLECTUAL PROPERTY CRIMES 16–17 (4th ed. 2013). In cases of willful infringement, proving infringement for financial gain or commercial advantage only requires that the infringer acted with the purpose to profit or gain a commercial advantage, regardless of whether the infringer attained

be required before ordering a permanent deprivation for *civil* copyright infringement, which is a strict liability offense that requires no findings of willfulness or seriousness.

Moreover, an order to destroy or turn over property that has no established nexus to the given infringement effectively operates to litigate future infringement that has not happened. Where future infringement is a risk based on a current infringement action, the correct avenues include injunctive relief, to be enforced as needed,¹⁹⁵ and even seizing and destroying the means by which infringement has already occurred. Such a rule would increase evidentiary burdens and fact-finding, to be sure, but acts as a safeguard against an otherwise unconstitutional form of relief.

Perhaps the strongest support comes from elsewhere in the copyright context: newer, corollary provisions in Title 17 of the U.S. Code, which governs copyright and related rights. In the Digital Millennium Copyright Act (DMCA) of 1998,¹⁹⁶ for example, the provisions governing seizure and destruction are so limited. In addition to awarding the usual remedies of damages, costs and reasonable attorney's fees, and injunctive relief, a court "may, as part of a final judgment or decree finding a violation, order the remedial modification or the destruction of any device or product *involved in the violation*" that is in the custody or control of the violator or that was previously impounded because the court had reasonable cause to believe that it was involved in a violation.¹⁹⁷ The DMCA therefore articulates a clear nexus requirement.

Similar limitations appear in the provisions governing digital audio recording devices and media. The anti-circumvention provisions provide that a court can "order the remedial modification or the destruction of any digital audio recording device, digital musical recording, or [related device] that . . . *does not comply with, or was involved in a violation of*" the anti-circumvention laws, so long as it is in the custody or control of the violator or was previously impounded because the court had

either objective. *United States v. Cross*, 816 F.2d 297, 301 (7th Cir. 1987) (citing *United States v. Moore*, 604 F.2d 1228, 1235 (9th Cir. 1979)); accord U.S. DEP'T OF JUST., CRIMINAL RESOURCE MANUAL §§ 1850–51 (2020).

195. See, e.g., 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.06[B][2] (Matthew Bender & Co., rev. ed. 2021) ("It is uncontroversial that a 'showing of past infringement and a substantial likelihood of future infringement' justifies issuance of a permanent injunction . . .").

196. 17 U.S.C. § 1203. The DMCA created new violations to bolster the principal protections of copyright law in the expanding digital environment. Its substantive provisions prohibit anyone from providing, distributing, or importing for distribution "copyright management information" that is false or engaging in the unauthorized removal or alteration of "copyright management information" in certain circumstances. *Id.* §§ 1201, 1202.

197. *Id.* § 1203(b)(6) (emphasis added).

reasonable cause to believe that it was involved in a violation.¹⁹⁸

In sum, allowing the permanent deprivation of all the tools, equipment, and machinery by which the defendant *might* commit *an* infringement reeks of unconstitutional overbreadth and constitutes a Taking that violates the Fifth Amendment. The ridiculousness of allowing deprivations based on hypothetical nexus can be illustrated by imagining a hypothetical law that forbids one from causing bodily harm to another by kicking, and provides, as a remedy, that a court can order the kicking party to deliver up for destruction, say, all red shoes or cowboy boots in their possession. Such a result, duplicated across our legal system, would fundamentally challenge our democratic principles.

Civil forfeiture's mandate of willfulness additionally must apply to the deprivation remedy. Indeed, the Copyright Act requires willfulness not only for civil forfeitures but also for enhanced statutory damages that aim beyond remediation.¹⁹⁹ Willfulness requires knowledge of the conduct constituting infringement, though the courts are split on whether constructive knowledge or reckless disregard suffices.²⁰⁰ Courts have not required malice as part of this showing, following the lead of common law torts that typically view willfulness and maliciousness as independent showings.²⁰¹

The Copyright Act does provide that evidence of reproduction or

198. *Id.* § 1009(g) (emphasis added).

199. *Id.* § 504(c)(2).

200. See PATRY, *supra* note 7, § 22:180 (citations omitted). Compare *Grafer v. Mid-Continent Cas. Co.*, 756 F.3d 388, 394 (5th Cir. 2014) (stating that “a finding of willfulness under the Copyright Act does not require proof of knowing conduct”), and *Wildlife Exp. Corp. v. Carol Wright Sales, Inc.*, 18 F.3d 502, 511–12 (7th Cir. 1994) (“In this circuit, our caselaw establishes that a finding of willfulness is justified ‘if the infringer knows that its conduct is an infringement or if the infringer has acted in reckless disregard of the copyright owner’s right.’” (quoting *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1020 (7th Cir.), *cert. denied*, 502 U.S. 861, (1991))), with *Yellow Pages Photos, Inc. v. Ziplocal, LP*, 795 F.3d 1255, 1271 (11th Cir. 2015) (stating that “willfulness under the Copyright Act ‘means that the defendant “knows his actions constitute an infringement; the actions need not have been malicious” (quoting *Cable/Home Comm’n Corp. v. Network Prods., Inc.*, 902 F.2d 829, 851 (11th Cir. 1990))), and *Peer Int’l Corp. v. Pausa Recs., Inc.*, 909 F.2d 1332, 1335 n.3 (9th Cir. 1990) (Willful, within the meaning of § 504(c)(2), means “with knowledge that the defendant’s conduct constitutes copyright infringement.” (quoting 3 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 14.04 (1989))). See also Robert Aloysius Hyde, *A Reckless Disregard of the Ordinary Infringer? Moving Toward a Balanced and Uniform Standard for Willful Copyright Infringement*, 35 U. TOL. L. REV. 377, 378 (2003) (observing that while the Ninth and Eleventh Circuits “define willful infringement somewhat in terms of the common law definition of willfulness,” other courts have found willful infringement that “encompasses less-blameworthy conduct than common law willfulness” (footnotes omitted)); Jeffrey M. Thomas, *Willful Copyright Infringement: In Search of a Standard*, 65 WASH. L. REV. 903, 903 (1990) (stating that because the 1976 Copyright Act “does not define the term, determination of the meaning of willfulness is within the province of judicial interpretation” and has led to inconsistent methods and tests).

201. See PATRY, *supra* note 7, § 22:180.

distribution of a copyrighted work, by itself, shall not be sufficient to establish willful infringement of a copyright.²⁰² To refute evidence of willful infringement, the party “must not only establish its good faith belief in the innocence of its conduct, it must also show that it was reasonable in holding such a belief.”²⁰³

Taken together, these two criteria—nexus and willfulness—represent the bottom floor of any test that will pass constitutional muster. Absent either one, the civil forfeiture regime veers onto unconstitutional terrain, and the same must be said for the deprivation remedy, as well.

C. *Comparing Civil Forfeiture Outcomes and Permanent Deprivations under the Deprivation Remedy*

Though required in the civil forfeiture context, neither nexus nor willfulness has formed a criterion for ordering the deprivation remedy. The fact that the deprivation remedy has been ordered even against absent, defaulting defendants further demonstrates that deprivation orders are not based on either showing. In short, to borrow civil forfeiture parlance, they are premised neither on the concept of “guilty property” or criminal conviction.²⁰⁴

In ordering destruction or other disposition of dual-use property as an infringement remedy, some courts have made clear that they were ordering the seizure and destruction of dual-use items that *had been used*, rather than *may be used*, in the making of infringing articles.²⁰⁵ Nonetheless, the risk that courts will overstep these bounds remains high

202. 17 U.S.C. § 506(a)(2).

203. *Peer Int'l Corp.*, 909 F.2d at 1336.

204. *See, e.g.*, *United States v. Bajakajian*, 524 U.S. 321, 332–33 (1998) (stating that historic in rem forfeitures were premised on the concept of “guilty property”).

205. *See, e.g.*, *Malibu Media, LLC v. Ling*, 80 F. Supp. 3d 1231, 1244 (D. Colo. 2015) (ordering infringer “to permanently destroy all of the digital media files relating to, and copies of, Plaintiff’s copyrighted works made or used by him in violation of Plaintiff’s exclusive rights, as well as all masters in his possession, custody or control from which such copies may be reproduced”); *Nat’l Broad. Co. v. Sonneborn*, 630 F. Supp. 524, 541 (D. Conn. 1985) (granting request for turn-over “with respect to the copies and master recordings” but declining request as to items that were not infringing); *Cent. Point Software, Inc. v. Nugent*, 903 F. Supp. 1057, 1061 (E.D. Tex. 1995) (ordering defendant to turn over to plaintiffs “all computer hardware and software used to make and distribute unlicensed or unauthorized copies of the plaintiffs’ copyrighted software,” including but “not limited to, modems, disk drives, central processing units, and all other articles by means of which such unauthorized or unlicensed copies *were made*” (emphasis added)); *Martin Luther King, Jr. Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc.*, 508 F. Supp. 854, 866 (N.D. Ga. 1981), *rev’d on other grounds*, 694 F.2d 674 (11th Cir. 1983) (“The United States Marshal is ORDERED to seize and retain the infringing materials to be delivered up by defendants, including all copies of the Pamphlet and Booklet, and plates or matrices *used* in their printing, currently in defendants’ possession or control.” (emphasis added)).

and is poised to go higher. The Second Circuit's recent refusal to entertain a studio sound engineer's challenge to a deprivation order in the Jay-Z litigation puts more courts on the path to deciding that nexus does not matter.²⁰⁶ That case also exposed the danger of subjecting dual-use property to deprivation orders: the sound and recording equipment, including computers and hard drives, not only were *capable* of producing infringing articles—though the sound engineer maintained that they were not so used—but contained irreplaceable content, including family photos and videos, that were deeply personal effects and bore no relationship to the litigation or to copyright infringement at all.²⁰⁷

Further examples implore a nexus requirement. In *Hounddog Prods., LLC v. Empire Film Group, Inc.*,²⁰⁸ the court borrowed verbatim language from the statute itself in ordering the deprivation of dual-use property. The plaintiff, which held the copyright in the 2008 motion picture *Hounddog*, sued its former film distribution company after terminating a ten-year exclusive distribution agreement for the promotion and distribution of the film.²⁰⁹ The plaintiff prevailed on its copyright infringement claim based on findings that the company, after termination of the agreement, “continued to promote and distribute *Hounddog*, including profiting from sales of *Hounddog* on DVD, Blu-ray, and Video-on-Demand formats.”²¹⁰ The court ordered and directed the company not only to deliver all infringing copies and materials to the plaintiff—which, again, is fine²¹¹—but also to deliver “all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which copies of *Hounddog* may be reproduced.”²¹² This remedy supplemented the award of \$150,000 in

206. *Mahan v. Roc Nation, LLC*, 720 F. App'x 55, 56–57 (2d Cir. 2018) (quoting 17 U.S.C. § 503(b)); *see supra* text accompanying notes 15–19.

207. *See Mahan*, 720 F. App'x at 56 (noting that sound engineer sought return of disks, CDs, cartridges, computers, hard drives, and an audio player); Reply Brief of Petitioner-Appellant Chauncey Mahan at 3, *Mahan v. Roc Nation, LLC*, 720 F. App'x 55 (2d Cir. 2018) (No. 16-2791), 2017 WL 1328523, at *2. The likelihood that a deprivation order will reach personal property with deep personal attachments raises another problem with deprivation orders applied to dual-use property: their ability to produce lopsided negotiation positions. Given the high costs of litigation, most copyright infringement cases result in settlements. Parties that wield the risk that a court might order permanent deprivations of a vast amount of dual-use property—unrelated to the infringement at issue or at least not significantly linked to the complained-of infringement—obtain a vastly disproportionate negotiating tool. As a result, the deprivation remedy upsets the parties' negotiating positions relative to the actual infringement at issue, and therefore can lead directly to unfair settlement agreements.

208. 826 F. Supp. 2d 619 (S.D.N.Y. 2011).

209. *Id.* at 625–26.

210. *Id.* at 626.

211. *See supra* text accompanying notes 9–11.

212. *Hounddog*, 826 F. Supp. 2d at 624–25.

statutory damages for willful infringement, costs and attorney's fees, and an injunction against future infringement.²¹³

The litigation concerned a single copyrighted work, which grossed under \$132,000 at the domestic box office and received largely negative critical reception (rating just 15% on the Tomatometer at rottentomatoes.com, with somewhat better public reception).²¹⁴ Moreover, the court entered the order three years after the film's box office release, by which time the film's income stream had substantially diminished, even considering home-viewing income streams.

The principal difficulty in the court's order, from a Fifth Amendment perspective, resides in the turn-over order applicable to "all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies of" the motion picture *may be reproduced*.²¹⁵ The property subject to the order at a film distribution company arguably could include a sizable amount of equipment, machinery, and materials capable of non-infringing uses—even property capable of infringing uses but not so used with respect to the sole copyrighted work. Three years after the release of an unprofitable film, an order to turn over all equipment and other dual-use property seems suggestive of a punitive result, especially when viewed in conjunction with the other remedies also awarded. The statutory damages alone exceeded the film's gross profit.

Nor does the tacking-on of deprivation serve the interests of deterrence or reflect an appropriate harm-penalty correlation. The likelihood that the infringing party would continue to cause appreciable economic harm *by using the property subject to the turn-over* as to the *subject work in the litigation*, namely the *Hounddog* motion picture, appears low. Moreover, the other available remedies serve that same function, notably the enforceable injunction against future infringement.²¹⁶ The value of the deprivation relative to the *litigated* infringement seems negligible from a deterrence standpoint.

On its face, the order neither requires nor establishes an actual nexus between the infringing conduct and such property. The lack of nexus

213. *Id.* at 624.

214. *Hounddog*, ROTTEN TOMATOES, <https://www.rottentomatoes.com/m/1195905-hounddog> [<https://perma.cc/3G77-2YBA>]; *see also* *What Is the Tomatometer?*, ROTTEN TOMATOES, <https://www.rottentomatoes.com/about#whatisthetomatometer> [<https://perma.cc/T2KS-9FJL>]; *Hounddog*, BOX OFFICE MOJO, <https://www.boxofficemojo.com/release/r11884849665/> [<https://perma.cc/58Z2-U9Z5>].

215. 17 U.S.C. § 503(b).

216. *Hounddog*, 826 F. Supp. 2d at 624 (ordering that defendant is "permanently enjoined from copying, reproducing, distributing, exhibiting, or performing, or otherwise infringing upon Plaintiffs' copyrights in, the motion picture entitled *Hounddog*, and from permitting, authorizing or causing others to do so").

proves fatal to the determination because this same property is not eligible even for civil forfeiture in the absence of actual nexus. Nonetheless, the court found willfulness here,²¹⁷ which provided a basis for supporting the deprivation remedy if other criteria were also met.

In *Graduate Management Admission Council v. Raju*,²¹⁸ the district court entered a similar order calling for the destruction of dual-use items, even after the magistrate judge issued a proposed order that would have limited destruction to property having a close nexus to the litigated infringement.²¹⁹ After holding that the foreign, defaulting defendant infringed on the plaintiff's copyrights in test forms and questions for the predominant business school admission exam, the Graduate Management Admission Test (or GMAT), the district court crafted a remedy that drew from several civil remedies available in copyright actions: statutory damages of \$3.5 million, costs and attorney's fees, a permanent injunction against further infringement, and destruction of infringing test questions and materials.²²⁰ The court additionally ordered the defendant to destroy "all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies *may be* reproduced," violating the nexus requirement.²²¹ The recommendation of the magistrate judge, however, had included a proposed order that would have limited destruction just to "all testing and related materials made by" the defendant in violation of the plaintiff's copyrights.²²²

Nexus, standing alone, is not enough. Even non-willful or innocent infringement contravenes the Copyright Act because of its strict liability regime. Making the deprivation remedy available for such infringements—as the Copyright Act does by not limiting it to willful infringements—creates substantial constitutionality risks, particularly for dual-use property. Unlike in the civil forfeiture context, in which property used in the commission of a crime or proceeds can be forfeited, lack of a willfulness criterion allows courts to order the permanent deprivation of property where a nexus exists but where the infringement does not meet any knowledge or scienter requirement.

For comparison, the Copyright Act provides for statutory damages (in lieu of actual damages, if selected by the litigant) of \$750 to \$30,000 per work for non-willful infringement, but up to \$150,000 per work in the

217. *See id.* at 624–25.

218. 267 F. Supp. 2d 505 (E.D. Va. 2003).

219. *Id.* at 507–08, 513–14.

220. *Id.* at 507–08.

221. *Id.* (emphasis added).

222. *Id.* at 513.

case of willful infringement.²²³ For an infringer who “was not aware and had no reason to believe that [their] acts constituted an infringement of copyright,” on the other hand, statutory damages can be reduced as low as \$200.²²⁴ The court can remit statutory damages altogether where an infringer believed that its use was covered by the fair use doctrine.²²⁵ These provisions demonstrate legislative intent to shield non-willful infringers from excessive relief that should apply also to the determination whether to order the permanent deprivation of personal property.

While the civil forfeiture model provides strong basis for showing the need for nexus and willfulness, the Copyright Act’s civil forfeiture regime proves less helpful in resolving concerns over *disproportionate* property deprivations. Proportionality has emerged as a restraining force in the civil forfeiture context. Indeed, the Court clarified in 2019 that disproportionate civil forfeitures, both state and federal, can run afoul of the Excessive Fines Clause.²²⁶

These proportionality inquiries, however, have two features that make them inapplicable here. First, historic *in rem* forfeitures were not viewed as punitive, and therefore fell outside the mandate of the Excessive Fines Clause, but these forfeitures evolved as an aberration and a historic quirk.²²⁷ Second, more recent forfeiture cases have characterized civil forfeitures as punitive.²²⁸ This punitive character is what makes the

223. 17 U.S.C. § 504(c)(1), (2).

224. *Id.* § 504(c)(2).

225. *Id.*

226. *Timbs v. Indiana*, 586 U.S. ___, 139 S. Ct. 682, 690 (2019) (holding that the Excessive Fines Clause applies to state *in rem* civil forfeitures through the Fourteenth Amendment and reinforcing that *in rem* civil forfeitures in general “are fines for purposes of the Eighth Amendment when they are at least partially punitive”).

227. *But see Austin v. United States*, 509 U.S. 602, 611 (1993) (“Three kinds of forfeiture were established in England at the time the Eighth Amendment was ratified in the United States: deodand, forfeiture upon conviction for a felony or treason, and statutory forfeiture. Each was understood, at least in part, as imposing punishment.” (citation omitted)). Civil forfeiture historically was confined to limited categories of cases, including maritime cases such as *The Palmyra*, in which the Court ruled that conviction of offenders in personam was not a necessary predicate to the *in rem* civil forfeiture action against a pirate ship flying under the flag of Spain. *Id.*; *The Palmyra*, 25 U.S. 1, 14–15 (1827); *see also CHARLES DOYLE, CONG. RSCH. SERV.*, 97-139, CRIME AND FORFEITURE 2 (2013) (observing that statutory civil forfeiture featured prominently in admiralty cases in pre-colonial England and was used extensively in the American colonies in smuggling cases); *Bennis v. Michigan*, 516 U.S. 442, 460–61 (1996) (Stevens, J., dissenting) (stating that the Court’s earliest cases involving civil forfeiture of tools or instrumentalities used in commission of a crime “involved ships that engaged in piracy on the high seas, in the slave trade, or in the smuggling of cargoes of goods into the United States” and for which seizure was therefore defensible because under admiralty law “the entire mission of the ship was unlawful” (footnotes omitted)).

228. *See, e.g., Timbs*, 139 S. Ct. at 689 (“[T]his Court held that civil *in rem* forfeitures fall within the Clause’s protection when they are at least partially punitive.”); *United States v. Bajakajian*, 524

forfeitures subject to the Excessive Fines Clause.

As Justice Thomas noted in his concurrence in *Bennis v. Michigan*,²²⁹ the forfeiture of property “merely because it was ‘used’ in or was an ‘instrumentality’ of crime has been permitted in England and this country, both before and after the adoption of the Fifth and Fourteenth Amendments.”²³⁰ The two-century history behind civil forfeitures, however, does not easily translate to other regimes without that same history to placate originalist theorists.

Even the emphasis on proportionality in the civil forfeiture context is a relatively recent development and has roughly tracked the widespread expansion of civil forfeiture regimes during the past few decades.²³¹ Before the resurgence of civil forfeiture in the 1980s, the Court blessed forfeitures even when the seized property’s offending activity was wholly out of proportion to its non-offending uses,²³² as in the case of a pleasure yacht that was subject to civil forfeiture (pursuant to laws barring the transport of controlled substances) despite that only a single marijuana joint was found on board.²³³

The proportionality test in the forfeiture test does provide some important lessons. For example, the extent to which property served non-criminal purposes—or dual-use purposes as corollaries to the dual uses at issue in the copyright context—does factor into the analysis in evaluating whether in rem forfeitures are so excessive as to run afoul of the Excessive Fines Clause. Many jurisdictions have long incorporated the “instrumentality test”—which requires nexus as a critical threshold and also looks at willfulness or culpability—into their determinations as to

U.S. 321, 334 (1998) (“We now hold that a punitive forfeiture violates the Excessive Fines Clause if it is grossly disproportional to the gravity of a defendant’s offense.”); *Austin*, 509 U.S. at 618 (“We conclude, therefore, that forfeiture generally and statutory *in rem* forfeiture in particular historically have been understood, at least in part, as punishment.”).

229. 516 U.S. 442 (1996).

230. *Id.* at 454 (Thomas, J., concurring) (citations omitted). This concurrence nonetheless reflects Justice Thomas’s discomfort, specifically with his declaration that the use of civil forfeiture against such property had only historical precedent to recommend it. *Id.*

231. See *Timbs*, 139 S. Ct. 682; *Bajakajian*, 524 U.S. 321; *Austin*, 509 U.S. 602.

232. 22A CORPUS JURIS SECUNDUM: CRIMINAL PROCEDURE AND RIGHTS OF ACCUSED § 611 (2021) (“Even if a civil forfeiture is overwhelmingly disproportionate, it does not constitute punishment if it serves articulated, legitimate civil purposes such as removing an instrumentality of crime from general circulation or making the government whole.” (citing *Erinkitola v. United States*, 901 F. Supp. 80 (N.D.N.Y. 1995))).

233. *Calero-Toledo v. Pearson Yacht Leasing Co.*, 416 U.S. 663, 663 (1974). *But see Bennis*, 516 U.S. at 460–61 (Stevens, J., dissenting) (stating that the Court’s early cases allowing civil forfeiture of ships were based on admiralty law that called for forfeiture of the entire ship).

whether a forfeiture of property was constitutionally sound.²³⁴ And whether the property served other legitimate uses also factors into this analysis. The Fourth Circuit, for example, has expressly stated that the instrumentality test should consider “whether the purpose of acquiring, maintaining or using the property was to carry out the offense.”²³⁵ Indeed, the court declared that “[i]n measuring the strength and extent of the nexus between the property and the offense,” a “court must be able to conclude, under the totality of circumstances, *that the property was a substantial and meaningful instrumentality in the commission of the offense*, or would have been, had the offensive conduct been carried out as intended.”²³⁶

Still, in the forfeiture context, the government not only executes the forfeitures but also retains forfeited property for its own purposes. The Excessive Fines Clause also governs forfeitures but will not apply to property deprivations ordered in civil copyright infringement actions between private litigants.²³⁷

IV. ADDING A PROPORTIONALITY METRIC: DUAL-USE ITEMS AND THE “SIGNIFICANT OR PREDOMINANT USE” TEST, APPLYING DE NOVO REVIEW

The need remains for a proportionality metric to evaluate deprivation orders. In particular, permanent deprivations of personal property should follow a determination that the infringing uses constitute the significant or predominant uses, when applied to dual-use property that is also capable of legitimate, lawful uses. Here, the proportionality metric can be obtained by a return to the due process guideposts that govern excessive awards, as well as a requirement that reviewing courts conduct de novo review where lower courts have imposed the deprivation remedy to dual-use items.

234. In *Bajakajian*, 524 U.S. 321, the Supreme Court recognized the basis for this “instrumentalities” test: “Instrumentalities historically have been treated as a form of ‘guilty property’ that can be forfeited in civil *in rem* proceedings.” *Id.* at 333 (emphasis in original). The *Bajakajian* Court nonetheless held that the focused inquiry into whether the property was an “instrumentality” in a crime was not equally applicable in an in personam action. *Id.* at 333–34.

235. *United States v. Chandler*, 36 F.3d 358, 365 (4th Cir. 1994) (“[W]e now hold, in determining excessiveness of an *in rem* forfeiture under the Eighth Amendment, that a court must apply a three-part instrumentality test that considers (1) the nexus between the offense and the property and the extent of the property’s role in the offense, (2) the role and culpability of the owner, and (3) the possibility of separating offending property . . . from the remainder.” (emphasis in original)).

236. *Id.* (emphasis added).

237. *Browning-Ferris Indus., Inc. v. Kelco Disposal, Inc.*, 492 U.S. 257, 264 (1989) (stating that Excessive Fines Clause does not apply “in a civil suit when the government neither has prosecuted the action nor has any right to receive a share of the damages awarded”).

A. *Proportionality via the Three Guideposts*

Applying *BMW v. Gore*'s "three guideposts"²³⁸ to protect against arbitrary awards would help ensure that the deprivation remedy was only applied where dual-use property was used significantly or predominantly for infringing uses. With respect to the first guidepost—namely the degree of reprehensibility—the *BMW v. Gore* Court observed that "some wrongs are more blameworthy than others": "Our holdings that a recidivist may be punished more severely than a first offender recognize that repeated misconduct is more reprehensible than an individual instance of malfeasance."²³⁹ The Court thus identified this first guidepost as "[p]erhaps the most important indicium of the reasonableness" of an award.²⁴⁰ It continued that economic harms caused by affirmative acts of misconduct or done to financially vulnerable victims could warrant "a substantial penalty," but that economic injuries on their own generally are not "sufficiently reprehensible to justify a significant sanction in addition to compensatory damages."²⁴¹ The reprehensibility prong can dovetail with the need to deter particularly blameworthy conduct, such as a "pattern and practice of fraud, trickery and deceit"²⁴² and "unsavory and malicious practices."²⁴³

Viewed in the copyright context, certainly reprehensibility can factor into a court's decision whether to order the permanent deprivation of dual-use property that is not infringing on its own. The Supreme Court has suggested that courts give particular consideration to whether the infringement was a singular or repeated occurrence,²⁴⁴ and this consideration will be relevant in many copyright infringement actions. Nonetheless, deprivation orders that fail to account for reprehensibility pose a heightened risk of unconstitutionality. The government's primary interest rests in deterring future infringements, by removing the tools of infringement and thereby by reducing the opportunity of the infringer to commit future infringements.²⁴⁵ Like punitive awards, deprivation orders

238. See *supra* section II.A.1.

239. *BMW of N. Am., Inc. v. Gore (BMW v. Gore)*, 517 U.S. 559, 575, 577 (1996) (citing *Gryger v. Burke*, 334 U.S. 728, 732 (1948)).

240. *Id.* at 575.

241. *Id.* at 576.

242. *TXO Prod. Corp. v. All. Res. Corp.*, 509 U.S. 443, 453 (1993).

243. *Id.* at 469 (Kennedy, J., concurring) (quoting *TXO Prod. Corp. v. All. Res. Corp.*, 187 W. Va. 457, 467 (1992), *aff'd*, 509 U.S. 443 (1993)).

244. See *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 419 (2003).

245. Cf. *F.W. Woolworth Co. v. Contemp. Arts, Inc.*, 344 U.S. 228, 233 (1952) (suggesting that remedies in civil copyright actions can aim to prevent future infringement, namely by stating that

arguably serve the government's legitimate interest in "detering [the] repetition" of unlawful conduct, though punitive damages additionally serve the legitimate interest of punishing unlawful conduct.²⁴⁶

The government has no legitimate interest, however, in permanently depriving an infringer of dual-use items that were not significantly or predominantly used to commit the litigated infringement because such deprivations do not materially advance deterrence. The deterrence effect disappears where a wholly disproportionate relationship exists between the litigated infringement and the ordered destruction of the infringer's property.

This disconnect is especially true given the range of remedies available to deter future infringement. One critical distinction from the punitive damages scenario is that the federal copyright regime already contains an expansive remedies toolbox for the aggrieved party to achieve more-than-whole relief.²⁴⁷ As the most obvious example, the Copyright Act allows a copyright holder to recover the infringer's disgorged profits *on top of* actual damages that compensate the copyright holder for its own individual losses.²⁴⁸ Unlike with many other civil regimes, a violation of the copyright laws also can lead to criminal liability.²⁴⁹

This wide variety of remedies—which already go beyond merely compensating the plaintiff—should make property deprivation a means of last resort for egregious cases with a high ratio of harm. For example, the Act also allows for a court to "award a reasonable attorney's fee to the prevailing party as part of the costs."²⁵⁰ Indeed, the Court has expressly recognized that one of the non-exhaustive factors governing whether a court should exercise its discretion to award attorney's fees can include deterrence.²⁵¹ The consistency with which courts grant injunctions against future infringements also shows that other tools are directed at deterring

"discretion of the court is wide enough to permit a resort to statutory damages" in order "to discourage wrongful conduct").

246. *BMW v. Gore*, 517 U.S. at 568; *accord State Farm*, 538 U.S. at 416 (identifying repeated occurrence as relevant consideration); *Cooper Indus. Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 432 (2001) (citing RESTATEMENT (SECOND) OF TORTS § 903 (AM. L. INST. 1979)); *Pac. Mut. Life Ins. Co. v. Haslip*, 499 U.S. 1, 19 (1991).

247. *See* 17 U.S.C. §§ 502–505 (providing for various remedies, including injunctions, impounding and disposition of infringing articles, actual damages, statutory damages, disgorged profits, and costs and attorney's fees).

248. *Id.* § 504(b).

249. *Id.* § 506.

250. *Id.* § 505; *see also Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 207–10 (2016) (clarifying standard and setting out factors for awarding attorney's fees to prevailing party in copyright infringement actions).

251. *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 n.19 (1994).

infringement. Violation of such an injunction can trigger various enforcement mechanisms, and likely will spur a finding of willfulness on any litigation over future infringement.

Even where a risk exists of infringement on a mass scale, other remedies can often respond to extraordinary cases of infringement to better deterrent effect. In addition to injunctive relief, statutory damages can be calculated based on the number of copyright works infringed. In *UMG Recordings, Inc. v. MP3.com, Inc.*,²⁵² for example, the court found direct infringement by MP3.com of an estimated 4,700 CDs, and thus calculated statutory damages of \$25,000 per CD, or a total award of approximately \$118 million.²⁵³ The court noted that the purpose of the large award was deterrence because “the potential for huge profits in the rapidly expanding world of the Internet” was “the lure that tempted an otherwise generally responsible company like MP3.com to break the law and that will also tempt others to do so if too low a level is set for the statutory damages in this case.”²⁵⁴

Tailoring these additional remedies likely will prove more effective at deterrence than depriving an infringer of dual-use property that has no connection or only an attenuated connection to the infringement. These additional remedies will prove especially effective, compared to the deprivation remedy, where the dual-use property is easily replaceable, as with a computer or recording equipment. In such a scenario, ordering the deprivation of computers that could be easily replaced seemingly would have limited deterrent effect. For this reason, some commentators have even viewed a permanent deprivation as unnecessary in light of the other remedies afforded by the Copyright Act.²⁵⁵

Furthermore, the Court made clear both in *BMW v. Gore* and in *State Farm* that the reprehensibility analysis should consider only the conduct at issue in the litigation and not the potential or actual conduct that occurs outside the proper confines of the litigation.²⁵⁶ As the Court stated in *State Farm*,

252. No. 00CIV.472(JSR), 2000 WL 1262568 (S.D.N.Y. Sept. 6, 2000).

253. *Id.* at *6.

254. *Id.* But see Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 462 (2009) (criticizing the award as “punitive in effect” and thus contrary to policy and purposes of the Copyright Act).

255. See, e.g., MARSHALL A. LEAFFER, UNDERSTANDING COPYRIGHT LAW § 9.09[D] (5th ed. 2011) (“In addition, a time-honored variant on the § 503(b) order requiring the destruction of infringing materials is the ‘turnover’ order, under which the defendant must surrender the articles in question to the plaintiff. Such orders may raise delicate questions of fairness.”).

256. *BMW of N. Am., Inc. v. Gore (BMW v. Gore)*, 517 U.S. 559, 572–74 (1996); *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 421–22 (2003). In both cases, the Court observed that the punitive damages took into account the defendant’s conduct outside the respective state’s jurisdiction.

A defendant should be punished for the conduct that harmed the plaintiff, not for being an unsavory individual or business. Due process does not permit courts, in the calculation of punitive damages, to adjudicate the merits of other parties' hypothetical claims against a defendant under the guise of the reprehensibility analysis²⁵⁷

When ordering the deprivation of dual-use items without any findings of a connection between the property and the litigated infringement, courts go beyond redressing “conduct that harmed the plaintiff” and create the implication that the deprivation serves as punishment “for being an unsavory individual or business.”²⁵⁸

Courts should be particularly wary of treading in these waters because punitive damages themselves are not available in civil copyright infringement actions under the Copyright Act.²⁵⁹ Instead, the Copyright Act provides only for ratcheting up statutory damages awards where the court finds “that infringement was committed willfully.”²⁶⁰ Sufficiently reprehensible acts of copyright infringement might warrant a higher statutory damages award and deprivation of infringing articles to deter blameworthy conduct. But in those instances, the court applying the first guidepost should require a showing to that effect, especially where infringement causes largely economic injuries and where so many alternative remedies are available.

Application of the second and third guideposts from *BMW v. Gore*—the disparity between the actual or potential harm and the award, as well

257. *State Farm*, 538 U.S. at 423.

258. *Id.*

259. PATRY, *supra* note 7, § 22:151 (stating that “[p]unitive damages are *never* available for copyright infringement actions brought under the 1976 Copyright Act” (emphasis in original)). Patry states that some courts have been led astray on this point by the availability of enhanced statutory damages for willful infringement. *Id.*; *see, e.g.*, *On Davis v. Gap, Inc.*, 246 F.3d 152, 172 (2d Cir. 2001) (stating that the “purpose of punitive damages—to punish and prevent malicious conduct—is generally achieved under the Copyright Act” through statutory damages provisions that “allow increases to an award of statutory damages in cases of willful infringement”). Parties can sometimes obtain punitive damages based on common law copyright claims that are not pre-empted by the Copyright Act. For example, the Copyright Act did not protect sound recordings prior to 1972, so parties have obtained punitive damages for infringement of pre-1972 sound recordings pursuant to state-based common law copyright claims. *See, e.g.*, *EMI Christian Music Grp., Inc. v. MP3tunes, LLC*, 844 F.3d 79, 85, 101 (2d Cir. 2016) (upholding \$750,000 punitive damages award for common law copyright claim against online “locker service for storing digital music” that infringed copyrights in thousands of sound recordings and musical compositions, including pre-1972 sound recordings).

260. 17 U.S.C. § 504(c)(2); *see also* Pamela Samuelson, Opening Statement, *The Unconstitutional Excessiveness of Some Statutory Damage Awards in Peer-to-Peer File-Sharing Copyright Cases*, 158 U. PA. L. REV. PENNUMBRA 53, 56 (2009) (arguing that some statutory damage awards, especially those in file-sharing cases, should be struck down as unconstitutionally excessive and maintaining that *BMW v. Gore*'s guideposts are not applicable to such determinations based on statutory language providing “notice” for such awards).

as the difference between the remedy and comparable civil penalties²⁶¹—highlights the additional risk of a due process violation, particularly given the full panoply of civil remedies available. “The second and perhaps most commonly cited indicium of an unreasonable or excessive punitive damages award” examines the “ratio [of] the actual harm inflicted on the plaintiff.”²⁶² While often expressed as a single-multiplier rule, the Court left the door open to larger awards where particularly egregious acts result in only small economic damages—consider instances of unabashed trespass onto private property as in *Jacque v. Steenberg Homes*,²⁶³ for example, or the classic example of a party who “wildly fires a gun into a crowd” but damages only a ten-dollar pair of glasses.²⁶⁴

The Court in *BMW v. Gore* also did not rule out larger awards for difficult-to-detect or difficult-to-calculate harms.²⁶⁵ But the Copyright Act provides mechanisms for both scenarios, particularly in its statutory damages remedy.²⁶⁶ As early as 1935, the Supreme Court acknowledged that the Copyright Act’s statutory damages were adopted “to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits.”²⁶⁷

The third guidepost—which focuses on the differential between the subject case and comparable cases—lurks somewhat in the shadows behind the first and second (which the Court characterizes for their importance and popularity, respectively). In an early case, the Court explained that it was “not prepared to enshrine” a comparative test as the governing analytical approach because “no two cases are truly identical, [so that] meaningful comparisons of such awards are difficult to make.”²⁶⁸ Part of this inquiry, however, calls for considering the availability of other relief that has proven effective at serving the government’s interest in

261. *BMW v. Gore*, 517 U.S. at 574–75.

262. *Id.* at 580.

263. 563 N.W.2d 154 (1997).

264. *TXO Prod. Corp. v. All. Res. Corp.*, 509 U.S. 443, 459 (1993) (quoting *Garnes v. Fleming Landfill, Inc.*, 186 W.Va., 656, 661 (1991)). In his influential article, Professor Morris presents the shotgun-glasses hypothetical and declares that “[t]he admonition meted out to him should be the same as though he had killed or injured someone.” Clarence Morris, *Punitive Damages in Tort Cases*, 44 HARV. L. REV. 1173, 1181 (1931).

265. *BMW v. Gore*, 517 U.S. at 582.

266. The plaintiff must elect between actual damages and statutory damages. 17 U.S.C. § 504(c)(1); see, e.g., *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 343 (1998) (stating that the Copyright Act afforded plaintiff opportunity “to recover ‘Statutory Damages’ in lieu of actual damages”).

267. *Douglas v. Cunningham*, 294 U.S. 207, 209 (1935).

268. *TXO Prod. Corp.*, 509 U.S. at 457–58.

incentivizing deterrence.²⁶⁹

Application of the three guideposts therefore disfavors deprivation as a remedy in the civil copyright context, where ordered in the absence of critical showings that might warrant the permanent deprivation of personal property. The copyright holder already is entitled to restitutionary recovery that permits it to obtain compensation for its own injuries and obtain all additional gains achieved by the infringer. The Copyright Act includes a few other isolated examples, such as requiring an infringer without a good-faith belief in fair use “an additional award of two times the amount of the license fee that the proprietor of the establishment concerned should have paid the plaintiff for such use during the preceding period of up to 3 years.”²⁷⁰

Again, though, neither the statute nor the courts have instituted a threshold for ordering the deprivation remedy that would ensure that it does not stray into *BMW v. Gore*'s “zone of arbitrariness.”²⁷¹ The *Hounddog* litigation, discussed above,²⁷² highlights this proportionality gap, even where nexus and willfulness are shown. The court required no showing as to how the film distribution company used any of the company's existing equipment to commit infringement of the *Hounddog* film. The government's legitimate interests in deterrence are not served if that equipment was predominantly or substantially put to other uses. Furthermore, the other remedies already exceeded even the film's entire domestic box office returns.²⁷³

The motion picture was, to put it bluntly, a flop that reflected minimal risk that future infringement could cause substantial harm. Under these circumstances, the property deprivation seems to cross the due process boundary into the “zone of arbitrariness” that concerned the Court in *BMW v. Gore*.²⁷⁴

It also bears repeating that copyright law is a strict liability regime, and

269. *Cooper Indus., Inc. v. Leatherman Tool Grp. Inc.*, 532 U.S. 424, 438–39 (2001) (citing, *inter alia*, A. Mitchell Polinsky & Steven Shavell, *Punitive Damages: An Economic Analysis*, 111 HARV. L. REV. 869, 890–91 (1998) and Marc Galanter & David Luban, *Poetic Justice: Punitive Damages and Legal Pluralism*, 42 AM. U. L. REV. 1393, 1449 (1993)).

270. 17 U.S.C.A. § 504(d) (applying to proprietor who does not have good-faith belief that actions comported with so-called homestyle exception or small business exemption, set out in 17 U.S.C. § 110(5), which allow business owners and other individuals to publicly display or transmit performances within their establishments, provided that their businesses were less than a certain size or used the kinds of transmission equipment that are typical for use in homes).

271. *BMW of N. Am., Inc. v. Gore (BMW v. Gore)*, 517 U.S. 559, 568 (1996).

272. *See supra* text accompanying notes 208–214.

273. *Hounddog Prods., LLC v. Empire Film Grp., Inc.*, 826 F. Supp. 2d 619, 624–25 (2011); *Hounddog*, BOX OFFICE MOJO, <https://www.boxofficemojo.com/release/r11884849665/> [<https://perma.cc/58Z2-U9Z5>].

274. *BMW v. Gore*, 517 U.S. at 568 (citations omitted).

the deprivation remedy is available in a civil copyright action even for non-willful infringement and small-scale infringement. Where copyright law aims at willful infringement or criminality, it does so expressly through other remedies, such as enhanced statutory damages for exceptional cases of willful infringement²⁷⁵ and through separate provisions for criminal infringement. When ordered in addition to other remedies, the destruction or turn-over of dual-use property that was not a significant or predominant tool for the infringement (as found by the court) exceeds what is necessary to compensate a copyright holder or to deter infringement, and thus it seems just that: punitive.

More generally, the public interest is not served by depriving infringers of dual-use property that was not significantly or predominantly used to commit the litigated infringement. Destroying or otherwise depriving a party of property used primarily for *non-infringing uses* impedes the copyright law's underlying policy of stimulating creative expression²⁷⁶ because it dampens the *lawful* use and accessibility of creative works. Our Constitution itself provides for copyright protection as a means of promoting the progress of the arts and sciences.²⁷⁷

B. *Proportionality Reviewed: The De Novo Standard of Appellate Review*

As further protection against arbitrary or excessive awards, reviewing courts should ensure that they are applying the de novo standard of review, and not an abuse of discretion standard. Courts already have reasons to tailor deprivation orders more narrowly than an order that could potentially violate the Due Process or Takings Clauses. They are bound to conduct a four-factor test in deciding whether to order impoundment, for example, sometimes a precursor to destruction.²⁷⁸

And in less serious cases, courts have held that ordering destruction or other disposition of dual-use items is simply not warranted.²⁷⁹ These cases

275. See, e.g., Samuelson & Wheatland, *supra* note 254, at 446 (stating that the courts have found “willful[ness]” to support enhanced statutory damages in an “increasing number of awards that are not only punitive in effect, but punitive in intent” and thus “inconsistent with sound copyright policy and with Congress’s intent in adopting [the statutory damages] provision”).

276. See, e.g., *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 517–18 (1994) (“[T]he Copyright Act’s primary objective is to encourage the production of original literary, artistic, and musical expression for the public good . . . [C]opyright law ultimately serves the purpose of enriching the general public through access to creative works . . .”).

277. See U.S. CONST. art. I, § 8, cl. 8.

278. FED. R. CIV. P. 65(b), (f).

279. *Religious Tech. Ctr. v. Netcom On-Line Comm. Servs.*, 923 F. Supp. 1231, 1259 (N.D. Cal. 1995) (denying request for seizure because the “equipment is hardly an instrument of infringement” but “is essential to the operation of his business and other affairs”).

show that just as the drafters of the 1909 and 1976 Copyright Acts predicted, some judges are circumspect and have considered whether the dual-use property was substantially or predominantly used for the litigated infringement.²⁸⁰ For example, courts have denied requests for seizure, destruction, or other disposition of dual-use items because they are capable of or primarily used for non-infringing purposes.²⁸¹ Other courts have made clear that they closely consider the non-infringing uses, including whether destruction would “deprive the defendant of legitimate use of the items in question,”²⁸² even where they ultimately decide to order destruction or other disposition on the facts of the case.

Not all courts toe this line, though, as shown in cases like *Mahan v. Roc Nation, LLC*.²⁸³ In *Mahan*, the Second Circuit not only held that the Copyright Act required no showings that the property had been used to infringing ends at all, much less that the infringing uses were the significant or predominant uses relative to the litigated infringement.²⁸⁴

Yet the Second Circuit made another error in applying an “abuse of discretion” standard. It cited the landmark case of *Rogers v. Koons*²⁸⁵—in which artist Jeff Koons was required to turn over his infringing sculptural works that were based on the copyrighted image presented on a tourist postcard²⁸⁶—to argue that it was only required to review deprivation orders pursuant to Section 503(b) using an abuse of discretion standard.²⁸⁷ In *Rogers*, though, the district court had ordered the deprivation of infringing copies themselves, not dual-use property that was subject to deprivation based on the use to which an infringer might put it.

These two categories of property subject to deprivation orders are fundamentally different.²⁸⁸ The “abuse of discretion” standard might well

280. See, e.g., *Love v. Kwitny*, 772 F. Supp. 1367, 1374–75 (S.D.N.Y. 1991), *aff'd*, 963 F.2d 1521 (2d Cir. 1992) (denying plaintiff’s request for “‘reasonable disposition’ of existing copies and ‘articles by means of which such copies . . . may be reproduced,’ pursuant to 17 U.S.C. § 503(b)” because protected work “does not appear now to be a hot item”).

281. See, e.g., *Religious Tech. Ctr.*, 923 F. Supp. at 1259 (denying plaintiff’s request for defendant’s computer and other equipment because it was “hardly an instrument of infringement” but rather “is essential to the operation of his business and other affairs”); *RCA Records v. All-Fast Sys., Inc.*, 594 F. Supp. 335, 340 (S.D.N.Y. 1984) (denying copyright holder’s request for seizure of equipment because it “would thus prevent the legitimate and socially beneficent uses of the Rezound machine”).

282. *Hounddog Prods., LLC v. Empire Film Grp., Inc.*, 826 F. Supp. 2d 619, 633–34 (S.D.N.Y. 2011) (citations omitted).

283. 720 F. App’x 55, 57 (2d Cir. 2018).

284. *Id.*; see *supra* text accompanying notes 17–22.

285. 960 F.2d 301 (2d Cir. 1992).

286. *Id.* at 313.

287. *Mahan*, 720 F. App’x at 57.

288. See *supra* text accompanying notes 9–16.

be appropriate when applied to deprivation orders applied to *infringing articles themselves*. Certainly the core finding of nexus exists by its very nature.

The more demanding de novo standard, however, should apply to deprivation orders applied to dual-use property, following the rule of *Cooper*.²⁸⁹ There, the Court recognized that de novo review helps to protect against orders that veer dangerously into the territory of excessiveness. It noted that although district courts “have a somewhat superior vantage over courts of appeals” in assessing reprehensibility, the appellate courts are equally capable or more suited to analyzing the harm-penalty correlation and whether the penalty accords with those in comparable cases.²⁹⁰

The fact that some courts have exercised appropriate discretion in deciding whether to order property deprivations does not excuse other, constitutionally problematic deprivations. Instead, deprivation orders applied to dual-use property call for a searching review greater than that provided by the “abuse of discretion” standard that the Second Circuit applied in *Mahan*.²⁹¹ Regardless of how the court *might* have found if applying de novo review, the absence of the inquiry makes the violation.

CONCLUSION

The current deprivation remedy can result in the permanent deprivation of personal property in violation of the Due Process Clause and Takings Clause. The tipping point occurs where the statutory language allows the mere capacity of these items for infringing uses to override any requirements of actual nexus, willfulness, or proportionality.

A comparison to the Copyright Act’s civil forfeiture provisions illustrates why such deprivations should not occur absent findings of actual nexus to the infringement and willfulness. Yet actual nexus and willfulness, standing alone, are not enough to steer clear of a constitutional violation. The Due Process Clause additionally demands that the infringing uses must constitute the significant or predominant uses and that reviewing courts subject deprivation orders of non-infringing property to de novo review.

A court order that deprives an infringing party of property that could be used for future infringement reflects understandable logic and allure: it prevents the recurrence of infringement in what can sometimes emerge as a whack-a-mole approach to copyright enforcement, especially when

289. *Cooper Indus. Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 435–40 (2001).

290. *Id.* at 440.

291. *Mahan*, 720 F. App’x at 57; *see supra* text accompanying notes 17–23.

pursuing unscrupulous infringers who demonstrate a propensity to commit repeat or large-scale copyright violations. But the impulse to remove the tools of infringement, however understandable, cannot justify permanent deprivation of dual-use items that only *may* be used to reproduce an infringing copy, regardless of whether they have been so used and regardless of whether the circumstances of the case are serious enough to warrant it.

